

**CHARLOTTE COUNTY**  
VIRGINIA

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**FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2013**

**COUNTY OF CHARLOTTE, VIRGINIA**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2013**

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# COUNTY OF CHARLOTTE, VIRGINIA

Financial Report  
Year Ended June 30, 2013

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## **COUNTY OF CHARLOTTE, VIRGINIA**

### **Board of Supervisors**

	Nancy R. Carwile, Chairman	
	Haywood J. Hamlet, Vice-Chairman	
Joseph E. Carey, Sr.		Garland H. Hamlett, Jr.
David M. Guill	Gary D. Walker	Robert L. Shook, Jr.

### **School Board**

	Thomas E. Locke, Jr., Chairman	
	William B. Devin, Vice-Chairman	
Brette Arbogast		Kenneth Howard
Henry W. Carwile, Jr.	Kimberly O. Pillow	Robbie Mason

### **Board of Public Welfare**

	Barbara B. Duffer, Chairman	
	Novella Saunders, Vice-Chairman	
Jean Elliott		Alex A. Haskins
Larry Fannon		Gloria Talbott
SamiDail Gilley		Gary D. Walker

### **Library Board**

	Eleanor B. Williams, Chairman	
	Velda Agee, Secretary	
Ruth Brogdon		Barbara B. Hamlett
Jean Elliot	Teresa Osborne	Winnie Morris

### **Other Officials**

Judge of the Circuit Court	Joel Cunningham
Clerk of the Circuit Court	Stuart B. Fallen
Judge of the General District Court	Robert G. Woodson, Jr.
Judge of the Juvenile & Domestic Relations Court	S. Anderson Nelson
Commonwealth's Attorney	William E. Green, Jr.
Commissioner of the Revenue	Naisha N. Pridgen
Treasurer	Patricia P. Berkeley
Sheriff	Thomas D. Jones
Superintendent of Schools	Melody Hackney
Director of Social Services	Sari C. Goff
Librarian	James C. Watkins
County Administrator	Russell B. Clark

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Charlotte, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Charlotte, Virginia's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of June 30, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

As described in Note 1 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, budgetary comparison information, and schedules of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Charlotte, Virginia's basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules and other statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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.

The combining and individual fund financial statements and schedules, supporting schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and



*Other Information (Continued)*

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The other statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2013 on our consideration of the County of Charlotte, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Charlotte, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 29, 2013

### **To the Citizens of Charlotte County County of Charlotte, Virginia**

As management of the County of Charlotte, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013.

### **Financial Highlights**

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

The assets of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,266,922 (net position).

#### **Fund Financial Statements**

The Governmental Funds, on a current financial resource basis, reported expenditures in excess of revenues and other financing sources of \$1,170,371 (Exhibit 5) after making contributions totaling \$3,664,552 to the School Board.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$8,162,503, a decrease of \$1,170,371 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,915,903, or 45% of total general fund expenditures.
- Our combined long-term obligations decreased \$463,918 during the current fiscal year.

### **Overview of the Financial Statements**

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

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

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

## **Overview of the Financial Statements (Continued)**

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

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

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

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

The Government-wide financial statements include not only the County of Charlotte, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Charlotte, Virginia is financially accountable. Financial information for this component unit is reported separately from the financial information present for the primary government itself.

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

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

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

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

## Overview of the Financial Statements (Continued)

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and schedule of pension and OPEB funding progress. The School Board does not issue separate financial statements. Other supplementary information consists of combining statements and schedules for nonmajor funds, fiduciary funds, the discretely presented component unit School Board, budgetary schedules, and statistical information.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$10,284,974 at the close of the most recent fiscal year.

<u>County of Charlotte, Virginia's Net Position</u>			
		<u>Governmental Activities</u>	
		<u>2013</u>	<u>2012</u>
Current and other assets	\$	9,215,434	\$ 10,823,471
Capital assets		<u>5,758,745</u>	<u>6,265,496</u>
Total assets	\$	<u>14,974,179</u>	<u>\$ 17,088,967</u>
Long-term liabilities outstanding	\$	4,093,055	\$ 4,556,973
Current liabilities		<u>573,401</u>	<u>1,051,962</u>
Total liabilities	\$	<u>4,666,456</u>	<u>\$ 5,608,935</u>
Deferred inflows of resources			
Unavailable revenue-property taxes	\$	<u>40,801</u>	<u>\$ -</u>
Net position:			
Net investment in capital assets	\$	3,620,916	\$ 4,208,310
Restricted for Library		246,545	245,101
Unrestricted		<u>6,399,461</u>	<u>7,026,621</u>
Total net position	\$	<u>10,266,922</u>	<u>\$ 11,480,032</u>

At the end of the current fiscal year, the County's net investment in capital assets is \$3,620,916. The County's net position restricted for Library use is \$246,545. The remaining \$6,399,461 of net position is unrestricted and available for use at the County's discretion.

## Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities decreased the County's net position by \$1,213,110.

<u>County of Charlotte, Virginia's Change in Net Position</u>		
	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues:		
Charges for services	\$ 666,104	\$ 623,029
Operating grants and contributions	6,451,959	7,121,806
General revenues:		
Property taxes	6,637,649	6,443,161
Other local taxes	1,099,382	1,053,969
Grants and other contributions unrestricted	1,011,234	842,788
Other	914,949	944,338
Total revenues	<u>\$ 16,781,277</u>	<u>\$ 17,029,091</u>
Expenses:		
General government administration	\$ 1,443,296	\$ 1,467,594
Judicial administration	605,104	560,488
Public safety	3,712,218	3,617,834
Public works	1,183,134	1,213,874
Health and welfare	5,455,050	5,184,311
Education	4,906,144	4,195,289
Parks, recreation and culture	300,895	309,725
Community development	259,403	922,497
Interest	111,091	92,060
Total expenses	<u>\$ 17,976,335</u>	<u>\$ 17,563,672</u>
Increases (decrease) in net position	\$ (1,195,058)	\$ (534,581)
Net position-beginning	<u>11,480,032</u>	<u>12,014,613</u>
Net position-ending	<u>\$ 10,284,974</u>	<u>\$ 11,480,032</u>

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

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

## **Government-wide Financial Analysis (Continued)**

**Governmental Funds** - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$8,162,503, a decrease of \$1,170,371 in comparison with the prior year. Approximately 97% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$1,769,988 and can be briefly summarized as follows:

- \$46,356 in increases for Public Works
- \$287,240 in increases for Health and Welfare
- \$200,861 in increases to other functions
- \$93,673 in increases for General Government Administration
- \$30,633 in increases for Judicial Administration
- \$407,089 in increases for Public Safety
- \$704,136 in increases in Capital Projects

The budget increases were to be funded from state and federal revenue increases. During the year, revenues were more than budgetary estimates by \$7,753. Expenditures were less than budgetary estimates by \$743,019.

### **Capital Asset and Debt Administration**

**Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2013 amounts to \$5,758,745 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

<b>County of Charlotte, Virginia's Capital Assets</b>			
		<b>Governmental Activities</b>	
		<b>2013</b>	<b>2012</b>
Land	\$	250,555	\$ 240,555
Construction in progress		-	384,362
Buildings and improvements		7,077,802	7,037,469
Equipment		2,073,889	1,769,382
Tenancy in common		648,708	841,990
Total	\$	10,050,954	\$ 10,273,758
Less accumulated depreciation		(4,292,209)	(4,008,262)
Net capital assets	\$	<u>5,758,745</u>	<u>\$ 6,265,496</u>

Additional information on the County's capital assets can be found in Note 4 of this report.

## **Capital Asset and Debt Administration (Continued)**

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$1,998,708 comprised of debt backed by the full faith and credit of the County. The following table depicts all debt reported by the County:

<b>County of Charlotte, Virginia's Outstanding Obligations</b>		
	<b>Governmental Activities</b>	
	<b>2013</b>	<b>2012</b>
General obligation bonds	\$ 1,998,708	\$ 2,341,990
Capital leases	-	2,132
Lease revenue notes	139,121	261,266
Compensated absences	177,694	167,922
Other post-employment benefits	77,800	61,700
Landfill closure liability	1,699,732	1,721,963
Total	\$ <u>4,093,055</u>	\$ <u>4,556,973</u>

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

The County's total debt decreased by \$463,918 during the current fiscal year.

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

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

The unemployment rate for the County is currently 8.5 percent, which is down from 8.8 percent as reported in the previous year. This compares unfavorably to the state's average unemployment rate of 5.6 percent and the national average rate of 7.3 percent.

Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the County's budget for the 2014 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Charlotte, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 250 Le Grande Avenue, Charlotte Court House, Virginia 23923.

## **BASIC FINANCIAL STATEMENTS**

*- Government-wide Financial Statements -*



Statement of Net Position  
June 30, 2013

	Primary Government	Component Unit
	Governmental Activities	School Board
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,259,558	\$ 957,385
Investments	-	160,572
Receivables (net of allowance for uncollectibles):		
Taxes receivable	622,182	-
Accounts receivable	142,552	3,281
Inventory	-	13,943
Due from component unit	959,300	-
Due from other governmental units	985,297	546,921
Prepaid items	-	727,514
Restricted assets:		
Temporarily restricted:		
Investments	146,545	-
Permanently restricted:		
Investments	100,000	-
Capital assets (net of accumulated depreciation):		
Land	250,555	65,745
Buildings and improvements	4,833,800	7,859,799
Machinery and equipment	674,390	662,444
Total assets	\$ 14,974,179	\$ 10,997,604
<b>LIABILITIES</b>		
Accounts payable	\$ 556,046	\$ 312,257
Accrued liabilities	-	899,084
Accrued interest payable	17,355	-
Due to primary government	-	959,300
Long-term liabilities:		
Due within one year	499,882	37,541
Due in more than one year	3,593,173	1,240,029
Total liabilities	\$ 4,666,456	\$ 3,448,211
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-property taxes	\$ 40,801	\$ -
<b>NET POSITION</b>		
Net investment in capital assets	\$ 3,620,916	\$ 7,520,218
Restricted for:		
Library	246,545	-
Unrestricted	6,399,461	29,175
Total net position	\$ 10,266,922	\$ 7,549,393

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

Statement of Activities  
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
					Governmental Activities	Unit School Board
<b>Primary Government:</b>						
Governmental activities:						
General government						
administration	\$ 1,443,296	\$ 36,307	\$ 216,570	\$ -	\$ (1,190,419)	\$ -
Judicial administration	605,104	48,856	329,508	-	(226,740)	-
Public safety	3,712,218	504,024	1,509,683	-	(1,698,511)	-
Public works	1,183,134	73,125	25,596	-	(1,084,413)	-
Health and welfare	5,455,050	-	4,153,913	-	(1,301,137)	-
Education	4,906,144	-	-	-	(4,906,144)	-
Parks, recreation, and cultural	300,895	3,792	52,257	-	(244,846)	-
Community development	259,403	-	164,432	-	(94,971)	-
Interest on long-term debt	111,091	-	-	-	(111,091)	-
Total governmental activities	<u>\$ 17,976,335</u>	<u>\$ 666,104</u>	<u>\$ 6,451,959</u>	<u>\$ -</u>	<u>\$ (10,858,272)</u>	<u>\$ -</u>
Total primary government	<u>\$ 17,976,335</u>	<u>\$ 666,104</u>	<u>\$ 6,451,959</u>	<u>\$ -</u>	<u>\$ (10,858,272)</u>	<u>\$ -</u>
<b>Component Unit:</b>						
School Board	<u>\$ 20,597,379</u>	<u>\$ 340,327</u>	<u>\$ 16,613,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,643,584)</u>
Total component unit	<u>\$ 20,597,379</u>	<u>\$ 340,327</u>	<u>\$ 16,613,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,643,584)</u>
General revenues:						
General property taxes				\$	6,619,597	\$ -
Other local taxes:						
Local sales and use taxes					511,989	-
Consumer utility taxes					222,033	-
Motor vehicle licenses					288,116	-
Other local taxes					77,243	-
Unrestricted revenues from use of money and property					250,885	780
Miscellaneous					664,065	394,652
Grants and contributions not restricted to specific programs					1,011,234	-
Payments from Charlotte County					-	3,829,407
Total general revenues				\$	<u>9,645,162</u>	<u>\$ 4,224,839</u>
Change in net position				\$	(1,213,110)	\$ 581,255
Net position - beginning					<u>11,480,032</u>	<u>6,968,138</u>
Net position - ending				\$	<u>10,266,922</u>	<u>\$ 7,549,393</u>

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

## **BASIC FINANCIAL STATEMENTS**

*- Fund Financial Statements -*

Balance Sheet  
Governmental Funds  
June 30, 2013

	General	Other Governmental Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,259,503	\$ 55	\$ 6,259,558
Receivables (net of allowance for uncollectibles):			
Taxes receivable	622,182	-	622,182
Accounts receivable	142,552	-	142,552
Due from component unit	959,300	-	959,300
Due from other funds	-	1,751	1,751
Due from other governmental units	985,297	-	985,297
Restricted assets:			
Temporarily restricted:			
Investments	-	146,545	146,545
Permanently restricted:			
Investments	-	100,000	100,000
Total assets	<u>\$ 8,968,834</u>	<u>\$ 248,351</u>	<u>\$ 9,217,185</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 554,295	\$ 1,751	\$ 556,046
Due to other funds	1,751	-	1,751
Total liabilities	<u>\$ 556,046</u>	<u>\$ 1,751</u>	<u>\$ 557,797</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	<u>\$ 496,885</u>	<u>\$ -</u>	<u>\$ 496,885</u>
<b>FUND BALANCE</b>			
Nonspendable:			
Permanent fund corpus	\$ -	\$ 100,000	\$ 100,000
Restricted for:			
Library operations	-	146,545	146,545
Assigned to:			
Library operations	-	55	55
Unassigned, reported in:			
General fund	7,915,903	-	7,915,903
Total fund balances	<u>\$ 7,915,903</u>	<u>\$ 246,600</u>	<u>\$ 8,162,503</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,968,834</u>	<u>\$ 248,351</u>	<u>\$ 9,217,185</u>

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

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 June 30, 2013

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	8,162,503	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			5,758,745
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			456,084
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Accrued interest payable	\$	(17,355)	
Long-term liabilities outstanding		<u>(4,093,055)</u>	<u>(4,110,410)</u>
Net position of governmental activities	\$		<u><u>10,266,922</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2013

	General	Other Govern- mental Funds	Total
<b>REVENUES</b>			
General property taxes	\$ 6,627,619	\$ -	\$ 6,627,619
Other local taxes	1,099,381	-	1,099,381
Permits, privilege fees, and regulatory licenses	45,241	-	45,241
Fines and forfeitures	179,309	-	179,309
Revenue from the use of money and property	212,867	38,018	250,885
Charges for services	437,762	3,792	441,554
Miscellaneous	667,387	296	667,683
Intergovernmental revenues:			
Commonwealth	4,483,180	44,257	4,527,437
Federal	2,935,756	-	2,935,756
Total revenues	\$ 16,688,502	\$ 86,363	\$ 16,774,865
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 1,319,692	\$ -	\$ 1,319,692
Judicial administration	575,456	-	575,456
Public safety	3,831,711	-	3,831,711
Public works	1,174,795	-	1,174,795
Health and welfare	5,417,806	-	5,417,806
Education	3,668,214	-	3,668,214
Parks, recreation, and cultural	69,560	270,379	339,939
Community development	259,147	-	259,147
Nondepartmental	82,998	-	82,998
Capital projects	688,713	-	688,713
Debt service:			
Principal retirement	467,559	-	467,559
Interest and other fiscal charges	119,206	-	119,206
Total expenditures	\$ 17,674,857	\$ 270,379	\$ 17,945,236
Excess (deficiency) of revenues over (under) expenditures	\$ (986,355)	\$ (184,016)	\$ (1,170,371)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 185,460	\$ 185,460
Transfers (out)	(185,460)	-	(185,460)
Total other financing sources (uses)	\$ (185,460)	\$ 185,460	\$ -
Net change in fund balances	\$ (1,171,815)	\$ 1,444	\$ (1,170,371)
Fund balances - beginning	9,087,718	245,156	9,332,874
Fund balances - ending	\$ 7,915,903	\$ 246,600	\$ 8,162,503

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, 2013

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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	\$	(1,170,371)
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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 depreciation expense exceeded capital outlays in the current period.

Capital outlay	\$	13,460	
Depreciation expense		(355,355)	
Joint assets		<u>(164,855)</u>	(506,750)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(8,022)
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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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Change in landfill closure and post-closure liability	\$	22,231	
Principal payments		<u>467,559</u>	489,790

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

(Increase) in interest payable	\$	8,115	
(Increase) in other post-employment benefits		(16,100)	
(Increase) in compensated absences		<u>(9,772)</u>	<u>(17,757)</u>

Change in net position of governmental activities	\$	<u><u>(1,213,110)</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

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	<b>Agency Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,469,281
Due from other governments	24,328
	<hr/>
Total assets	\$ 1,493,609
	<hr/> <hr/>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 27,604
Accounts and salaries payable	164,484
Unearned revenue	193,310
Amounts held for others	1,108,211
	<hr/>
Total liabilities	\$ 1,493,609
	<hr/> <hr/>

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



## COUNTY OF CHARLOTTE, VIRGINIA

### Notes to Financial Statements As of June 30, 2013

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

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

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

#### Financial Statement Presentation

##### Government-wide and Fund Financial Statements

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

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

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

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

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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

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

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

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the 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 Charlotte, Virginia (the primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

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

*Blended Component Unit:* The County has no blended component units to be included for the fiscal year ended June 30, 2013.

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

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

#### **C. Other Related Organizations**

Included in the County's Financial Report

None

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **C. Other Related Organizations (Continued)**

##### Excluded from the County's Financial Report

##### Crossroads Community Services Board

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

##### Charlotte County Industrial Development Authority

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

##### Virginia's Heartland Regional Industrial Facility Authority

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

##### Southside Regional Public Service Authority

The County, in conjunction with the Counties of Mecklenburg and Halifax are members of the Southside Regional Public Service Authority. The Authority operates as a regional solid waste landfill facility. The County paid the Authority tipping fees of \$186,864 for solid waste transferred to the Authority and incurred by the Authority in fiscal year 2013.

#### **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 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 CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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

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

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

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

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

#### **1. Governmental Funds**

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

##### **a. General Fund**

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial resources except those required to be accounted for and reported 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 are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

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

##### **1. Governmental Funds (Continued)**

###### **b. Special Revenue Funds**

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only special revenue fund is the Library Fund, which is considered a nonmajor fund.

###### **c. Permanent Fund**

The Permanent Fund accounts for and reports resources that are restricted such that only earnings may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizens). The Permanent Fund accounts for operations of the Library Trust Fund, which is considered a nonmajor fund.

##### **2. Fiduciary Funds (Trust and Agency Funds)**

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

##### **3. Component Unit**

The Charlotte County School Board has the following funds:

###### **Governmental Fund:**

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

**School Cafeteria Fund** - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **E. Budgets and Budgetary Accounting**

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and Library Fund of the primary government and the School Fund and School Cafeteria Fund of the School Board.
6. All budgets, except School Fund and Cafeteria Fund, are adopted on a basis consistent with generally accepted accounting principles (GAAP). The School and Cafeteria Fund are adopted using the cash basis of accounting.
7. Appropriations lapse on June 30 for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

#### **F. Cash and Investments**

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

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

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

At June 30, 2013 the County had restricted cash in the following amounts:

- \$100,000 held in perpetuity, earnings from which are used to fund library operations
- \$146,545 of earnings on library investments restricted for library operations

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **G. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of 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 \$124,698 at June 30, 2013 and is comprised solely of property taxes.

Property is assessed at its value on July 1. Property taxes attach as an enforceable lien on property as of July 1. Taxes are payable June 5<sup>th</sup> and December 5<sup>th</sup>. The County bills and collects its own property taxes.

#### **H. Prep aid Items**

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### **I. Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the School Cafeteria Fund consists of school food.

#### **J. 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 and Component Unit School Board as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life 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:

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **J. Capital Assets (Continued)**

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

#### **K. Compensat ed Absences**

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

#### **L. Long-ter m Obligations**

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

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

#### **M. Fund Equity**

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;



## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **M. Fund Equity (Continued)**

- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

#### **N. Retirement Plan**

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

#### **O. 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.

#### **P. Investments**

Investments are reported at fair market value. Certificates of deposits, money market mutual funds and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **Q. Net Position**

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

#### **R. Net Position Flow Assumption**

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

#### **S. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County does not have any deferred outflows of resources as of June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualified for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The County has deferred inflows of resources at June 30, 2013 of \$496,885, which is solely unavailable revenue from property taxes.

#### **T. Adoption of Accounting Principles**

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement, certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position". The net equity reported in the financial statements was not changed as a result of implementing this Statement and no restatement of prior balances is required.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **T. Adoption of Accounting Principles (Continued)**

Items Previously Reported as Assets and Liabilities, Statement No. 65 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The net equity reported in the financial statements was not changed as a result of implementing this Statement and no restatement of prior balances is required.

#### **U. Upcoming Pronouncements**

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County has not determined the impact of the pronouncement on its financial statements.

### **Note 2 - Deposits and Investments:**

#### **Deposits**

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

#### **Investments**

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

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

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

### **Note 2 - Deposits and Investments: (Continued)**

#### **Credit Risk of Debt Securities**

The County's rated debt investments as of June 30, 2013 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

<b>County's Rated Debt Investments' Values</b>			
<b><u>Rated Debt Investments</u></b>	<b><u>Fair Quality Ratings</u></b>		
	<b><u>AAA</u></b>	<b><u>Unrated</u></b>	
Local Government Investment Pool	\$ 446,386	\$ -	
U.S. Government Money Market	-	246,545	
Total	<u>\$ 446,386</u>	<u>\$ 246,545</u>	

#### **External Investment Pools**

The fair value of the positions in the external investment pool (Local Government Investment Pool) 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 3 - Due From Other Governmental Units:**

At June 30, 2013 the County has receivables from other governments as follows:

	<b><u>Primary Government</u></b>	<b><u>Component Unit</u></b>
Commonwealth of Virginia:		
Local and state sales tax	\$ 100,471	\$ 331,958
Communication tax	20,785	-
Prisoner days	55,560	-
Rolling stock	85,360	-
Public assistance	44,459	-
Comprehensive services	182,531	-
Mobile home titling tax	10,702	-
Commonwealth's Attorney	12,396	-
Sheriff	96,325	-
Clerk of the Circuit Court	14,734	-
Commissioner of Revenue	6,706	-
Treasurer	6,272	-
Tobacco indemnification	21,350	-
Other state funds	21,718	-
Federal Government:		
School funds	-	214,963
Public assistance	108,708	-
Other federal funds	6,401	-
Workforce Investment Board	190,819	-
Total	<u>\$ 985,297</u>	<u>\$ 546,921</u>

# COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

## **Note 4 - Capital Assets:**

The following is a summary of capital assets activity for the year ended June 30, 2013:

### **Primary Government:**

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2013</b>
Capital assets not being depreciated:				
Land	\$ 240,555	\$ 10,000	\$ -	\$ 250,555
Construction in progress	384,362	714,433	1,098,795	-
Total capital assets not being depreciated	<u>\$ 624,917</u>	<u>\$ 724,433</u>	<u>\$ 1,098,795</u>	<u>\$ 250,555</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 7,037,469	\$ 40,333	\$ -	\$ 7,077,802
Equipment	1,769,382	347,488	42,981	2,073,889
Jointly owned assets	841,990	-	193,282	648,708
Total capital assets being depreciated	<u>\$ 9,648,841</u>	<u>\$ 387,821</u>	<u>\$ 236,263</u>	<u>\$ 9,800,399</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 2,387,222	\$ 176,068	\$ -	\$ 2,563,290
Equipment	1,263,193	179,287	42,981	1,399,499
Jointly owned assets	357,847	49,968	78,395	329,420
Total accumulated depreciation	<u>\$ 4,008,262</u>	<u>\$ 405,323</u>	<u>\$ 121,376</u>	<u>\$ 4,292,209</u>
Total capital assets being depreciated, net	<u>\$ 5,640,579</u>	<u>\$ (17,502)</u>	<u>\$ 114,887</u>	<u>\$ 5,508,190</u>
Governmental activities capital assets, net	<u>\$ 6,265,496</u>	<u>\$ 706,931</u>	<u>\$ 1,213,682</u>	<u>\$ 5,758,745</u>

### **Discretely Presented Component Unit-School Board:**

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2013</b>
Capital assets not being depreciated:				
Land	\$ 65,745	\$ -	\$ -	\$ 65,745
Total capital assets not being depreciated	<u>\$ 65,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,745</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 10,118,708	\$ 1,065,075	\$ -	\$ 11,183,783
Equipment	3,901,858	137,620	-	4,039,478
Jointly owned assets	3,369,081	193,282	-	3,562,363
Total capital assets being depreciated	<u>\$ 17,389,647</u>	<u>\$ 1,395,977</u>	<u>\$ -</u>	<u>\$ 18,785,624</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 5,174,597	\$ 356,742	\$ -	\$ 5,531,339
Equipment	3,020,501	356,533	-	3,377,034
Jointly owned assets	1,326,581	78,395	49,968	1,355,008
Total accumulated depreciation	<u>\$ 9,521,679</u>	<u>\$ 791,670</u>	<u>\$ 49,968</u>	<u>\$ 10,263,381</u>
Total capital assets being depreciated, net	<u>\$ 7,867,968</u>	<u>\$ 604,307</u>	<u>\$ (49,968)</u>	<u>\$ 8,522,243</u>
Governmental activities capital assets, net	<u>\$ 7,933,713</u>	<u>\$ 604,307</u>	<u>\$ (49,968)</u>	<u>\$ 8,587,988</u>

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 4 - Capital Assets: (Continued)**

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

Governmental activities:	
General government administration	\$ 39,304
Judicial administration	29,080
Public safety	140,580
Public works	109,806
Health and welfare	22,126
Education	49,968
Parks, recreation and cultural	<u>14,459</u>
Total	<u>\$ 405,323</u>
Component Unit-School Board	<u>\$ 791,670</u>

### **Note 5 - Compensated Absences:**

In accordance with GASB statement 16 - *Accounting for Compensated Absences*, the County has accrued the liability arising from outstanding claims and judgments and compensated absences.

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

Primary Government    \$ 177,694

### **Note 6 - Long-Term Obligations:**

The following is summary of long-term obligation transactions of the County for the year ended June 30, 2013:

	Amounts Payable at July 1, 2012	Additions	Deletions	Amounts Payable at June 30, 2013	Due Within One Year
Primary Government:					
Capital leases	\$ 2,132	\$ -	\$ 2,132	\$ -	\$ -
General obligation bonds	2,341,990	-	343,282	1,998,708	355,388
Refunding lease revenue notes	261,266	-	122,145	139,121	127,702
Compensated absences	167,922	9,772	-	177,694	16,792
Other post-employment benefits	61,700	18,200	2,100	77,800	-
Landfill postclosure and corrective action liability	<u>1,721,963</u>	<u>28,412</u>	<u>50,643</u>	<u>1,699,732</u>	<u>-</u>
Total Primary Government	<u>\$ 4,556,973</u>	<u>\$ 56,384</u>	<u>\$ 520,302</u>	<u>\$ 4,093,055</u>	<u>\$ 499,882</u>

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 6 - Long-Term Obligations: (Continued)**

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

Year Ending June 30,	Primary Government			
	General Obligation Bond		Lease Revenue Notes	
	Principal	Interest	Principal	Interest
2014	\$ 355,388	\$ 46,718	\$ 127,702	\$ 3,227
2015	368,320	28,612	11,419	37
2016	75,000	9,680	-	-
2017	80,000	-	-	-
2018	80,000	-	-	-
2019-2023	400,000	-	-	-
2024-2028	400,000	-	-	-
2029-2031	240,000	-	-	-
Total	<u>\$ 1,998,708</u>	<u>\$ 85,010</u>	<u>\$ 139,121</u>	<u>\$ 3,264</u>

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

Refunding Lease Revenue Notes:

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

\$ 139,121

General Obligations Bonds:

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

\$ 573,708

\$1,500,000 Virginia Public School Authority Bonds 2011, issued December 15, 2011, maturing annually through June 1, 2031, interest-free.

1,425,000

Total General Obligation Bonds

1,998,708

Accrued Compensated Absences

\$ 177,694

Other post-employment benefits

\$ 77,800

Landfill postclosure and corrective action liability

\$ 1,699,732

Total Primary Government

\$ 4,093,055

**COUNTY OF CHARLOTTE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 6 - Long-Term Obligations: (Continued)****Component Unit-School Board:**

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

	<b>Amounts Payable at July 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>Amounts Payable at June 30, 2013</b>	<b>Amounts Due Within One Year</b>
Capital Lease	\$ 1,123,286	\$ -	\$ 55,516	\$ 1,067,770	\$ 37,541
Other post-employment benefits	291,000	131,000	212,200	209,800	-
	<u>\$ 1,414,286</u>	<u>\$ 131,000</u>	<u>\$ 267,716</u>	<u>\$ 1,277,570</u>	<u>\$ 37,541</u>

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

	<b>Capital Lease</b>	
	<b>Principal</b>	<b>Interest</b>
2014	\$ 37,541	\$ 34,773
2015	75,590	35,474
2016	78,310	32,762
2017	81,128	29,953
2018	84,047	27,042
2019-2023	467,830	87,756
2024-2026	243,324	11,094
Total	<u>\$ 1,067,770</u>	<u>\$ 258,854</u>

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

**Capital Lease:**

\$2,296,949 issued July 22, 2011 for the lease/purchase of energy efficient equipment due in monthly installments of principal and interest through November 30, 2026, open to prepayment, interest at 3.54%

\$ 1,067,770

Other post-employment benefits

\$ 209,800

Total Component Unit - School Board

\$ 1,277,570



## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 7 - Commitments and Contingencies:**

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.

### **Note 8 - Litigation:**

At June 30, 2013, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

### **Note 9 - Interfund Obligations:**

<u>Fund</u>	<u>Due from Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 959,300	\$ -
School	-	959,300
Total	<u>\$ 959,300</u>	<u>\$ 959,300</u>

  

<u>Fund</u>	<u>Due from Primary Government</u>	<u>Due to Special Revenue Fund - Library</u>
Library	\$ 1,751	\$ -
General	-	1,751
Total	<u>\$ 1,751</u>	<u>\$ 1,751</u>

### **Note 10 - Defined Benefit Pension Plan:**

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

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

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 10 - Defined Benefit Pension Plan: (Continued)**

#### **A. Plan Description (Continued)**

VRS administers two defined benefit plans for local government employees - Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. 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 the most recent report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 10 - Defined Benefit Pension Plan: (Continued)**

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

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2013 were 13.20% and 11.11% of annual covered payroll, respectively.

The School Board's contributions (including the employee portion assumed by the School Board) for professional employees were \$1,204,015, \$1,111,932, and \$911,641, to the teacher cost-sharing pool for the fiscal years ended June 30, 2013, 2012 and 2011, respectively. The contribution rate was 11.66% in 2013, 6.33% in 2012, and 3.93% in 2011.

#### **C. Annual Pension Cost**

For fiscal year 2013, the County's annual pension cost of \$526,077 was equal to the County's required and actual contributions.

For fiscal year 2013, the County and School Board's annual pension cost for the Board's non-professional employees was \$22,624, which was equal to the Board's required and actual contributions.

<b>Three-Year Trend Information for the County</b>			
<b><u>Fiscal Year Ending</u></b>	<b><u>Annual Pension Cost (APC) (1)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
County:			
June 30, 2013	\$ 526,077	100%	\$ -
June 30, 2012	367,626	100%	-
June 30, 2011	372,697	100%	-

(1) Employer portion only

<b>Three-Year Trend Information for the School Board</b>			
<b><u>Fiscal Year Ending</u></b>	<b><u>Annual Pension Cost (APC) (1)</u></b>	<b><u>Percentage of APC Contributed</u></b>	<b><u>Net Pension Obligation</u></b>
School Board Non-Professional:			
June 30, 2013	\$ 22,624	100%	\$ -
June 30, 2012	16,985	100%	-
June 30, 2011	28,243	100%	-

(1) Employer portion only

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 10 - Defined Benefit Pension Plan: (Continued)**

#### **C. Annual Pension Cost (Continued)**

The fiscal year 2013 required contribution was determined as part of the June 30, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2012 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County and School Board's unfunded actuarial accrued liabilities are being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2012 for the Unfunded Actuarial Accrued Liability (UAAL) was 29 years.

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

As of June 30, 2012, the most recent actuarial valuation date, the County's plan was 77.15% funded. The actuarial accrued liability for benefits was \$18,687,203 and the actuarial value of assets was \$14,417,207, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,269,996. The covered payroll (annual payroll of active employees covered by the plan) was \$3,580,554, and ratio of the UAAL to the covered payroll was 119.26%.

As of June 30, 2012, the most recent actuarial valuation date, the County School Board's plan was 92.81% funded. The actuarial accrued liability for benefits was \$3,255,348, and the actuarial value of assets was \$3,021,179, resulting in an unfunded actuarial accrued liability (UAAL) of \$234,169. The covered payroll (annual payroll of active employees covered by the plan) was \$529,159, and ratio of the UAAL to the covered payroll was 44.25%.

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 liability (AAL) for benefits.

### **Note 11 - Unavailable Revenue**

Unavailable 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. Unavailable revenue totaling \$496,885 is comprised of the following:

- A. Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$456,084.
- B. Prepaid Property Taxes - Property taxes due subsequent to June 30, 2013, but paid in advance by the taxpayers totaled \$40,801 at June 30, 2013.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 12 - Surety Bonds:**

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

### **Note 13 - Risk Management:**

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

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

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

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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### **Note 14 - Jail Funds:**

The following is a summary of activity from the special accounts at the Charlotte County Sheriff's Office for the year ended June 30, 2013:

	<u>Receipts</u>	<u>Disbursements</u>	<u>Excess of Receipts over (under) Disbursements</u>
Sheriff's Office	\$ 591	\$ 591	\$ -
Commissary (Operating) Account	3,858	4,015	(157)
Inmate Trust Accounts	312,775	300,760	12,015
Inmate Accounts	22,444	26,637	(4,193)
Petty Cash	17,663	17,755	(92)
Jail Telephone Commissions	12,943	13,131	(188)
Totals	<u>\$ 370,274</u>	<u>\$ 362,889</u>	<u>\$ 7,385</u>

### **Note 15 - Solid Waste Landfill Postclosure Care and Corrective Action Costs:**

The County has closed a previously operated solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Waste Management. The total \$1,699,732 reported as landfill postclosure care and corrective action liability at June 30, 2013, represents \$1,308,315 for postclosure care liability and \$391,417 for ground water corrective action and remediation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from accumulated funds held in the general fund.

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

### **Note 16 - Other Post-Employment Benefits Program:**

#### **County:**

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

In addition to the pension benefits described in Note 10, the County provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Individuals who retire from the County with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) and have 15 years of service with the County, may elect to remain on the County's insurance plan, at their own cost, until age 65 when they become eligible for Medicare, at which time benefits cease. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree.

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

**Note 16 - Other Post-Employment Benefits Program: (Continued)**

**County: (Continued)**

**B. Funding Policy**

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

**C. Annual OPEB Cost and Net OPEB Obligation**

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

Annual required contribution	\$	18,100
Interest on net OPEB obligation		2,500
Adjustment to annual required contribution		<u>(2,400)</u>
Annual OPEB cost (expense)	\$	18,200
Estimated contributions made		<u>(2,100)</u>
Increase (decrease) in net OPEB obligation	\$	16,100
Net OPEB obligation - beginning of year		<u>61,700</u>
Net OPEB obligation - end of year	\$	<u><u>77,800</u></u>

For 2013, the County's expected cash payment of \$2,100 was \$16,100 less than the OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding two years:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 24,600	23%	\$ 40,700
June 30, 2012	25,700	18%	61,700
June 30, 2013	18,200	12%	77,800

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **County: (Continued)**

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

The funded status of the plan as of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	\$	230,000
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)		230,000
Funded ratio (actuarial value of plan assets / AAL)		0%
Covered payroll (active plan members)		3,580,600
UAAL as a percentage of covered payroll		6.42%

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

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

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

In the July 1, 2012 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 10.00 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after 5 years. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012 was 30 years.



## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **County: (Continued)**

#### **D. Funded Status and Funding Progress (Continued)**

##### Cost Method

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

Under these methods, inactive participants have normal cost, and their actuarial liability is the present value of the plan benefits to which they and their beneficiaries are entitled. The plan's total annual normal cost and actuarial liability are the sum of the individual participant amounts.

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

##### Interest Assumptions

	<u>Unfunded</u>
Discount rate	4.00%
Health cost trend assumption	9.00%
Payroll growth	3.00%

#### **School Board:**

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

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

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **School Board: (Continued)**

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

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

##### **C. Annual OPEB Cost and Net OPEB Obligation**

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

Annual required contribution	\$	130,700
Interest on net OBEB obligation		11,600
Adjustment to annual required contribution		<u>(11,300)</u>
Annual OPEB cost (expense)	\$	131,000
Estimated contributions made		<u>(212,200)</u>
Increase in net OPEB obligation	\$	(81,200)
Net OPEB obligation - beginning of year		<u>291,000</u>
Net OPEB obligation - end of year	\$	<u><u>209,800</u></u>

For 2013, the School Board's expected cash payment of \$212,200 was \$81,200 more than the OPEB cost. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the preceding two years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 139,600	58%	\$ 244,700
June 30, 2012	144,200	67%	291,000
June 30, 2013	131,000	162%	209,800

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **School Board: (Continued)**

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

The funded status of the plan as of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	\$ 1,967,800
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,967,800
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	9,803,500
UAAL as a percentage of covered payroll	20.07%

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

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

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

In July 1, 2012 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return and an annual healthcare cost trend rate of 10.00 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after 5 years. Both rates included 3.0 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012 was 30 years.

## COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2013 (Continued)

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

#### **School Board: (Continued)**

#### **D. Funded Status and Funding Progress (Continued)**

##### Cost Method

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

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

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

##### Interest Assumptions

	<u>Unfunded</u>
Discount rate	4.00%
Health cost trend assumption	9.00%
Payroll growth	3.00%

### **Note 17 - Interfund Transfers:**

Interfund transfers for the year ended June 30, 2013 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 185,460
Library Fund	185,460	-
Total	<u>\$ 185,460</u>	<u>\$ 185,460</u>

**- 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, 2013

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 6,223,880	\$ 6,223,880	\$ 6,627,619	\$ 403,739
Other local taxes	1,015,600	1,015,600	1,099,381	83,781
Permits, privilege fees, and regulatory licenses	49,750	49,750	45,241	(4,509)
Fines and forfeitures	165,000	165,000	179,309	14,309
Revenue from the use of money and property	214,530	215,870	212,867	(3,003)
Charges for services	436,083	436,083	437,762	1,679
Miscellaneous	633,491	967,332	667,387	(299,945)
Intergovernmental revenues:				
Commonwealth	5,262,983	5,467,080	4,483,180	(983,900)
Federal	2,076,404	2,140,154	2,935,756	795,602
Total revenues	\$ 16,077,721	\$ 16,680,749	\$ 16,688,502	\$ 7,753
EXPENDITURES				
Current:				
General government administration	\$ 1,306,709	\$ 1,400,382	\$ 1,319,692	\$ 80,690
Judicial administration	579,978	610,611	575,456	35,155
Public safety	3,660,958	4,068,047	3,831,711	236,336
Public works	1,232,558	1,278,914	1,174,795	104,119
Health and welfare	5,455,250	5,742,490	5,417,806	324,684
Education	3,808,245	4,006,106	3,668,214	337,892
Parks, recreation, and cultural	72,460	75,460	69,560	5,900
Community development	295,580	295,580	259,147	36,433
Nondepartmental	105,220	105,220	82,998	22,222
Capital projects	-	704,136	688,713	15,423
Debt service:				
Principal retirement	130,930	130,930	467,559	(336,629)
Interest and other fiscal charges	-	-	119,206	(119,206)
Total expenditures	\$ 16,647,888	\$ 18,417,876	\$ 17,674,857	\$ 743,019
Excess (deficiency) of revenues over (under) expenditures	\$ (570,167)	\$ (1,737,127)	\$ (986,355)	\$ 750,772
OTHER FINANCING SOURCES (USES)				
Transfers (out)	\$ (184,796)	\$ (188,771)	\$ (185,460)	\$ 3,311
Net change in fund balances	\$ (754,963)	\$ (1,925,898)	\$ (1,171,815)	\$ 754,083
Fund balances - beginning	754,963	1,925,898	9,087,718	7,161,820
Fund balances - ending	\$ -	\$ -	\$ 7,915,903	\$ 7,915,903

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

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

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
06/30/10	\$ 13,739,657	\$ 17,167,628	\$ 3,427,971	80.03%	\$ 3,709,131	92.42%
06/30/11	14,247,041	18,006,287	3,759,246	79.12%	3,774,530	99.60%
06/30/12	14,417,207	18,687,203	4,269,996	77.15%	3,580,554	119.26%

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

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
06/30/10	\$ 3,095,418	\$ 3,132,145	\$ 36,727	98.83%	\$ 610,812	6.01%
06/30/11	3,099,200	3,232,212	133,012	95.88%	593,698	22.40%
06/30/12	3,021,179	3,255,348	234,169	92.81%	529,159	44.25%

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

**Primary Government:**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
07/01/10 \$	-	\$ 293,000	\$ 293,000	0.00%	\$ 3,672,000	7.98%
(R) 07/01/11	-	312,200	312,200	0.00%	3,782,000	8.25%
07/01/12	-	230,000	230,000	0.00%	3,580,600	6.42%

**Discretely Presented Component Unit:****School Board**

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Excess Funded) Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Covered Payroll ((a-b)/c)
07/01/10 \$	-	\$ 1,655,700	\$ 1,655,700	0.00%	\$ 11,007,700	15.04%
(R) 07/01/11	-	1,714,500	1,714,500	0.00%	11,337,900	15.12%
07/01/12	-	1,967,800	1,967,800	0.00%	9,803,500	20.07%

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



**- Other Supplementary Information -**

**Combining and Individual Fund Statements and Schedules**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2013

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 55	\$ -	\$ 55
Due from other funds	1,751	-	1,751
Restricted assets:			
Temporarily restricted:			
Investments	-	146,545	146,545
Permanently restricted:			
Investments	-	100,000	100,000
Total assets	\$ 1,806	\$ 246,545	\$ 248,351
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,751	\$ -	\$ 1,751
Total liabilities	\$ 1,751	\$ -	\$ 1,751
Fund balances:			
Nonspendable:			
Permanent fund corpus	\$ -	\$ 100,000	\$ 100,000
Restricted for:			
Library operations	-	146,545	146,545
Assigned to:			
Library operations	55	-	55
Total fund balances	\$ 55	\$ 246,545	\$ 246,600
Total liabilities and fund balances	\$ 1,806	\$ 246,545	\$ 248,351

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2013

	<b>Special Revenue Fund</b>	<b>Permanent Fund</b>	<b>Total Nonmajor Funds</b>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ -	\$ 38,018	\$ 38,018
Charges for services	3,792	-	3,792
Miscellaneous	-	296	296
Intergovernmental revenues:			
Commonwealth	44,257	-	44,257
Total revenues	<u>\$ 48,049</u>	<u>\$ 38,314</u>	<u>\$ 86,363</u>
<b>EXPENDITURES</b>			
Current:			
Parks, recreation, and cultural	\$ 233,509	\$ 36,870	\$ 270,379
Total expenditures	<u>\$ 233,509</u>	<u>\$ 36,870</u>	<u>\$ 270,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (185,460)</u>	<u>\$ 1,444</u>	<u>\$ (184,016)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 185,460	\$ -	\$ 185,460
Total other financing sources (uses)	<u>\$ 185,460</u>	<u>\$ -</u>	<u>\$ 185,460</u>
Net change in fund balances	\$ -	\$ 1,444	\$ 1,444
Fund balances - beginning	<u>55</u>	<u>245,101</u>	<u>245,156</u>
Fund balances - ending	<u><u>\$ 55</u></u>	<u><u>\$ 246,545</u></u>	<u><u>\$ 246,600</u></u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Fund  
For the Year Ended June 30, 2013

	Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 3,792	\$ 3,792	\$ 3,792	\$ -
Intergovernmental revenues:				
Commonwealth	43,372	43,372	44,257	885
Total revenues	\$ 47,164	\$ 47,164	\$ 48,049	\$ 885
<b>EXPENDITURES</b>				
Current:				
Parks, recreation, and cultural	\$ 231,960	\$ 235,935	\$ 233,509	\$ 2,426
Total expenditures	\$ 231,960	\$ 235,935	\$ 233,509	\$ 2,426
Excess (deficiency) of revenues over (under) expenditures	\$ (184,796)	\$ (188,771)	\$ (185,460)	\$ 3,311
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 184,796	\$ 188,771	\$ 185,460	\$ (3,311)
Total other financing sources (uses)	\$ 184,796	\$ 188,771	\$ 185,460	\$ (3,311)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	55	55
Fund balances - ending	\$ -	\$ -	\$ 55	\$ 55

Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2013

	Agency Funds					Governor's School of Southside Virginia	Total
	Special Welfare	No Child Left Behind	Virtual Virginia	Sheriff			
<b>ASSETS</b>							
Cash and cash equivalents	\$ 27,604	\$ 66,056	\$ 363,421	\$ 33,848	\$ 978,352	\$ 1,469,281	
Due from other governments	-	24,328	-	-	-	24,328	
Total assets	<u>\$ 27,604</u>	<u>\$ 90,384</u>	<u>\$ 363,421</u>	<u>\$ 33,848</u>	<u>\$ 978,352</u>	<u>\$ 1,493,609</u>	
<b>LIABILITIES</b>							
Amounts held for social services clients	\$ 27,604	-	-	-	-	27,604	
Accounts and salaries payable	-	-	140,288	-	24,196	164,484	
Unearned revenue	-	-	-	-	193,310	193,310	
Amounts held for others	-	90,384	223,133	33,848	760,846	1,108,211	
Total liabilities	<u>\$ 27,604</u>	<u>\$ 90,384</u>	<u>\$ 363,421</u>	<u>\$ 33,848</u>	<u>\$ 978,352</u>	<u>\$ 1,493,609</u>	

Agency Funds  
Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2013

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
Assets:				
Cash and cash equivalents	\$ 34,539	\$ 21,235	\$ 28,170	\$ 27,604
Liabilities:				
Amounts held for social services clients	\$ 34,539	\$ 21,235	\$ 28,170	\$ 27,604
No Child Left Behind Fund:				
Assets:				
Cash and cash equivalents	\$ 88,462	\$ 415,021	\$ 437,427	\$ 66,056
Due from other governments	8,970	24,328	8,970	24,328
Prepaid items	43,100	-	43,100	-
Total assets	\$ 140,532	\$ 439,349	\$ 489,497	\$ 90,384
Liabilities:				
Salaries payable	\$ 3,738	\$ -	\$ 3,738	\$ -
Amounts held for others	136,794	439,349	485,759	90,384
Total liabilities	\$ 140,532	\$ 439,349	\$ 489,497	\$ 90,384
Virtual Virginia Fund:				
Assets:				
Cash and cash equivalents	\$ 230,388	\$ 2,904,897	\$ 2,771,864	\$ 363,421
Due from other governments	74,437	-	74,437	-
Total assets	\$ 304,825	\$ 2,904,897	\$ 2,846,301	\$ 363,421
Liabilities:				
Accounts payable	\$ 121,708	\$ 140,288	\$ 121,708	\$ 140,288
Amounts held for others	183,117	2,764,609	2,724,593	223,133
Total liabilities	\$ 304,825	\$ 2,904,897	\$ 2,846,301	\$ 363,421
Sheriff Funds:				
Assets:				
Cash and cash equivalents	\$ 26,463	\$ 370,274	\$ 362,889	\$ 33,848
Liabilities:				
Amounts held for others	\$ 26,463	\$ 370,274	\$ 362,889	\$ 33,848
Governor's School of Southside Virginia Fund:				
Assets:				
Cash and cash equivalents	\$ 312,497	\$ 2,027,690	\$ 1,361,835	\$ 978,352
Liabilities:				
Accounts payable	-	24,196	-	24,196
Unearned revenue	-	193,310	-	193,310
Amounts held for others	\$ 312,497	\$ 1,810,184	\$ 1,361,835	\$ 760,846
Total liabilities	\$ 312,497	\$ 2,027,690	\$ 1,361,835	\$ 978,352
Totals -- All agency funds:				
Assets:				
Cash and cash equivalents	\$ 692,349	\$ 5,739,117	\$ 4,962,185	\$ 1,469,281
Due from other governments	83,407	24,328	83,407	24,328
Prepaid items	43,100	-	43,100	-
Total assets	\$ 818,856	\$ 5,763,445	\$ 5,088,692	\$ 1,493,609
Liabilities:				
Amounts held for social services clients	\$ 34,539	\$ 21,235	\$ 28,170	\$ 27,604
Accounts and salaries payable	125,446	164,484	125,446	164,484
Unearned revenue	-	193,310	-	193,310
Amounts held for others	658,871	5,384,416	4,935,076	1,108,211
Total liabilities	\$ 818,856	\$ 5,763,445	\$ 5,088,692	\$ 1,493,609

Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2013

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 877,827	\$ 79,558	\$ 957,385
Investments	160,572	-	160,572
Receivables (net of allowance for uncollectibles):			
Accounts receivable	3,281	-	3,281
School food inventory	-	13,943	13,943
Due from other governmental units	546,921	-	546,921
Prepaid items	720,814	6,700	727,514
Total assets	\$ 2,309,415	\$ 100,201	\$ 2,409,616
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 312,016	\$ 241	\$ 312,257
Accrued liabilities	877,527	21,557	899,084
Due to primary government	959,300	-	959,300
Total liabilities	\$ 2,148,843	\$ 21,798	\$ 2,170,641
Fund balances:			
Nonspendable:			
Inventory	\$ -	\$ 13,943	\$ 13,943
Prepaid expenses	720,814	6,700	727,514
Assigned to:			
Cafeteria operations	-	57,760	57,760
Unassigned	(560,242)	-	(560,242)
Total fund balances	\$ 160,572	\$ 78,403	\$ 238,975
Total liabilities and fund balances	\$ 2,309,415	\$ 100,201	\$ 2,409,616

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

Total fund balances per above \$ 238,975

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 8,587,988

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. (1,277,570)

Net position of governmental activities \$ 7,549,393

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2013

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 380	\$ 400	\$ 780
Charges for services	-	340,327	340,327
Miscellaneous	394,652	-	394,652
Intergovernmental revenues:			
Local government	3,664,552	-	3,664,552
Commonwealth	13,745,767	18,481	13,764,248
Federal	2,111,490	737,730	2,849,220
Total revenues	<u>\$ 19,916,841</u>	<u>\$ 1,096,938</u>	<u>\$ 21,013,779</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 19,987,906	\$ 1,140,229	\$ 21,128,135
Debt service:			
Principal retirement	55,516	-	55,516
Interest and other fiscal charges	40,416	-	40,416
Total expenditures	<u>\$ 20,083,838</u>	<u>\$ 1,140,229</u>	<u>\$ 21,224,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (166,997)</u>	<u>\$ (43,291)</u>	<u>\$ (210,288)</u>
Net change in fund balances	<u>\$ (166,997)</u>	<u>\$ (43,291)</u>	<u>\$ (210,288)</u>
Fund balances - beginning	<u>327,569</u>	<u>121,694</u>	<u>449,263</u>
Fund balances - ending	<u><u>\$ 160,572</u></u>	<u><u>\$ 78,403</u></u>	<u><u>\$ 238,975</u></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	\$ (210,288)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 1,202,695	
Depreciation expense	(713,275)	
Joint assets - net	<u>164,855</u>	654,275

The issuance of capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of 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	<u>55,516</u>	55,516
--------------------	---------------	--------

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

Decrease in other post-employment benefits liability	\$ 81,200	
Decrease in accrued interest payable	<u>552</u>	81,752
Change in net position of governmental activities	<u>\$ 581,255</u>	



COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2013

	School Operating Fund			Variance with Final Budget Positive Negative
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 380	\$ 380
Charges for services	-	-	-	-
Miscellaneous	101,500	176,253	394,652	218,399
Intergovernmental revenues:				
Local government	3,637,239	3,307,942	3,664,552	356,610
Commonwealth	13,394,145	13,567,399	13,745,767	178,368
Federal	2,347,232	2,366,924	2,111,490	(255,434)
Total revenues	\$ 19,480,116	\$ 19,418,518	\$ 19,916,841	\$ 498,323
EXPENDITURES				
Current:				
Education	\$ 19,090,116	\$ 18,964,768	\$ 19,987,906	\$ (1,023,138)
Debt service:				
Principal retirement	371,068	343,282	55,516	287,766
Interest and other fiscal charges	18,932	110,468	40,416	70,052
Total expenditures	\$ 19,480,116	\$ 19,418,518	\$ 20,083,838	\$ (665,320)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (166,997)	\$ (166,997)
Net change in fund balances	\$ -	\$ -	\$ (166,997)	\$ (166,997)
Fund balances - beginning	-	-	327,569	327,569
Fund balances - ending	\$ -	\$ -	\$ 160,572	\$ 160,572

Exhibit 18

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 245	\$ 245	\$ 400	\$ 155
385,000	385,000	340,327	(44,673)
-	-	-	-
-	-	-	-
33,410	33,410	18,481	(14,929)
535,000	535,000	737,730	202,730
<u>\$ 953,655</u>	<u>\$ 953,655</u>	<u>\$ 1,096,938</u>	<u>\$ 143,283</u>
\$ 953,655	\$ 953,655	\$ 1,140,229	\$ (186,574)
-	-	-	-
-	-	-	-
<u>\$ 953,655</u>	<u>\$ 953,655</u>	<u>\$ 1,140,229</u>	<u>\$ (186,574)</u>
\$ -	\$ -	\$ (43,291)	\$ (43,291)
\$ -	\$ -	\$ (43,291)	\$ (43,291)
-	-	121,694	121,694
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,403</u>	<u>\$ 78,403</u>

**- Supporting Schedules -**

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

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	\$ 3,919,000	\$ 3,919,000	\$ 4,109,150	\$ 190,150
Real and personal public service corporation taxes	229,000	229,000	299,273	70,273
Personal property taxes	1,768,000	1,768,000	1,853,561	85,561
Mobile home taxes	25,000	25,000	27,015	2,015
Machinery and tools taxes	170,880	170,880	171,662	782
Merchant's capital taxes	25,000	25,000	26,332	1,332
Penalties	57,000	57,000	83,956	26,956
Interest	30,000	30,000	56,670	26,670
Total general property taxes	<u>\$ 6,223,880</u>	<u>\$ 6,223,880</u>	<u>\$ 6,627,619</u>	<u>\$ 403,739</u>
Other local taxes:				
Local sales and use taxes	\$ 475,000	\$ 475,000	\$ 511,989	\$ 36,989
Consumers' utility taxes	190,000	190,000	222,033	32,033
Motor vehicle licenses	270,000	270,000	288,116	18,116
Taxes on recordation and wills	45,600	45,600	45,959	359
Utility consumption taxes	35,000	35,000	31,284	(3,716)
Total other local taxes	<u>\$ 1,015,600</u>	<u>\$ 1,015,600</u>	<u>\$ 1,099,381</u>	<u>\$ 83,781</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,000	\$ 8,000	\$ 8,934	\$ 934
Transfer fees	450	450	433	(17)
Permits and other licenses	41,300	41,300	35,874	(5,426)
Total permits, privilege fees, and regulatory licenses	<u>\$ 49,750</u>	<u>\$ 49,750</u>	<u>\$ 45,241</u>	<u>\$ (4,509)</u>
Fines and forfeitures:				
Court fines and forfeitures	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ 179,309</u>	<u>\$ 14,309</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 30,700	\$ 32,040	\$ 26,454	\$ (5,586)
Revenue from use of property	183,830	183,830	186,413	2,583
Total revenue from use of money and property	<u>\$ 214,530</u>	<u>\$ 215,870</u>	<u>\$ 212,867</u>	<u>\$ (3,003)</u>
Charges for services:				
Charges for work release/inmate fees	\$ 88,133	\$ 88,133	\$ 104,565	\$ 16,432
Charges for law enforcement and traffic control	3,500	3,500	7,481	3,981
Jail bed days - other localities	250,000	250,000	203,735	(46,265)
Law library fees	1,500	1,500	902	(598)
Courthouse security fees	40,000	40,000	34,860	(5,140)
Courthouse maintenance fees	8,200	8,200	12,565	4,365
Charges for Commonwealth's Attorney	250	250	529	279
Charges for sanitation and waste removal	44,500	44,500	73,125	28,625
Total charges for services	<u>\$ 436,083</u>	<u>\$ 436,083</u>	<u>\$ 437,762</u>	<u>\$ 1,679</u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Miscellaneous revenue:				
Miscellaneous	\$ 633,491	\$ 967,332	\$ 667,387	\$ (299,945)
Total revenue from local sources	\$ 8,738,334	\$ 9,073,515	\$ 9,269,566	\$ 196,051
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier tax	\$ 73,000	\$ 73,000	\$ 166,276	\$ 93,276
Mobile home titling tax	26,000	26,000	29,281	3,281
Tax on deeds (grantor tax)	29,000	29,000	26,911	(2,089)
Auto rental tax	-	-	568	568
Aid to Commonwealth	-	-	(102,234)	(102,234)
Communication sales and use tax	133,000	133,000	131,461	(1,539)
Personal property tax relief funds	686,900	686,900	686,910	10
Total noncategorical aid	\$ 947,900	\$ 947,900	\$ 939,173	\$ (8,727)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 140,161	\$ 140,161	\$ 146,252	\$ 6,091
Sheriff	1,094,598	1,094,598	1,114,308	19,710
Commissioner of revenue	68,634	68,634	69,894	1,260
Treasurer	74,843	74,843	75,346	503
Registrar/electoral board	47,168	47,168	38,054	(9,114)
DMV license agent	28,000	28,000	33,276	5,276
Clerk of the Circuit Court	176,369	176,369	183,256	6,887
Total shared expenses	\$ 1,629,773	\$ 1,629,773	\$ 1,660,386	\$ 30,613
Other categorical aid:				
Litter control	\$ 9,300	\$ 9,300	\$ 12,028	\$ 2,728
Records preservation grant	-	8,000	8,000	-
Fire programs funds	28,933	28,933	-	(28,933)
Prisoner days	248,000	248,000	208,100	(39,900)
VJCCCA grant	85,787	85,787	60,709	(25,078)
WIB fiscal agent fees	20,000	20,000	20,000	-
Victim witness	6,775	6,775	6,842	67
E911 wireless	31,000	31,000	55,635	24,635
Public assistance and welfare administration	1,643,015	1,643,015	522,086	(1,120,929)
Comprehensive services act funds	612,500	807,500	813,425	5,925
Emergency services	-	1,097	12,364	11,267
Tobacco indemnification grants	-	-	21,350	21,350
Other categorical aid	-	-	143,082	143,082
Total other categorical aid	\$ 2,685,310	\$ 2,889,407	\$ 1,883,621	\$ (1,005,786)
Total categorical aid	\$ 4,315,083	\$ 4,519,180	\$ 3,544,007	\$ (975,173)
Total revenue from the Commonwealth	\$ 5,262,983	\$ 5,467,080	\$ 4,483,180	\$ (983,900)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (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 federal government:				
Noncategorical aid:				
BAB subsidy	\$ -	\$ 63,750	\$ 63,750	\$ -
Payments in lieu of taxes	3,000	3,000	8,311	5,311
Total noncategorical aid	<u>\$ 3,000</u>	<u>\$ 66,750</u>	<u>\$ 72,061</u>	<u>\$ 5,311</u>
Categorical aid:				
Emergency services	\$ 5,600	\$ 5,600	\$ 11,200	\$ 5,600
Victim witness	20,323	20,323	20,525	202
Welfare administration and assistance	30,000	30,000	1,114,603	1,084,603
Workforce investment act	2,006,881	2,006,881	1,703,799	(303,082)
Ground transportation grant	10,600	10,600	13,568	2,968
Total categorical aid	<u>\$ 2,073,404</u>	<u>\$ 2,073,404</u>	<u>\$ 2,863,695</u>	<u>\$ 790,291</u>
Total revenue from the federal government	<u>\$ 2,076,404</u>	<u>\$ 2,140,154</u>	<u>\$ 2,935,756</u>	<u>\$ 795,602</u>
Total General Fund	<u>\$ 16,077,721</u>	<u>\$ 16,680,749</u>	<u>\$ 16,688,502</u>	<u>\$ 7,753</u>
<b>Nonmajor Funds:</b>				
<b>Special Revenue Fund:</b>				
<b>Library Fund:</b>				
Revenue from local sources:				
Charges for services:				
Other charges for services	<u>\$ 3,792</u>	<u>\$ 3,792</u>	<u>\$ 3,792</u>	<u>\$ -</u>
Revenue from the Commonwealth:				
Categorical aid:				
State library funds	<u>\$ 43,372</u>	<u>\$ 43,372</u>	<u>\$ 44,257</u>	<u>\$ 885</u>
Total Library Fund	<u>\$ 47,164</u>	<u>\$ 47,164</u>	<u>\$ 48,049</u>	<u>\$ 885</u>
<b>Permanent Fund:</b>				
<b>Library Trust Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,018</u>	<u>\$ 38,018</u>
Miscellaneous revenue:				
Miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296</u>	<u>\$ 296</u>
Total Library Trust Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,314</u>	<u>\$ 38,314</u>
Total Nonmajor funds	<u>\$ 47,164</u>	<u>\$ 47,164</u>	<u>\$ 86,363</u>	<u>\$ 39,199</u>
Total Primary Government	<u>\$ 16,124,885</u>	<u>\$ 16,727,913</u>	<u>\$ 16,774,865</u>	<u>\$ 46,952</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (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:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 380	\$ 380
Total revenue from use of money and property	\$ -	\$ -	\$ 380	\$ 380
Miscellaneous revenue:				
Other miscellaneous	\$ 101,500	\$ 176,253	\$ 394,652	\$ 218,399
Total revenue from local sources	\$ 101,500	\$ 176,253	\$ 395,032	\$ 218,779
Revenues from local governments:				
Contribution from County of Charlotte, Virginia	\$ 3,637,239	\$ 3,307,942	\$ 3,664,552	\$ 356,610
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,997,074	\$ 1,997,074	\$ 1,987,986	\$ (9,088)
Basic school aid	6,453,169	6,626,423	6,703,408	76,985
Remedial education	220,713	220,713	215,167	(5,546)
Regular foster care	18,590	18,590	2,196	(16,394)
GED	7,859	7,859	9,859	2,000
Gifted and talented	69,540	69,540	67,792	(1,748)
Remedial summer education	66,810	66,810	44,420	(22,390)
Special education	1,213,919	1,213,919	1,183,418	(30,501)
Textbook payment	135,648	135,648	132,239	(3,409)
Vocational education	221,942	221,942	219,683	(2,259)
Fringe Benefits	1,222,990	1,222,990	1,192,260	(30,730)
Homebound	33,388	33,388	13,125	(20,263)
Class size reduction	320,919	320,919	323,394	2,475
English as a second language	9,105	9,105	8,650	(455)
Governor's school	502,715	502,715	497,327	(5,388)
Algebra readiness	31,669	31,669	36,550	4,881
Adult literacy	2,754	2,754	-	(2,754)
Technology	206,000	206,000	180,000	(26,000)
At risk	462,015	462,015	454,882	(7,133)
Early reading	42,907	42,907	38,140	(4,767)
Virginia workplace	-	-	405	405
Race to GED	-	-	53,338	53,338
Preschool	-	-	131,264	131,264
EpiPen grant	-	-	591	591
Other state funds	154,419	154,419	249,673	95,254
Total categorical aid	\$ 13,394,145	\$ 13,567,399	\$ 13,745,767	\$ 178,368
Total revenue from the Commonwealth	\$ 13,394,145	\$ 13,567,399	\$ 13,745,767	\$ 178,368

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,331,433	\$ 1,331,433	\$ 970,443	\$ (360,990)
Title VI-B, special education flow-through	352,000	352,000	494,220	142,220
Vocational education	47,000	47,000	47,898	898
Title VI-B, special education pre-school	36,338	36,338	19,366	(16,972)
EESA - Title II	132,076	132,076	167,332	35,256
Title III	5,000	5,000	8,238	3,238
Title VI	88,000	88,000	-	(88,000)
Education technology	11,024	11,024	34,634	23,610
Rural schools	-	-	47,087	47,087
Gear up grant	14,968	14,968	5,150	(9,818)
Title IV Part B	132,812	132,812	138,437	5,625
Summer food service	24,500	24,500	34,554	10,054
ARRA Education jobs funds	-	-	104,450	104,450
Learn and serve America	19,989	19,989	19,989	-
Other federal funds	152,092	171,784	19,692	(152,092)
Total categorical aid	\$ 2,347,232	\$ 2,366,924	\$ 2,111,490	\$ (255,434)
Total School Operating Fund	\$ 19,480,116	\$ 19,418,518	\$ 19,916,841	\$ 498,323
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from use of money and property:				
Revenue from the use of money	\$ 245	\$ 245	\$ 400	\$ 155
Charges for services:				
Cafeteria sales	\$ 385,000	\$ 385,000	\$ 340,327	\$ (44,673)
Total revenue from local sources	\$ 385,245	\$ 385,245	\$ 340,727	\$ (44,518)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 33,410	\$ 33,410	\$ 18,481	\$ (14,929)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 535,000	\$ 535,000	\$ 737,730	\$ 202,730
Total School Cafeteria Fund	\$ 953,655	\$ 953,655	\$ 1,096,938	\$ 143,283
Total Discretely Presented Component Unit - School Board	\$ 20,433,771	\$ 20,372,173	\$ 21,013,779	\$ 641,606



Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 135,601	\$ 192,669	\$ 182,806	\$ 9,863
General and financial administration:				
County administrator	\$ 404,127	\$ 413,807	\$ 407,169	\$ 6,638
Independent auditor	44,000	52,066	52,066	-
Commissioner of revenue	204,515	208,580	194,270	14,310
Reassessment	85,000	85,000	57,380	27,620
Treasurer	265,330	270,257	255,902	14,355
County attorney	25,270	30,064	30,064	-
Total general and financial administration	\$ 1,028,242	\$ 1,059,774	\$ 996,851	\$ 62,923
Board of elections:				
Electoral board and officials	\$ 37,944	\$ 40,787	\$ 35,535	\$ 5,252
Registrar	104,922	107,152	104,500	2,652
Total board of elections	\$ 142,866	\$ 147,939	\$ 140,035	\$ 7,904
Total general government administration	\$ 1,306,709	\$ 1,400,382	\$ 1,319,692	\$ 80,690
Judicial administration:				
Courts:				
Circuit court	\$ 23,231	\$ 31,231	\$ 18,629	\$ 12,602
General district court	7,800	7,800	4,063	3,737
Juvenile and domestic relations court	4,272	4,272	3,456	816
Special magistrates	1,900	1,900	1,079	821
Clerk of the circuit court	328,795	340,334	323,156	17,178
Total courts	\$ 365,998	\$ 385,537	\$ 350,383	\$ 35,154
Commonwealth's attorney:				
Commonwealth's attorney	\$ 213,980	\$ 225,074	\$ 225,073	\$ 1
Total judicial administration	\$ 579,978	\$ 610,611	\$ 575,456	\$ 35,155
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,556,080	\$ 1,818,783	\$ 1,759,370	\$ 59,413
Witness assistance	27,639	27,639	27,367	272
Dare	-	4,053	4,725	(672)
Project Lifesaver	-	3,024	-	3,024
Asset forfeiture	-	6,097	-	6,097
E-911 system	204,400	216,665	216,664	1
Total law enforcement and traffic control	\$ 1,788,119	\$ 2,076,261	\$ 2,008,126	\$ 68,135

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Fire services	\$ 260,013	\$ 260,013	\$ 232,291	\$ 27,722
Rescue squad	84,176	88,158	88,158	-
Division of forestry	19,521	19,521	19,520	1
Total fire and rescue services	<u>\$ 363,710</u>	<u>\$ 367,692</u>	<u>\$ 339,969</u>	<u>\$ 27,723</u>
Correction and detention:				
Sheriff	\$ 1,180,286	\$ 1,293,228	\$ 1,289,683	\$ 3,545
VJCCA	220,730	220,730	92,917	127,813
Total correction and detention	<u>\$ 1,401,016</u>	<u>\$ 1,513,958</u>	<u>\$ 1,382,600</u>	<u>\$ 131,358</u>
Inspections:				
Building	\$ 61,042	\$ 62,388	\$ 54,839	\$ 7,549
Other protection:				
Animal control	\$ 46,571	\$ 47,248	\$ 46,137	\$ 1,111
Medical examiner	500	500	40	460
Total other protection	<u>\$ 47,071</u>	<u>\$ 47,748</u>	<u>\$ 46,177</u>	<u>\$ 1,571</u>
Total public safety	<u>\$ 3,660,958</u>	<u>\$ 4,068,047</u>	<u>\$ 3,831,711</u>	<u>\$ 236,336</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 796,303	\$ 805,515	\$ 729,992	\$ 75,523
Maintenance of general buildings and grounds:				
General properties	\$ 435,255	\$ 472,399	\$ 443,803	\$ 28,596
Canneries	1,000	1,000	1,000	-
Total maintenance of general buildings and grounds	<u>\$ 436,255</u>	<u>\$ 473,399</u>	<u>\$ 444,803</u>	<u>\$ 28,596</u>
Total public works	<u>\$ 1,232,558</u>	<u>\$ 1,278,914</u>	<u>\$ 1,174,795</u>	<u>\$ 104,119</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 125,857	\$ 125,857	\$ 91,255	\$ 34,602
Mental health and mental retardation:				
Crossroads Board	\$ 70,000	\$ 70,000	\$ 68,000	\$ 2,000

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Welfare:				
Welfare administration	\$ 15,758	\$ 17,048	\$ 15,716	\$ 1,332
Public assistance	2,099,275	2,128,599	2,325,768	(197,169)
Workforce investment	2,331,860	2,338,486	1,872,462	466,024
Comprehensive services act	812,500	1,062,500	1,044,605	17,895
Total welfare	<u>\$ 5,259,393</u>	<u>\$ 5,546,633</u>	<u>\$ 5,258,551</u>	<u>\$ 288,082</u>
Total health and welfare	<u>\$ 5,455,250</u>	<u>\$ 5,742,490</u>	<u>\$ 5,417,806</u>	<u>\$ 324,684</u>
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 3,662	\$ 3,662	\$ 3,662	\$ -
Contribution to County school board	3,804,583	4,002,444	3,664,552	337,892
Total education	<u>\$ 3,808,245</u>	<u>\$ 4,006,106</u>	<u>\$ 3,668,214</u>	<u>\$ 337,892</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 22,000	\$ 22,000	\$ 17,100	\$ 4,900
Cultural enrichment:				
Red hill shrine	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Adult programs	48,460	51,460	50,460	1,000
Total cultural enrichment	<u>\$ 50,460</u>	<u>\$ 53,460</u>	<u>\$ 52,460</u>	<u>\$ 1,000</u>
Total parks, recreation, and cultural	<u>\$ 72,460</u>	<u>\$ 75,460</u>	<u>\$ 69,560</u>	<u>\$ 5,900</u>
Community development:				
Planning and community development:				
Planning	\$ 48,200	\$ 48,200	\$ 26,310	\$ 21,890
Zoning appeals board	2,600	2,600	-	2,600
Economic development	22,686	22,686	35,538	(12,852)
Total planning and community development	<u>\$ 73,486</u>	<u>\$ 73,486</u>	<u>\$ 61,848</u>	<u>\$ 11,638</u>
Environmental management:				
Contribution to soil and water district	\$ 175,994	\$ 175,994	\$ 155,010	\$ 20,984
Cooperative extension program:				
Extension office	\$ 46,100	\$ 46,100	\$ 42,289	\$ 3,811
Total community development	<u>\$ 295,580</u>	<u>\$ 295,580</u>	<u>\$ 259,147</u>	<u>\$ 36,433</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2013 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Nondepartmental:				
Fixed charges	\$ 105,220	\$ 105,220	\$ 82,998	\$ 22,222
Capital projects:				
Other capital projects	\$ -	\$ 704,136	\$ 688,713	\$ 15,423
Debt service:				
Principal retirement	\$ 130,930	\$ 130,930	\$ 467,559	\$ (336,629)
Interest and other fiscal charges	-	-	119,206	(119,206)
Total debt service	\$ 130,930	\$ 130,930	\$ 586,765	\$ (455,835)
Total General Fund	\$ 16,647,888	\$ 18,417,876	\$ 17,674,857	\$ 743,019
<b>Nonmajor Funds:</b>				
<b>Special Revenue Fund:</b>				
<b>Library Fund</b>				
Parks, recreation, and cultural:				
Library	\$ 231,960	\$ 235,935	\$ 233,509	\$ 2,426
Total Library Fund	\$ 231,960	\$ 235,935	\$ 233,509	\$ 2,426
<b>Permanent Fund:</b>				
<b>Library Trust Fund</b>				
Parks, recreation, and cultural:				
Library	\$ -	\$ -	\$ 36,870	\$ (36,870)
Total Library Trust Fund	\$ -	\$ -	\$ 36,870	\$ (36,870)
Total Nonmajor funds	\$ 231,960	\$ 235,935	\$ 270,379	\$ (34,444)
Total Primary Government	\$ 16,879,848	\$ 18,653,811	\$ 17,945,236	\$ 708,575
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Education costs:				
Elementary and secondary schools	\$ 14,182,037	\$ 13,687,678	\$ 13,612,109	\$ 75,569
Administration attendance and health services	1,092,466	1,141,974	1,028,262	113,712
Pupil transportation	1,584,562	1,651,683	1,897,385	(245,702)
Operation and maintenance of school plant	2,231,051	2,483,433	3,450,150	(966,717)
Total education	\$ 19,090,116	\$ 18,964,768	\$ 19,987,906	\$ (1,023,138)

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2013 (Continued)

	<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>				
Debt service:				
Principal retirement	\$ 371,068	\$ 343,282	\$ 55,516	\$ 287,766
Interest and other fiscal charges	18,932	110,468	40,416	70,052
Total debt service	<u>\$ 390,000</u>	<u>\$ 453,750</u>	<u>\$ 95,932</u>	<u>\$ 357,818</u>
Total School Operating Fund	<u>\$ 19,480,116</u>	<u>\$ 19,418,518</u>	<u>\$ 20,083,838</u>	<u>\$ (665,320)</u>
<b>Special revenue fund:</b>				
<b>Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	<u>\$ 953,655</u>	<u>\$ 953,655</u>	<u>\$ 1,140,229</u>	<u>\$ (186,574)</u>
Total Cafeteria Fund	<u>\$ 953,655</u>	<u>\$ 953,655</u>	<u>\$ 1,140,229</u>	<u>\$ (186,574)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 20,433,771</u>	<u>\$ 20,372,173</u>	<u>\$ 21,224,067</u>	<u>\$ (851,894)</u>

**- Other Statistical Information -**

COUNTY OF CHARLOTTE, VIRGINIA

Table 1

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General Government Admini- stration	Judicial Admini- stration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long- Term Debt	Total
2003-04	\$ 851,937	\$ 470,516	\$ 2,604,893	\$ 802,824	\$ 2,515,319	\$ 3,156,146	\$ 269,716	\$ 153,627	\$ 231,468	\$ 11,056,446
2004-05	1,022,883	423,568	2,948,363	843,479	4,793,109	3,730,257	279,840	161,924	211,221	14,414,644
2005-06	1,198,605	477,181	3,239,862	960,029	4,948,521	3,520,345	278,866	235,750	218,073	15,077,232
2006-07	1,187,579	508,746	3,672,013	1,077,918	5,402,871	3,160,662	282,518	187,479	169,542	15,649,328
2007-08	1,207,426	530,807	3,715,718	1,200,163	5,150,012	4,009,759	344,549	502,205	149,299	16,809,938
2008-09	1,170,626	602,610	3,733,311	1,127,597	4,857,792	3,152,675	309,900	478,363	129,807	15,562,681
2009-10	1,175,629	549,960	3,301,492	603,238	6,305,896	3,216,899	320,954	2,526,132	97,682	18,097,882
2010-11	1,239,455	569,155	3,588,708	1,392,987	5,443,673	3,704,470	333,627	565,944	102,899	16,940,918
2011-12	1,467,594	560,488	3,617,834	1,213,874	5,184,311	4,195,289	309,725	922,497	92,060	17,563,672
2012-13	1,443,296	605,104	3,712,218	1,183,134	5,455,050	4,906,144	300,895	259,403	111,091	17,976,335

COUNTY OF CHARLOTTE, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES					Total
	Charges for Services	Operating Grants and Contri- butions	Capital Grants and Contri- butions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscella- neous	Grants and Contributions Not Restricted to Specific Programs	
2003-04	\$ 268,160	\$ 3,899,940	\$ -	\$ 4,931,236	\$ 1,210,246	\$ 326,895	\$ 149,274	\$ 859,632	\$ 11,645,383
2004-05	303,828	7,075,595	-	5,127,737	1,258,318	341,642	264,954	782,760	15,154,834
2005-06	551,538	6,063,356	-	6,208,981	1,049,176	436,417	372,299	1,305,801	15,987,568
2006-07	604,438	6,650,634	-	6,215,930	1,218,807	496,509	509,340	1,485,773	17,181,431
2007-08	610,830	6,155,731	25,000	6,229,055	1,166,161	387,571	466,179	1,421,941	16,462,468
2008-09	467,923	7,036,608	652,657	6,416,117	1,178,829	268,040	600,052	1,329,928	17,950,154
2009-10	626,193	8,590,253	87,343	6,078,882	1,017,490	286,739	683,153	1,776,238	19,146,291
2010-11	675,278	6,595,190	-	9,332,210	1,176,624	285,420	709,739	749,669	19,524,130
2011-12	623,029	7,121,806	-	6,443,161	1,053,969	203,431	740,907	842,788	17,029,091
2012-13	666,104	6,451,959	-	6,637,649	1,099,381	250,885	664,065	1,011,234	16,781,277



COUNTY OF CHARLOTTE, VIRGINIA

Table 3

General Governmental Expenditures by Function (1) (2)  
Last Ten Fiscal Years

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Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
2003-04	\$ 883,142	\$ 401,125	\$ 2,741,952	\$ 804,065	\$ 2,489,508	\$ 16,759,357	\$ 265,738	\$ 153,627	\$ 1,178,719	\$ 25,677,233
2004-05	894,866	431,421	2,991,232	823,995	4,744,801	18,392,351	278,490	161,924	697,789	29,416,869
2005-06	1,068,851	444,812	3,182,009	1,071,583	4,945,516	19,944,020	277,516	235,750	579,280	31,749,337
2006-07	1,066,733	488,377	3,644,730	1,169,130	5,403,679	20,348,911	281,168	187,479	722,831	33,313,038
2007-08	1,070,191	494,306	3,702,573	1,318,050	5,130,902	22,918,172	343,199	502,205	659,609	36,139,207
2008-09	1,023,597	565,689	3,714,469	1,100,126	4,849,312	21,571,857	308,321	1,897,890	846,744	35,878,005
2009-10	1,022,532	520,384	3,381,657	1,247,171	6,271,008	20,513,605	313,651	2,524,469	882,174	36,676,651
2010-11	1,087,620	539,281	3,594,502	1,443,796	5,410,945	20,001,521	324,954	563,281	774,910	33,740,810
2011-12	1,311,671	530,529	3,560,627	1,176,084	5,167,086	19,798,252	309,374	920,971	1,751,310	34,525,904
2012-13	1,319,692	575,456	3,831,711	1,174,795	5,417,806	21,131,797	339,939	259,147	682,697	34,733,040

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

(2) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 4

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

Fiscal Year	General Property Taxes (2)	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (3)	Total
2003-04	\$ 4,910,557	\$ 1,210,246	\$ 27,453	\$ 93,953	\$ 334,676	\$ 484,072	\$ 374,288	\$ 135,191	\$ 18,056,961	\$ 25,627,397
2004-05	5,116,699	1,258,318	23,882	131,515	352,557	498,724	550,375	-	22,202,161	30,134,231
2005-06	6,893,945	1,049,176	32,355	238,942	447,256	642,807	598,621	-	21,779,657	31,682,759
2006-07	6,798,741	1,218,807	32,659	141,962	517,854	775,292	811,167	-	24,066,490	34,362,972
2007-08	7,007,489	1,166,161	40,890	180,790	402,906	755,388	792,594	-	25,363,438	35,709,656
2008-09	7,091,372	1,178,829	33,431	150,785	274,422	753,038	896,069	-	26,125,514	36,503,460
2009-10	6,796,248	1,017,490	52,931	166,714	288,265	879,103	1,003,439	-	26,965,640	37,169,830
2010-11	9,771,363	1,176,624	50,015	133,944	286,728	958,296	1,098,833	-	22,573,541	36,049,344
2011-12	7,141,599	1,053,969	57,974	163,470	206,015	825,807	1,395,333	-	23,255,678	34,099,845
2012-13	7,314,529	1,099,381	45,241	179,309	251,665	781,881	1,062,335	-	23,389,751	34,124,092

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

(2) Includes Commonwealth of Virginia PPTRA reimbursement.

(3) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 5

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax (1), (3) Collections	Percent of Levy Collected	Delinquent (1) Tax (2) Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding (1) Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2003-04	\$ 5,600,033	\$ 5,372,862	95.94%	\$ 106,451	\$ 5,479,313	97.84%	\$ 388,637	6.94%
2004-05	5,645,605	5,605,968	99.30%	49,199	5,655,167	100.17%	422,613	7.49%
2005-06	6,739,553	6,632,723	98.41%	254,843	6,887,566	102.20%	371,226	5.51%
2006-07	6,816,391	6,501,660	95.38%	154,821	6,656,481	97.65%	402,681	5.91%
2007-08	6,942,514	6,750,577	97.24%	111,178	6,861,755	98.84%	341,680	4.92%
2008-09	7,093,544	6,810,979	96.02%	155,161	6,966,140	98.20%	391,164	5.51%
2009-10	6,532,177	6,463,416	98.95%	210,276	6,673,692	102.17%	406,270	6.22%
2010-11	9,954,838	9,407,507	94.50%	218,401	9,625,908	96.70%	801,307	8.05%
2011-12	6,408,642	6,378,940	99.54%	619,938	6,998,878	109.21%	611,439	9.54%
2012-13	6,585,952	6,190,451	93.99%	437,168	6,627,619	100.63%	622,182	9.45%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes Commonwealth of Virginia PPTRA reimbursement.

COUNTY OF CHARLOTTE, VIRGINIA

Table 6

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

Fiscal Year	Real Estate	Personal Mobile Property	Homes	Machinery and Tools	Merchants' Capital	Public Service	Total
2003-04	\$ 579,349,720	\$ 71,100,423	\$ 6,616,080	\$ 9,986,668	\$ 782,870	\$ 51,653,470	\$ 719,489,231
2004-05	585,736,000	70,185,398	7,266,190	12,738,249	749,910	46,213,173	722,888,920
2005-06	595,247,620	77,374,258	7,334,170	12,623,170	816,849	44,755,418	738,151,485
2006-07	604,537,500	82,731,982	7,651,460	8,214,562	788,494	43,095,318	747,019,316
2007-08	945,895,550	83,806,224	6,090,910	5,193,843	753,388	59,538,191	1,101,278,106
2008-09	953,460,850	86,840,009	6,863,850	6,389,078	831,637	56,355,953	1,110,741,377
2009-10	961,990,800	67,884,109	6,877,367	5,755,896	771,449	54,534,257	1,097,813,878
2010-11	970,876,650	77,910,392	6,805,157	5,699,916	786,073	54,191,406	1,116,269,594
2011-12	977,029,100	84,524,978	6,903,429	5,072,447	810,656	63,793,637	1,138,134,247
2012-13	982,544,351	87,611,014	6,867,313	5,718,422	835,149	71,330,319	1,154,906,568

(1) 100% of fair market value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 7

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Mobi Property	le Homes	Machinery and Tools	Merchant's Capital
2003-04	\$ 0.62	\$ 2.00	\$ 0.62	\$ 2.00	\$ 3.20
2004-05	0.62	2.00	0.62	2.00	3.20
2005-06	0.62	3.00	0.62	3.00	3.20
2006-07	0.62	3.00	0.62	3.00	3.20
2007-08	0.42	3.00	0.42	3.00	3.20
2008-09	0.42	3.00	0.42	3.00	3.20
2009-10	0.42	3.00	0.42	3.00	3.20
2010-11	0.42	3.00	0.42	3.00	3.20
2011-12	0.42	3.00	0.42	3.00	3.20
2012-13	0.42	3.00	0.42	3.00	3.20

(1) Per \$100 of assessed value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2003-04	12,472	\$ 719,489,231	\$ 2,649,318	0.37%	\$ 212
2004-05	12,472	722,888,920	2,449,737	0.34%	196
2005-06	12,512	738,151,485	2,243,787	0.30%	179
2006-07	12,762	747,019,316	2,031,068	0.27%	159
2007-08	12,696	1,101,278,106	1,811,012	0.16%	143
2008-09	12,696	1,110,741,377	1,582,863	0.14%	125
2009-10	12,672	1,097,813,878	1,345,795	0.12%	106
2010-11	12,586	1,116,269,594	1,099,064	0.10%	87
2011-12	12,565	1,138,134,247	2,341,990	0.21%	186
2012-13	12,560	1,138,134,247	1,998,708	0.18%	159

(1) Weldon Cooper Center for Public Service.

(2) From Table 6.

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

COUNTY OF CHARLOTTE, VIRGINIA

Table 9

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures(2)</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2003-04	\$ 940,816	\$ 237,903	\$ 1,178,719	\$ 25,677,233	\$ 4.59%
2004-05	480,693	217,096	697,789	29,416,869	2.37%
2005-06	381,119	198,161	579,280	31,749,337	1.82%
2006-07	514,676	208,155	722,831	33,313,038	2.17%
2007-08	475,060	184,549	659,609	36,139,207	1.83%
2008-09	677,525	169,219	846,744	35,878,005	2.36%
2009-10	731,161	151,013	882,174	36,676,651	2.41%
2010-11	665,023	109,887	774,910	33,740,810	2.30%
2011-12	1,573,160	178,150	1,751,310	34,525,904	5.07%
2012-13	523,075	159,622	682,697	34,733,040	1.97%

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

(2) Excludes capital projects and nondepartmental

**- Compliance -**



# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' 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*

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Charlotte, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Charlotte, Virginia's basic financial statements and have issued our report thereon dated November 29, 2013.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Charlotte, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Charlotte, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Charlotte, Virginia's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. Reference finding 2013-1.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Charlotte, Virginia's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-2.

### County of Charlotte, Virginia's Response to Findings

County of Charlotte, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Charlotte, Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 29, 2013

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

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

### Report on Compliance for Each Major Federal Program

We have audited County of Charlotte, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Charlotte, Virginia's major federal programs for the year ended June 30, 2013. County of Charlotte, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of Charlotte, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Charlotte, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Charlotte, Virginia's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, County of Charlotte, Virginia complied, in all material respects, with the types of 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, 2013.

## Report on Internal Control Over Compliance

Management of County of Charlotte, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Charlotte, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Charlotte, Virginia's internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 29, 2013

COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Temporary assistance for needy families (TANF)	93.558	0400112/0400113	\$ 367,950
Refugee and entrant assistance - state administered programs	93.566	0500112/0500113	653
Low-income home energy assistance	93.568	0600412/0600413	13,812
Child care mandatory and matching funds of the child care and development fund	93.596	0760112/0760113	27,269
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900112/0900113	844
Foster care - Title IV-E	93.658	1100112/1100113	126,799
Adoption assistance	93.659	1120112/1120113	77,739
Social services block grant	93.667	1000112/1000113	149,681
Chafee foster care independence program	93.674	9150112/9150113	2,029
Children's health insurance program	93.767	0540112/0540113	5,283
Medical assistance program	93.778	1200112/1200113	128,235
Total Department of Health and Human Services			\$ 900,294
Department of Agriculture:			
Pass Through Payments:			
Department of Agriculture:			
Summer food service program for children	10.559	N/A	\$ 30,887
Food Distribution - Child Nutrition Cluster	10.555	N/A	\$ 59,607
Department of Education:			
Child Nutrition Cluster:			
National school lunch program	10.555	406230	453,481 513,088
School breakfast program	10.553	405912	224,641
Child and adult care food program	10.558	Unknown	3,667
Department of Social Services:			
SNAP Cluster:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010112/0010113 0040112/0040113	214,309
Total Department of Agriculture			\$ 986,592

COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Crime victim assistance	16.575	N/A	\$ 20,525
Total Department of Justice			\$ 20,525
Department of Labor:			
Pass Through Payments:			
Department of Labor Employment Training Administration:			
Workforce incentive grant	17.267	Unknown	\$ 52,046
WIA Cluster:			
Workforce investment act - adult program	17.258	Unknown	783,265
Workforce investment act - youth activities	17.259	Unknown	466,896
Workforce investment act - dislocated workers	17.278	Unknown	401,592
Total Department of Labor			\$ 1,703,799
National Science Foundation:			
Pass Through Payments:			
Virginia Commonwealth University:			
Math program grants	47.046	Unknown	\$ 30,000
Total National Science Foundation			\$ 30,000
Department of Homeland Security			
Pass Through Payments:			
Department of Emergency Management:			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	Unknown	\$ 11,200
Total Department of Homeland Security			\$ 11,200
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and Community Highway Safety Program	20.600	Unknown	816
Alcohol open container requirements	20.607	154AL201513004240	\$ 12,752
Total Department of Transportation			\$ 13,568
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I grants to local educational agencies	84.010	429013	\$ 1,062,547
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	430713	494,220
Special education - preschool grants	84.173	625213	19,366
Career and technical education - basic grants to states	84.048	610950	47,898
School improvement grants	84.377	865920	8,472
Improving teacher quality state grants	84.367	614800	218,522
Education technology state grants	84.318	616000	4,634
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Unknown	5,150
Twenty-First Century Community Learning Centers	84.287	605650	138,437
Rural education	84.358	434813	47,087
ARRA - Education Jobs Funds	84.410	Unknown	104,450
Arabic and Chinese teacher student program grant	84.293	613000	18,591
ARRA - Statewide data systems	84.384	479440	19,692
Total Department of Education			\$ 2,189,066
Corporation for National and Community Service:			
Pass Through Payments:			
Department of Education:			
Learn and serve America - school and community based programs	94.004	601850	\$ 19,989
Total Corporation for National and Community Service			\$ 19,989
Total Expenditures of Federal Awards			\$ 5,875,033

See accompanying notes to Schedule of Expenditures of Federal Awards.

## COUNTY OF CHARLOTTE, VIRGINIA

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2013

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#### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Charlotte, Virginia under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Charlotte, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Charlotte, Virginia.

#### Note 2 - Summary of Significant Accounting Policies

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

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

#### Note 3 - Food Donation

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

#### Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 2,935,756
Less: Payments in lieu of taxes	(8,311)
Less: BAB Subsidy	(63,750)
Total General Fund	<u>2,863,695</u>
Agency Funds:	
Virtual Virginia Fund	18,591
No Child Left Behind Fund	<u>143,527</u>
Total Agency Funds	<u>162,118</u>
Total primary government	<u>\$ 3,025,813</u>

Component Unit Public Schools:

School Operating Fund	\$ 2,111,490
School Cafeteria Fund	<u>737,730</u>
Total component unit public schools	<u>\$ 2,849,220</u>

Total federal expenditures per basic financial statements	<u>\$ 5,875,033</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 5,875,033</u>
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COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	Yes

**Federal Awards**

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

CFDA #	Name of Federal Program or Cluster
	WIA Cluster:
17.258	Workforce Investment Act - Adult Programs
17.259	Workforce Investment Act - Youth Activities
17.278	Workforce Investment Act - Dislocated Worker
	Child Nutrition Cluster:
10.553	National School Breakfast Program
10.555	National School Lunch Program

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



## COUNTY OF CHARLOTTE, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013 (Continued)

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### Section II - Financial Statement Findings

#### 2013 - 1

Criteria:	Proper internal controls are the foundation for accurate financial reporting, preventing fraud, other illegal acts and over compliance with laws, regulations and agreements.
Condition:	It was noted the internal controls over certain functions of the Charlotte County School Board's financial reporting structure was inadequate during the fiscal year ending June 30, 2013. Controls over procurement of goods and services, documentation supporting expenditures incurred and paid, accurate reporting of expenditures and similar matters were deemed insufficient including controls over the Statesmen Computer operations. More specifically a violation of the Virginia Public Procurement Act (Finding 2013-2) was noted; missing vendor invoices and other supporting documents; errors in the posting of invoices; and a lack of controls over the inventory and other operations of the Statesmen Computer activity.
Effect of Condition:	There is more than a remote likelihood that a material misstatement of the financial statements will not be prevented and illegal acts or noncompliance not detected or prevented.
Cause of Condition:	Management did not provide for sufficient oversight of the financial reporting and internal control structure or take action to correct deficiencies previously noted.
Recommendation:	Evaluate the internal control structure over the financial reporting of Charlotte County Public Schools. Implement sufficient controls over the weaknesses identified by the audit.
Management's Response:	Current Management of Charlotte County Public Schools is cognizant of the deficiencies over the previous internal control structure. In addition to correcting deficiencies noted, Management has conducted a complete evaluation of all financial reporting areas of the Charlotte County School Board. The proper procedures and technically trained staff were put in place to correct the deficiencies.

#### 2013 - 2

Criteria:	All public bodies in the Commonwealth of Virginia are subject to the Virginia Public Procurement Act.
Condition:	The audit disclosed an instance of violation of the Virginia Public Procurement Act over the lack of procurement for certain services by Charlotte County Public Schools.
Effect of Condition:	Noncompliance with the Virginia Public Procurement Act.
Cause of Condition:	Management did not provide for sufficient oversight of the financial reporting and internal control structure to adequately monitor Charlotte County Public School's compliance with the Virginia Public Procurement Act.
Recommendation:	Evaluate the internal control structure over procurement and related functions for compliance with the Virginia Public Procurement Act.
Management's Response:	Current Management is cognizant of the deficiencies over the previous internal control structure. In addition to correcting deficiencies noted, Management has conducted a complete evaluation of all financial reporting areas of the Charlotte County School Board. The proper procedures and technically trained staff were put in place to correct the deficiencies.

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

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

**COUNTY OF CHARLOTTE, VIRGINIA**

Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2013

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There were no findings reported for the year ended June 30, 2012.