

COUNTY OF BUCHANAN, VIRGINIA

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

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COUNTY OF BUCHANAN, VIRGINIA  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2010

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## Introductory Section

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## COUNTY OF BUCHANAN, VIRGINIA

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### BOARD OF SUPERVISORS

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Terry L. Hall	James C. Branham, Chairman	Steve O'Quinn
Berlin Viars		G. Roger Rife
William P. Harris		Carl F. Landreth

### COUNTY SCHOOL BOARD

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Clarence Brown, Jr.	Willie R. Sullivan, Chairman	Austin Crumpton
Larry Looney		Paul Hayes
Wayne Deskins	Joyce L. Presley, Clerk	Craig Stiltner

### OTHER OFFICIALS

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Judge of the Circuit Court .....	Patrick Johnson
Clerk of the Circuit Court.....	Beverly Tiller
Judge of the General District Court.....	Jack Hurley
Judge of the Juvenile & Domestic Relations Court .....	Harry Barringer
Commonwealth's Attorney .....	Tamara Neo
Commissioner of the Revenue .....	Jay Rife
Treasurer .....	Billy J. Keene
Sheriff.....	Ray Foster
Superintendent of Schools .....	Tommy P. Justus
Director of Social Services .....	Judy Holland
County Administrator.....	William J. Caudill
County Attorney .....	Michael G. McGlothlin
County Attorney .....	Lee Moise

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## Financial Section

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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

## Independent Auditors' Report

### TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF BUCHANAN, VIRGINIA GRUNDY, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit–School Board, the discretely presented component unit – Buchanan County Public Service Authority, each major fund and the aggregate remaining fund information of the County of Buchanan, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the County's primary government, component unit-School Board and component unit-Buchanan County Public Service Authority as listed in the table of contents. These financial statements are the responsibility of the County of Buchanan, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above only include the primary government of the County of Buchanan, Virginia, the component-unit School Board and the component-unit Buchanan County Public Service Authority. The financial statements do not include financial data of the County's legally separate component-unit Buchanan County Industrial Development Authority, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the County of Buchanan, Virginia as of June 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 School Board, the discretely presented component unit Buchanan County Public Service Authority, each major fund and the aggregate remaining fund information of the County of Buchanan, Virginia, as of June 30, 2010, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2010, on our consideration of the County of Buchanan, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and

compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has elected to omit Management's Discussion and Analysis which is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Buchanan, Virginia's basic financial statements. The introductory section and the other supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Buchanan, Virginia. The schedule of expenditures of federal awards 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. The introductory section and other supplementary information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Robinson, Turner, Co. Associates*

Christiansburg, Virginia

December 27, 2010

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## Basic Financial Statements

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

	Primary Government	Component Unit	Component Unit
	Governmental <u>Activities</u>	<u>School Board</u>	Public Service <u>Authority</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 20,519,001	\$ 7,656,137	\$ 2,543,558
Receivables (net of allowance for uncollectibles):			
Taxes receivable	21,697,876	-	-
Accounts receivable	12,090,803	-	394,317
Due from other governmental units	1,807,439	1,642,621	1,235,760
Prepaid expenses	-	100,960	117,399
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	10,821,508	-	-
Permanently restricted:			
Cash and cash equivalents	-	-	543,185
Other assets:			
Unamortized bond issue costs	-	-	127,285
Capital assets (net of accumulated depreciation):			
Land	1,629,379	2,491,725	105,000
Buildings and system	11,469,934	8,662,679	59,613,960
Machinery and equipment	1,946,191	755,810	-
Construction in progress	714,231	91,735	6,115,445
Total assets	<u>\$ 82,696,362</u>	<u>\$ 21,401,667</u>	<u>\$ 70,795,909</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 4,709,286	\$ 125,094	\$ 226,615
Accrued wages	-	-	49,902
Contracts payable	-	6,203,250	-
Customers' deposits	-	-	131,030
Accrued interest payable	298,403	-	54,826
Deferred revenue	15,660,569	-	-
Long-term liabilities:			
Due within one year	1,318,032	926,295	975,727
Due in more than one year	9,120,400	588,406	8,768,656
Total liabilities	<u>\$ 31,106,690</u>	<u>\$ 7,843,045</u>	<u>\$ 10,206,756</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 5,888,098	\$ 12,001,949	\$ 56,315,640
Restricted for:			
Debt service	-	-	543,185
Coal road improvements	10,413,114	-	-
Unrestricted (deficit)	35,288,460	1,556,673	3,730,328
Total net assets	<u>\$ 51,589,672</u>	<u>\$ 13,558,622</u>	<u>\$ 60,589,153</u>

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

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	
					Governmental Activities	Component Units School Board      Public Service Authority
<b>PRIMARY GOVERNMENT:</b>						
Governmental activities:						
General government administration	\$ 2,526,597	\$ 3,341	\$ 270,622	\$ -	\$ (2,252,634)	\$ -
Judicial administration	1,503,610	14,528	660,985	-	(828,097)	-
Public safety	7,238,733	110,656	1,639,799	-	(5,488,278)	-
Public works	12,220,224	557,736	7,324	-	(11,655,164)	-
Health and welfare	9,854,812	-	6,787,446	-	(3,067,366)	-
Education	10,950,125	-	-	-	(10,950,125)	-
Parks, recreation, and cultural	1,110,865	46,650	101,644	-	(962,571)	-
Community development	10,889,281	-	360,000	1,182,479	(9,346,802)	-
Interest on long-term debt	488,371	-	-	-	(488,371)	-
Total governmental activities	\$ 56,782,618	\$ 732,911	\$ 9,827,820	\$ 1,182,479	\$ (45,039,408)	\$ -
Total primary government	\$ 56,782,618	\$ 732,911	\$ 9,827,820	\$ 1,182,479	\$ (45,039,408)	\$ -
<b>COMPONENT UNITS:</b>						
School Board	\$ 39,467,672	\$ 1,170,633	\$ 28,367,739	\$ -	\$ -	\$ (9,929,300)
Public Service Authority	8,550,248	4,596,387	-	4,552,400	-	598,539
Total component units	\$ 48,017,920	\$ 5,767,020	\$ 28,367,739	\$ 4,552,400	\$ -	\$ (9,929,300)
General revenues:						
General property taxes					\$ 15,424,011	\$ -
Other local taxes:						
Local sales and use taxes					1,386,240	-
Consumers' utility taxes					422,417	-
Mineral license tax					10,296,235	-
Methane gas tax					1,303,308	-
Coal road taxes					10,296,139	-
Other local taxes					547,124	-
Unrestricted revenues from use of money and property					248,058	51,580
Miscellaneous					255,339	139,297
Contributions from Buchanan County					-	10,752,068
Grants and contributions not restricted to specific programs					2,774,371	(393,022)
Total general revenues					\$ 42,953,242	\$ 10,549,923
Change in net assets					(2,086,166)	620,623
Net assets - beginning					53,675,838	12,937,999
Net assets - ending					\$ 51,589,672	\$ 13,558,622

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

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

	<u>General</u>	<u>Coal Road</u>	<u>Disaster Relief</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,436,679	\$ -	\$ 82,322	\$ 20,519,001
Receivables (net of allowance for uncollectibles):				
for uncollectibles:				
Taxes receivable	20,392,402	1,305,474	-	21,697,876
Accounts receivable	12,090,803	-	-	12,090,803
Due from other funds	-	100,000	-	100,000
Due from other governmental units	1,807,439	-	-	1,807,439
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	\$ 10,821,508		10,821,508
Total assets	<u>\$ 54,727,323</u>	<u>\$ 12,226,982</u>	<u>\$ 82,322</u>	<u>\$ 67,036,627</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,895,418	\$ 1,813,868	\$ -	\$ 4,709,286
Due to other funds	-	-	100,000	100,000
Deferred revenue	30,496,937	-	-	30,496,937
Total liabilities	<u>\$ 33,392,355</u>	<u>\$ 1,813,868</u>	<u>\$ 100,000</u>	<u>\$ 35,306,223</u>
Fund balances:				
Reserved for:				
Coal road improvements	\$ -	\$ 10,413,114	\$ -	\$ 10,413,114
Unreserved:				
Undesignated, reported in:				
General fund	21,334,968	-	-	21,334,968
Special revenue funds	-	-	(17,678)	(17,678)
Total fund balances	<u>\$ 21,334,968</u>	<u>\$ 10,413,114</u>	<u>\$ (17,678)</u>	<u>\$ 31,730,404</u>
Total liabilities and fund balances	<u>\$ 54,727,323</u>	<u>\$ 12,226,982</u>	<u>\$ 82,322</u>	<u>\$ 67,036,627</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 31,730,404
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,759,735
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	14,836,368
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(10,736,835)
Net assets of governmental activities	<u>\$ 51,589,672</u>

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

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

	<u>General</u>	<u>Coal Road</u>	<u>Disaster Relief</u>	<u>Total</u>
<b>REVENUES</b>				
General property taxes	\$ 15,669,518	\$ -	\$ -	\$ 15,669,518
Other local taxes	13,955,324	10,296,139	-	24,251,463
Permits, privilege fees, and regulatory licenses	56,514	-	-	56,514
Fines and forfeitures	3,150	-	-	3,150
Revenue from the use of money and property	163,299	84,759	-	248,058
Charges for services	673,141	106	-	673,247
Miscellaneous	3,351,339	-	4,000	3,355,339
Recovered costs	263,601	-	-	263,601
Intergovernmental revenues:				
Commonwealth	8,313,632	-	-	8,313,632
Federal	5,471,038	-	-	5,471,038
Total revenues	<u>\$ 47,920,556</u>	<u>\$ 10,381,004</u>	<u>\$ 4,000</u>	<u>\$ 58,305,560</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,505,591	\$ -	\$ -	\$ 2,505,591
Judicial administration	1,481,044	-	-	1,481,044
Public safety	7,564,899	-	-	7,564,899
Public works	4,893,370	7,354,727	-	12,248,097
Health and welfare	9,523,202	-	271,500	9,794,702
Education	10,286,817	-	-	10,286,817
Parks, recreation, and cultural	1,132,458	-	-	1,132,458
Community development	7,267,347	3,648,682	-	10,916,029
Capital projects	1,356,657	-	-	1,356,657
Debt service:				
Principal retirement	1,059,841	-	-	1,059,841
Interest and other fiscal charges	521,493	-	-	521,493
Total expenditures	<u>\$ 47,592,719</u>	<u>\$ 11,003,409</u>	<u>\$ 271,500</u>	<u>\$ 58,867,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 327,837</u>	<u>\$ (622,405)</u>	<u>\$ (267,500)</u>	<u>\$ (562,068)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 50,158	\$ -	\$ 258,150	\$ 308,308
Transfers out	-	(308,308)	-	(308,308)
Total other financing sources (uses)	<u>\$ 50,158</u>	<u>\$ (308,308)</u>	<u>\$ 258,150</u>	<u>\$ -</u>
Net change in fund balances	\$ 377,995	\$ (930,713)	\$ (9,350)	\$ (562,068)
Fund balances - beginning	20,956,973	11,343,827	(8,328)	32,292,472
Fund balances - ending	<u>\$ 21,334,968</u>	<u>\$ 10,413,114</u>	<u>\$ (17,678)</u>	<u>\$ 31,730,404</u>

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

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

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

Net change in fund balances - total governmental funds	\$ (562,068)
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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.	874,815
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount consists of a decrease in property taxes receivable of (\$245,507) and a decrease in receivables related to a settlement with CNX of (\$3,100,000).	(3,345,507)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,059,674
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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.	(113,080)
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Change in net assets of governmental activities	\$ (2,086,166)
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The notes to the financial statements are an integral part of this statement.

County of Buchanan, Virginia  
Statement of Fiduciary Net Assets  
Agency Fund  
June 30, 2010

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Special Welfare  
Fund

**ASSETS**

Cash and cash equivalents	\$ 87,768
Total assets	<u>\$ 87,768</u>

**LIABILITIES**

Amounts held for Social Services clients	\$ 87,768
Total liabilities	<u>\$ 87,768</u>

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

COUNTY OF BUCHANAN, VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2010

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

The financial statements of the County conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Reporting Entity:

The County of Buchanan, Virginia (government) is a municipal corporation governed by an elected seven-member Board of Supervisors. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended component units – None

Discretely Presented Component Units – The component unit columns in the financial statements include the financial data of the County's discretely presented component units. They are reported in separate columns to emphasize that they are legally separate from the County.

The Buchanan County School Board operates the elementary and secondary public schools in the County. School Board members are popularly elected. 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. The School Board is presented as a governmental fund type and does not issue a separate financial report.

The Buchanan County Industrial Development Authority (IDA) encourages and provides financing for industrial development in the County. The Industrial Development Authority board members are appointed by the Board of Supervisors. The Industrial Development Authority is fiscally dependent upon the County because the County provides significant funding and approves all debt issuances. In addition, the IDA does not have separate taxing powers. The financial statements for the Industrial Development Authority were unavailable for inclusion in the County's financial statements.

The Buchanan County Public Service Authority provides water and sewer service to the County. The Public Service Authority board members are appointed by the Board of Supervisors. In addition, the County provides operational support. The complete financial report for the Authority may be obtained directly from the Authority.

Related Organizations – The County has no related organizations.

Jointly Governed Organizations - The County participates in the Cumberland Mountain Regional Community Services Board. Contributions for the year ended June 30, 2010 were \$20,000.

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

B. Government-wide and fund financial statements:

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

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

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

C. Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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. 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.

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

C. Measurement focus, basis of accounting, and financial statement presentation: (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues.

Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of numerous funds merged for financial reporting purposes only. Fund balances of merged funds are either designated or restricted in the balance sheet.

The *coal road fund* is a major special revenue fund. It accounts for financial resources to be used for improvements to roads used in conjunction with coal mining.

The *disaster relief fund* is a major special revenue fund. It accounts for financial resources received from the state and federal governments due to natural disasters.

Additionally, the government reports the following fund types:

*Fiduciary funds* account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Agency funds include the Special Welfare fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

C. Measurement focus, basis of accounting, and financial statement presentation: (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Public Service Authority and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Public Service Authority's enterprise fund are charges to customers for sales and services. The Public Service Authority also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, liabilities, and net assets or equity:

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the government, as well as for its component units, are reported at fair value.

2. Receivables and payables

Activity between funds that is 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) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

D. Assets, liabilities, and net assets or equity: (Continued)

2. Receivables and payables (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

3. Property taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on December 5<sup>th</sup>. Personal property taxes are due and collectible annually on December 5<sup>th</sup>. The County bills and collects its own property taxes.

4. Allowance for uncollectible accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$2,428,161 at June 30, 2010 and is comprised solely of delinquent property taxes.

5. 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.

6. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. 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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous year.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

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

## D. Assets, liabilities, and net assets or equity: (Continued)

## 6. Capital assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20 - 40
Structures, lines, and accessories	20 - 40
Machinery and equipment	5 - 12

## 7. Compensated absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting 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. The County accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

## 8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

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

## D. Assets, liabilities, and net assets or equity: (Continued)

## 9. Fund equity

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

## 10. Net Assets

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

**Note 2-Reconciliation of Government-Wide and Fund Financial Statements:**

## A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of these \$(10,736,835) and \$(1,514,701) differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Bonds payable	\$ (9,562,967)	\$ -
Accrued interest payable	(298,403)	-
OPEB Obligation	(308,670)	(279,641)
Landfill accrued closure and post closure monitoring costs	(24,084)	-
Compensated absences	<u>(542,711)</u>	<u>(1,235,060)</u>
Net adjustment to reduce <i>fund balance-total governmental funds</i> to arrive at <i>net assets-governmental activities</i>	<u>\$ (10,736,835)</u>	<u>\$ (1,514,701)</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 2-Reconciliation of Government-Wide and Fund Financial Statements: (Continued)**

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of these \$874,815 and \$(975,249) differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Capital outlays	\$ 2,208,619	\$ 154,340
Depreciation expense	(1,331,582)	(1,131,811)
Transfer of assets to School Board	<u>(2,222)</u>	<u>2,222</u>
Net adjustment to increase (decrease) <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 874,815</u>	<u>\$ (975,249)</u>

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$1,059,674 difference in the primary government are as follows:

**Debt Issued or incurred:**

Accrued landfill closure/postclosure	\$ (167)
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**Principal repayments:**

General obligation debt	902,400
Capital leases	<u>157,441</u>

Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 1,059,674</u>
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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

**Note 2-Reconciliation of Government-Wide and Fund Financial Statements: (Continued)**

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities: (Continued)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of these \$(113,080) and \$(123,558) differences for the primary government and discretely presented component unit, respectively, are as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Increase in accrued leave	\$ (23,859)	\$ (51,388)
Decrease in accrued interest	33,122	-
Increase in OPEB liability	<u>(122,343)</u>	<u>(72,200)</u>
Net adjustment to increase (decrease) <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (113,080)</u>	<u>\$ (123,588)</u>

**Note 3-Stewardship, Compliance, and Accountability:**

- A. Budgetary information:

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 function level. Only the Board of Supervisors can revise the appropriation for each department or category. 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

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**Note 3-Stewardship, Compliance, and Accountability: (Continued)**

A. Budgetary information: (Continued)

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds (except the School Operating Fund). The School Operating Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. The County's practice is to appropriate Capital Projects by Project. Several supplemental appropriations were necessary during this fiscal year.
8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriations, is not part of the County's accounting system.

B. Excess of expenditures over appropriations:

In the year ended June 30, 2010, the County's expenditures did not exceed its appropriations for any fund.

C. Deficit fund equity:

At June 30, 2010, the Disaster Relief fund had deficit fund equity.

**Note 4-Deposits and Investments:**

Deposits:

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

Investments:

Statutes authorize local governments and other public bodies 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 and its Discretely Presented Component Units had no investments at June 30, 2010.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 5-Due from Other Governmental Units:**

The following amounts represent receivables from other governments at year-end:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
<b><u>Commonwealth of Virginia:</u></b>		
Local sales tax	\$ 260,063	\$ -
State sales tax	-	482,500
Categorical aid	454,013	-
Non-categorical aid	205,808	-
Comprehensive Services Act	82,676	-
Other local tax	154,898	-
<b><u>Federal Government:</u></b>		
Virginia public assistance funds	233,310	-
Community development block grant	416,671	
School grants	-	1,160,121
	<u>                    </u>	<u>                    </u>
Totals	\$ 1,807,439	\$ 1,642,621

**Note 6-Long-Term Debt:****Primary Government - Governmental Activity Indebtedness:**

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

Year Ending June 30,	<u>General Obligation Bonds</u>		<u>Refunding Bond</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 704,496	\$ 390,573	\$ 206,503	\$ 110,632
2012	712,503	354,219	206,503	96,803
2013	719,853	318,397	206,503	82,974
2014	727,587	281,738	206,503	69,145
2015	735,727	244,423	206,503	55,316
2016-2020	3,766,442	636,208	619,512	82,973
2021	544,332	14,318	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Totals	\$ 7,910,940	\$ 2,239,876	\$ 1,652,027	\$ 497,843

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 6-Long-Term Debt:** (Continued)Primary Government - Governmental Activity Indebtedness: (Continued)

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

	<u>Balance July 1, 2009</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>
General obligation bonds	\$ 8,606,837	\$ -	\$ (695,897)	\$ 7,910,940
Capital leases (Note 8)	157,441	-	(157,441)	-
Refunding bond	1,858,530	-	(206,503)	1,652,027
Landfill post closure liability	23,917	167	-	24,084
Compensated absences	518,852	412,998	(389,139)	542,711
OPEB Liability	186,327	175,679	(53,336)	308,670
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 11,351,904</u>	<u>\$ 588,844</u>	<u>\$ (1,502,316)</u>	<u>\$ 10,438,432</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010Note 6-Long-Term Debt: (Continued)Primary Government - Governmental Activity Indebtedness: (Continued)

Details of long-term indebtedness:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b><u>General Obligation Bonds:</u></b>		
\$4,000,000 school bonds series 1999A, issued April 5, 1999 with interest payable semiannually at rates varying from 4.35% to 5.225% and annual principal installments of \$200,000 due through 2020.	2,000,000	200,000
\$1,000,000 school bonds series 1998B, issued October 5, 1998 with interest payable semiannually at rates varying from 3.6% to 5.1% and annual principal installments of \$50,000 due through 2019	450,000	50,000
\$3,500,000 school bonds series 2000A, issued May 18, 2000 with interest payable semiannually at rates varying from 5.10% to 6.35% and annual principal installments of \$175,000 due through 2021	1,925,000	175,000
\$5,740,370 school bonds series 2000B, issued October 10, 2000 with interest payable semiannually at rates varying from 4.975% to 5.85% and annual principal amounts varying from \$234,625 to \$369,332 due through July 15, 2020.	3,535,940	279,496
Total General Obligation Bonds	<u>\$ 7,910,940</u>	<u>\$ 704,496</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 6-Long-Term Debt: (Continued)****Primary Government - Governmental Activity Indebtedness: (Continued)**

Details of long-term indebtedness: (Continued)

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b><u>Refunding Bond:</u></b>		
\$3,923,564 taxable school bond refunding series 1998A, issued July 1, 1998, due in annual installments of \$206,503 through July 1, 2017, interest payable annually on July 1 at 6.605%	\$ 1,652,027	\$ 206,503
<b><u>Other Obligations:</u></b>		
Landfill closure and post closure monitoring liability	\$ 24,084	\$ -
Compensated absences	542,711	407,033
OPEB Liability	308,670	-
Total Other Obligations	\$ 875,465	\$ 407,033
Total Long-Term Obligations	\$ 10,438,432	\$ 1,318,032

**Note 7-Long-Term Debt-Component Units:****Discretely Presented Component Unit-School Board-Indebtedness:**

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

	<u>Balance July 1, 2009</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>
OPEB Obligation	\$ 207,441	\$ 1,408,200	\$ (1,336,000)	\$ 279,641
Compensated Absences	1,183,672	51,388		1,235,060
Total	\$ 1,391,113	\$ 1,459,588	\$ (1,336,000)	\$ 1,514,701

Details of long-term indebtedness:

	<u>Total Amount</u>	<u>Amount Due Within One Year</u>
<b><u>Other Obligations:</u></b>		
OPEB Obligation	\$ 279,641	\$ -
Compensated Absences	1,235,060	926,295
Total Long-Term Obligations	\$ 1,514,701	\$ 926,295

**Note 8-Employee Retirement System and Pension Plans:**

A. Plan Description

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

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

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

B. Funding Policy

Primary Government:

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the County of Buchanan, Virginia is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County of Buchanan, Virginia's contribution rate for the fiscal year ended 2010 was 11.13% of annual covered payroll.

Discretely Presented Component Unit - School Board (Non-Professional Employees):

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the School Board's is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2010 was 21.31% of annual covered payroll.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 8-Employee Retirement System and Pension Plans: (continued)**

## C. Annual Pension Cost

For fiscal year 2010, the County of Buchanan, Virginia's annual pension cost of \$1,085,765 and \$532,857 was equal to the County of Buchanan, Virginia's required and actual contributions for the County and the School Board Non-Professionals, respectively.

## Three-Year Trend Information for County of Buchanan

	Ending	Cost (APC)	Contributed	Obligation
Primary Government:				
County	6/30/2010	\$ 1,085,765	100.00%	
	6/30/2009	740,733	100.00%	-
	6/30/2008	744,054	100.00%	-
Discretely Presented-Component Unit:				
School Board Non-Professional	6/30/2010	\$ 532,857	100.00%	
	6/30/2009	517,453	100.00%	-
	6/30/2008	463,217	100.00%	-

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

## D. Funded Status and Funding Progress

Primary Government:

As of June 30, 2009, the most recent actuarial valuation date, the plan was 76.11% funded. The actuarial accrued liability for benefits was \$36,960,985, and the actuarial value of assets was \$28,130,702, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,830,283. The covered payroll (annual payroll of active employees covered by the plan) was \$9,145,492, and ratio of the UAAL to the covered payroll was 96.55%.

Discretely Presented Component Unit - School Board (Non-Professional Employees):

As of June 30, 2009, the most recent actuarial valuation date, the plan was 67.82% funded. The actuarial accrued liability for benefits was \$16,420,648 and the actuarial value of assets was \$11,135,961, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,284,687. The covered payroll (annual payroll of active

**Note 8-Employee Retirement System and Pension Plans: (continued)**

D. Funded Status and Funding Progress (continued)

employees covered by the plan) was \$2,449,265 and ratio of the UAAL to the covered payroll was 215.77%.

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

E. Discretely Presented Component Unit - School Board (Professional Employees)

Plan Description

The Buchanan County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution to the statewide cost sharing pool for professional employees, not including the 5% member contribution, was \$1,093,921, \$1,447,407 and \$1,654,331 for the fiscal years ended 2010, 2009, and 2008, respectively. Required employer contributions represented 6.52%, 8.81%, and 10.30% of covered payroll for the fiscal years ended 2010, 2009, and 2008, respectively.

**Note 9-Deferred Revenue:**

Deferred (unearned) revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$30,496,937 is comprised of the following:

Deferred Property Taxes – Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$18,596,937.

Deferred Settlement – Deferred revenue representing uncollected settlement from CNX Gas Company totaling \$11,900,000.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 10-Capital Assets:**

Capital asset activity for the year ended June 30, 2010 was as follows:

Primary Government:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,629,379	\$ -	\$ -	\$ 1,629,379
Construction in progress	62,231	1,353,694	(701,694)	714,231
Total capital assets not being depreciated	<u>\$ 1,691,610</u>	<u>\$ 1,353,694</u>	<u>\$ (701,694)</u>	<u>\$ 2,343,610</u>
Capital assets, being depreciated:				
Buildings	\$ 25,012,203	\$ 756,533	\$ (3,984,636)	\$ 21,784,100
Machinery and equipment as restated	4,730,355	800,086	(125,160)	5,405,281
Total capital assets being depreciated	<u>\$ 29,742,558</u>	<u>\$ 1,556,619</u>	<u>\$ (4,109,796)</u>	<u>\$ 27,189,381</u>
Less: accumulated depreciation for:				
Buildings	\$(13,384,606)	\$ (911,974)	\$ 3,982,414	\$(10,314,166)
Machinery and equipment as restated	(3,164,642)	(419,608)	125,160	(3,459,090)
Total accumulated depreciation	<u>\$(16,549,248)</u>	<u>\$(1,331,582)</u>	<u>\$ 4,107,574</u>	<u>\$(13,773,256)</u>
Total capital assets being depreciated, net	<u>\$ 13,193,310</u>	<u>\$ 225,037</u>	<u>\$ (2,222)</u>	<u>\$ 13,416,125</u>
Governmental activities capital assets, net	<u>\$ 14,884,920</u>	<u>\$ 1,578,731</u>	<u>\$ (703,916)</u>	<u>\$ 15,759,735</u>

Capital assets with a initial purchase price of \$3,984,636 and accumulated depreciation of \$3,982,414 were transferred to the School Board as the debt associated with these assets has been fully defeased and the School Board uses such assets in their operations. In Virginia, debt financed School Board assets are considered assets of the general government until the debt is paid off.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

**Note 10-Capital Assets: (Continued)**

Primary Government: (Continued)

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

**Governmental activities:**

General government administration	\$	139,600
Judicial administration		22,288
Public safety		180,851
Public works		143,888
Health and welfare		69,935
Education		713,739
Parks, recreation, and cultural		49,460
Community development		11,821
		<u>11,821</u>
Total depreciation expense-governmental activities	\$	<u>1,331,582</u>

Capital asset activity for the Component Unit – School Board for the year ended June 30, 2010 was as follows:

## Capital assets, not being depreciated:

Land	\$ 2,461,725	\$ 30,000	\$ -	\$ 2,491,725
Construction in progress	62,293	38,317	(8,875)	91,735
Total capital assets not being depreciated	<u>\$ 2,524,018</u>	<u>\$ 68,317</u>	<u>\$ (8,875)</u>	<u>\$ 2,583,460</u>

## Capital assets, being depreciated:

Buildings as restated	\$ 26,652,888	\$ 4,054,258	\$ -	\$ 30,707,146
Machinery and equipment	3,482,313	25,276		3,507,589
Total capital assets being depreciated	<u>\$ 30,135,201</u>	<u>\$ 4,079,534</u>	<u>\$ -</u>	<u>\$ 34,214,735</u>

## Less: accumulated depreciation for:

Buildings	\$ (17,163,140)	\$ (4,881,327)	\$ -	\$ (22,044,467)
Machinery and equipment	(2,518,881)	(232,898)		(2,751,779)
Total accumulated depreciation	<u>\$ (19,682,021)</u>	<u>\$ (5,114,225)</u>	<u>\$ -</u>	<u>\$ (24,796,246)</u>

Total capital assets being depreciated, net	<u>\$ 10,453,180</u>	<u>\$ (1,034,691)</u>	<u>\$ -</u>	<u>\$ 9,418,489</u>
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Governmental activities capital assets, net	<u>\$ 12,977,198</u>	<u>\$ (966,374)</u>	<u>\$ (8,875)</u>	<u>\$ 12,001,949</u>
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Depreciation expense in the amount of \$1,131,811 was charged to the education function.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 11-Risk Management:**

The County and its' component unit – School Board are exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County participates with other localities in a public entity risk pool for their coverage of general liability, crime, and auto insurance with the Virginia Association of Counties Risk Pool. Each member of each of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County pays the Pool contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of the loss deficit, or depletion of all available excess insurance, the pool may assess all members in the proportion in which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its' component unit – School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 12-Contingencies:**

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

A local private school filed suit against the County claiming that its real estate had been erroneously assessed for the 2000 tax year. The claim for the 2000 tax year is approximately \$20,000, however if the suit is successful the County may incur similar claims for all tax years since 2000. The County maintains that the property in question has been properly assessed and therefore no liability has been recorded in the financial statements as the loss, if any, can not be reasonably estimated.

A production company, which own gas wells in the County, is requesting a reduction in the assessed value of their wells. If the values are reduced, the company would be entitled to tax refunds of approximately \$226,000 and \$122,861 for the 2003 and 2004 tax years, respectively. In addition, it is possible that the Company may request additional refunds for subsequent tax years. To date, the County's Commissioner of the Revenue has denied these requests. As such, no estimate of the potential loss, if any, can be reasonably estimated, therefore no amount has been recorded as a liability in the financial statements for same.

The County filed suits against contractors and certain individuals to recover more than \$2,000,000 for the losses it suffered as a result of criminal acts related to flood relief work following the Hurley flood in 2002. In 2008, the County obtained default judgments totaling \$716,217.65, however no funds have been received to date and collection is uncertain. At this point, no reasonable estimate of additional proceeds can be determined and therefore, no receivable has been recorded in the financial statements related to same.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 13-Surety Bonds:**

Primary Government:

**Virginia Association of Counties Group Self Insurance Risk Pool - Surety:**

All public officials	\$ 1,000,000
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**Travelers Casualty and Surety Company of America:**

Treasurer	\$ 400,000
Clerk of the Court	450,000
Commissioner of the Revenue	3,000
Sherriff	30,000

Component Unit – School Board:

**Virginia Association of Counties (VACO) Risk Management Program**

Thomas P. Justus, Superintendent of Schools	
Joyce F. Presley, Clerk of the School Board	\$ 250,000
Willie Sullivan, Chairman, School Board	per
Nancy Sykes, Textbook/Payable Clerk	occurrence
Patty Lester, Deputy Clerk	
All School Board employees	

**Note 14-Landfill Closure and Post closure Care Cost:**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for at least thirty years after closure or leachate ceases to exist. The County has closed its landfill. \$24,084 is reported as landfill post closure care liability at June 30, 2010. This represents what it would cost to perform closure and post closure care in 2010. Actual costs for post closure monitoring may change due to inflation, deflation, changes in technology or changes in regulations. The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill post closure costs.

**Note 15-Designated and Reserved Net Assets:**

Primary Government:

Reserved for coal road expenditures	<u>\$ 10,413,114</u>
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Total Primary Government	<u>\$ 10,413,114</u>
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010

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**Note 16 – Construction Commitments:**

The County has no substantial construction commitments as of June 30, 2010:

**Note 17 – Settlement Receivable:**

On December 23, 2009, the County of Buchanan entered into a settlement agreement and release with CNX Gas Company, LLC, Consolidation Coal Company and the Commissioner of Revenue of Buchanan County, Virginia. Terms of the agreement require CNX to make cash payments totaling \$15 million dollars into a special account held by the County. These funds are limited to use for capital, special projects and other County expenditures as authorized by law, at the discretion of the Board of Supervisors. The following table presents payment amounts and due dates in accordance with terms of the agreement.

<u>Payment due</u>	<u>Amount</u>
December 31, 2010	2,100,000
December 31, 2011	2,100,000
December 31, 2012	2,500,000
December 31, 2013	2,500,000
December 31, 2014	2,700,000
	<hr/>
Total	\$ 11,900,000

As a result of this agreement, the County has recognized revenue and a related receivable in the amount of \$11,900,000 in the government-wide financial statements (statement of net assets and activities). Revenue will be recognized in the fund basis financial statements as funds become available for use.

**Note 18-Other Postemployment Benefits (OPEB):****A. Plan Description****Primary Government – Department of Social Services:**

The County of Buchanan Department of Social Services (DSS) administers a single-employer healthcare plan ("the Plan"). The Plan provides for participation by eligible retirees and their dependents in the health insurance programs available to employees of the DSS. The Plan will provide retiring employees and their dependents the option to continue health insurance offered by the DSS. To be eligible, the employee must meet the age and service criteria for immediate retirement benefits under VRS and must be 55 years of age or older. In addition, the retiree must have served at least five (5) years of employment with the DSS. The retiree may retain coverage through DSS for a period of 10 years or until they become eligible for Medicare, whichever occurs first. The benefits, employee contributions, and the employer contributions are governed by the DSS and can be amended through DSS Board action. The Plan does not issue a publicly available financial report.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 18-Other Postemployment Benefits (OPEB): (Continued)**

## A. Plan Description (continued)

Discretely Presented Component Unit – School Board:

The School Board administers a single-employer healthcare plan ("the Plan"). The Plan provides for participation by eligible retirees and their dependents in the health insurance programs available to employees. The Plan will provide retiring employees the option to continue health insurance offered by the School Board. To be eligible, the employee must meet the age and service criteria for full-time retirement benefits under VRS, which requires that the employee be age 50 with 30 years of service. The employee may continue coverage until they become eligible for Medicare. The benefits, employee contributions, and the employer contributions are governed by the School Board and can be amended through School Board action. The Plan does not issue a publicly available financial report.

## B. Funding Policy

Primary Government – Department of Social Services:

The Department of Social Services currently pays for post-retirement health care benefits on a pay-as-you-go basis. The County's Department of Social Services has 50 active employees who are eligible for the program. In addition, for retirees of the Department of Social Services, 10 percent of the premiums are the responsibility of the retiree. The rates were as follows at June 30, 2009, the date of the most recent actuarial valuation report:

Participants	Department of Social Services
Employee	\$ 611
Employee / Spouse	1,362
Employee / Child	841
Family	1,806

Discretely Presented Component Unit – School Board:

The School Board currently pays for post-retirement health care benefits on a pay-as-you-go basis. The School Board currently has 558 active employees who are eligible for the program. In addition, for retirees of the School Board, 100 percent of the premiums are the responsibility of the retiree. The rates were as follows at June 30, 2009, the date of the most recent actuarial valuation report:

Participants	School Board
Employee	\$ 425
Employee / Spouse	957
Employee / Child	638
Family	1,238

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010

Note 18-Other Postemployment Benefits (OPEB): (Continued)

## C. Annual OPEB Cost and Net OPEB Obligation

The County is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Primary Government – Department of Social Services:

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

Annual required contribution	\$	207,533
Interest on net OPEB obligation		6,168
Adjustment to annual required contribution		(38,022)
Annual OPEB cost (expense)		<u>175,679</u>
Contributions made		<u>53,336</u>
Increase in net OPEB obligation		122,343
Net OPEB obligation - beginning of year		<u>186,327</u>
Net OPEB obligation - ending of year	\$	308,670

Primary Government – Department of Social Services:

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

	Fiscal Year Ended*	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
Department of Social Services	6/30/2010	\$ 175,679	30%	\$ 308,670
	6/30/2009	239,663	22%	186,327

\*Information has only been available for two years.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 18-Other Postemployment Benefits (OPEB): (Continued)**

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

Discretely Presented Component Unit – School Board:

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

	School Board
Annual required contribution	\$ 1,408,500
Interest on net OPEB obligation	8,300
Adjustment to annual required contribution	(8,600)
Annual OPEB cost (expense)	1,408,200
Contributions made	1,336,000
Increase in net OPEB obligation	72,200
Net OPEB obligation - beginning of year	207,441
Net OPEB obligation - ending of year	\$ 279,641

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

	Fiscal Year Ended*	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
School Board	6/30/2010	\$ 1,408,200	95%	\$ 279,641
	6/30/2009	1,379,277	85%	207,441

\* Information has only been available for two years.

## D. Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in 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 revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will present multiyear trend information, as it becomes available, about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010**Note 18-Other Postemployment Benefits (OPEB): (Continued)**

## D. Funded Status and Funding Progress (continued)

Primary Government – Department of Social Services:

The funded status of the Plan as of June 30, 2009, the date of the most recent actuarial valuation, was as follows:

	Department of Social Services
Actuarial accrued liability (AAL)	\$ 2,275,017
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$ 2,275,017
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 1,829,439

Discretely Presented Component Unit – School Board:

The funded status of the Plan as of June 30, 2009, the date of the most recent actuarial valuation, was as follows:

	School Board
Actuarial accrued liability (AAL)	\$ 19,637,861
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$ 19,637,861
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 21,779,370

## E. Actuarial Methods and Assumptions

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

Primary Government – Department of Social Services:

In the June 30, 2009 actuarial valuation, the entry age normal cost method was used. Under this method, future benefits are projected and the present value of such benefits is allocated from date of hire to date of eligibility. The actuarial assumptions for the Department of Social Services included: inflation at 3.00%, an investment rate of return at 4.00%, and a healthcare trend rate of 9.00% graded to 4.70% over 10 years. The UAAL is being amortized as a level dollar amount over the remaining amortization period, which at June 30, 2010, was 28 years. Amortizations are

**Note 18-Other Postemployment Benefits (OPEB): (Continued)**

E. Actuarial Methods and Assumptions (continued)

open ended in that they begin anew at each valuation date.

Discretely Presented Component Unit – School Board:

In the June 30, 2008 actuarial valuation, the entry age normal cost method was used. Under this method, future benefits are projected and the present value of such benefits is allocated from date of hire to date of eligibility. The actuarial assumptions for the School Board included: inflation at 2.50%, an investment rate of return at 4.00%, and a health care trend rate of 8.50% graded to 5.00% over 9 years. The UAAL is being amortized as a level dollar amount over the remaining amortization period, which at June 30, 2010, was 28 years. Amortizations are open ended in that they begin anew at each valuation date.

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## Required Supplementary Information

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 14,448,250	\$ 14,448,250	\$ 15,669,518	\$ 1,221,268
Other local taxes	11,960,612	11,960,612	13,955,324	1,994,712
Permits, privilege fees, and regulatory licenses	40,560	40,560	56,514	15,954
Fines and forfeitures	1,200	1,200	3,150	1,950
Revenue from the use of money and property	236,400	236,400	163,299	(73,101)
Charges for services	562,858	562,858	673,141	110,283
Miscellaneous	161,465	3,261,465	3,351,339	89,874
Recovered costs	131,500	131,500	263,601	132,101
Intergovernmental revenues:				
Commonwealth	11,009,734	11,247,867	8,313,632	(2,934,235)
Federal	4,402,512	4,402,512	5,471,038	1,068,526
Total revenues	<u>\$ 42,955,091</u>	<u>\$ 46,293,224</u>	<u>\$ 47,920,556</u>	<u>\$ 1,627,332</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,660,618	\$ 2,747,613	\$ 2,505,591	\$ 242,022
Judicial administration	1,570,039	1,599,740	1,481,044	118,696
Public safety	5,939,739	8,132,512	7,564,899	567,613
Public works	4,428,564	5,201,788	4,893,370	308,418
Health and welfare	10,170,189	13,866,347	9,523,202	4,343,145
Education	9,378,114	10,268,859	10,286,817	(17,958)
Parks, recreation, and cultural	1,072,698	1,623,623	1,132,458	491,165
Community development	8,477,156	8,525,963	7,267,347	1,258,616
Capital projects	-	1,278,945	1,356,657	(77,712)
Debt service:				
Principal retirement	902,400	902,400	1,059,841	(157,441)
Interest and other fiscal charges	557,370	557,370	521,493	35,877
Total expenditures	<u>\$ 45,156,887</u>	<u>\$ 54,705,160</u>	<u>\$ 47,592,719</u>	<u>\$ 7,112,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,201,796)</u>	<u>\$ (8,411,936)</u>	<u>\$ 327,837</u>	<u>\$ 8,739,773</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 66,374	\$ 104,635	\$ 50,158	\$ (54,477)
Transfers out	(70,000)	(70,000)	-	70,000
Total other financing sources and uses	<u>\$ (3,626)</u>	<u>\$ 34,635</u>	<u>\$ 50,158</u>	<u>\$ 15,523</u>
Net change in fund balances	\$ (2,205,422)	\$ (8,377,301)	\$ 377,995	\$ 8,755,296
Fund balances - beginning	2,205,422	8,377,301	20,956,973	12,579,672
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,334,968</u>	<u>\$ 21,334,968</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Other local taxes	\$ 9,497,622	\$ 9,497,622	\$ 10,296,139	\$ 798,517
Revenue from the use of money and property	180,000	180,000	84,759	(95,241)
Charges for services	-	-	106	106
Miscellaneous	10,000	10,000	-	(10,000)
Total revenues	<u>\$ 9,687,622</u>	<u>\$ 9,687,622</u>	<u>\$ 10,381,004</u>	<u>\$ 693,382</u>
<b>EXPENDITURES</b>				
Current:				
Public works	\$ 7,067,464	\$ 7,232,567	\$ 7,354,727	\$ (122,160)
Community development	2,500,000	2,500,000	3,648,682	(1,148,682)
Total expenditures	<u>\$ 9,567,464</u>	<u>\$ 9,732,567</u>	<u>\$ 11,003,409</u>	<u>\$ (1,270,842)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 120,158</u>	<u>\$ (44,945)</u>	<u>\$ (622,405)</u>	<u>\$ (577,460)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (120,158)	\$ (400,158)	\$ (308,308)	\$ 91,850
Total other financing sources and uses	<u>\$ (120,158)</u>	<u>\$ (400,158)</u>	<u>\$ (308,308)</u>	<u>\$ 91,850</u>
Net change in fund balances	\$ -	\$ (445,103)	\$ (930,713)	\$ (485,610)
Fund balances - beginning	-	445,103	11,343,827	10,898,724
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,413,114</u>	<u>\$ 10,413,114</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Miscellaneous	\$ 210,000	\$ 210,000	\$ 4,000	\$ (206,000)
Total revenues	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 4,000</u>	<u>\$ (206,000)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 350,000	\$ 609,409	\$ 271,500	\$ 337,909
Total expenditures	<u>\$ 350,000</u>	<u>\$ 609,409</u>	<u>\$ 271,500</u>	<u>\$ 337,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (140,000)</u>	<u>\$ (399,409)</u>	<u>\$ (267,500)</u>	<u>\$ 131,909</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 140,000	\$ 153,150	\$ 258,150	\$ 105,000
Total other financing sources and uses	<u>\$ 140,000</u>	<u>\$ 153,150</u>	<u>\$ 258,150</u>	<u>\$ 105,000</u>
Net change in fund balances	\$ -	\$ (246,259)	\$ (9,350)	\$ 236,909
Fund balances - beginning	-	246,259	(8,328)	(254,587)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,678)</u>	<u>\$ (17,678)</u>

County of Buchanan, Virginia  
Required Supplementary Information

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

Primary Government:

County Retirement Plan:

Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2)/(3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2009	\$ 28,130,702	\$ 36,960,985	\$ 8,830,283	76.11%	\$ 9,145,492	96.55%
June 30, 2008	27,420,427	35,268,392	7,847,965	77.75%	9,269,273	84.67%
June 30, 2007	25,109,141	32,695,989	7,586,848	76.80%	8,991,587	84.38%

County OPEB Healthcare Plan:

Valuation as of *	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2)/(3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2009	-	2,275,017	2,275,017	0.00%	1,829,439	124.36%

Discretely Presented Component Unit:

School Board Non-Professional Retirement Plan

Valuation as of	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2)/(3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2009	\$ 11,135,961	\$ 16,420,648	\$ 5,284,687	67.82%	\$ 2,449,265	215.77%
June 30, 2008	11,380,831	16,168,806	4,787,975	70.39%	2,426,000	197.36%
June 30, 2007	10,675,466	15,575,644	4,900,178	68.54%	2,205,107	222.22%

School Board OPEB Healthcare Plan:

Valuation as of *	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2)/(3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 2009	-	19,637,861	19,637,861	0.00%	21,779,370	90.17%

\*Only available for one year

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## Other Supplementary Information

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#### DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

##### **MAJOR GOVERNMENTAL FUNDS**

School Operating Fund - The School Operating Fund is a special revenue fund that accounts for the operations of the County's school system. Financing is provided by the State and Federal governments as well as contributions from the General Fund.

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

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	School Operating Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,656,137
Due from other governmental units	1,642,621
Prepaid items	100,960
Total assets	<u>\$ 9,399,718</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 125,094
Contracts payable	6,203,250
Total liabilities	<u>\$ 6,328,344</u>
Fund balances:	
Reserved for:	
Cafeteria	\$ 52,303
Unreserved:	
Undesignated	3,019,071
Total fund balances	<u>\$ 3,071,374</u>
Total liabilities and fund balances	<u>\$ 9,399,718</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 3,071,374
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	12,001,949
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,514,701)
Net assets of governmental activities	<u>\$ 13,558,622</u>

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

	School Operating Fund
<b>REVENUES</b>	
Revenue from the use of money and property	\$ 51,580
Charges for services	1,170,633
Miscellaneous	139,297
Recovered costs	347,001
Intergovernmental revenues:	
Local government	10,037,828
Commonwealth	20,732,403
Federal	7,242,314
Total revenues	<u>\$ 39,721,056</u>
<b>EXPENDITURES</b>	
Current:	
Education	\$ 37,821,858
Capital projects	179,738
Total expenditures	<u>\$ 38,001,596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,719,460</u>
Net change in fund balances	\$ 1,719,460
Fund balances - beginning	1,351,914
Fund balances - ending	<u><u>\$ 3,071,374</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	\$ 1,719,460
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.	(975,249)
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.	(123,588)
Change in net assets of governmental activities	<u><u>\$ 620,623</u></u>

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

	School Operating Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 81,387	\$ 81,387	\$ 51,580	\$ (29,807)
Charges for services	495,313	495,313	1,170,633	675,320
Miscellaneous	841,884	882,722	139,297	(743,425)
Recovered costs	323,242	323,242	347,001	23,759
Intergovernmental revenues:				
Local government	9,205,000	10,115,745	10,037,828	(77,917)
Commonwealth	22,034,293	22,044,493	20,732,403	(1,312,090)
Federal	7,990,684	8,190,684	7,242,314	(948,370)
Total revenues	\$ 40,971,803	\$ 42,133,586	\$ 39,721,056	\$ (2,412,530)
EXPENDITURES				
Current:				
Education	\$ 42,414,364	\$ 42,417,223	\$ 37,821,858	\$ 4,595,365
Capital projects	95,121	95,121	179,738	(84,617)
Total expenditures	\$ 42,509,485	\$ 42,512,344	\$ 38,001,596	\$ 4,510,748
Excess (deficiency) of revenues over (under) expenditures	\$ (1,537,682)	\$ (378,758)	\$ 1,719,460	\$ 2,098,218
Net change in fund balances	\$ (1,537,682)	\$ (378,758)	\$ 1,719,460	\$ 2,098,218
Fund balances - beginning	1,537,682	378,758	1,351,914	973,156
Fund balances - ending	\$ -	\$ -	\$ 3,071,374	\$ 3,071,374

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## Supporting Schedules

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

<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>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,209,250	\$ 6,209,250	\$ 6,669,479	\$ 460,229
Real and personal public service corporation taxes	430,000	430,000	416,292	(13,708)
Personal property taxes	2,310,000	2,310,000	2,571,515	261,515
Mobile home taxes	75,000	75,000	88,038	13,038
Machinery and tools taxes	3,660,000	3,660,000	4,126,051	466,051
Mineral taxes	1,423,500	1,423,500	1,399,463	(24,037)
Merchant's capital taxes	75,000	75,000	34,016	(40,984)
Penalties	75,500	75,500	152,605	77,105
Interest	190,000	190,000	212,059	22,059
Total general property taxes	\$ 14,448,250	\$ 14,448,250	\$ 15,669,518	\$ 1,221,268
Other local taxes:				
Local sales and use taxes	\$ 1,450,000	\$ 1,450,000	\$ 1,386,240	\$ (63,760)
Consumers' utility taxes	500,000	500,000	422,417	(77,583)
Consumption taxes	190,000	190,000	227,421	37,421
Franchise license tax	500	500	-	(500)
Mineral license tax	8,078,408	8,078,408	10,296,235	2,217,827
Methane gas tax	1,495,204	1,495,204	1,303,308	(191,896)
Utility license taxes	31,000	31,000	45,259	14,259
Bank stock taxes	110,000	110,000	129,690	19,690
Taxes on recordation and wills	22,000	22,000	27,697	5,697
Hotel and motel room taxes	28,500	28,500	34,805	6,305
Local tax on deeds	55,000	55,000	82,252	27,252
Total other local taxes	\$ 11,960,612	\$ 11,960,612	\$ 13,955,324	\$ 1,994,712
Permits, privilege fees, and regulatory licenses:				
Animal licenses and fees	\$ -	\$ -	\$ 9,416	\$ 9,416
Transfer fees	500	500	650	150
Building permits	40,000	40,000	46,448	6,448
Other permits and licenses	60	60	-	(60)
Total permits, privilege fees, and regulatory licenses	\$ 40,560	\$ 40,560	\$ 56,514	\$ 15,954
Fines and forfeitures:				
Court fines and forfeitures	\$ 1,200	\$ 1,200	\$ 3,150	\$ 1,950
Total fines and forfeitures	\$ 1,200	\$ 1,200	\$ 3,150	\$ 1,950
Revenue from use of money and property:				
Revenue from use of money	\$ 223,000	\$ 223,000	\$ 149,072	\$ (73,928)
Revenue from use of property	13,400	13,400	14,227	827
Total revenue from use of money and property	\$ 236,400	\$ 236,400	\$ 163,299	\$ (73,101)
Charges for services:				
Excess fees of clerk	\$ 12,776	\$ 12,776	\$ -	\$ (12,776)
Charges for law enforcement and traffic control	78,212	78,212	28,784	(49,428)
Charges for courthouse maintenance	9,000	9,000	8,965	(35)
Charges for Courthouse security	18,500	18,500	25,325	6,825
Charges for Commonwealth's Attorney	1,000	1,000	1,246	246
Miscellaneous jail and inmate fees	300	300	683	383
Law library fees	-	-	9,482	9,482
Charges for Copies	2,500	2,500	2,940	440
Charges for sanitation and waste removal	410,000	410,000	548,771	138,771

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

<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>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for parks and recreation	\$ 10,600	\$ 10,600	\$ 36,859	\$ 26,259
Charges for library	9,000	9,000	9,791	791
Other Charges for Services	10,970	10,970	295	(10,675)
Total charges for services	\$ 562,858	\$ 562,858	\$ 673,141	\$ 110,283
Miscellaneous revenue:				
Sale of real estate	\$ -	\$ -	\$ 125,740	\$ 125,740
Confiscated property sale	37,000	37,000	-	(37,000)
CNX settlement payments	-	3,100,000	3,100,000	-
Miscellaneous	84,450	84,450	105,911	21,461
Donations	40,015	40,015	19,688	(20,327)
Total miscellaneous revenue	\$ 161,465	\$ 3,261,465	\$ 3,351,339	\$ 89,874
Recovered costs:				
Health department salary reimbursement	\$ 6,000	\$ 6,000	\$ -	\$ (6,000)
Rebates and refunds	50,500	50,500	71,578	21,078
VPA refunds	65,000	65,000	155,945	90,945
Other recovered costs	10,000	10,000	36,078	26,078
Total recovered costs	\$ 131,500	\$ 131,500	\$ 263,601	\$ 132,101
Total revenue from local sources	\$ 27,542,845	\$ 30,642,845	\$ 34,135,886	\$ 3,493,041
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 15,160	\$ 15,160	\$ -	\$ (15,160)
Wine taxes	15,850	15,850	-	(15,850)
Mobile home titling tax	85,000	85,000	82,967	(2,033)
Motor vehicle rental tax	2,000	2,000	1,091	(909)
Rolling stock tax	140,000	140,000	161,336	21,336
Telecommunications taxes	842,078	842,078	884,119	42,041
State recordation tax	-	-	46,750	46,750
Personal property tax relief funds	1,600,000	1,600,000	1,598,108	(1,892)
Total noncategorical aid	\$ 2,700,088	\$ 2,700,088	\$ 2,774,371	\$ 74,283
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 393,482	\$ 393,482	\$ 393,224	\$ (258)
Sheriff	1,273,572	1,273,572	1,192,436	(81,136)
Commissioner of revenue	147,257	147,257	139,803	(7,454)
Treasurer	135,695	135,695	130,591	(5,104)
Registrar/electoral board	47,000	47,000	-	(47,000)
Clerk's fringes	276,210	276,210	267,761	(8,449)
Total shared expenses	\$ 2,273,216	\$ 2,273,216	\$ 2,123,815	\$ (149,401)
Other categorical aid:				
Animal friendly plates	\$ -	\$ -	\$ 228	\$ 228
BC sheriff triad grant	-	-	2,016	2,016
Litter control grant	8,500	8,500	7,324	(1,176)
Library grant	105,000	105,000	96,644	(8,356)
Public assistance and welfare administration	1,879,758	1,879,758	1,828,239	(51,519)
Victim-witness grant	47,000	47,000	56,604	9,604
Performing arts grant	5,000	5,000	5,000	-
Regional housing grant	750,000	750,000	10,000	(740,000)

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

<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>General Fund: (Continued)</b>				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Fire Program Funds	\$ -	\$ -	\$ 71,381	\$ 71,381
Asset Forfeiture	79,600	79,600	47,506	(32,094)
Office of justice programs	257,000	257,000	-	(257,000)
Adult confinement	35,000	35,000	-	(35,000)
DHCD grant	2,165,000	2,165,000	360,000	(1,805,000)
School resource officer grant	41,572	41,572	30,870	(10,702)
Violence against women	-	-	23,430	23,430
Criminal justice grant	-	-	34,499	34,499
Two for Life Program	-	-	22,704	22,704
VA housing development authority	60,000	60,000	46,037	(13,963)
E-911 technology grant	50,000	50,000	37,456	(12,544)
Comprehensive services act program	215,000	453,133	735,508	282,375
Other Categorical	338,000	338,000	-	(338,000)
Total other categorical aid	\$ 6,036,430	\$ 6,274,563	\$ 3,415,446	\$ (2,859,117)
Total categorical aid	\$ 8,309,646	\$ 8,547,779	\$ 5,539,261	\$ (3,008,518)
Total revenue from the Commonwealth	\$ 11,009,734	\$ 11,247,867	\$ 8,313,632	\$ (2,934,235)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 2,819,636	\$ 2,819,636	\$ 2,755,631	\$ (64,005)
Child and adult care food program	-	-	59,166	59,166
Community development block grant	-	-	986,999	986,999
Drug control and system improvement	34,876	34,876	-	(34,876)
State and community highway safety	-	-	16,066	16,066
Abandoned Mine Reclamation Grant	-	-	195,480	195,480
Headstart programs	1,534,000	1,534,000	1,352,865	(181,135)
Emergency management preparedness grant	14,000	14,000	34,200	20,200
Edwin Byrne memorial grant	0	0	70,631	70,631
Total categorical aid	\$ 4,402,512	\$ 4,402,512	\$ 5,471,038	\$ 1,068,526
Total revenue from the federal government	\$ 4,402,512	\$ 4,402,512	\$ 5,471,038	\$ 1,068,526
Total General Fund	\$ 42,955,091	\$ 46,293,224	\$ 47,920,556	\$ 1,627,332
<b>Special Revenue Funds:</b>				
<b>Coal Road Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Coal road taxes	\$ 9,497,622	\$ 9,497,622	\$ 10,296,139	\$ 798,517
Total other local taxes	9,497,622	9,497,622	10,296,139	798,517
Revenue from use of money and property:				
Revenue from the use of money	\$ 180,000	\$ 180,000	\$ 84,759	\$ (95,241)
Total revenue from use of money and property	\$ 180,000	\$ 180,000	\$ 84,759	\$ (95,241)
Charges for services:				
Charges for copies	\$ -	\$ -	\$ 106	\$ 106
Total charges for services	\$ -	\$ -	\$ 106	\$ 106

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

<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>Special Revenue Funds: (Continued)</b>				
<b>Coal Road Fund: (Continued)</b>				
Miscellaneous revenue:				
Other miscellaneous	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Total miscellaneous revenue	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
 Total revenue from local sources	\$ 9,687,622	\$ 9,687,622	\$ 10,381,004	\$ 693,382
 Total Coal Road Fund	\$ 9,687,622	\$ 9,687,622	\$ 10,381,004	\$ 693,382
 <b>General Disaster Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Miscellaneous revenue	\$ 210,000	\$ 210,000	\$ -	\$ (210,000)
Donations	-	-	4,000	4,000
Total miscellaneous revenue	\$ 210,000	\$ 210,000	\$ 4,000	\$ (206,000)
 Total revenue from local sources	\$ 210,000	\$ 210,000	\$ 4,000	\$ (206,000)
 Total General Disaster Fund	\$ 210,000	\$ 210,000	\$ 4,000	\$ (206,000)
 Total Primary Government	\$ 52,852,713	\$ 56,190,846	\$ 58,305,560	\$ 2,114,714
 <b>Discretely Presented Component Unit - School Board:</b>				
<b>Special Revenue Funds:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 81,387	\$ 81,387	\$ 51,580	\$ (29,807)
Total revenue from use of money and property	\$ 81,387	\$ 81,387	\$ 51,580	\$ (29,807)
 <b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Funds: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Charges for services:				
Charges for adult/GED testing	\$ 13,000	\$ 13,000	\$ 15,979	\$ 2,979
Charges for cafeteria sales	482,313	482,313	1,154,654	672,341
Total charges for services	\$ 495,313	\$ 495,313	\$ 1,170,633	\$ 675,320
 Miscellaneous revenue:				
Miscellaneous	\$ 841,884	\$ 882,722	\$ 139,297	\$ (743,425)
Total miscellaneous revenue	\$ 841,884	\$ 882,722	\$ 139,297	\$ (743,425)
 Recovered costs:				
Rebates and refunds	\$ 41,400	\$ 41,400	\$ 97,087	\$ 55,687
Insurance adjustments	80,000	80,000	56,088	(23,912)
JROTC payments	43,000	43,000	59,629	16,629
E-rate reimbursement	138,842	138,842	134,197	(4,645)
Other recovered costs	20,000	20,000	-	(20,000)
Total recovered costs	\$ 323,242	\$ 323,242	\$ 347,001	\$ 23,759
 Total revenue from local sources	\$ 1,741,826	\$ 1,782,664	\$ 1,708,511	\$ (74,153)
 Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Buchanan, Virginia	\$ 9,205,000	\$ 10,115,745	\$ 10,037,828	\$ (77,917)
Total revenues from local governments	\$ 9,205,000	\$ 10,115,745	\$ 10,037,828	\$ (77,917)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,876,524	\$ 2,876,524	\$ 2,745,104	\$ (131,420)
Basic school aid	11,213,175	11,213,175	10,395,562	(817,613)
Gifted and talented	103,496	103,496	105,229	1,733
Remedial education	663,025	663,025	622,794	(40,231)
Enrollment loss	166,552	166,552	18,291	(148,261)
Special education	1,681,233	1,681,233	1,709,394	28,161
Textbook payment	272,585	272,585	124,964	(147,621)
Social security fringe benefits	706,072	706,072	717,899	11,827
Retirement fringe benefits	933,763	933,763	710,883	(222,880)
Salary Supplements	208,993	208,993	-	(208,993)
Mentor teacher grant	2,671	2,671	3,337	666
Early reading intervention	61,647	61,647	68,252	6,605
Alternative education	23,576	23,576	23,576	-
K3 initiative	552,802	552,802	569,825	17,023
Benefits from other state agencies	12,817	12,817	2,656	(10,161)
Vocation education	895,255	895,255	855,953	(39,302)
Preschool initiative	-	-	219,585	219,585
Special education - foster children	75,002	75,002	35,153	(39,849)
School construction funds	-	-	269,972	269,972
At risk payments	698,498	698,498	696,382	(2,116)
School food	28,342	28,342	50,417	22,075
Technology	672,000	672,000	672,000	-
Standards of Learning algebra readiness	65,263	65,263	65,263	-
At risk four-year olds	73,195	73,195	-	(73,195)
Other state funds	47,807	58,007	49,912	(8,095)
Total categorical aid	\$ 22,034,293	\$ 22,044,493	\$ 20,732,403	\$ (1,312,090)
Total revenue from the Commonwealth	\$ 22,034,293	\$ 22,044,493	\$ 20,732,403	\$ (1,312,090)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,571,084	\$ 1,571,084	\$ 1,845,778	\$ 274,694
Title VI-B, flow-through	903,639	903,639	898,252	(5,387)
Title VI-B, preschool	38,582	38,582	55,463	16,881
Drug free schools	25,858	25,858	25,243	(615)
Vocational education	90,000	90,000	81,332	(8,668)
Improving teacher quality	364,110	364,110	332,893	(31,217)
Reading First	12,000	12,000	23,804	11,804
Technology grant	-	-	15,069	15,069
Gear up program	31,460	31,460	40,356	8,896
21st Century grant	357,890	557,890	364,233	(193,657)
School lunch program	1,180,597	1,180,597	1,110,366	(70,231)
Rural and low income schools	99,432	99,432	91,322	(8,110)
Innovative programs	9,787	9,787	-	(9,787)
State fiscal stabilization fund	3,306,245	3,306,245	1,500,700	(1,805,545)
ARRA Education technology payments	-	-	5,234	5,234
ARRA Special education - Preschool	-	-	27,767	27,767
ARRA Special education	-	-	824,502	824,502
Total categorical aid	\$ 7,990,684	\$ 8,190,684	\$ 7,242,314	\$ (948,370)
Total revenue from the federal government	\$ 7,990,684	\$ 8,190,684	\$ 7,242,314	\$ (948,370)
Total School Operating Fund	\$ 40,971,803	\$ 42,133,586	\$ 39,721,056	\$ (2,412,530)
Total Discretely Presented Component Unit - School Board	\$ 40,971,803	\$ 42,133,586	\$ 39,721,056	\$ (2,412,530)

County of Buchanan, Virginia  
Schedule of Expenditures - Budget and Actual  
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For the Year Ended June 30, 2010

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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 358,753	\$ 384,903	\$ 361,466	\$ 23,437
General and financial administration:				
County administrator	\$ 472,061	\$ 495,102	\$ 467,382	\$ 27,720
County Attorney	129,915	136,871	126,935	9,936
Commissioner of revenue	383,608	383,047	358,555	24,492
Central purchasing	139,000	139,000	78,976	60,024
Treasurer	470,184	479,487	450,514	28,973
Data processing	75,115	76,115	73,363	2,752
County garage	427,107	441,981	415,566	26,415
Total general and financial administration	\$ 2,096,990	\$ 2,151,603	\$ 1,971,291	\$ 180,312
Board of elections:				
Electoral board	\$ 55,900	\$ 56,194	\$ 40,557	\$ 15,637
Registrar	112,975	118,913	116,824	2,089
Voting buildings and machines	36,000	36,000	15,453	20,547
Total board of elections	\$ 204,875	\$ 211,107	\$ 172,834	\$ 38,273
Total general government administration	\$ 2,660,618	\$ 2,747,613	\$ 2,505,591	\$ 242,022
Judicial administration:				
Courts:				
Circuit court	\$ 200,543	\$ 203,302	\$ 203,237	\$ 65
Combined court	13,900	13,900	10,067	3,833
Juvenile court	13,500	13,500	12,138	1,362
Magistrates	22,350	22,457	10,049	12,408
Victim witness assistance program	58,640	60,581	60,151	430
Clerk of circuit court	606,941	631,439	542,903	88,536
Total courts	\$ 915,874	\$ 945,179	\$ 838,545	\$ 106,634
Commonwealth's attorney:				
Commonwealth's attorney	\$ 654,165	\$ 654,561	\$ 642,499	\$ 12,062
Total commonwealth's attorney	\$ 654,165	\$ 654,561	\$ 642,499	\$ 12,062
Total judicial administration	\$ 1,570,039	\$ 1,599,740	\$ 1,481,044	\$ 118,696
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,867,209	\$ 3,300,765	\$ 3,152,969	\$ 147,796
School resource officer	61,324	62,789	41,377	21,412
Total law enforcement and traffic control	\$ 2,928,533	\$ 3,363,554	\$ 3,194,346	\$ 169,208
Fire and rescue services:				
Fire department	\$ 219,000	\$ 1,643,791	\$ 1,345,294	\$ 298,497
Rescue squads	120,000	149,138	113,423	35,715
Total fire and rescue services	\$ 339,000	\$ 1,792,929	\$ 1,458,717	\$ 334,212
Correction and detention:				
Jail operation	\$ 1,033,474	\$ 1,185,474	\$ 1,338,847	\$ (153,373)
Juvenile detention	108,500	108,500	108,500	-
Total correction and detention	\$ 1,141,974	\$ 1,293,974	\$ 1,447,347	\$ (153,373)

County of Buchanan, Virginia  
Schedule of Expenditures - Budget and Actual  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Inspections:				
Building	\$ 177,757	\$ 192,846	\$ 189,420	\$ 3,426
Total inspections	\$ 177,757	\$ 192,846	\$ 189,420	\$ 3,426
Other protection:				
Animal control	\$ 329,332	\$ 338,499	\$ 259,392	\$ 79,107
Medical examiner	1,000	1,000	520	480
Emergency services	85,048	85,048	82,372	2,676
Forestry department	14,517	30,273	30,273	-
E-911	922,578	1,034,389	902,512	131,877
Total other protection	\$ 1,352,475	\$ 1,489,209	\$ 1,275,069	\$ 214,140
Total public safety	\$ 5,939,739	\$ 8,132,512	\$ 7,564,899	\$ 567,613
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 315,000	\$ 648,769	\$ 420,438	\$ 228,331
Total maintenance of highways, streets, bridges & sidewalks	\$ 315,000	\$ 648,769	\$ 420,438	\$ 228,331
Sanitation and waste removal:				
Sanitation officer	\$ 65,015	\$ 66,943	\$ 58,550	\$ 8,393
Waste authority	900,000	911,600	1,014,992	(103,392)
Landfill	1,997,119	2,161,902	2,153,778	8,124
Total sanitation and waste removal	\$ 2,962,134	\$ 3,140,445	\$ 3,227,320	\$ (86,875)
Maintenance of general buildings and grounds:				
General properties	\$ 1,151,430	\$ 1,412,574	\$ 1,245,612	\$ 166,962
Total maintenance of general buildings and grounds	\$ 1,151,430	\$ 1,412,574	\$ 1,245,612	\$ 166,962
Total public works	\$ 4,428,564	\$ 5,201,788	\$ 4,893,370	\$ 308,418
Health and welfare:				
Health:				
Supplement of local health department	\$ 390,025	\$ 390,025	\$ 390,757	\$ (732)
Total health	\$ 390,025	\$ 390,025	\$ 390,757	\$ (732)
Welfare:				
Virginia housing development authority	\$ 82,495	\$ 87,036	\$ 87,318	\$ (282)
Cumberland mountain community services	20,000	20,000	20,000	-
Disability Services Board	25,000	25,000	25,000	-
Senior citizens	87,975	145,709	59,303	86,406
Medical Assistance Services	28,252	28,703	23,951	4,752
Tri-county health clinic	6,000	6,000	6,000	-
Red Cross contributions	7,000	11,000	4,000	7,000
Food pantries	20,000	20,000	20,000	-
S V medical assistance	5,000	5,000	5,000	-
Social services	7,721,208	11,303,582	7,302,101	4,001,481
Head start	1,754,734	1,801,792	1,577,272	224,520
Other welfare	22,500	22,500	2,500	20,000
Total welfare	\$ 9,780,164	\$ 13,476,322	\$ 9,132,445	\$ 4,343,877
Total health and welfare	\$ 10,170,189	\$ 13,866,347	\$ 9,523,202	\$ 4,343,145

County of Buchanan, Virginia  
Schedule of Expenditures - Budget and Actual  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Education:				
Other instructional costs:				
Educational Contributions	\$ 183,789	\$ 183,789	\$ 183,789	\$ -
Bus transportation	64,325	64,325	65,200	(875)
Contribution to County School Board	9,130,000	10,020,745	10,037,828	(17,083)
Total education	<u>\$ 9,378,114</u>	<u>\$ 10,268,859</u>	<u>\$ 10,286,817</u>	<u>\$ (17,958)</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 160,814	\$ 366,784	\$ 273,170	\$ 93,614
Park development	340,000	648,520	248,936	399,584
Community Events	15,500	15,500	15,500	-
Buchanan County Athletic Program	45,000	45,000	45,000	-
County fair	-	-	-	-
Total parks and recreation	<u>\$ 561,314</u>	<u>\$ 1,075,804</u>	<u>\$ 582,606</u>	<u>\$ 493,198</u>
Library:				
Contribution to county library	\$ 511,384	\$ 547,819	\$ 549,852	\$ (2,033)
Total library	<u>\$ 511,384</u>	<u>\$ 547,819</u>	<u>\$ 549,852</u>	<u>\$ (2,033)</u>
Total parks, recreation, and cultural	<u>\$ 1,072,698</u>	<u>\$ 1,623,623</u>	<u>\$ 1,132,458</u>	<u>\$ 491,165</u>
Community development:				
Planning and community development:				
Planning commission	\$ 8,500	\$ 8,500	\$ 6,225	\$ 2,275
Hurley Community Development	10,000	10,000	10,000	-
Contribution to industrial development authority	1,702,630	1,918,205	3,301,929	(1,383,724)
Tourism	5,000	7,549	8,733	(1,184)
Community arts council	15,000	15,000	15,000	-
Cumberland plateau planning district	35,000	35,000	35,000	-
Chamber of commerce	15,000	15,000	15,000	-
Peoples incorporated	10,000	10,000	-	10,000
Cumberland plateau regional housing	5,000	25,000	25,000	-
Neighbors united	10,000	10,000	10,000	-
Contribution to public service authority	3,500,000	4,700,000	3,695,179	1,004,821
Other planning and community development	1,200,000	141,658	0	141,658
Total planning and community development	<u>\$ 6,516,130</u>	<u>\$ 6,895,912</u>	<u>\$ 7,122,066</u>	<u>\$ (226,154)</u>
Environmental management:				
Auto removal	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
Methane transfer to CEDA	1,800,000	1,461,828	-	1,461,828
Environmental management	1,000	1,000	-	1,000
Litter control	94,056	100,723	92,142	8,581
Total environmental management	<u>\$ 1,900,056</u>	<u>\$ 1,568,551</u>	<u>\$ 92,142</u>	<u>\$ 1,476,409</u>
Cooperative extension program:				
Extension office	\$ 60,970	\$ 61,500	\$ 53,139	\$ 8,361
Total cooperative extension program	<u>\$ 60,970</u>	<u>\$ 61,500</u>	<u>\$ 53,139</u>	<u>\$ 8,361</u>
Total community development	<u>\$ 8,477,156</u>	<u>\$ 8,525,963</u>	<u>\$ 7,267,347</u>	<u>\$ 1,258,616</u>
Capital projects:				
Poplar Gap Athletic Park	-	1,278,945	1,356,657	(77,712)
Total capital projects	<u>-</u>	<u>1,278,945</u>	<u>1,356,657</u>	<u>(77,712)</u>

County of Buchanan, Virginia  
Schedule of Expenditures - Budget and Actual  
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<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Debt service:				
Principal retirement	\$ 902,400	\$ 902,400	\$ 1,059,841	\$ (157,441)
Interest and other fiscal charges	557,370	557,370	521,493	35,877
Total debt service	<u>\$ 1,459,770</u>	<u>\$ 1,459,770</u>	<u>\$ 1,581,334</u>	<u>\$ (121,564)</u>
 Total General Fund	 <u>\$ 45,156,887</u>	 <u>\$ 54,705,160</u>	 <u>\$ 47,592,719</u>	 <u>\$ 7,112,441</u>
<b>Special Revenue Funds:</b>				
<b>Coal Road Fund:</b>				
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 6,798,054	\$ 6,963,090	\$ 7,132,295	\$ (169,205)
Engineering	269,410	269,477	222,432	47,045
Total public works	<u>\$ 7,067,464</u>	<u>\$ 7,232,567</u>	<u>\$ 7,354,727</u>	<u>\$ (122,160)</u>
 Community development:				
Planning and community development:				
Virginia coalfield economic development authority	\$ 2,500,000	\$ 2,500,000	\$ 2,221,187	\$ 278,813
Contribution to Public Service Authority	-	-	1,427,495	(1,427,495)
Total planning and community development	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 3,648,682</u>	<u>\$ (1,148,682)</u>
 Total Coal Road Fund	 <u>\$ 9,567,464</u>	 <u>\$ 9,732,567</u>	 <u>\$ 11,003,409</u>	 <u>\$ (1,270,842)</u>
<b>Disaster Relief Fund:</b>				
Health and welfare:				
Welfare:				
Disaster relief	\$ 350,000	\$ 609,409	\$ 271,500	\$ 337,909
 Total Disaster Relief Fund	 <u>\$ 350,000</u>	 <u>\$ 609,409</u>	 <u>\$ 271,500</u>	 <u>\$ 337,909</u>
 Total Primary Government	 <u>\$ 55,074,351</u>	 <u>\$ 65,047,136</u>	 <u>\$ 58,867,628</u>	 <u>\$ 6,179,508</u>
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction costs:				
Instruction	\$ 30,374,104	\$ 30,376,963	\$ 26,621,248	\$ 3,755,715
 Operating costs:				
Administration and health services	\$ 1,583,808	\$ 1,583,808	\$ 1,741,568	\$ (157,760)
Pupil transportation	2,930,558	2,930,558	2,405,332	525,226
Operation and maintenance of school plant	5,018,854	5,018,854	4,699,503	319,351
Total operating costs	<u>\$ 9,533,220</u>	<u>\$ 9,533,220</u>	<u>\$ 8,846,403</u>	<u>\$ 686,817</u>
 School food services:				
Administration of school food program	\$ 2,507,040	\$ 2,507,040	\$ 2,354,207	\$ 152,833
 Total education	 <u>\$ 42,414,364</u>	 <u>\$ 42,417,223</u>	 <u>\$ 37,821,858</u>	 <u>\$ 4,595,365</u>
 Capital projects:				
School capital projects	\$ 95,121	\$ 95,121	\$ 179,738	\$ (84,617)
Total capital projects	<u>\$ 95,121</u>	<u>\$ 95,121</u>	<u>\$ 179,738</u>	<u>\$ (84,617)</u>
 Total School Fund	 <u>\$ 42,509,485</u>	 <u>\$ 42,512,344</u>	 <u>\$ 38,001,596</u>	 <u>\$ 4,510,748</u>
 Total Discretely Presented Component Unit - School Board	 <u>\$ 42,509,485</u>	 <u>\$ 42,512,344</u>	 <u>\$ 38,001,596</u>	 <u>\$ 4,510,748</u>

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## Other Statistical Information

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Table 1

**County of Buchanan, Virginia**  
**Government-Wide Expenses by Function**  
**Last Seven Fiscal Years (1)**

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2009-10	\$ 2,526,597	\$ 1,503,610	\$ 7,238,733	\$ 12,220,224	\$ 9,854,812	\$ 10,950,125	\$ 1,110,865	\$ 10,889,281	\$ 488,371	\$ 56,782,618
2008-09	2,236,065	1,496,850	5,582,374	9,775,242	8,554,662	10,451,349	1,036,665	10,585,692	585,818	50,304,717
2007-08	2,415,817	1,485,216	5,491,098	8,988,974	9,933,146	13,348,257	1,050,250	10,808,368	622,369	54,143,495
2006-07	2,466,603	1,296,688	4,868,217	6,541,506	8,342,751	12,184,691	937,249	11,157,179	613,858	48,408,742
2005-06	2,410,870	942,450	4,983,187	6,564,721	6,732,564	9,732,168	898,027	7,191,068	794,410	40,249,465
2004-05	2,082,579	838,654	4,166,023	5,864,142	7,588,598	8,535,513	886,775	5,104,815	837,418	35,904,517
2003-04	1,926,190	704,683	3,906,943	6,349,418	8,000,046	7,434,115	964,545	5,514,399	909,283	35,709,622
2002-03	1,720,079	701,848	4,051,040	4,875,509	16,335,164	6,481,740	846,594	4,619,546	965,694	40,597,214

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

Table 2

County of Buchanan, Virginia  
Government-Wide Revenues  
Last Seven Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Fines and Forfeitures	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Special Items	
2009-10	\$ 732,911	\$ 9,827,820	\$ 1,182,479	\$	15,424,011	24,251,463	\$ -	\$ 248,058	\$ 255,339	\$ 2,774,371	\$ -	\$ 54,696,452
2008-09	915,235	11,395,185	-		15,321,741	24,511,300	-	452,499	15,697,206	1,903,615	-	70,196,781
2007-08	606,650	11,227,768	-		15,419,492	22,636,326	-	711,623	102,962	1,879,667	-	52,584,488
2006-07	711,625	9,474,577	1,868,490		13,099,635	23,074,589	-	931,407	130,506	2,006,804	400,000	51,697,633
2005-06	448,277	8,613,131	-		13,402,559	21,185,234	-	735,990	181,269	1,995,410	-	46,561,870
2004-05	528,466	4,724,929	-		12,825,761	16,728,744	-	302,990	235,565	6,144,616	-	41,491,071
2003-04	512,362	11,470,763	695,642		12,630,829	14,311,347	635	181,078	84,451	2,096,599	-	41,983,706
2002-03	621,192	12,363,248	-		11,197,479	13,171,101	631	208,198	108,614	1,713,755	-	39,384,218

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

Table 3

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
2009-10	\$ 2,505,591	\$ 1,481,044	\$ 7,564,899	\$ 12,248,097	\$ 9,794,702	\$ 38,250,585	\$ 1,132,458	\$ 10,916,029	\$ -	\$ 1,581,334	\$ 85,474,739
2008-09	2,502,236	1,475,155	5,472,036	9,725,018	8,951,879	40,198,777	1,231,734	10,572,371	-	1,758,416	81,887,622
2007-08	2,451,995	1,500,399	5,441,603	9,071,353	10,044,317	38,964,368	1,040,878	10,907,559	-	1,910,468	81,332,940
2006-07	2,565,689	1,279,479	5,126,279	6,759,197	8,424,530	38,537,045	1,087,284	11,162,124	-	2,039,813	76,981,440
2005-06	2,494,982	919,842	5,073,552	6,330,430	7,806,698	32,783,057	895,789	7,189,451	255,985	2,335,950	66,085,736
2004-05	2,011,248	821,352	4,364,022	6,004,325	7,784,179	32,587,167	891,419	5,102,398	-	2,387,671	61,953,781
2003-04	2,123,844	730,922	4,252,556	6,464,282	8,032,736	31,070,204	962,280	5,513,331	-	2,562,715	61,712,870
2002-03	1,816,811	700,878	4,048,029	5,028,467	15,203,598	30,372,556	844,329	4,605,036	-	2,671,794	65,291,498
2001-02	1,804,608	733,983	3,905,692	8,759,079	6,242,813	31,575,229	856,641	1,079,518	-	3,253,592	58,211,155
2000-01	2,041,642	723,796	3,729,690	6,935,600	5,581,116	30,392,017	819,739	1,633,583	-	2,341,731	54,198,914

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

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

(3) Excludes Capital Projects.

Table 4

County of Buchanan, Virginia  
General Governmental Revenues by Source (1)  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2009-10	\$ 15,669,518	\$ 24,251,463	\$ 56,514	\$ 3,150	\$ 299,638	\$ 1,843,880	\$ 3,494,636	\$ 610,602	\$ 41,759,387	\$ 87,988,788
2008-09	14,691,267	24,511,300	55,582	3,874	541,759	1,488,043	565,654	1,028,861	41,720,789	84,607,129
2007-08	14,022,812	22,636,326	55,490	2,429	796,631	1,159,344	264,730	949,086	39,636,532	79,523,380
2006-07	13,986,992	23,074,589	55,104	864	996,848	1,289,202	304,407	521,520	39,618,102	79,847,628
2005-06	13,290,980	21,185,234	61,261	1,584	816,624	1,056,123	271,820	1,378,136	34,945,542	73,007,304
2004-05	13,197,108	16,728,744	57,408	753	364,434	1,059,765	393,834	860,638	34,579,309	67,241,993
2003-04	12,939,963	14,311,347	46,833	635	236,015	1,138,190	278,998	1,132,778	36,526,335	66,611,094
2002-03	12,043,815	13,171,101	37,846	631	294,552	1,100,793	226,892	1,122,404	37,007,180	65,005,214
2001-02	11,031,772	11,297,018	34,949	607	359,796	1,078,113	370,125	510,167	35,461,417	60,143,964
2000-01	10,728,382	15,873,336	35,410	413	499,668	1,111,099	568,604	591,387	31,644,933	61,053,232

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

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

Table 5

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

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2009-10	\$ 17,017,825	\$ 16,287,430	95.71%	\$ 615,532	\$ 16,902,962	99.33%	\$ 4,871,095	28.62%
2008-09	16,555,917	15,470,562	93.44%	566,623	16,037,185	96.87%	3,822,322	23.09%
2007-08	15,566,179	14,985,550	96.27%	375,535	15,361,085	98.68%	4,596,088	29.53%
2006-07	15,661,517	14,863,934	94.91%	543,202	15,407,136	98.38%	4,526,971	28.91%
2005-06	14,907,300	13,849,976	92.91%	789,578	14,639,554	98.20%	4,572,310	30.67%
2004-05	14,599,476	13,720,416	93.98%	642,926	14,363,342	98.38%	4,726,542	32.37%
2003-04	14,398,666	13,682,225	95.02%	647,489	14,329,714	99.52%	5,743,143	39.89%
2002-03	13,542,153	12,487,736	92.21%	703,114	13,190,850	97.41%	5,426,805	40.07%
2001-02	12,803,537	11,511,102	89.91%	601,264	12,112,366	94.60%	5,598,565	43.73%
2000-01	11,107,974	10,108,488	91.00%	1,132,522	11,241,010	101.20%	5,404,909	48.66%

(1) Exclusive of penalties and interest.

(2) Reduced by allowance for doubtful accounts 1993-1997.

(3) 1999-00 was the first year for personal property tax relief by the Commonwealth of Virginia.

Table 6

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

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (3)	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
					Real Estate	Personal Property	Personal Property	
2009-10	\$ 1,963,249,615	\$ 232,988,630	\$ 209,908,959	\$ 4,060,911	\$ 96,957,674	\$ 51,570	\$	2,507,217,359
2008-09	1,844,570,316	249,653,108	193,314,185	4,060,298	95,546,061	30,968		2,387,174,936
2007-08	1,842,678,083	229,238,821	172,198,735	3,836,073	99,311,572	52,251		2,347,315,535
2006-07	1,605,010,004	218,811,037	173,485,869	3,792,787	78,080,272	54,625		2,079,234,594
2005-06	1,590,555,567	208,364,940	149,398,124	3,506,983	88,806,157	89,511		2,040,721,282
2004-05	1,544,112,200	187,214,311	171,139,602	3,303,137	108,472,197	85,048		2,014,326,495
2003-04	1,479,487,712	183,892,706	164,352,156	3,032,760	129,080,337	604,726		1,960,450,397
2002-03	1,466,156,218	184,319,061	135,759,781	3,014,222	79,733,708	67,667		1,869,050,657
2001-02	1,451,938,000	154,815,811	109,932,930	8,075,657	82,759,159	26,208		1,807,547,765
2000-01	945,768,391	173,074,267	106,789,923	2,570,917	74,703,092	32,381		1,302,938,971

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Table 7

County of Buchanan, Virginia  
Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital
2009-10	\$ 0.43	\$ 1.95	\$ 1.95	\$ 2.00
2008-09	0.43	1.95	1.95	2.00
2007-08	0.43	1.95	1.95	2.00
2006-07	0.49	1.95	1.95	2.00
2005-06	0.49	1.95	1.95	2.00
2004-05	0.49	1.95	2.00	1.95
2003-04	0.49	1.95	1.95	2.00
2002-03	0.49	1.95	1.95	2.00
2001-02	0.49	1.95	1.95	2.00
2000-01	0.59	1.95	1.95	2.00

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2009-19	26,978	\$ 2,507,217	\$ 9,562,967	0.38%	\$ 354
2008-09	26,978	2,387,175	10,465,367	0.00%	388
2007-08	26,978	2,347,316	11,453,794	0.49%	425
2006-07	26,978	2,079,235	12,540,556	0.60%	465
2005-06	26,978	2,040,721	13,621,296	0.67%	505
2004-05	26,978	2,014,326	14,821,329	0.74%	549
2003-04	26,978	1,960,450	16,166,386	0.82%	599
2002-03	26,978	1,869,051	17,607,015	0.94%	653
2001-02	26,978	1,807,548	19,264,988	1.07%	714
2000-01	26,978	1,302,939	21,026,663	1.61%	779

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

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.  
Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated abse

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2009-10	\$ 1,059,841	\$ 521,493	\$ 1,581,334	\$ 85,474,739	1.85%
2008-09	1,140,358	615,905	1,756,263	81,887,622	2.14%
2007-08	1,233,773	674,693	1,908,466	81,332,940	2.35%
2006-07	1,414,775	625,038	2,039,813	76,981,440	2.65%
2005-06	1,519,838	816,112	2,335,950	66,085,736	3.53%
2004-05	1,518,440	869,231	2,387,671	61,953,781	3.85%
2003-04	1,600,939	961,776	2,562,715	61,712,870	4.15%
2002-03	1,657,973	1,013,821	2,671,794	65,291,498	4.09%
2001-02	2,043,828	1,209,764	3,253,592	58,211,155	5.59%
2000-01	1,481,596	860,135	2,341,731	54,198,914	4.32%

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

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## Compliance Section

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# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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To the Members of the Board of Supervisors  
County of Buchanan, Virginia  
Grundy, Virginia

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Buchanan, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County of Buchanan, Virginia's basic financial statements and have issued our report thereon dated December 27, 2010 which was qualified because the County did not include financial data of the Buchanan County Industrial Development Authority (a component unit). We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the County of Buchanan, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Buchanan, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Buchanan, Virginia's internal control over financial reporting.

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

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

### Compliance and Other Matters

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

We noted certain matters that we reported to management of the County of Buchanan, Virginia in a separate letter dated December 27, 2010.

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

*Robinson, Turner, Cox Associates*

Christiansburg, Virginia  
December 27, 2010

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

### Independent Auditors' Report

To the Members of the Board of Supervisors  
County of Buchanan, Virginia  
Grundy, Virginia

#### Compliance

We have audited the County of Buchanan, 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 the County of Buchanan, Virginia's major federal programs for the year ended June 30, 2010. The County of Buchanan, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Buchanan, Virginia's management. Our responsibility is to express an opinion on the County of Buchanan, Virginia's compliance based on our audit.

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

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

#### Internal Control Over Compliance

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

opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Buchanan, Virginia's internal control over compliance.

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

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

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

*Robinson, Turner, Co. Associates*

Christiansburg, Virginia  
December 27, 2010

COUNTY OF BUCHANAN, VIRGINIA  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

<u>Federal Grantor/ State Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE:</b>			
Direct Payments:			
Child and Adult Care Food Program	10.558	NA	\$ 59,166
Pass Through Payments:			
State Department of Agriculture:			
<i>Child Nutrition Cluster:</i>			
Food Distribution-Schools (Note C)	10.555	00070	144,266
Food Distribution-Summer School (Note C)	10.559	80285	326
Department of Social Services:			
<i>SNAP Program Cluster:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10561	565,402
ARRA - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	10561	2,250
Department of Education:			
<i>Child Nutrition Cluster:</i>			
National School Breakfast Program	10.553	40591	309,961
National School Lunch Program	10.555	40623	800,405
Total Department of Agriculture			<u>\$ 1,881,776</u>
<b>DEPARTMENT OF TRANSPORTATION:</b>			
Pass Through Payments:			
State Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	59131	\$ 10,185
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	50298	5,881
Total Department of Emergency Services			<u>\$ 16,066</u>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Direct Payment:			
<i>Headstart Cluster:</i>			
Headstart	93.600	NA	\$ 1,296,304
ARRA - Headstart	93.708	NA	56,561
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	93556	27,415
Temporary Assistance for Needy Families (TANF)	93.558	93558	474,216
Refugee and Entrant Assistance - State Administered Programs	93.566	93566	1,346
Chafee Education and Training Vouchers Program	93.599	93599	8,969
Low-Income Home Energy Assistance	93.568	93568	24,596
Adoption Incentive Payments	93.603	93603	1,540
Chafee Foster Care Independence Program	93.674	93674	12,343
Children's Health Insurance Program	93.767	93767	25,702
Social Services Block Grant	93.667	93667	246,543
Medical Assistance Program	93.778	93778	326,780
Child Welfare Services-State Grants	93.645	93645	1,754
<i>Child Care and Development Funds Cluster:</i>			
Child Care and Development Block Grant	93.575	93575	70,043
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	93596	103,440
ARRA - Child Care and Development Block Grant	93.713	93713	21,240
<i>Foster Care Cluster:</i>			
Foster Care	93.658	93658	527,727
ARRA - Foster Care	93.658	93658	46,348
<i>Adoption Assistance Cluster:</i>			
Adoption Assistance	93.659	93659	240,124
ARRA - Adoption Assistance	93.659	93659	27,853
Total Department of Health and Human Services			<u>\$ 3,540,844</u>

COUNTY OF BUCHANAN, VIRGINIA  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2010

Federal Grantor/ State Pass-Through Grantor/ <u>Program or Cluster Title</u>	Federal CFDA <u>Number</u>	Pass-through Entity Identifying <u>Number</u>	Federal <u>Expenditures</u>
<b>DEPARTMENT OF HOMELAND SECURITY:</b>			
Pass Through Payments:			
Department of Emergency Services:			
Emergency Management Performance Grant	97.042	52749	\$ 34,200
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
Pass Through Payments:			
State Department of Housing and Community Development:			
Abandoned Mine Land Reclamation Grant	15.252	NA	\$ 2,223,371
Community Development Block Grant/States Program	14.228	50796/50799/50798	1,086,869
Appalachian Regional Development	23.001	NA	331,979
Total Department of Housing and Community Development			\$ 3,642,219
<b>DEPARTMENT OF EDUCATION:</b>			
Pass Through Payments:			
Department of Education:			
Career and Technical Education - Basic grants to states	84.048	86647	\$ 81,333
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	62532	1,500,700
Safe and Drug-Free Schools and Communities-State Grants	84.186	86670	25,243
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	NA	40,356
Twenty-First Century Community Learning Centers	84.287	86784	364,233
Reading First State Grants	84.357	86755	23,804
Rural Education	84.358	86619	91,321
Improving Teacher Quality State Grants	84.367	86739	332,893
<i>Title I, Part A Cluster:</i>			
Title I Grants to Local Educational Agencies	84.010	86595	1,394,511
ARRA - Title I Grants to Local Educational Agencies	84.389	42913	451,267
<i>Special Education Cluster (IDEA):</i>			
Special Education-Grants to States (Title VI-B)	84.027	87007A	898,252
ARRA - Special Education-Grants to States (Title VI-B)	84.391	61245	824,502
Special Education-Preschool Grants	84.173	87063A	55,463
ARRA - Special Education-Preschool Grants	84.392	61247	27,767
<i>Education Technology Cluster:</i>			
Education Technology State Grants	84.318	86747B	15,069
ARRA - Education Technology State Grants	84.386	60897	5,234
Total Department of Education			\$ 6,131,948
<b>DEPARTMENT OF JUSTICE:</b>			
Pass Through Payments:			
State Compensation Board			
Recovery Act-Edward Byrne Memorial Justice Assistance Grant	16.803	09SUB9033	\$ 70,631
Total Expenditures of Federal Awards			\$15,317,684

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COUNTY OF BUCHANAN, VIRGINIA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2010**

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**NOTE A--BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Buchanan, Virginia under programs of the federal government for the year ended June 30, 2010. The information in the 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 Buchanan, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Buchanan, Virginia.

**NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

(2) Pass-through entity indentifying number are presented where available.

**NOTE C -- FOOD DONATION**

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

**NOTE D -- RELATIONSHIP TO THE FINANCIAL STATEMENTS:**

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	5,471,038
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Total primary government	<u>5,471,038</u>
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Component Units:

School Operating Fund	7,242,317
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Add: Non-cash expenditures - value of donated commodities	144,589
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Public Service Authority	<u>2,459,740</u>
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Total Component Units	<u>9,846,646</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>15,317,684</u></u>
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County of Buchanan, Virginia

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

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Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be  
reported in accordance with Circular A-133,  
Section .510 (a)?

No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
84.027/84.173	Special Education Cluster (IDEA)
84.391/84.392	
84.010/84.389	Title 1, Part A Cluster
84.394	ARRA State Fiscal Stabilization Fund (SFSF) - Education State Grants
93.575/93.596/93.713	Child Care and Development Funds Cluster (CCDF)
93.600/93.708	Headstart Cluster
10.561	SNAP Cluster
93.658	Foster Care/ARRA Foster Care
93.659	Adoption Assistance/ARRA Adoption Assistance
14.228	Community Development Block Grants/State's program

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

\$459,531

Auditee qualified as low-risk auditee?

Yes

**County of Buchanan, Virginia**

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

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**Section II - Financial Statement Findings**

None

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

None

**Section IV - Status of Prior Audit Findings and Questioned Costs**

There were no prior findings related to Federal programs.