

COUNTY OF HALIFAX, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2009

COUNTY OF HALIFAX, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

COUNTY OF HALIFAX, VIRGINIA
JUNE 30, 2009

BOARD OF SUPERVISORS

William I. Fitzgerald, Chairman
James E. Edmunds, II, Vice-Chairman

J.T. Davis
Douglas V. Bowman
Lottie T. Nunn

E. Wayne Conner
William Bryant Claiborne
Tom E. West

COUNTY SCHOOL BOARD

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D.H. McDowell

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Roger L. Long
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BOARD OF SOCIAL SERVICES

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Susan McLamb

William I. Fitzgerald

Garnett Luck

OTHER OFFICIALS

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

Leslie M. Osborn
Richard S. Blanton
Robert W. Conner
Robert G. Woodson
Michael M. Rand
Kimberly S. White
Brenda P. Powell
Linda S. Foster
Stanley Noblin
Paul Stapleton
Betty G. Wells
George W. Nester

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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 Halifax
Halifax, Virginia**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Halifax, Virginia, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Halifax, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the School Cafeteria and School Textbook Funds of the School Board Component Unit which represent 10 percent of the assets, 42 percent of the fund balance and 6 percent of revenues of the Component Unit School Board. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the School Cafeteria and School Textbook Funds, is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Halifax, Virginia, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2009, on our consideration of the County of Halifax, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis, budgetary comparison information and Schedule of 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 and the other auditors 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 30, 2009

County of Halifax, Virginia Management's Discussion and Analysis

As management of the County of Halifax (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2009. Please read it in conjunction with the County's basic financial statements, which follow this section.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by approximately \$24.9 million (*net assets*). Of this amount, approximately \$15.2 million (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by a net of \$2,448,940.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16.4 million, a decrease of \$2,254,889. Fifty-two percent, or \$8.5 million of this amount, is *available for spending* at the County's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was approximately \$15.3 million, or 41% of governmental fund expenditures less any capital outlay projects funded with bond proceeds.
- The County's total governmental activities debt decreased by \$3,064,333 during the current fiscal year. The key factor in the decrease was the commencement of VPSA bond principal payments for school capital projects and other regular debt payments.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of how the financial position of the County may be changing. Increases in net assets may indicate an improved financial position; however, even decreases in net assets may reflect a changing manner in which the County may have used previously accumulated funds.

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

Overview of the Financial Statements (Continued)

Government-wide financial statements: (Continued)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education. The business-type activities are for public utilities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board and a legally separate industrial development authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 10 through 12 of this report.

Fund financial statements

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

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The County maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Virginia Public Assistance Fund, both of which are considered to be major funds. Data from the other County funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

The County maintains **Proprietary Funds**. The County uses *enterprise funds*, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements, to account for its public utilities. The basic proprietary fund financial statements can be found on pages 17 through 18 of this report.

Overview of the Financial Statements (Continued)

Fund financial statements: (Continued)

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 20 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 55 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the General Fund and the Virginia Public Assistance Fund. Required supplementary information can be found on pages 56 through 59 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 60 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$24.9 million at the close of the most recent fiscal year. A large portion of the County's net assets (\$9.7 million, 40% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

The following table summarizes the County's Statement of Net Assets:

Comparative Summary of Net Assets As of June 30, 2009 and 2008			
	Governmental Activities		
	2009	2008	
Current and other assets	\$ 19,873,521	\$ 22,850,635	
Capital assets	74,331,037	77,899,181	
Total assets	\$ 94,204,558	\$ 100,749,816	
Long-term liabilities outstanding	\$ 66,807,001	\$ 69,871,334	
Other liabilities	2,449,589	3,481,574	
Total liabilities	\$ 69,256,590	\$ 73,352,908	
Net assets:			
Invested in capital assets, net of related debt	\$ 9,753,736	\$ 10,171,298	
Unrestricted	15,194,232	17,225,610	
Total net assets	\$ 24,947,968	\$ 27,396,908	

Government-Wide Financial Analysis: (Continued)

At the end of the current fiscal year, the County is able to report positive balances in both categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities.

As noted previously, the County's total net assets decreased by \$2,448,940 during the current fiscal year.

The following table summarizes the County's Statement of Activities:

Comparative Statement of Changes in Net Assets			
As of June 30, 2009 and 2008			
		Governmental Activities	
		2009	2008
Revenues:			
Program revenues:			
Charges for services	\$	638,515	\$ 470,203
Operating grants and contributions		9,801,128	9,808,887
Capital grants and contributions		1,177,293	1,771,373
General revenues:			
Property taxes		24,538,078	30,744,187
Other taxes		5,905,056	6,393,593
Unrestricted revenues		589,508	2,320,452
Miscellaneous		437,425	710,923
Grants and contributions not restricted to specific programs		1,502,504	2,201,320
Total revenues	\$	<u>44,589,507</u>	\$ <u>54,420,938</u>
Expenses:			
General governmental administration	\$	2,312,849	\$ 2,580,816
Judicial administration		1,405,780	1,382,701
Public safety		7,804,899	7,353,873
Public works		3,990,358	2,096,176
Health and welfare		8,085,471	7,708,609
Parks, recreation, and cultural		612,848	894,038
Community development		1,767,995	3,302,635
Interest on long-term debt		2,815,705	2,318,580
Education		18,242,542	22,012,386
Total expenses	\$	<u>47,038,447</u>	\$ <u>49,649,814</u>
Increase in net assets before transfers and gains / (losses)	\$	(2,448,940)	\$ 4,771,124
Transfers		-	(38,865)
Increase in net assets	\$	(2,448,940)	\$ 4,732,259
Net assets - beginning of year		27,396,908	22,664,649
Net assets - end of year	\$	<u><u>24,947,968</u></u>	\$ <u><u>27,396,908</u></u>

Government-Wide Financial Analysis: (Continued)

Generally, net asset changes are the difference between revenues and expenses. Key elements of this increase are as follows:

- General property taxes, excluding the payments received from the State as reimbursement under the State's personal property tax relief program, were \$24.4 million, which represents a decrease of \$6.2 million or 20%. This was a result of biannual real estate tax billing in the prior fiscal year.
- Unrestricted revenues received from money and property decreased, \$1,730,944 or 74.6% compared to the prior fiscal year.
- Governmental activity expenses were approximately \$2.6 million less than fiscal year 2008. The majority of the decrease is due to the reduced capital projects for fiscal year 2009. The majority of this decrease is due to the completion of the transfer station and the purchase of the fairgrounds property in fiscal year 2008.
- General property taxes, the County's largest revenue source were \$24.4 million or 55% of total governmental revenues.

Financial Analysis of the County's Funds

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

Governmental funds: The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16.4 million, a decrease of \$2.2 million in comparison with the prior year.

The General Fund is the chief operating fund of the County. Excluding transfers to other funds, the general fund's revenues exceeded expenditures by \$206,781. At the end of the current fiscal year, unreserved fund balance as well as total fund balance of the General Fund was \$15.3 million. The entire amount of this total is reported as unreserved, which is available for spending at the County's discretion; however \$6,798,341 is reported as designated for subsequent expenditure. As a measure of the General Fund's liquidity, the fund balance represents 41% of total General Fund expenditures.

The County Capital Improvements Fund accounts for all major general public improvements, excluding capital projects related to business-type activities and education, which are accounted for elsewhere. At the end of the fiscal year, the fund balance was \$133,207 and was included in other governmental funds.

Nonmajor special revenue funds included the Airport Fund and the State and Federal Grants Fund. Both funds accounted for the total reported as unreserved special revenue funds in the amount of \$961,995.

General Fund Budgetary Highlights

There was an increase of \$844,009 between the original budget and the final amended budget expenditures.

- Actual revenues exceeded the budgeted amounts by \$204,082 and actual expenditures exceeded budgeted amounts by \$113,079.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$74.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and machinery and equipment as well as construction in progress. Major capital asset events during the current fiscal year included the following:

- Purchase of several vehicles for various County departments
- Purchase of convenience center sites

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	<u>Governmental Activities</u>	<u>Total</u>
Land	\$ 4,843,234	\$ 4,843,234
Buildings and improvements	68,040,692	68,040,692
Machinery & Equipment	1,385,565	1,385,565
Construction in progress	61,546	61,546
Total	<u>\$ 74,331,037</u>	<u>\$ 74,331,037</u>

Additional information on the County's capital assets can be found in note 6 on pages 34 through 36 of this report.

Long-term debt: At the end of the current fiscal year, the County had total outstanding debt of \$66.81 million. Details are summarized in the following table:

	<u>Governmental Activities</u>	<u>Total</u>
Bonds Payable:		
General obligation bonds	\$ 55,277,296	\$ 55,277,296
Revenue bonds	985,995	985,995
Literary loans	7,000,161	7,000,161
Landfill Closure/Postclosure	540,031	540,031
Capital leases	1,313,849	1,313,849
Note payable	838,822	838,822
Other post-employment benefits obligation	25,500	25,500
Compensated absences	825,347	825,347
Total	<u>\$ 66,807,001</u>	<u>\$ 66,807,001</u>

Debt associated with governmental activities decreased \$3,456,580.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County at October 31, 2009 was 11%. The State's average unemployment rate was 6.3% and the national average rate was 9.5%.
- One of the greatest economic impacts to the County currently is the uncertainty of how the State allocations to local governments will be adjusted due to State budgetary issues being addressed by the State.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, County of Halifax, 134 South Main Street, P.O. Box 699, Halifax, VA 24558

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Basic Financial Statements

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Government-wide Financial Statements

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Statement of Net Assets
June 30, 2009

	Primary Government		Component Units		
	Governmental Activities	Total	School Board	Industrial Development Authority	Regional Library
ASSETS					
Cash and cash equivalents	\$ 11,755,877	\$ 11,755,877	\$ 6,429,416	\$ 1,726,114	\$ 24,215
Receivables (net of allowance for uncollectibles):					
Taxes receivable	2,340,830	2,340,830	-	-	-
Accounts receivable	212,629	212,629	-	101,579	-
Due from component unit	3,670,137	3,670,137	-	-	-
Due from other governmental units	1,831,545	1,831,545	3,073,371	-	-
Inventories	-	-	-	2,865,062	-
Prepaid expenses	62,503	62,503	451,922	-	10,039
Capital assets (net of accumulated depreciation):					
Land	4,843,234	4,843,234	130,523	544,192	-
Buildings and system	68,040,692	68,040,692	13,221,082	28,513,363	-
Machinery and equipment	1,385,565	1,385,565	2,092,424	695,104	-
Construction in progress	61,546	61,546	-	98,098	-
Total assets	\$ 94,204,558	\$ 94,204,558	\$ 25,398,738	\$ 34,543,512	\$ 34,254
LIABILITIES					
Accounts payable	\$ 103,508	\$ 103,508	\$ 76,839	\$ 116,575	\$ -
Accrued liabilities	-	-	4,369,506	-	-
Accrued interest payable	1,227,658	1,227,658	-	-	-
Due to primary government	-	-	3,420,737	249,400	-
Unearned revenue	1,118,423	1,118,423	-	-	-
Long-term liabilities:					
Due within one year	3,456,580	3,456,580	174,306	1,112,204	1,100
Due in more than one year	63,350,421	63,350,421	1,122,356	13,955,091	-
Total liabilities	\$ 69,256,590	\$ 69,256,590	\$ 9,163,744	\$ 15,433,270	\$ 1,100
NET ASSETS					
Invested in capital assets, net of related debt	\$ 9,753,736	\$ 9,753,736	\$ 15,444,029	\$ 14,783,462	\$ -
Unrestricted (deficit)	15,194,232	15,194,232	790,965	4,326,780	33,154
Total net assets	\$ 24,947,968	\$ 24,947,968	\$ 16,234,994	\$ 19,110,242	\$ 33,154

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

COUNTY OF HALIFAX, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,312,849	\$ 12,452	\$ 347,310	\$ -
Judicial administration	1,405,780	110,961	933,332	-
Public safety	7,804,899	196,913	2,314,275	301,936
Public works	3,990,358	196,360	-	-
Health and welfare	8,085,471	-	6,167,751	-
Education	18,242,542	-	-	673,034
Parks, recreation, and cultural	612,848	121,829	2,500	36,501
Community development	1,767,995	-	35,960	165,822
Interest on long-term debt	2,815,705	-	-	-
Total governmental activities	<u>\$ 47,038,447</u>	<u>\$ 638,515</u>	<u>\$ 9,801,128</u>	<u>\$ 1,177,293</u>
Total primary government	<u>\$ 47,038,447</u>	<u>\$ 638,515</u>	<u>\$ 9,801,128</u>	<u>\$ 1,177,293</u>
COMPONENT UNITS:				
School Board	\$ 66,083,380	\$ 1,891,755	\$ 46,770,534	\$ 1,054,089
Industrial Development Authority	3,019,505	1,460,559	-	1,088,254
Regional Library	459,658	20,597	200,105	-
Total component units	<u>\$ 69,562,543</u>	<u>\$ 3,372,911</u>	<u>\$ 46,970,639</u>	<u>\$ 2,142,343</u>
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use tax				
Communication tax				
Consumer utility taxes				
Motor vehicle licenses				
Other local taxes				
Unrestricted revenues from use of money and property				
Payments from Halifax County				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Total general revenues				
Change in net assets				
Net assets - beginning				
Net assets - ending				

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

Net (Expense) Revenue and Changes in Net Assets				
Primary Government Governmental Activities	Component Units			
	School Board	Industrial Development Authority	Regional Library	
\$ (1,953,087)	\$ -	\$ -	\$ -	
(361,487)	-	-	-	
(4,991,775)	-	-	-	
(3,793,998)	-	-	-	
(1,917,720)	-	-	-	
(17,569,508)	-	-	-	
(452,018)	-	-	-	
(1,566,213)	-	-	-	
(2,815,705)	-	-	-	
<u>\$ (35,421,511)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>\$ (35,421,511)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (16,367,002)	\$ -	\$ -	
-	-	(470,692)	-	
-	-	-	(238,956)	
<u>\$ -</u>	<u>\$ (16,367,002)</u>	<u>\$ (470,692)</u>	<u>\$ (238,956)</u>	
\$ 24,538,078	\$ -	\$ -	\$ -	
2,639,753	-	-	-	
1,211,506	-	-	-	
885,992	-	-	-	
419,982	-	-	-	
747,823	-	-	-	
589,508	2,226	15,338	-	
-	18,076,059	999,799	220,000	
437,425	1,098,925	5,035	13,190	
1,502,504	-	-	-	
<u>\$ 32,972,571</u>	<u>\$ 19,177,210</u>	<u>\$ 1,020,172</u>	<u>\$ 233,190</u>	
<u>\$ (2,448,940)</u>	<u>\$ 2,810,208</u>	<u>\$ 549,480</u>	<u>\$ (5,766)</u>	
27,396,908	13,424,786	18,560,762	38,920	
<u>\$ 24,947,968</u>	<u>\$ 16,234,994</u>	<u>\$ 19,110,242</u>	<u>\$ 33,154</u>	

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Fund Financial Statements

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Balance Sheet
 Governmental Funds
 June 30, 2009

	General	Virginia Public Assistance	County Capital Projects	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 10,337,570	\$ -	\$ 133,207	\$ 921,231	\$ 11,392,008
Receivables (net of allowance for uncollectibles):					
Taxes receivable	2,340,830	-	-	-	2,340,830
Accounts receivable	212,629	-	-	-	212,629
Due from other funds	751,112	-	-	-	751,112
Due from component units	3,670,137	-	-	-	3,670,137
Due from other governmental units	1,039,669	751,112	-	40,764	1,831,545
Prepaid items	62,503	-	-	-	62,503
Total assets	<u>\$ 18,414,450</u>	<u>\$ 751,112</u>	<u>\$ 133,207</u>	<u>\$ 961,995</u>	<u>\$ 20,260,764</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 103,508	\$ -	\$ -	\$ -	\$ 103,508
Due to other funds	-	751,112	-	-	751,112
Deferred revenue	2,996,050	-	-	-	2,996,050
Total liabilities	<u>\$ 3,099,558</u>	<u>\$ 751,112</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,850,670</u>
Fund balances:					
Unreserved, reported in:					
General fund - designated (Note 17)	\$ 6,798,341	\$ -	\$ -	\$ -	\$ 6,798,341
General fund - undesignated	8,516,551	-	-	-	8,516,551
Special revenue funds - designated (Note 17)	-	-	-	961,995	961,995
Capital projects funds - designated (Note 17)	-	-	133,207	-	133,207
Total fund balances	<u>\$ 15,314,892</u>	<u>\$ -</u>	<u>\$ 133,207</u>	<u>\$ 961,995</u>	<u>\$ 16,410,094</u>
Total liabilities and fund balances	<u>\$ 18,414,450</u>	<u>\$ 751,112</u>	<u>\$ 133,207</u>	<u>\$ 961,995</u>	<u>\$ 20,260,764</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2009

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 16,410,094
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 89,695,398	
Less: accumulated depreciation	<u>(15,364,361)</u>	74,331,037

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

Deferred revenue	1,877,627
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Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

363,869

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

Bonds and notes payable	\$ (62,457,129)	
Capital leases	(1,313,849)	
Unamortized premium on bonds	(1,645,145)	
Interest payable	(1,227,658)	
Other post-employment benefits	(25,500)	
Compensated absences	(825,347)	
Landfill postclosure liability	<u>(540,031)</u>	<u>(68,034,659)</u>

Net assets of governmental activities	\$ <u><u>24,947,968</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2009

	General	Virginia Public Assistance	County Capital Projects	Other Governmental Funds	Total
REVENUES					
General property taxes	\$ 24,346,869	\$ -	\$ -	\$ -	\$ 24,346,869
Other local taxes	5,905,056	-	-	-	5,905,056
Permits, privilege fees, and regulatory licenses	122,761	-	-	-	122,761
Fines and forfeitures	73,379	-	-	-	73,379
Revenue from the use of money and property	464,803	-	-	124,705	589,508
Charges for services	442,375	-	-	-	442,375
Miscellaneous	356,127	81,037	-	261	437,425
Recovered costs	121,259	-	-	-	121,259
Intergovernmental revenues:					
Commonwealth	5,495,300	3,842,765	-	608,756	9,946,821
Federal	91,811	2,324,986	-	117,307	2,534,104
Total revenues	\$ 37,419,740	\$ 6,248,788	\$ -	\$ 851,029	\$ 44,519,557
EXPENDITURES					
Current:					
General government administration	\$ 2,141,122	\$ -	\$ -	\$ -	\$ 2,141,122
Judicial administration	1,285,780	-	-	105,887	1,391,667
Public safety	7,047,781	-	-	392,682	7,440,463
Public works	3,325,895	-	-	-	3,325,895
Health and welfare	397,957	7,621,760	-	-	8,019,717
Education	14,465,039	-	-	-	14,465,039
Parks, recreation, and cultural	586,205	-	-	5,000	591,205
Community development	1,536,066	-	-	227,858	1,763,924
Nondepartmental	391,150	-	-	-	391,150
Capital projects	-	-	1,247,345	-	1,247,345
Debt service:					
Principal retirement	3,007,310	-	-	13,746	3,021,056
Interest and other fiscal charges	3,028,654	-	-	1,778	3,030,432
Total expenditures	\$ 37,212,959	\$ 7,621,760	\$ 1,247,345	\$ 746,951	\$ 46,829,015
Excess (deficiency) of revenues over (under) expenditures	\$ 206,781	\$ (1,372,972)	\$ (1,247,345)	\$ 104,078	\$ (2,309,458)
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 1,372,972	\$ 1,247,345	\$ -	\$ 2,620,317
Transfers out	(2,620,317)	-	-	-	(2,620,317)
Proceeds of refunding revenue bonds	1,649,070	-	-	-	1,649,070
Payments to refunding bond escrow agent	(1,594,501)	-	-	-	(1,594,501)
Total other financing sources (uses)	\$ (2,565,748)	\$ 1,372,972	\$ 1,247,345	\$ -	\$ 54,569
Net change in fund balances	\$ (2,358,967)	\$ -	\$ -	\$ 104,078	\$ (2,254,889)
Fund balances - beginning	17,673,859	-	133,207	857,917	18,664,983
Fund balances - ending	\$ 15,314,892	\$ -	\$ 133,207	\$ 961,995	\$ 16,410,094

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2009

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

Net change in fund balances - total governmental funds	\$	(2,254,889)
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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. The following are the details of this difference:

Capital asset additions	\$	1,255,743	
Net transfer of joint tenancy assets		(3,716,281)	
Depreciation expense		<u>(1,107,606)</u>	(3,568,144)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	191,209
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	56,830
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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. The following are the details of these differences:

Issuance of long-term debt	\$	(1,649,070)	
(Increase) decrease in other post-employment benefits		(25,500)	
(Increase) decrease in postclosure liability		(13,171)	
Principal payments and premium amortization		<u>4,830,497</u>	3,142,756

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.	<u>(16,702)</u>
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Change in net assets of governmental activities	\$	<u><u>(2,448,940)</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Assets
Internal Service Fund
June 30, 2009

	Self- Insurance Fund
<hr/>	
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 363,869
Total assets	<u>\$ 363,869</u>
NET ASSETS	
Unrestricted	\$ 363,869
Total net assets	<u>\$ 363,869</u>

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Fund
For the Year Ended June 30, 2009

	<u>Self- Insurance Fund</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ <u>1,424,049</u>
Total operating revenues	\$ <u>1,424,049</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ <u>1,367,219</u>
Total operating expenses	\$ <u>1,367,219</u>
Operating income (loss)	\$ <u>56,830</u>
Change in net assets	\$ 56,830
Total net assets - beginning	<u>307,039</u>
Total net assets - ending	\$ <u><u>363,869</u></u>

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

Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2009

	Self- Insurance Fund
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 1,424,049
Payments for premiums	(1,367,219)
Net cash provided (used by) operating activities	<hr/> \$ 56,830
Net increase (decrease) in cash and cash equivalents	\$ 56,830
Cash and cash equivalents - beginning	307,039
Cash and cash equivalents - ending	<hr/> \$ 363,869 <hr/>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ <hr/> 56,830 <hr/>

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

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 83,655
Total assets	\$ <u>83,655</u>
LIABILITIES	
Accrued liabilities	\$ 16,993
Amounts held for social services clients	13,563
Amounts held for other organizations	53,099
Total liabilities	\$ <u>83,655</u>

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009

Note 1—Summary of Significant Accounting Policies:

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

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

A. Financial Statement Presentation

Government-wide and Fund Financial Statements

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

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

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

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

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

A. Financial Statement Presentation: (Continued)

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. The County does not allocate indirect expenses. The Operating grants include operating-specific and discretionary (operating or capital) grants while the capital grants column reflects capital specific grants. Internal service charges are eliminated and the net income or loss from internal service activities are allocated to the various functional expenses categories based on the internal charges to each function.

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

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

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

B. Financial Reporting Entity

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

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

C. Individual Component Unit Disclosures

Blended Component Units. The County has no blended component units.

Discretely Presented Component Units.

The School Board members are elected by the citizens of Halifax County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding of the school board is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2009.

The Halifax County Industrial Development Authority is responsible for industrial and commercial development in the County. The Authority's board members are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2009. Complete financial statements for the Authority are available from the Authority in South Boston, Virginia.

The Halifax County - South Boston Regional Library provides public library services to residents of the County and City. The County appoints four of the five members of the library board. The library is fiscally dependent upon the County for operating contributions.

D. Other Related Organizations

Included in the County's Financial Report

None

Jointly Governed Organizations

A jointly governed organization is a multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The County, in conjunction with other localities, has created the Southside Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$85,000 to the Southside Community Services Board.

The County in conjunction with the Towns of Halifax and South Boston jointly govern the Halifax County Service Authority, a regional authority providing water and sewer service. The Authority's governing body is appointed by the participating governments. The participating governments do not have access to resources and surpluses nor is liable for the Authority's debt or deficits. The County paid \$200,000 to the Authority as part of a sludge agreement during fiscal year 2009.

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

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

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

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

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

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

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 expenditures. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund as a major governmental fund.

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

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Special Revenue Funds consist of the following funds: Virginia Public Assistance Fund, State and Federal Grants Fund and William M. Tuck Airport Fund.

The Virginia Public Assistance Fund is a major special revenue fund used to account for the administration of the County's social services program.

Capital Projects Funds - The County Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

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

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

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

Internal Service Fund - The internal service fund accounts for the financing of goods or services provided by one department or agency to others departments or agencies of the County government. The County reports Self-Insurance Fund as an internal service fund which accounts for the health insurance program activities of the County.

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

F. Cash and Cash Equivalents:

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

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

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

G. Investments

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

H. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$545,101 at June 30, 2009 for property taxes.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

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

H. Receivables and Payables: (Continued)

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

I. Capital Assets

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

The Component Unit Industrial Development Authority, a proprietary fund type, is required to capitalize its fixed assets including the infrastructure constructed at the business park.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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. Interest attributable to capitalized assets in the Industrial Development Authority as of June 30, 2009 was \$0.

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

<u>Assets</u>	<u>Years</u>
Plant, equipment and system	35-45
Motor vehicles	5-10
Equipment	2-15
Infrastructure	25

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

J. Compensated Absences

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

K. Retirement Plan

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

L. 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.

M. 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.

Designated portions of fund balance are established to indicate tentative plans for financial resource utilization in a future period.

N. 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.

O. Long-term Obligations

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

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

O. Long-term Obligations: (Continued)

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.

P. Bond Issuance Costs

Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Issuance costs are recorded as deferred charges.

Q. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Public Utilities Fund consists of expendable supplies held for consumption. Inventory in the Component Unit-Industrial Development Authority consists of land held for resale.

Note 2—Stewardship, Compliance, and Accounting:

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

1. Prior to March 30th, 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 fund level. The appropriation for each fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
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. Several Supplemental Appropriations were necessary during the fiscal year.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

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

Expenditures and Appropriations

Expenditures exceeded appropriations in the following funds at June 30, 2009.

- General Fund
- County Capital Projects

Note 3—Deposits and Investments:

Deposits

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

Investments

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

The County does not have a formal investment policy addressing the various types of risks associated with investments.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2009 were rated by Standard and Poor’s and the ratings are presented below using the Standard and Poor’s rating scale.

<u>Locality's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
Local Government Investment Pool	\$ 5,016,087
U.S. Government Securities - Money Market	24,812
Total	<u>\$ 5,040,899</u>

External Investment Pools

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 4—Due from Other Governments:

At June 30, 2009, the County has receivables from other governments as follows:

		Component Units	
	Primary Government	School Board	Industrial Development Authority
Component Units:			
Halifax County School Board	\$ 3,420,737	\$ -	\$ -
Halifax County Industrial Development Authority	249,400	-	-
Total due from component units	<u>\$ 3,670,137</u>	<u>\$ -</u>	<u>\$ -</u>
Other Governments:			
Commonwealth of Virginia:			
Local sales tax	\$ 538,036	\$ -	\$ -
Communication tax	175,835		
Shared revenues	88,002	-	-
Shared expenses	237,796	-	-
VPA funds	118,255	-	-
CSA funds	448,357	-	-
State Sales Tax	-	854,455	-
Other state grants	40,764	1,796	-
Federal Government:			
School fund grants	-	2,217,120	-
VPA funds	184,500	-	-
Total due from other governments	<u>\$ 1,831,545</u>	<u>\$ 3,073,371</u>	<u>\$ -</u>
Amounts due to other governments are as follows:			
Other Local Governments:			
Halifax County	<u>\$ -</u>	<u>\$ 3,420,737</u>	<u>\$ 249,400</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 5—Interfund Obligations:

Details of the Primary Government's interfund receivables, and payables as of June 30, 2009, are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 751,112	\$ -
Virginia Public Assistance	<u>-</u>	<u>751,112</u>
Total	\$ <u>751,112</u>	\$ <u>751,112</u>

Note 6— Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 2,620,317
County Capital Projects	1,247,345	-
Virginia Public Assistance	<u>1,372,972</u>	<u>-</u>
Total	\$ <u>2,620,317</u>	\$ <u>2,620,317</u>

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 7—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2009:

	Balance July 1, 2008		Additions		Deletions		Balance June 30, 2009
<u>Primary Government:</u>							
Capital assets not being depreciated:							
Land	\$ 4,843,234	\$ -	\$ -		\$ 4,843,234		
Construction in progress	<u>4,487,784</u>	<u>819,258</u>	<u>5,245,496</u>		<u>61,546</u>		
Total capital assets not being depreciated	\$ <u>9,331,018</u>	\$ <u>819,258</u>	\$ <u>5,245,496</u>		\$ <u>4,904,780</u>		
Capital assets being depreciated:							
Buildings and systems	\$ 74,444,199	\$ 5,515,281	\$ 2,393,341		\$ 77,566,139		
Machinery and equipment	<u>7,199,733</u>	<u>166,700</u>	<u>141,954</u>		<u>7,224,479</u>		
Total capital asset being depreciated	\$ <u>81,643,932</u>	\$ <u>5,681,981</u>	\$ <u>2,535,295</u>		\$ <u>84,790,618</u>		
Less accumulated depreciation for:							
Buildings and systems	\$ 7,734,961	\$ 1,790,487	\$ -		\$ 9,525,448		
Machinery and equipment	<u>5,340,808</u>	<u>640,059</u>	<u>141,954</u>		<u>5,838,913</u>		
Total accumulated depreciation	\$ <u>13,075,769</u>	\$ <u>2,430,546</u>	\$ <u>141,954</u>		\$ <u>15,364,361</u>		
Net capital assets primary government	\$ <u><u>77,899,181</u></u>	\$ <u><u>4,070,693</u></u>	\$ <u><u>7,638,837</u></u>		\$ <u><u>74,331,037</u></u>		
<u>Component Unit-School Board:</u>							
Capital assets not being depreciated:							
Land	\$ <u>130,523</u>	\$ -	\$ -		\$ <u>130,523</u>		
Total capital assets not being depreciated	\$ <u>130,523</u>	\$ -	\$ -		\$ <u>130,523</u>		
Capital assets being depreciated:							
Machinery and equipment	\$ 7,482,102	\$ 635,800	\$ -		\$ 8,117,902		
Buildings and systems	<u>23,258,228</u>	<u>2,393,341</u>	<u>-</u>		<u>25,651,569</u>		
Total capital asset being depreciated	\$ <u>30,740,330</u>	\$ <u>3,029,141</u>	\$ -		\$ <u>33,769,471</u>		
Less accumulated depreciation for:							
Machinery and equipment	\$ 5,699,826	\$ 325,653	\$ -		\$ 6,025,479		
Buildings and systems	<u>11,706,559</u>	<u>723,927</u>	<u>-</u>		<u>12,430,486</u>		
Total accumulated depreciation	\$ <u>17,406,385</u>	\$ <u>1,049,580</u>	\$ -		\$ <u>18,455,965</u>		
Net capital assets component unit school board	\$ <u><u>13,464,468</u></u>	\$ <u><u>1,979,561</u></u>	\$ -		\$ <u><u>15,444,029</u></u>		

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 7—Capital Assets: (Continued)

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

Governmental activities:

General government	\$	138,389
Judicial administration		4,768
Public safety		369,616
Public works		533,317
Health and welfare		33,649
Parks, recreation and cultural		22,166
Community development		5,701
Subtotal depreciation expense - governmental activities	\$	<u>1,107,606</u>
Depreciation on joint tenancy assets - school board	\$	1,322,940
Total Governmental activities	\$	<u><u>2,430,546</u></u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the Code of Virginia, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Halifax, Virginia for the year ended June 30, 2009, is that school financed assets in the amount of \$59,524,279 are reported in the Primary Government for financial reporting purposes.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 7—Capital Assets: (Continued)

A summary of the component unit Industrial Development Authority property, plant, and equipment at June 30, 2009 follows:

Component Unit -Industrial Development Authority:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
Capital assets not being depreciated:				
Land	\$ 544,192	\$ -	\$ -	\$ 544,192
Construction in progress	<u>15,576,992</u>	<u>123,098</u>	<u>15,601,992</u>	<u>98,098</u>
Total capital assets not being depreciated	\$ <u>16,121,184</u>	\$ <u>123,098</u>	\$ <u>15,601,992</u>	\$ <u>642,290</u>
Capital assets being depreciated:				
Buildings	\$ 14,958,578	\$ 15,601,992	\$ -	\$ 30,560,570
Equipment	875,209	-	-	875,209
Vehicles	<u>29,041</u>	<u>-</u>	<u>-</u>	<u>29,041</u>
Total capital asset being depreciated	\$ <u>15,862,828</u>	\$ <u>15,601,992</u>	\$ <u>-</u>	\$ <u>31,464,820</u>
Less accumulated depreciation for:				
Buildings	\$ 1,434,419	\$ 612,788	\$ -	\$ 2,047,207
Equipment	122,180	57,925	-	180,105
Vehicles	<u>29,041</u>	<u>-</u>	<u>-</u>	<u>29,041</u>
Total accumulated depreciation	\$ <u>1,585,640</u>	\$ <u>670,713</u>	\$ <u>-</u>	\$ <u>2,256,353</u>
Net Capital Assets Total	\$ <u><u>30,398,372</u></u>	\$ <u><u>15,054,377</u></u>	\$ <u><u>15,601,992</u></u>	\$ <u><u>29,850,757</u></u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations:

Primary Government:

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

	<u>Amounts Payable at July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2009</u>	<u>Amounts Due Within One Year</u>
Governmental Obligations:					
Incurring by County:					
Claims, judgments and compensated absences payable	\$ 746,923	\$ 78,424	\$ -	\$ 825,347	\$ 82,535
Other post-employment benefits obligation	-	42,300	16,800	25,500	25,500
Landfill postclosure costs	526,860	13,171	-	540,031	-
General obligation bonds	1,293,554	663,075	868,596	1,088,033	249,954
Revenue bond	1,009,125	985,995	1,009,125	985,995	63,773
Capital leases	1,657,499	-	343,650	1,313,849	358,210
Note payable	<u>869,668</u>	<u>-</u>	<u>30,846</u>	<u>838,822</u>	<u>31,728</u>
Total incurred by County	<u>\$ 6,103,629</u>	<u>\$ 1,782,965</u>	<u>\$ 2,269,017</u>	<u>\$ 5,617,577</u>	<u>\$ 811,700</u>
Incurring by School Board:					
State Literary Fund Loans payable	\$ 7,466,831	\$ -	\$ 466,670	\$ 7,000,161	\$ 466,670
General obligation bonds payable	<u>54,485,789</u>	<u>-</u>	<u>1,941,671</u>	<u>52,544,118</u>	<u>2,014,436</u>
Total incurred by School Board	<u>\$ 61,952,620</u>	<u>\$ -</u>	<u>\$ 2,408,341</u>	<u>\$ 59,544,279</u>	<u>\$ 2,481,106</u>
Premium on bond issuance	<u>1,815,085</u>	<u>-</u>	<u>169,940</u>	<u>1,645,145</u>	<u>163,774</u>
Total incurred by School Board- Financial Statement Presentation	<u>\$ 63,767,705</u>	<u>\$ -</u>	<u>\$ 2,578,281</u>	<u>\$ 61,189,424</u>	<u>\$ 2,644,880</u>
Total Governmental Obligations	<u>\$ 69,871,334</u>	<u>\$ 1,782,965</u>	<u>\$ 4,847,298</u>	<u>\$ 66,807,001</u>	<u>\$ 3,456,580</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30,	County Obligations							
	General		Revenue Bonds		Capital Leases		Note Payable	
	Obligation	Bonds	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 249,954	\$ 39,081	\$ 63,773	\$ 33,072	\$ 358,210	\$ 51,883	\$ 31,728	\$ 38,338
2011	259,860	28,963	62,261	34,583	373,387	36,706	33,490	36,054
2012	43,494	21,683	64,596	32,249	143,749	22,509	34,372	34,696
2013	45,125	20,052	67,018	29,826	125,118	16,180	36,135	33,286
2014	46,817	18,360	69,532	27,313	130,527	10,770	37,016	31,800
2015	48,573	16,604	72,139	24,706	136,171	5,127	38,778	30,222
2016	50,394	14,783	74,844	22,000	46,687	412	40,541	28,547
2017	52,284	12,893	77,651	19,194	-	-	42,304	26,776
2018	54,244	10,932	80,563	16,282	-	-	44,066	24,896
2019	56,279	8,898	83,584	13,261	-	-	45,829	22,896
2020	58,389	6,788	86,718	10,126	-	-	48,473	20,774
2021	60,579	4,598	89,970	6,874	-	-	50,236	18,428
2022	62,041	2,327	93,346	3,500	-	-	52,880	15,982
2023	-	-	-	-	-	-	55,523	13,515
2024	-	-	-	-	-	-	58,167	10,900
2025	-	-	-	-	-	-	60,811	8,042
2026	-	-	-	-	-	-	63,455	4,935
2027	-	-	-	-	-	-	65,018	1,676
Total	\$ 1,088,033	\$ 205,962	\$ 985,995	\$ 272,986	\$ 1,313,849	\$ 143,587	\$ 838,822	\$ 401,763

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Year Ending June 30,	Incurred by School Board			
	Bonds		Literary Loans	
	Principal	Interest	Principal	Interest
2010	\$ 2,014,436	\$ 2,517,801	\$ 466,670	\$ 130,670
2011	2,097,607	2,417,664	466,670	121,336
2012	2,196,206	2,307,757	466,670	112,003
2013	2,285,255	2,194,580	466,670	102,670
2014	2,384,778	2,078,544	466,670	93,336
2015	2,469,799	1,955,490	466,670	84,003
2016	2,590,344	1,826,456	466,670	74,669
2017	2,711,442	1,691,260	466,670	65,336
2018	2,846,095	1,551,517	466,670	56,003
2019	2,979,485	1,406,661	466,670	56,003
2020	3,118,537	1,254,642	466,670	46,669
2021	3,267,990	1,095,335	466,670	37,336
2022	3,413,489	933,830	466,670	28,002
2023	3,564,581	769,619	466,670	18,669
2024	3,730,870	599,880	466,781	9,336
2025	3,892,866	423,655	-	-
2026	4,065,754	239,408	-	-
2027	2,914,584	72,948	-	-
Total	\$ 52,544,118	\$ 25,337,047	\$ 7,000,161	\$ 1,036,041

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

	<u>Amount Outstanding</u>
<u>Revenue Bond:</u>	
\$985,995 Lease Revenue Refunding Bond dated May 8, 2009, issued to refund the remaining balance of the \$1,500,000 Office Facility Revenue Bond dated March 30, 1992. The refunding bond is due in annual installments through March 2022 with interest payable semi-annually at a rate of 3.75%. The refunding resulted in an economic gain of \$99,100	\$ <u>985,995</u>
<u>General Obligation Bonds - Incurred by Primary Government:</u>	
\$663,075 General Obligation Refunding Bond dated May 8, 2009, issued to refund the remaining balance of the \$1,000,000 Office Facility General Obligation Bond dated March 30, 1992. The refunding bond is due in annual installments through March 2022 with interest payable semi-annually at a rate of 3.75%. The refunding resulted in an economic gain of \$66,067	\$ 663,075
\$1,750,000 General Obligation Bonds, Series 2000 (Continuing Education Center) dated September 29, 2000 due in annual principal installments through September 15, 2010 with interest payable semi-annually, interest at 5.25%.	<u>424,958</u>
Total General Obligation Bonds - Incurred by Primary Government	\$ <u>1,088,033</u>
<u>General Obligation Bonds - Incurred by School Board:</u>	
\$590,000 School Bonds, issued November 22, 1994 through the Virginia Public School Authority, due in annual installments each July 15, through 2014, interest payable semi annually at rates ranging from 6.1% to 6.6%.	140,000
\$360,000 School Bonds, issued by the City of South Boston, fall 1993, through the Virginia Public School Authority, due in annual installments each December 15th through 2011, interest payable semi-annually at an average interest rate of 4.7%.	20,000
\$16,615,000 School Bonds, issued November 10, 2005, through the Virginia Public School Authority, due in annual installments each July 15 through 2025, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	15,050,000
\$31,030,000 School Bonds, issued May 11, 2006, through Virginia Public School Authority, due in annual installments each July 15 through 2027, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	29,120,000

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

	<u>Amount Outstanding</u>
\$8,920,992 School Bonds, issued November 9, 2006, through the Virginia Public School Authority due in annual installments each July 15 through 2026, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	\$ 8,214,118
Premium on bonds issued	<u>1,645,145</u>
Total General Obligation Bonds - Incurred by School Board	<u>\$ 54,189,263</u>

State Literary Fund Loans:

\$2,500,000, authorized, due in annual installments over 20 years, interest payable annually at 2%. Amount drawn to date.	\$ 1,695,269
\$4,000,000, authorized, due in annual installments over 20 years, interest payable annually at 2%. Amount drawn to date.	2,754,832
\$3,500,000, authorized, due in annual installments over 20 years, interest payable annually at 2%. Amount drawn to date.	<u>2,550,060</u>
Total State Literary Fund Loans	<u>\$ 7,000,161</u>

Capital Lease Obligations:

\$2,200,000 Equipment Lease Purchase Agreement dated November 21, 2001, secured by equipment due in monthly installments of \$22,400 through November 21, 2011, includes interest at 4.12%.	\$ 783,596
\$1,150,000 public facility lease financing dated November 1, 2005 with Branch Banking & Trust, due in monthly installments of \$11,775 through November 2015, includes interest at 4.24%.	<u>530,253</u>
Total Capital Lease Obligations	<u>\$ 1,313,849</u>

Note Payable:

\$900,000 note payable to the Town of South Boston for the Prizery renovations. Interest payable annually at a rate of 1.94% through 2007. Principal balloons and payable on May 27, 2007.	<u>\$ 838,822</u>
Compensated absences payable	<u>\$ 825,347</u>
Other post-employment benefits obligation	<u>\$ 25,500</u>
Accrued landfill postclosure care costs	<u>\$ 540,031</u>
Total long-term indebtedness	<u><u>\$ 66,807,001</u></u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Defeased Debt - Current Refundings

On May 8, 2009 the County issued General Obligation Public Refunding Bonds, Series 2009 in the amount of \$663,075 to current refund the remaining balance of the \$1,000,000 Office Facility General Obligation Bond dated March 30, 1992 in the amount of \$637,253. The refunding bonds were issued at an interest rate of 3.75% to refund the Office Facility Bonds with an interest rate of 5.75%. The refunding resulted in an economic gain of \$66,067.

On May 8, 2009 the County issued Lease Revenue Refunding Bonds, Series 2009 in the amount of \$985,995 to current refund the remaining balance of the \$1,500,000 Office Facility Revenue Bond dated March 30, 1992 in the amount of \$957,248. The refunding bonds were issued at an interest rate of 3.75% to refund the Office Facility Bonds with an interest rate of 5.75%. The refunding resulted in an economic gain of \$99,100.

Component Unit—School Board:

The following is a summary of long-term debt transactions of the Component Unit—School Board for the year ended June 30, 2009:

	Amounts Payable at July 1, 2008	Increases	Decreases	Amounts Payable at June 30, 2009	Amounts Due Within One Year
Claims, judgments and compensated absences payable	\$ 1,168,201	\$ 78,861	\$ -	\$ 1,247,062	\$ 124,706
Other post-employment benefits obligation	-	223,100	173,500	49,600	49,600
Total obligations	<u>1,168,201</u>	<u>301,961</u>	<u>173,500</u>	<u>1,296,662</u>	<u>174,306</u>

Details of Long-Term Indebtedness:

Compensated absences Liability	\$ 1,247,062
Other post-employment benefits obligation	49,600
Total long-term indebtedness	<u>\$ 1,296,662</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Library:

The following is a summary of long-term debt transactions of the Component Unit—Library for the year ended June 30, 2009:

	Amounts Payable at July 1, 2008	Increases	Decreases	Amounts Payable at June 30, 2009	Amounts Due Within One Year
Other post-employment benefits obligation	\$ -	\$ 1,200	\$ 100	\$ 1,100	\$ 1,100
Total obligations	\$ -	\$ 1,200	\$ 100	\$ 1,100	\$ 1,100

Details of Long-Term Indebtedness:

Other post-employment benefits obligation	\$ 1,100
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Component Unit—Industrial Development Authority:

The following is a summary of long-term debt transactions of the Component Unit—Industrial Development Authority for the year ended June 30, 2009:

Year Ending June 30,	Principal	Interest
2010	\$ 1,108,392	\$ 602,176
2011	1,355,337	777,342
2012	1,727,295	700,177
2013	1,597,129	602,624
2014	1,686,198	513,302
2015-2019	7,548,405	1,548,467
2020-2024	8,216	95
Total	\$ 15,030,972	\$ 4,744,184

Changes in long-term debt:

	Amounts Payable at July 1, 2008	Additions	Deletions	Amounts Payable at June 30, 2009	Due Within One Year
Notes payable	\$ 15,634,273	\$ -	\$ 871,537	\$ 14,762,736	\$ 1,082,432
Line of credit payable	292,457	-	24,221	268,236	25,960
Other post-employment benefits	-	400	200	200	200
Compensated absences	14,768	21,355	-	36,123	3,612
Total	\$ 15,941,498	\$ 21,755	\$ 895,958	\$ 15,067,295	\$ 1,112,204

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Industrial Development Authority: (continued)

Details of indebtedness:

Details of the Authority's note payables at year end are as follows:

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
On October 1, 2003, the Authority borrowed a \$484,000 Note Payable for the purposes of refinancing the remaining balance of the \$1,100,000 adjustable rate Note Payable dated December 27, 1996. The refinancing Note Payable bears interest at a rate of 4.0% and is due in monthly installments of \$3,580 with final maturity on October 1, 2018.	\$ 331,703	\$ 30,243
 \$227,000 3.52% Interest Note Payable dated September 29, 2003 payable to Community National Bank, due in monthly installments of \$15,000, beginning on October 1, 2004, with final maturity on October 1, 2018. The Authority is obligated for one half of the total note, \$113,500 or \$7,500 monthly, with the remaining \$113,500 payable by South Boston Industrial Development Authority.	 71,440	 7,050
 \$8,000,000 5.5% Interest Note Payable dated June 24, 2004 payable to Community National Bank with final maturity on June 30, 2014.	 4,540,261	 750,286
 \$755,000 3.45% interest note payable dated July 27, 2004 payable to Community National Bank, due in monthly installments of \$1,188.76 beginning on April 1, 2005 with final maturity on February 1, 2020.	 126,319	 10,065
 \$10,000,000 6.25% interest note payable dated October 2007 payable to Carter Bank & Trust, due in monthly installments beginning April 15, 2009 with final maturity on April 15, 2019. The final payment will include a lump sum principal payment equal to the remaining balance. As of June 30, 2009 the Authority had drawn-down \$7,809,678.	 7,809,678	 180,648

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 8—Long-Term Obligations: (Continued)**Component Unit—Industrial Development Authority: (Continued)**

Details of indebtedness: (Continued)

	<u>Amount Outstanding</u>	<u>Amount due within one year</u>
\$2,000,000 4.0% interest note payable dated January 31, 2007 payable to the Virginia Small Business Financing Authority, due in monthly installments of \$14,798 beginning May 15, 2008 with final maturity on May 15, 2018. The final payment will include a lump sum principal payment equal to the remaining balance.	\$ 1,883,335	\$ 104,140
 \$315,000 6.86% interest line of credit dated June 16, 2006 payable to American National Bank, due in monthly installments of \$3,650 beginning July 1, 2007 with final maturity on June 1, 2012. The final payment includes a lump sum principal payment of \$187,210.	 268,236	 25,960
Total notes payable	\$ 15,030,972	\$ 1,108,392
Other post-employment benefits	\$ 200	\$ 200
Compensated absences	\$ 36,123	\$ 3,612
Total long-term indebtedness	<u>\$ 15,067,295</u>	<u>\$ 1,112,204</u>

Note 9—Landfill Postclosure Costs:

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 thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County records a liability for a portion of these closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date. Closure of the County's landfill site is complete. The \$540,031 reported as landfill postclosure care liability at June 30, 2009, represents the cumulative amount reported based on the use of 100% percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care in 2009. Actual cost may be higher due to inflation, changes in technology, or changes in regulation. The County intends to fund these costs from tipping fee revenues and from any fund accumulated for this purpose including available bond issue proceeds in the County Capital Projects Fund. The County demonstrates financial assurance for potential corrective action costs of \$1,000,000. The County also has demonstrated financial assurance requirements for closure and postclosure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA-20-70 of the Virginia Administrative Code.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 10—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$2,996,050 is comprised of the following:

Deferred Property Tax Revenue: Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$1,877,627 at June 30, 2009.

Prepaid Property Taxes: Property taxes due subsequent to June 30, 2009, but paid in advance by the tax payers totaled \$1,118,423 at June 30, 2009.

Note 11—Commitments and Contingencies:

Federal programs in which the County and all discretely presented 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 disallowance of current grant program expenditures, if any, would be immaterial.

Note 12—Litigation:

At June 30, 2009, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 13—Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the pool for substantially all of its insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including employee dishonesty and employee health and accident insurance. The component units - School Board and Industrial Development Authority, carry commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 14—Defined Benefit Pension Plan: (Continued)

Primary Government:

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/2008annurept.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. The County has elected to assume the 5.00% member contribution. In addition, the County 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's contribution rate for the fiscal year ended 2009 was 7.39% of annual covered payroll.

Discretely Presented Component Unit - School Board (Non-professional)

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. The County has elected to assume the 5.00% member contribution. In addition, the County 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 2009 was 9.38% of annual covered payroll.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 14—Defined Benefit Pension Plan: (Continued)

Primary Government: (Continued)

C. Annual Pension Cost

Primary Government

For fiscal year 2009, the County's annual pension cost of \$548,870 was equal to the County's required and actual contributions (does not include employee share in the amount of \$371,360 which was assumed by the County).

Three-Year Trend Information for County - Primary Government				
Fiscal Year Ending		Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2007	\$	497,791	100%	\$ -
June 30, 2008		521,328	100%	-
June 30, 2009		548,870	100%	-

(1) Employer portion only

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

Discretely Presented Component Unit - School Board (Non-professional)

For fiscal year 2009, the School Board's annual pension cost of \$309,991 was equal to the School Board's required and actual contributions (does not include employee share in the amount of \$165,240 which was assumed by the School Board).

Three-Year Trend Information for School Board - Discretely Presented Component Unit				
Fiscal Year Ending		Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2007	\$	299,296	100%	\$ -
June 30, 2008		315,531	100%	-
June 30, 2009		309,991	100%	-

(1) Employer portion only

Note 14—Defined Benefit Pension Plan: (Continued)

Primary Government: (Continued)

C. Annual Pension Cost: (Continued)

Primary Government: (Continued)

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of 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. 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, 2008, the most recent actuarial valuation date, the plan was 95.80% funded. The actuarial accrued liability for benefits was \$26,588,906, and the actuarial value of assets was \$25,471,675, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,117,231. The covered payroll (annual payroll of active employees covered by the plan) was \$7,111,534, and ratio of the UAAL to the covered payroll was 15.71%.

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.

Discretely Presented Component Unit - School Board (Non-professional)

As of June 30, 2008, the most recent actuarial valuation date, the plan was 90.67% funded. The actuarial accrued liability for benefits was \$11,264,994, and the actuarial value of assets was \$10,214,217, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,050,777. The covered payroll (annual payroll of active employees covered by the plan) was \$3,216,075, and ratio of the UAAL to the covered payroll was 32.67%.

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.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 14—Defined Benefit Pension Plan: (Continued)

Primary Government: (Continued)

E. Professional Employees - Discretely Presented Component Unit School Board:

Plan Description

The Halifax 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 State legislature. 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/2008annurept.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 to contribute 5.00% of their annual covered salary and Halifax County School Board is required to contribute at an actuarially determined rate. The current rate is 8.81% of annual covered payroll. The contribution requirements of plan members and Halifax County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2009, 2008, and 2007 were \$2,631,273, \$3,048,160, and \$2,700,293 respectively, equal to the required contributions for each year.

School Board-Local Option Retirement Program:

A. Plan Description

The Component Unit-School Board offers a local option retirement program (the program) a single employer defined benefit pension plan administered by the Rutherford. Employees who attained age 50 with a total of 30 years of service in a VRS eligible position, the last five of which must be in the Halifax County Public Schools, are eligible to participate. Employees are eligible for benefits based on 125% of their full-time gross annual salary for the year immediately preceding entering the program. Participating employees work 96% of their contractual period the first year of their retirement. Retirement benefits are paid to participating employees over a five or seven year period as follows:

<u>Option Number</u>	<u>Number of Years</u>	<u>Percent of First Year Payment</u>	<u>Successive Percent of Annual Report</u>	<u>Percent Payout of Final Salary</u>
1	7	30	15.83	125
2	5	30	23.75	125

Provisions of the program may be amended by the Halifax County School Board.

B. Funding Policy

Amounts necessary to fund the first year of participation in the program are paid directly by the School Board to the participant. Specific benefit amounts for subsequent years are contributed to the plan trustee in the first year of the employee's participation. Contributions are not actuarially determined but are based on the actual required payments to participants.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 14—Defined Benefit Pension Plan: (Continued)

School Board-Local Option Retirement Program: (Continued)

C. Annual Pension Cost

	<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percent of</u> <u>APC Contributed</u>	
	2009	\$ 122,944	100%	
	2008	71,605	100%	
	2007	-	100%	

<u>Valuation</u> <u>Date</u>	<u>Value of</u> <u>Assets</u>	<u>Liability</u> <u>for Benefits</u>	<u>(Unfunded)</u> <u>Assets in</u> <u>Excess of Liability</u>	<u>Funded</u> <u>Ratio</u>
6/30/2009	\$ 24,815	\$ -	\$ 24,815	100.00%
6/30/2008	\$ 220,383	\$ 220,383	-	100.00%
6/30/2007	282,453	282,453	-	100.10%

Note 15—Surety Bonds:

	<u>Amount</u>
Commonwealth of Virginia - Division of Risk Management - Surety	
Robert W. Conner, Clerk of the Circuit Court	\$ 1,500,000
Linda S. Foster, Treasurer	400,000
Brenda P. Powell, Commissioner of the Revenue	50,000
Stanley Noblin, Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Nationwide Insurance Company - Surety	
Paul Stapleton, Superintendent of Schools	50,000
Paul Stapleton, Clerk of the School Board	50,000
Continental Insurance Company - Surety	
All County employees - blanket bond	25,000
Selective Insurance Company of America - Surety	
Faithful performance blanket position bond all social service employees	100,000

Note 16—Designated Fund Balances:

Fund balances of the School Board Component Unit's funds are designated as follows:

Component Unit School Board:

School Cafeteria	\$ 193,980
School Textbook	679,938
School Capital Projects	1,213,709
Total Component Unit School Board	<u>\$ 2,087,627</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 17—Fund Balance Designations:

The following funds reported designated fund balances for the following subsequent expenditures:

	General Fund	William Tuck Airport	County Capital Projects	State and Federal Grants Fund	Total
Long-term debt obligations	\$ 5,995,616	\$ -	\$ -	\$ -	\$ 5,995,616
Asset forfeiture funds	120,864	-	-	-	120,864
E-911 operations	231,872	-	-	-	231,872
Self-insurance expenditures	364,557	-	-	-	364,557
Airport operations	-	594,001	-	-	594,001
Courthouse maintenance	85,432	-	-	-	85,432
Capital projects	-	-	133,207	367,994	501,201
Total designated	<u>\$ 6,798,341</u>	<u>\$ 594,001</u>	<u>\$ 133,207</u>	<u>\$ 367,994</u>	<u>\$ 7,893,543</u>

Note 18—Other Post-Employment Benefits Program:

Background

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

County:

Plan Description

In addition to the pension benefits described in Note 14, the County, including the discretely presented component units provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. Retired employees, who are participating in the County's medical coverage are eligible to elect post-retirement coverage if the retiree is at least age 55 with at least 5 years of service or age 50 with at least 10 years of service or have at least 30 years of service. Retirees are eligible to remain on the County's medical plan with 100% of the premium paid by the retiree. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. Coverage ceases at eligibility for Medicare.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 18—Other Post-Employment Benefits Program: (Continued)

A. Funding Policy:

The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again this is determined annually as part of the budgetary process. Retirees pay the full premium for health insurance coverage. Retirees pay 100% of spousal premiums.

B. Annual OPEB Cost and Net OPEB Obligation:

The annual cost of other post-employment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The estimated pay as you go cost for OPEB benefits for the County, School Board, IDA and Library was \$42,300, \$223,100, \$400, \$1,200, respectively, for fiscal year 2009. The County and component units have paid \$16,800, \$173,500, \$200 and \$100, respectively towards this obligation during the fiscal year. 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 cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retirees by the County. The following table shows the components of the County's and component unit's annual OPEB cost for the year, the estimated annual contributions to the plan, and changes in the net OPEB obligation.

	<u>County</u>	<u>School Board</u>	<u>IDA</u>	<u>Regional Library</u>
Annual required contribution	\$ 42,300	\$ 223,100	\$ 400	\$ 1,200
Interest on net OPEB obligation	-	-	-	-
Adjustment to annual required contribution	-	-	-	-
Annual OPEB cost (expense)	\$ 42,300	\$ 223,100	\$ 400	\$ 1,200
Estimated contributions made	(16,800)	(173,500)	(200)	(100)
Increase in net OPEB obligation	\$ 25,500	\$ 49,600	\$ 200	\$ 1,100
Net OPEB obligation, beginning of year	-	-	-	-
Net OPEB obligation, end of year	<u>\$ 25,500</u>	<u>\$ 49,600</u>	<u>\$ 200</u>	<u>\$ 1,100</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 18—Other Post-Employment Benefits Program: (Continued)

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

For 2009, the County's, School Board's, IDA's and Library's expected cash payments of \$16,800, \$173,500, \$200 and \$1,100, respectively was \$25,500, \$49,600, \$200, \$1,100 less than the OPEB cost, respectively. The County's and component unit's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 are as follows:

County:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 42,300	40%	\$ 25,500

School Board:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 223,100	78%	\$ 49,600

IDA:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 400	50%	\$ 200

Regional Library:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 1,200	8%	\$ 1,100

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements
June 30, 2009 (Continued)

Note 18—Other Post-Employment Benefits Program: (Continued)

C. Funded Status and Funding Progress

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

	<u>County</u>	<u>School Board</u>	<u>IDA</u>	<u>Regional Library</u>
Actuarial accrued liability (AAL)	\$ 411,100	\$ 2,632,600	\$ 1,500	\$ 11,400
Actuarial value of plan assets	-	-	-	-
Unfunded actuarial accrued liability	411,100	2,632,600	1,500	11,400
Funded ratio (actuarial value of plan assets/AAL)	0%	0%	0%	0%
Covered payroll (active plan members)	N/A	N/A	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A	N/A	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. In the July 1, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.25% investment rate of return. The UAAL is being amortized as a level percentage of projected payroll on an open basis over a period of 30 years.

D. Actuarial Methods and Assumptions

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

In the July 1, 2008 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.25 percent investment rate of return and an annual healthcare cost trend rate of 10.00 percent initially, reduced by decrements to an ultimate rate of 5 percent after 5 years. Both rates included a 2.50 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2008 was 30 years.

Note 18—Other Post-Employment Benefits Program: (Continued)

D. Actuarial Methods and Assumptions: (Continued)

Cost Method

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

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

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

Assumptions

Discount rate (unfunded)	4.25%
Amortization payment increase rate	2.50%
Amortization period	30 years
Health care trend rates	10%

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Required Supplementary Information

Note to Required Supplementary Information:

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

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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 23,564,800	\$ 23,564,800	\$ 24,346,869	\$ 782,069
Other local taxes	6,133,500	6,133,817	5,905,056	(228,761)
Permits, privilege fees, and regulatory licenses	116,000	116,000	122,761	6,761
Fines and forfeitures	20,000	20,000	73,379	53,379
Revenue from the use of money and property	874,580	874,830	464,803	(410,027)
Charges for services	231,517	231,517	442,375	210,858
Miscellaneous	639,646	807,429	356,127	(451,302)
Recovered costs	275,328	275,328	121,259	(154,069)
Intergovernmental revenues:				
Commonwealth	4,821,434	5,139,951	5,495,300	355,349
Federal	22,664	51,986	91,811	39,825
Total revenues	\$ 36,699,469	\$ 37,215,658	\$ 37,419,740	\$ 204,082
EXPENDITURES				
Current:				
General government administration	\$ 2,175,808	\$ 2,210,126	\$ 2,141,122	\$ 69,004
Judicial administration	1,330,565	1,444,658	1,285,780	158,878
Public safety	6,892,660	7,306,994	7,047,781	259,213
Public works	3,652,627	3,679,677	3,325,895	353,782
Health and welfare	409,671	409,671	397,957	11,714
Education	13,638,327	13,638,327	14,465,039	(826,712)
Parks, recreation, and cultural	493,271	493,271	586,205	(92,934)
Community development	1,484,923	1,739,137	1,536,066	203,071
Nondepartmental	139,000	139,000	391,150	(252,150)
Debt service:				
Principal retirement	3,007,310	3,007,310	3,007,310	-
Interest and other fiscal charges	3,031,709	3,031,709	3,028,654	3,055
Total expenditures	\$ 36,255,871	\$ 37,099,880	\$ 37,212,959	\$ (113,079)
Excess (deficiency) of revenues over (under) expenditures	\$ 443,598	\$ 115,778	\$ 206,781	\$ 91,003
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (2,366,872)	\$ (2,469,226)	\$ (2,620,317)	\$ (151,091)
Proceeds of refunding revenue bonds	-	-	1,649,070	1,649,070
Payments to refunding bond escrow agent	-	-	(1,594,501)	(1,594,501)
Total other financing sources and uses	\$ (2,366,872)	\$ (2,469,226)	\$ (2,565,748)	\$ (96,522)
Net change in fund balances	\$ (1,923,274)	\$ (2,353,448)	\$ (2,358,967)	\$ (5,519)
Fund balances - beginning	1,923,274	2,353,448	17,673,859	15,320,411
Fund balances - ending	\$ -	\$ -	\$ 15,314,892	\$ 15,314,892

Virginia Public Assistance Fund

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

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 81,037	\$ 81,037
Intergovernmental revenues:				
Commonwealth	4,659,702	4,659,702	3,842,765	(816,937)
Federal	2,525,073	2,525,073	2,324,986	(200,087)
Total revenues	<u>\$ 7,184,775</u>	<u>\$ 7,184,775</u>	<u>\$ 6,248,788</u>	<u>\$ (935,987)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 8,886,400	\$ 8,886,400	\$ 7,621,760	\$ 1,264,640
Total expenditures	<u>\$ 8,886,400</u>	<u>\$ 8,886,400</u>	<u>\$ 7,621,760</u>	<u>\$ 1,264,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,701,625)</u>	<u>\$ (1,701,625)</u>	<u>\$ (1,372,972)</u>	<u>\$ 328,653</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,701,625	\$ 1,701,625	\$ 1,372,972	\$ (328,653)
Total other financing sources and uses	<u>\$ 1,701,625</u>	<u>\$ 1,701,625</u>	<u>\$ 1,372,972</u>	<u>\$ (328,653)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Required Supplementary Information

Schedule of Pension Funding Progress - Virginia Retirement System

County:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (3) - (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2008	\$ 25,471,675	\$ 26,588,906	\$ 1,117,231	95.80%	\$ 7,111,534	15.71%
6/30/2007	22,936,627	24,503,320	1,566,693	93.61%	6,597,247	23.75%
6/30/2006	20,260,850	21,645,617	1,384,767	93.60%	6,485,106	21.35%

School Board Non-Professionals:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (3) - (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2008	\$ 10,214,217	\$ 11,264,994	\$ 1,050,777	90.67%	\$ 3,216,075	32.67%
6/30/2007	9,129,114	10,824,922	1,695,808	84.33%	3,034,260	55.89%
6/30/2006	7,841,175	9,634,744	1,793,569	81.38%	2,882,055	62.23%

Required Supplementary Information
Schedule of Funding Progress - Other Post-Employment Benefits

County:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (3) - (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008	\$ -	\$ 25,500	\$ 25,500	0.00%	\$ n/a	n/a

School Board:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (3) - (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008	\$ -	\$ 49,600	\$ 49,600	0.00%	\$ n/a	n/a

Regional Library:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability (3) - (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008	\$ -	\$ 1,100	\$ 1,100	0.00%	\$ n/a	n/a

(1) - RSI for the Component Unit - IDA can be found in the separately issued financial statements of the IDA.

Other Supplementary Information

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Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
County Capital Projects Fund
For the Year Ended June 30, 2009

	County Capital Projects Fund				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual		
	Original	Final			
REVENUES					
Intergovernmental revenues:					
Commonwealth	\$ -	\$ -	\$ -	\$ -	-
Federal	-	-	-		-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
EXPENDITURES					
Capital projects	\$ 500,000	\$ 606,138	\$ 1,247,345	\$	(641,207)
Total expenditures	<u>\$ 500,000</u>	<u>\$ 606,138</u>	<u>\$ 1,247,345</u>	<u>\$</u>	<u>(641,207)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (500,000)</u>	<u>\$ (606,138)</u>	<u>\$ (1,247,345)</u>	<u>\$</u>	<u>(641,207)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 500,000	\$ 606,138	\$ 1,247,345	\$	641,207
Total other financing sources and uses	<u>\$ 500,000</u>	<u>\$ 606,138</u>	<u>\$ 1,247,345</u>	<u>\$</u>	<u>641,207</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$	-
Fund balances - beginning	-	-	133,207		133,207
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,207</u>	<u>\$</u>	<u>133,207</u>

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 921,231	\$ 921,231
Due from other governmental units	40,764	40,764
Total assets	<u>\$ 961,995</u>	<u>\$ 961,995</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund balances:		
Unreserved:		
Designated for subsequent expenditure	\$ 961,995	\$ 961,995
Total fund balances	<u>\$ 961,995</u>	<u>\$ 961,995</u>
Total liabilities and fund balances	<u>\$ 961,995</u>	<u>\$ 961,995</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2009

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>Funds</u>	<u>Funds</u>
REVENUES		
Revenue from the use of money and property	\$ 124,705	\$ 124,705
Miscellaneous	261	261
Intergovernmental revenues:		
Commonwealth	608,756	608,756
Federal	117,307	117,307
Total revenues	<u>\$ 851,029</u>	<u>\$ 851,029</u>
EXPENDITURES		
Current:		
Judicial administration	\$ 105,887	\$ 105,887
Public safety	392,682	392,682
Parks, recreation, and cultural	5,000	5,000
Community development	227,858	227,858
Capital projects	-	-
Debt service:		
Principal retirement	13,746	13,746
Interest and other fiscal charges	1,778	1,778
Total expenditures	<u>\$ 746,951</u>	<u>\$ 746,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 104,078</u>	<u>\$ 104,078</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	\$ -	\$ -
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 104,078	\$ 104,078
Fund balances - beginning	857,917	857,917
Fund balances - ending	<u><u>\$ 961,995</u></u>	<u><u>\$ 961,995</u></u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2009

	State and Federal Grants Fund	William M. Tuck Airport Fund	Total
ASSETS			
Cash and cash equivalents	\$ 327,230	\$ 594,001	\$ 921,231
Due from other governmental units	40,764	-	40,764
Total assets	<u>\$ 367,994</u>	<u>\$ 594,001</u>	<u>\$ 961,995</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 367,994	\$ 594,001	\$ 961,995
Total fund balances	<u>\$ 367,994</u>	<u>\$ 594,001</u>	<u>\$ 961,995</u>
Total liabilities and fund balances	<u>\$ 367,994</u>	<u>\$ 594,001</u>	<u>\$ 961,995</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	State and Federal Grants Fund	William M. Tuck Airport Fund	Total
REVENUES			
Revenue from the use of money and property	\$ -	\$ 124,705	\$ 124,705
Miscellaneous	261	-	261
Intergovernmental revenues:			
Commonwealth	590,850	17,906	608,756
Federal	117,307	-	117,307
Total revenues	<u>\$ 708,418</u>	<u>\$ 142,611</u>	<u>\$ 851,029</u>
EXPENDITURES			
Current:			
Judicial administration	\$ 105,887	\$ -	\$ 105,887
Public safety	392,682	-	392,682
Parks, recreation, and cultural	5,000	-	5,000
Community development	180,936	46,922	227,858
Capital projects	-	-	-
Debt service:			
Principal retirement	-	13,746	13,746
Interest and other fiscal charges	-	1,778	1,778
Total expenditures	<u>\$ 684,505</u>	<u>\$ 62,446</u>	<u>\$ 746,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 23,913</u>	<u>\$ 80,165</u>	<u>\$ 104,078</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ -
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 23,913	\$ 80,165	\$ 104,078
Fund balances - beginning	344,081	513,836	857,917
Fund balances - ending	<u><u>\$ 367,994</u></u>	<u><u>\$ 594,001</u></u>	<u><u>\$ 961,995</u></u>

COUNTY OF HALIFAX, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	State and Federal Grants Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	261	261
Intergovernmental revenues:				
Commonwealth	489,361	523,806	590,850	67,044
Federal	620,000	620,000	117,307	(502,693)
Total revenues	\$ 1,109,361	\$ 1,143,806	\$ 708,418	\$ (435,388)
EXPENDITURES				
Current:				
Judicial administration	\$ 56,495	\$ 56,495	\$ 105,887	\$ (49,392)
Public safety	415,365	430,954	392,682	38,272
Parks, recreation, and cultural	5,000	5,000	5,000	-
Community development	752,148	771,004	180,936	590,068
Capital projects	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	\$ 1,229,008	\$ 1,263,453	\$ 684,505	\$ 578,948
Excess (deficiency) of revenues over (under) expenditures	\$ (119,647)	\$ (119,647)	\$ 23,913	\$ 143,560
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 119,647	\$ 119,647	\$ -	\$ (119,647)
Total other financing sources and uses	\$ 119,647	\$ 119,647	\$ -	\$ (119,647)
Net change in fund balances	\$ -	\$ -	\$ 23,913	\$ 23,913
Fund balances - beginning	-	-	344,081	344,081
Fund balances - ending	\$ -	\$ -	\$ 367,994	\$ 367,994

William M. Tuck Airport Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ 32,400	\$ 32,400	\$ 124,705	\$ 92,305	
-	-	-	-	
-	-	17,906	17,906	
-	-	-	-	
\$ 32,400	\$ 32,400	\$ 142,611	\$ 110,211	
\$ -	\$ -	\$ -	\$ -	
-	-	-	-	
-	-	-	-	
62,475	62,475	46,922	15,553	
-	-	-	-	
13,746	13,746	13,746	-	
1,779	1,779	1,778	1	
\$ 78,000	\$ 78,000	\$ 62,446	\$ 15,554	
\$ (45,600)	\$ (45,600)	\$ 80,165	\$ 125,765	
\$ 45,600	\$ 45,600	\$ -	\$ (45,600)	
\$ 45,600	\$ 45,600	\$ -	\$ (45,600)	
\$ -	\$ -	\$ 80,165	\$ 80,165	
-	-	513,836	513,836	
\$ -	\$ -	\$ 594,001	\$ 594,001	

Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2009

	Agency Funds			
	Special Welfare	Halifax County War Memorial	Heritage Festival	Total
ASSETS				
Cash and cash equivalents	\$ <u>13,563</u>	\$ <u>16,993</u>	\$ <u>53,099</u>	\$ <u>83,655</u>
LIABILITIES				
Accrued liabilities	\$ -	\$ 16,993	\$ -	\$ 16,993
Amounts held for social services clients	13,563	-	-	13,563
Amounts held for other organizations	-	-	53,099	53,099
Total liabilities	\$ <u>13,563</u>	\$ <u>16,993</u>	\$ <u>53,099</u>	\$ <u>83,655</u>

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2009

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare:				
Assets:				
Cash and cash equivalents	\$ 17,270	\$ 137,481	\$ 141,188	\$ 13,563
Liabilities:				
Amounts held for social service clients	\$ 17,270	\$ 137,481	\$ 141,188	\$ 13,563
Heritage Festival Fund:				
Assets:				
Cash and cash equivalents	\$ 41,204	\$ 33,794	\$ 21,899	\$ 53,099
Liabilities:				
Amounts held for other organizations	\$ 41,204	\$ 33,794	\$ 21,899	\$ 53,099
Halifax County War Memorial:				
Assets:				
Cash and cash equivalents	\$ 16,993	\$ -	\$ -	\$ 16,993
Liabilities:				
Accrued liabilities	\$ 16,993	\$ -	\$ -	\$ 16,993
Southside Community Services Board Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 3,098,643	\$ 3,098,643	\$ -
Liabilities:				
Amounts held for other organizations	\$ -	\$ 3,098,643	\$ 3,098,643	\$ -
Totals -- All agency funds				
Assets:				
Cash and cash equivalents	\$ 75,467	\$ 3,269,918	\$ 3,261,730	\$ 83,655
Liabilities:				
Amounts held for social service clients	\$ 17,270	\$ 137,481	\$ 141,188	\$ 13,563
Accrued liabilities	16,993	-	-	16,993
Amounts held for other organizations	41,204	3,132,437	3,120,542	53,099
Total liabilities	\$ 75,467	\$ 3,269,918	\$ 3,261,730	\$ 83,655

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

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2009

	School Operating Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,228,784	\$ 1,213,709	\$ 986,923	\$ 6,429,416
Due from other governmental units	3,045,624	-	27,747	3,073,371
Prepaid items	451,922	-	-	451,922
Total assets	<u>\$ 7,726,330</u>	<u>\$ 1,213,709</u>	<u>\$ 1,014,670</u>	<u>\$ 9,954,709</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 76,839	\$ -	\$ -	\$ 76,839
Accrued liabilities	4,228,754	-	140,752	4,369,506
Due to primary government	3,420,737	-	-	3,420,737
Total liabilities	<u>\$ 7,726,330</u>	<u>\$ -</u>	<u>\$ 140,752</u>	<u>\$ 7,867,082</u>
Fund balances:				
Unreserved:				
Designated for subsequent expenditures	\$ -	\$ 1,213,709	\$ 873,918	\$ 2,087,627
Total fund balances	<u>\$ -</u>	<u>\$ 1,213,709</u>	<u>\$ 873,918</u>	<u>\$ 2,087,627</u>
Total liabilities and fund balances	<u>\$ 7,726,330</u>	<u>\$ 1,213,709</u>	<u>\$ 1,014,670</u>	<u>\$ 9,954,709</u>

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

Total fund balances per above \$ 2,087,627

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

Capital assets	\$ 33,899,996	
Less: accumulated depreciation	<u>(18,455,967)</u>	15,444,029

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

Other post-employment benefits	(49,600)	
Compensated absences	<u>(1,247,062)</u>	<u>(1,296,662)</u>

Net assets of governmental activities \$ 16,234,994

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2009

	<u>School Operating Fund</u>	<u>School Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,226	\$ 2,226
Charges for services	-	-	1,891,755	1,891,755
Miscellaneous	1,098,925	-	-	1,098,925
Intergovernmental revenues:				
Local government	14,421,712	-	-	14,421,712
Commonwealth	41,461,055	1,054,089	41,460	42,556,604
Federal	3,277,664	-	1,990,355	5,268,019
Total revenues	<u>\$ 60,259,356</u>	<u>\$ 1,054,089</u>	<u>\$ 3,925,796</u>	<u>\$ 65,239,241</u>
EXPENDITURES				
Current:				
Education	\$ 60,197,422	\$ -	\$ 3,381,462	\$ 63,578,884
Capital projects	-	639,315	-	639,315
Debt service:				
Principal retirement	45,000	-	-	45,000
Interest and other fiscal charges	16,934	-	-	16,934
Total expenditures	<u>\$ 60,259,356</u>	<u>\$ 639,315</u>	<u>\$ 3,381,462</u>	<u>\$ 64,280,133</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 414,774</u>	<u>\$ 544,334</u>	<u>\$ 959,108</u>
Net change in fund balances	\$ -	\$ 414,774	\$ 544,334	\$ 959,108
Fund balances - beginning	-	798,935	329,584	1,128,519
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,213,709</u>	<u>\$ 873,918</u>	<u>\$ 2,087,627</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	\$ 959,108
--	------------

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

Capital asset additions	\$ 635,800	
Net transfer of joint tenancy assets	3,716,281	
Depreciation expense	<u>(2,372,522)</u>	1,979,559

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.	<u>(128,459)</u>
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Change in net assets of governmental activities	<u>\$ 2,810,208</u>
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COUNTY OF HALIFAX, 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, 2009

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Miscellaneous	\$ 355,000	\$ 355,000	\$ 1,098,925	\$ 743,925
Intergovernmental revenues:				
Local government	13,586,000	13,586,000	14,421,712	835,712
Commonwealth	42,133,923	42,133,923	41,461,055	(672,868)
Federal	5,149,157	5,149,157	3,277,664	(1,871,493)
Total revenues	<u>\$ 61,224,080</u>	<u>\$ 61,224,080</u>	<u>\$ 60,259,356</u>	<u>\$ (964,724)</u>
EXPENDITURES				
Current:				
Education	\$ 61,161,155	\$ 61,161,155	\$ 60,197,422	\$ 963,733
Capital projects	-	-	-	-
Debt service:				
Principal retirement	45,000	45,000	45,000	-
Interest and other fiscal charges	17,925	17,925	16,934	991
Total expenditures	<u>\$ 61,224,080</u>	<u>\$ 61,224,080</u>	<u>\$ 60,259,356</u>	<u>\$ 964,724</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	1,054,089	1,054,089
-	-	-	-
\$ -	\$ -	\$ 1,054,089	\$ 1,054,089
\$ -	\$ -	\$ -	\$ -
-	-	639,315	(639,315)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ 639,315	\$ (639,315)
\$ -	\$ -	\$ 414,774	\$ 414,774
\$ -	\$ -	\$ 414,774	\$ 414,774
-	-	798,935	798,935
\$ -	\$ -	\$ 1,213,709	\$ 1,213,709

Combining Balance Sheet

Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board

June 30, 2009

	School Cafeteria Fund	School Textbook Fund	Total
ASSETS			
Cash and cash equivalents	\$ 306,985	\$ 679,938	\$ 986,923
Due from other governmental units	27,747	-	27,747
Total assets	\$ <u>334,732</u>	\$ <u>679,938</u>	\$ <u>1,014,670</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued liabilities	\$ 140,752	\$ -	\$ 140,752
Total liabilities	\$ <u>140,752</u>	\$ <u>-</u>	\$ <u>140,752</u>
Fund balances:			
Unreserved:			
Designated for subsequent expenditure	\$ 193,980	\$ 679,938	\$ 873,918
Total fund balances	\$ <u>193,980</u>	\$ <u>679,938</u>	\$ <u>873,918</u>
Total liabilities and fund balances	\$ <u>334,732</u>	\$ <u>679,938</u>	\$ <u>1,014,670</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2009

	School Cafeteria Fund	School Textbook Fund	Total
REVENUES			
Revenue from the use of money and property	\$ 365	\$ 1,861	\$ 2,226
Charges for services	1,178,263	713,492	1,891,755
Intergovernmental revenues:			
Commonwealth	41,460	-	41,460
Federal	1,990,355	-	1,990,355
Total revenues	<u>\$ 3,210,443</u>	<u>\$ 715,353</u>	<u>\$ 3,925,796</u>
EXPENDITURES			
Current:			
Education	\$ 3,140,008	\$ 241,454	\$ 3,381,462
Total expenditures	<u>\$ 3,140,008</u>	<u>\$ 241,454</u>	<u>\$ 3,381,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 70,435</u>	<u>\$ 473,899</u>	<u>\$ 544,334</u>
Net change in fund balances	\$ 70,435	\$ 473,899	\$ 544,334
Fund balances - beginning	123,545	206,039	329,584
Fund balances - ending	<u><u>\$ 193,980</u></u>	<u><u>\$ 679,938</u></u>	<u><u>\$ 873,918</u></u>

COUNTY OF HALIFAX, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2009

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 365	\$ 365
Charges for services	1,000,000	1,000,000	1,178,263	178,263
Intergovernmental revenues:				
Commonwealth	-	-	41,460	41,460
Federal	1,850,000	1,850,000	1,990,355	140,355
Total revenues	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 3,210,443</u>	<u>\$ 360,443</u>
EXPENDITURES				
Current:				
Education	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 3,140,008</u>	<u>\$ (290,008)</u>
Total expenditures	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 3,140,008</u>	<u>\$ (290,008)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,435</u>	<u>\$ 70,435</u>
Net change in fund balances	\$ -	\$ -	\$ 70,435	\$ 70,435
Fund balances - beginning	-	-	123,545	123,545
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,980</u>	<u>\$ 193,980</u>

Exhibit 28

School Textbook Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 1,861	\$ 1,861
-	-	713,492	713,492
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ 715,353	\$ 715,353
\$ -	\$ -	\$ 241,454	\$ (241,454)
\$ -	\$ -	\$ 241,454	\$ (241,454)
\$ -	\$ -	\$ 473,899	\$ 473,899
\$ -	\$ -	\$ 473,899	\$ 473,899
		206,039	206,039
\$ -	\$ -	\$ 679,938	\$ 679,938

Balance Sheet
Discretely Presented Component Unit - Regional Library
June 30, 2009

	<u>Regional Library</u>
ASSETS	
Cash and cash equivalents	\$ 24,215
Prepaid items	10,039
Total assets	<u>\$ 34,254</u>
LIABILITIES AND FUND BALANCES	
Fund balances:	
Unreserved:	
Designated for subsequent expenditure	\$ 34,254
Total fund balances	<u>\$ 34,254</u>
Total liabilities and fund balances	<u>\$ 34,254</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 34,254
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,100)</u>
Net assets of governmental activities	<u>\$ 33,154</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Discretely Presented Component Unit - Regional Library
For the Year Ended June 30, 2009

	<u>Regional Library</u>
REVENUES	
Charges for services	\$ 20,597
Miscellaneous	13,190
Intergovernmental revenues:	
Local government	282,000
Commonwealth	138,105
Total revenues	\$ <u>453,892</u>
EXPENDITURES	
Current:	
Parks, recreation, and cultural	\$ 458,558
Total expenditures	\$ <u>458,558</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(4,666)</u>
Net change in fund balances	\$ (4,666)
Fund balances - beginning	38,920
Fund balances - ending	\$ <u><u>34,254</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	\$ (4,666)
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.	<u>(1,100)</u>
Change in net assets of governmental activities	\$ <u><u>(5,766)</u></u>

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Supporting Schedules

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Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 11,367,500	\$ 11,367,500	\$ 12,329,791	\$ 962,291
Real and personal public service corporation taxes	4,597,000	4,597,000	3,707,283	(889,717)
Personal property taxes	5,920,300	5,920,300	6,261,766	341,466
Mobile home taxes	-	-	89,871	89,871
Machinery and tools taxes	1,450,000	1,450,000	1,394,448	(55,552)
Penalties and administrative fees	230,000	230,000	378,964	148,964
Interest	-	-	184,746	184,746
Total general property taxes	\$ 23,564,800	\$ 23,564,800	\$ 24,346,869	\$ 782,069
Other local taxes:				
Local sales and use taxes	\$ 2,800,000	\$ 2,800,000	\$ 2,639,753	\$ (160,247)
Communications taxes	1,300,000	1,300,000	1,211,506	(88,494)
Consumers' utility taxes	915,000	915,000	885,992	(29,008)
E-911 telephone taxes	-	317	124,399	124,082
Utility consumption tax	161,000	161,000	109,190	(51,810)
Business license taxes	200,000	200,000	196,455	(3,545)
Utility license taxes	-	-	59,856	59,856
Motor vehicle licenses	437,500	437,500	419,982	(17,518)
Taxes on recordation and wills	240,000	240,000	170,822	(69,178)
Hotel and motel room taxes	80,000	80,000	87,101	7,101
Total other local taxes	\$ 6,133,500	\$ 6,133,817	\$ 5,905,056	\$ (228,761)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 40,000	\$ 40,000	\$ 42,338	\$ 2,338
Transfer fees	76,000	76,000	1,112	(74,888)
Permits and other licenses	-	-	79,311	79,311
Total permits, privilege fees, and regulatory licenses	\$ 116,000	\$ 116,000	\$ 122,761	\$ 6,761
Fines and forfeitures:				
Court fines and forfeitures	\$ 20,000	\$ 20,000	\$ 73,379	\$ 53,379
Revenue from use of money and property:				
Revenue from use of money	\$ 600,000	\$ 600,000	\$ 178,088	\$ (421,912)
Revenue from use of property	274,580	274,830	286,715	11,885
Total revenue from use of money and property	\$ 874,580	\$ 874,830	\$ 464,803	\$ (410,027)
Charges for services:				
Charges for law library	\$ 8,500	\$ 8,500	\$ 10,582	\$ 2,082
Charges for law enforcement and traffic control	2,717	2,717	7,743	5,026
Charges for courthouse maintenance	22,300	22,300	24,468	2,168
Charges for courthouse security	25,000	25,000	67,521	42,521
Charges for commonwealth's attorney	1,500	1,500	1,420	(80)
Miscellaneous dog fees	4,000	4,000	6,736	2,736

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for sanitation and waste removal	\$ 2,500	\$ 2,500	\$ 141,360	\$ 138,860
Charges for parks and recreation	2,000	2,000	6,075	4,075
Charges for PSA administration	60,000	60,000	55,000	(5,000)
Other charges for services	103,000	103,000	121,470	18,470
Total charges for services	<u>\$ 231,517</u>	<u>\$ 231,517</u>	<u>\$ 442,375</u>	<u>\$ 210,858</u>
Miscellaneous revenue:				
Miscellaneous	\$ 56,000	\$ 223,783	\$ 287,142	\$ 63,359
School board reimbursements	83,646	83,646	68,985	(14,661)
Proceeds from the sale of property	500,000	500,000	-	(500,000)
Total miscellaneous revenue	<u>\$ 639,646</u>	<u>\$ 807,429</u>	<u>\$ 356,127</u>	<u>\$ (451,302)</u>
Recovered costs:				
Soil & water conservation technician	\$ 125,328	\$ 125,328	\$ 121,259	\$ (4,069)
Other recovered costs	150,000	150,000	-	(150,000)
Total recovered costs	<u>\$ 275,328</u>	<u>\$ 275,328</u>	<u>\$ 121,259</u>	<u>\$ (154,069)</u>
Total revenue from local sources	<u>\$ 31,855,371</u>	<u>\$ 32,023,721</u>	<u>\$ 31,832,629</u>	<u>\$ (191,092)</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 50,000	\$ 50,000	\$ 61,028	\$ 11,028
Mobile home titling tax	90,000	90,000	94,262	4,262
Motor vehicle rental tax	3,000	3,000	7,317	4,317
State recordation tax	40,000	40,000	53,066	13,066
Personal property tax relief funds	1,503,000	1,503,000	1,503,235	235
State reduction in aid to localities	-	-	(230,825)	(230,825)
Total noncategorical aid	<u>\$ 1,686,000</u>	<u>\$ 1,686,000</u>	<u>\$ 1,488,083</u>	<u>\$ (197,917)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 592,305	\$ 594,068	\$ 464,034	\$ (130,034)
Drug prosecutor	-	-	111,338	111,338
Sheriff	1,646,731	1,680,342	1,625,274	(55,068)
Commissioner of revenue	153,960	153,960	150,709	(3,251)
Treasurer	146,715	146,715	142,604	(4,111)
Medical examiner	1,500	1,500	-	(1,500)
Registrar/electoral board	52,150	52,150	53,997	1,847
Clerk of the Circuit Court	292,097	404,427	357,960	(46,467)
Total shared expenses	<u>\$ 2,885,458</u>	<u>\$ 3,033,162</u>	<u>\$ 2,905,916</u>	<u>\$ (127,246)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Other categorical aid:				
Emergency services - E911 grant	\$ 30,000	\$ 200,813	\$ 160,989	\$ (39,824)
Correctional facilities grant	89,108	89,108	86,880	(2,228)
Fire program funds	65,868	65,868	88,561	22,693
School construction interest rate subsidy	-	-	673,034	673,034
Other state funds	65,000	65,000	91,837	26,837
Total other categorical aid	<u>\$ 249,976</u>	<u>\$ 420,789</u>	<u>\$ 1,101,301</u>	<u>\$ 680,512</u>
Total categorical aid	<u>\$ 3,135,434</u>	<u>\$ 3,453,951</u>	<u>\$ 4,007,217</u>	<u>\$ 553,266</u>
Total revenue from the Commonwealth	<u>\$ 4,821,434</u>	<u>\$ 5,139,951</u>	<u>\$ 5,495,300</u>	<u>\$ 355,349</u>
Revenue from the federal government:				
Payments in lieu of taxes	<u>\$ 22,664</u>	<u>\$ 22,664</u>	<u>\$ 14,421</u>	<u>\$ (8,243)</u>
Categorical aid:				
Other federal funds	\$ -	\$ 29,322	\$ -	\$ (29,322)
Emergency management performance grant	-	-	12,196	12,196
State homeland security program	-	-	30,375	30,375
Bulletproof vest partnership program	-	-	23,692	23,692
Alcohol open container requirements grant	-	-	11,127	11,127
Total categorical aid	<u>\$ -</u>	<u>\$ 29,322</u>	<u>\$ 77,390</u>	<u>\$ 48,068</u>
Total revenue from the federal government	<u>\$ 22,664</u>	<u>\$ 51,986</u>	<u>\$ 91,811</u>	<u>\$ 39,825</u>
Total General Fund	<u><u>\$ 36,699,469</u></u>	<u><u>\$ 37,215,658</u></u>	<u><u>\$ 37,419,740</u></u>	<u><u>\$ 204,082</u></u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,037</u>	<u>\$ 81,037</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,037</u>	<u>\$ 81,037</u>
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,581,202	\$ 1,581,202	\$ 1,455,908	\$ (125,294)
Comprehensive Services Act program	3,078,500	3,078,500	2,386,857	(691,643)
Total categorical aid	<u>\$ 4,659,702</u>	<u>\$ 4,659,702</u>	<u>\$ 3,842,765</u>	<u>\$ (816,937)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	<u>\$ 2,525,073</u>	<u>\$ 2,525,073</u>	<u>\$ 2,324,986</u>	<u>\$ (200,087)</u>
Total categorical aid	<u>\$ 2,525,073</u>	<u>\$ 2,525,073</u>	<u>\$ 2,324,986</u>	<u>\$ (200,087)</u>
Total Virginia Public Assistance Fund	<u><u>\$ 7,184,775</u></u>	<u><u>\$ 7,184,775</u></u>	<u><u>\$ 6,248,788</u></u>	<u><u>\$ (935,987)</u></u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
State and Federal Grants Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 261	\$ 261
Revenue from the Commonwealth:				
Categorical aid:				
Litter control grant	\$ 15,000	\$ 15,000	\$ 18,054	\$ 3,054
DMV sheriff grant	-	18,856	-	(18,856)
Community corrections board grant	415,366	430,955	434,972	4,017
Crime victims grant	56,495	56,495	50,308	(6,187)
Commission for the arts grant	2,500	2,500	2,500	-
Other state funds	-	-	85,016	85,016
Total categorical aid	\$ 489,361	\$ 523,806	\$ 590,850	\$ 67,044
Total revenue from the Commonwealth	\$ 489,361	\$ 523,806	\$ 590,850	\$ 67,044
Revenue from the federal government:				
Categorical aid:				
Community development block grant	\$ 620,000	\$ 620,000	\$ 117,307	\$ (502,693)
Total revenue from the federal government	\$ 620,000	\$ 620,000	\$ 117,307	\$ (502,693)
Total State and Federal Grants Fund	\$ 1,109,361	\$ 1,143,806	\$ 708,418	\$ (435,388)
William M. Tuck Airport Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 32,400	\$ 32,400	\$ 124,705	\$ 92,305
Total revenue from local sources	32,400	32,400	124,705	92,305
Revenue from the Commonwealth:				
Categorical aid:				
Airport aid	\$ -	\$ -	\$ 17,906	\$ 17,906
Total categorical aid	\$ -	\$ -	\$ 17,906	\$ 17,906
Total revenue from the Commonwealth	\$ -	\$ -	\$ 17,906	\$ 17,906
Total William M. Tuck Airport Fund	\$ 32,400	\$ 32,400	\$ 142,611	\$ 110,211
Total Primary Government	\$ 45,026,005	\$ 45,576,639	\$ 44,519,557	\$ (1,057,082)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ 355,000	\$ 355,000	\$ 1,098,925	\$ 743,925
Total revenue from local sources	\$ 355,000	\$ 355,000	\$ 1,098,925	\$ 743,925
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Halifax, Virginia	\$ 13,586,000	\$ 13,586,000	\$ 14,421,712	\$ 835,712
Total revenues from local governments	\$ 13,586,000	\$ 13,586,000	\$ 14,421,712	\$ 835,712
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 6,029,725	\$ 6,029,725	\$ 5,367,528	\$ (662,197)
Basic school aid	22,106,337	22,106,337	22,471,321	364,984
Remedial summer education	271,187	271,187	212,494	(58,693)
Regular foster care	22,558	22,558	35,302	12,744
Gifted and talented	195,468	195,468	195,697	229
Remedial education	786,217	786,217	787,136	919
Enrollment loss	127,043	127,043	118,516	(8,527)
Special education	3,900,681	3,900,681	4,019,239	118,558
Textbook payment	518,599	518,599	515,422	(3,177)
Vocational standards of quality payments	767,101	767,101	547,951	(219,150)
Lottery invoice payments	535,323	535,323	-	(535,323)
Fringe benefits	3,114,465	3,114,465	3,018,078	(96,387)
Early reading intervention	100,529	100,529	102,867	2,338
Homebound education	119,599	119,599	-	(119,599)
Comprehensive at risk	1,025,728	1,025,728	1,023,718	(2,010)
K-3 Primary class	819,779	819,779	853,227	33,448
Technology	310,000	310,000	100,294	(209,706)
At risk payments	501,876	501,876	987,552	485,676
English as a second language	30,500	30,500	25,883	(4,617)
Other state funds	851,208	851,208	1,078,830	227,622
Total categorical aid	\$ 42,133,923	\$ 42,133,923	\$ 41,461,055	\$ (672,868)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special Revenue Funds: (Continued)				
School Operating Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ -	\$ -	\$ 1,377,018	\$ 1,377,018
Title VI-B, special education flow-through	1,325,000	1,325,000	1,181,877	(143,123)
Vocational education	-	-	132,606	132,606
Title VI-B, special education pre-school	-	-	58,369	58,369
Drug free schools	-	-	60,477	60,477
Migrant education	-	-	1,503	1,503
Title II, Part A; Improving teacher quality - state grants	-	-	154,085	154,085
Adult basic education	22,791	22,791	-	(22,791)
Title III, Part A; English language acquisition	-	-	6,847	6,847
Reading first state grant	201,366	201,366	292,701	91,335
Title II, Part D; Education technology state grants	-	-	12,181	12,181
Other federal funds	3,600,000	3,600,000	-	(3,600,000)
Total categorical aid	<u>\$ 5,149,157</u>	<u>\$ 5,149,157</u>	<u>\$ 3,277,664</u>	<u>\$ (1,871,493)</u>
Total revenue from the federal government	<u>5,149,157</u>	<u>5,149,157</u>	<u>3,277,664</u>	<u>(1,871,493)</u>
Total School Operating Fund	<u>\$ 61,224,080</u>	<u>\$ 61,224,080</u>	<u>\$ 60,259,356</u>	<u>\$ (964,724)</u>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 365	\$ 365
Charges for services:				
Cafeteria sales	\$ 1,000,000	\$ 1,000,000	\$ 1,178,263	\$ 178,263
Total revenue from local sources	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,178,628</u>	<u>\$ 178,628</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ -	\$ -	\$ 41,460	\$ 41,460
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,460</u>	<u>\$ 41,460</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,850,000	\$ 1,850,000	\$ 1,990,355	\$ 140,355
Total revenue from the federal government	\$ 1,850,000	\$ 1,850,000	\$ 1,990,355	\$ 140,355
Total School Cafeteria Fund	\$ 2,850,000	\$ 2,850,000	\$ 3,210,443	\$ 360,443
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,861	\$ 1,861
Charges for services:				
Textbook rentals	\$ -	\$ -	\$ 713,492	\$ 713,492
Total School Textbook Fund	\$ -	\$ -	\$ 715,353	\$ 715,353
Capital Projects Fund:				
School Capital Improvements Fund:				
Revenue from the Commonwealth:				
Categorical aid:				
State construction funds	\$ -	\$ -	\$ 190,284	\$ 190,284
Lottery funds for construction	-	-	863,805	863,805
Total categorical aid	\$ -	\$ -	\$ 1,054,089	\$ 1,054,089
Total revenue from the Commonwealth	-	-	1,054,089	1,054,089
Total School Capital Improvements Fund	\$ -	\$ -	\$ 1,054,089	\$ 1,054,089
Total Discretely Presented Component Unit - School Board	\$ 64,074,080	\$ 64,074,080	\$ 65,239,241	\$ 1,165,161

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 261,470	\$ 261,470	\$ 224,223	\$ 37,247
General and financial administration:				
County administrator	\$ 246,080	\$ 206,196	\$ 285,160	\$ (78,964)
Legal services	80,000	80,000	95,250	(15,250)
Commissioner of revenue	415,508	415,508	369,046	46,462
Assessment	178,500	178,500	196,060	(17,560)
Treasurer	433,168	433,168	417,538	15,630
Central accounting	345,871	400,073	326,689	73,384
Independent auditor	60,500	60,500	44,000	16,500
Other general and financial administration	-	-	-	-
Total general and financial administration	\$ 1,759,627	\$ 1,773,945	\$ 1,733,743	\$ 40,202
Board of elections:				
Electoral board and officials	\$ 61,238	\$ 81,238	\$ 86,173	\$ (4,935)
Registrar	93,473	93,473	96,983	3,510
Total board of elections	\$ 154,711	\$ 174,711	\$ 183,156	\$ (1,425)
Total general government administration	\$ 2,175,808	\$ 2,210,126	\$ 2,141,122	\$ 76,024
Judicial administration:				
Courts:				
Circuit court	\$ 27,125	\$ 28,125	\$ 20,342	\$ 7,783
General district court	20,050	19,050	14,888	4,162
Special magistrates	3,225	3,225	1,419	1,806
Juvenile and domestic relations district court	16,150	16,150	15,370	780
Law library	8,500	8,500	8,563	(63)
Courthouse maintenance	22,300	22,300	-	22,300
Clerk of the circuit court	470,803	583,133	507,977	75,156
Total courts	\$ 568,153	\$ 680,483	\$ 568,559	\$ 111,924
Commonwealth's attorney:				
Commonwealth's attorney	\$ 625,942	\$ 625,942	\$ 585,204	\$ 40,738
Multi-jurisdictional drug prosecutor	136,470	138,233	132,017	6,216
Total commonwealth's attorney	\$ 762,412	\$ 764,175	\$ 717,221	\$ 46,954
Total judicial administration	\$ 1,330,565	\$ 1,444,658	\$ 1,285,780	\$ 158,878
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,486,534	\$ 2,534,274	\$ 2,498,967	\$ 35,307
Drug task force	-	-	25,652	(25,652)
Emergency operations center	800,736	951,053	662,221	288,832
Total law enforcement and traffic control	\$ 3,287,270	\$ 3,485,327	\$ 3,186,840	\$ 298,487

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 617,000	\$ 660,983	\$ 700,872	\$ (39,889)
Contribution to rescue squad	9,000	9,000	9,000	-
Ambulance and rescue services	244,500	280,001	241,813	38,188
Emergency services	40,339	160,989	131,636	29,353
Forestry service	17,500	24,429	24,429	-
Total fire and rescue services	<u>\$ 928,339</u>	<u>\$ 1,135,402</u>	<u>\$ 1,107,750</u>	<u>\$ 27,652</u>
Correction and detention:				
Regional jail	<u>\$ 2,224,584</u>	<u>\$ 2,224,584</u>	<u>\$ 2,274,488</u>	<u>\$ (49,904)</u>
Inspections:				
Building	<u>\$ 233,352</u>	<u>\$ 238,636</u>	<u>\$ 233,852</u>	<u>\$ 4,784</u>
Other protection:				
Animal control	\$ 217,615	\$ 221,545	\$ 244,531	\$ (22,986)
Medical examiner	1,500	1,500	320	1,180
Total other protection	<u>\$ 219,115</u>	<u>\$ 223,045</u>	<u>\$ 244,851</u>	<u>\$ (21,806)</u>
Total public safety	<u>\$ 6,892,660</u>	<u>\$ 7,306,994</u>	<u>\$ 7,047,781</u>	<u>\$ 259,213</u>
Public works:				
Sanitation and waste removal:				
Public works and environmental services	<u>\$ 2,529,315</u>	<u>\$ 2,529,315</u>	<u>\$ 2,250,551</u>	<u>\$ 278,764</u>
Maintenance of general buildings and grounds:				
General properties	<u>\$ 1,123,312</u>	<u>\$ 1,150,362</u>	<u>\$ 1,075,344</u>	<u>\$ 75,018</u>
Total public works	<u>\$ 3,652,627</u>	<u>\$ 3,679,677</u>	<u>\$ 3,325,895</u>	<u>\$ 353,782</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 293,703</u>	<u>\$ 293,703</u>	<u>\$ 278,927</u>	<u>\$ 14,776</u>
Mental health and mental retardation:				
Community services board	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration: (Continued)				
Welfare:				
State and local hospitalization	\$ 7,988	\$ 7,988	\$ 11,050	\$ (3,062)
Other social services	22,980	22,980	22,980	-
Total welfare	\$ 30,968	\$ 30,968	\$ 34,030	\$ (3,062)
Total health and welfare	\$ 409,671	\$ 409,671	\$ 397,957	\$ 11,714
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 52,327	\$ 52,327	\$ 43,327	\$ 9,000
Contribution to County School Board	13,586,000	13,586,000	14,421,712	(835,712)
Total education	\$ 13,638,327	\$ 13,638,327	\$ 14,465,039	\$ (826,712)
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 198,271	\$ 198,271	\$ 196,726	\$ 1,545
County fair	75,000	75,000	169,479	(94,479)
Total parks and recreation	\$ 273,271	\$ 273,271	\$ 366,205	\$ (92,934)
Library:				
Contribution to county library	\$ 220,000	\$ 220,000	\$ 220,000	\$ -
Total parks, recreation, and cultural	\$ 493,271	\$ 493,271	\$ 586,205	\$ (92,934)
Community development:				
Planning and community development:				
Planning & zoning	\$ 153,011	\$ 153,011	\$ 147,785	\$ 5,226
Community action agency	56,250	56,250	56,250	-
Southside Planning District	46,688	46,688	46,688	-
Halifax County tourism	74,494	74,494	70,955	3,539
Community contributions	15,000	15,000	15,000	-
Contribution to Industrial Development Authority	808,000	1,061,629	876,799	184,830
Total planning and community development	\$ 1,153,443	\$ 1,407,072	\$ 1,213,477	\$ 193,595
Environmental management:				
Environmental management	\$ 154,411	\$ 154,411	\$ 154,108	\$ 303
Cooperative extension program:				
Extension office	\$ 106,310	\$ 106,310	\$ 97,874	\$ 8,436
Agricultural development agent	70,759	71,344	70,607	737
Total cooperative extension program	\$ 177,069	\$ 177,654	\$ 168,481	\$ 9,173
Total community development	\$ 1,484,923	\$ 1,739,137	\$ 1,536,066	\$ 203,071
Nondepartmental:				
Sludge contract payment to HCSA	\$ -	\$ -	\$ 200,000	\$ (200,000)
Miscellaneous	\$ 139,000	\$ 139,000	\$ 191,150	\$ (52,150)
Total nondepartmental	\$ 139,000	\$ 139,000	\$ 391,150	\$ (252,150)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2009 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Debt service:				
Principal retirement	\$ 3,007,310	\$ 3,007,310	\$ 3,007,310	\$ -
Interest and other fiscal charges	3,031,709	3,031,709	2,988,654	43,055
Bond issue costs	-	-	40,000	(40,000)
Total debt service	<u>\$ 6,039,019</u>	<u>\$ 6,039,019</u>	<u>\$ 6,035,964</u>	<u>\$ 3,055</u>
Total General Fund	<u>\$ 36,255,871</u>	<u>\$ 37,099,880</u>	<u>\$ 37,212,959</u>	<u>\$ (106,059)</u>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration and assistance	\$ 5,040,045	\$ 5,040,045	\$ 4,501,966	\$ 538,079
Comprehensive services	3,846,355	3,846,355	3,119,794	726,561
Total welfare and social services	<u>\$ 8,886,400</u>	<u>\$ 8,886,400</u>	<u>\$ 7,621,760</u>	<u>\$ 1,264,640</u>
Total Virginia Public Assistance Fund	<u>\$ 8,886,400</u>	<u>\$ 8,886,400</u>	<u>\$ 7,621,760</u>	<u>\$ 1,264,640</u>
State and Federal Grants Fund:				
Judicial administration:				
Courts:				
Crime victims grant	\$ 56,495	\$ 56,495	\$ 51,168	\$ 5,327
Exile grant - commonwealth's attorney	-	-	34,871	(34,871)
Refurbishing clerk of circuit court	-	-	19,848	(19,848)
Total judicial administration	<u>\$ 56,495</u>	<u>\$ 56,495</u>	<u>\$ 105,887</u>	<u>\$ (49,392)</u>
Public safety:				
Correction and detention:				
Community corrections board	<u>\$ 415,365</u>	<u>\$ 430,954</u>	<u>\$ 392,682</u>	<u>\$ 38,272</u>
Parks, recreation, and cultural:				
Cultural enrichment:				
Commission for the Arts	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ -</u>
Community development:				
Planning and community development:				
Improvement council	\$ 52,148	\$ 52,148	\$ 41,032	\$ 11,116
DMV grant - sheriff expenses	-	18,856	-	18,856
Community development grant	-	-	1,251	(1,251)
Housing grant	220,000	220,000	70,920	149,080
Agriculture development grant	-	-	56,682	(56,682)
Halifax downtown project	480,000	480,000	11,051	468,949
Total community development	<u>\$ 752,148</u>	<u>\$ 771,004</u>	<u>\$ 180,936</u>	<u>\$ 590,068</u>
Total State and Federal Grants Fund	<u>\$ 1,229,008</u>	<u>\$ 1,263,453</u>	<u>\$ 684,505</u>	<u>\$ 578,948</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
William M. Tuck Airport Fund:				
Community development:				
Planning and community development:				
Airport expenditures	\$ 62,475	\$ 62,475	\$ 46,922	\$ 15,553
Debt service:				
Principal retirement	\$ 13,746	\$ 13,746	\$ 13,746	\$ -
Interest and other fiscal charges	1,779	1,779	1,778	1
Total debt service	\$ 15,525	\$ 15,525	\$ 15,524	\$ 1
Total William M. Tuck Airport Fund	\$ 78,000	\$ 78,000	\$ 62,446	\$ 15,554
Capital Projects Fund:				
County Capital Projects Fund:				
Capital projects expenditures:				
Accounting software	\$ 75,000	\$ 75,000	\$ 40,204	\$ 34,796
Motor vehicles and equipment	75,000	75,000	-	75,000
Convenience centers	-	106,138	109,438	(3,300)
Sheriff cars	100,000	100,000	106,010	(6,010)
School building improvements	-	-	123,156	(123,156)
Solid waste transfer station development	250,000	250,000	817,719	(567,719)
Mary Bethune Complex improvements	-	-	50,818	(50,818)
Total capital projects	\$ 500,000	\$ 606,138	\$ 1,247,345	\$ (641,207)
Total County Capital Projects Fund	\$ 500,000	\$ 606,138	\$ 1,247,345	\$ (641,207)
Total Primary Government	\$ 46,949,279	\$ 47,933,871	\$ 46,829,015	\$ 1,111,876

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
Special revenue funds:				
School Operating Fund:				
Education:				
Administration of schools:				
School board and administration	\$ 2,718,636	\$ 2,718,636	\$ 2,675,798	\$ 42,838
School food services				
Food services	\$ 183,010	\$ 183,010	\$ 180,126	\$ 2,884
Instruction costs:				
Elementary and secondary schools	\$ 41,891,278	\$ 41,891,278	\$ 41,231,186	\$ 660,092
Federal projects	2,702,681	2,702,681	2,660,094	42,587
Total instruction costs	\$ 44,593,959	\$ 44,593,959	\$ 43,891,280	\$ 702,679
Operating costs:				
Pupil transportation	\$ 5,161,255	\$ 5,161,255	\$ 5,079,928	\$ 81,327
Operation and maintenance of school plant	8,504,295	8,504,295	8,370,290	134,005
Total operating costs	\$ 13,665,550	\$ 13,665,550	\$ 13,450,218	\$ 215,332
Total education	\$ 61,161,155	\$ 61,161,155	\$ 60,197,422	\$ 963,733
Debt service:				
Principal retirement	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Interest and other fiscal charges	17,925	17,925	16,934	991
Total debt service	\$ 62,925	\$ 62,925	\$ 61,934	\$ 991
Total School Fund	\$ 61,224,080	\$ 61,224,080	\$ 60,259,356	\$ 964,724
School Cafeteria Fund:				
Education:				
School food services	\$ 2,850,000	\$ 2,850,000	\$ 3,140,008	\$ (290,008)
Total School Cafeteria Fund	\$ 2,850,000	\$ 2,850,000	\$ 3,140,008	\$ (290,008)
School Textbook Fund:				
Education:				
Instruction	\$ -	\$ -	\$ 241,454	\$ (241,454)
Total School Textbook Fund	\$ -	\$ -	\$ 241,454	\$ (241,454)
School Capital Projects Fund:				
Capital projects expenditures:				
School construction projects	\$ -	\$ -	\$ 639,315	\$ (639,315)
Total School Capital Projects Fund	\$ -	\$ -	\$ 639,315	\$ (639,315)
Total Discretely Presented Component Unit - School Board	\$ 64,074,080	\$ 64,074,080	\$ 64,280,133	\$ (206,053)

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Other Statistical Information

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COUNTY OF HALIFAX, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Seven Fiscal Years (1)

Fiscal Year	General Government		Judicial Administration		Public Safety		Public Works		Health and Welfare		Parks, Recreation, and Cultural		Community Development		Interest on Long-term Debt		Business-Type Activities (3)		Total
	Administration	Administration	Administration	Administration	Safety	Safety	Public	Public	Welfare	Welfare	Education	Education	Development	Development	Debt	Debt	Activities		
2002-03	\$ 1,540,240	\$ 803,758	\$ 5,439,592	\$ 1,557,830	\$ 4,966,993	\$ 10,288,048	\$ 303,994	\$ 1,081,649	\$ 598,710	\$ 304,456	\$ 26,885,270								
2003-04	1,722,485	1,083,649	6,151,620	1,531,344	5,528,865	10,732,182	324,448	2,528,419	533,126	289,324	30,425,462								
2004-05	1,511,027	1,141,869	6,739,414	2,201,147	5,380,161	12,103,336	355,481	3,535,237	450,855	310,276	33,728,803								
2005-06	1,832,019	1,169,866	6,252,307	2,252,206	6,199,469	13,397,147	407,606	2,949,509	1,211,711	566,889	36,238,729								
2006-07	2,000,161	1,275,407	6,942,019	2,345,652	7,665,807	12,542,439	465,052	3,158,513	2,940,181	625,463	39,960,694								
2007-08	2,580,816	1,382,701	7,353,873	2,096,176	7,708,608	22,012,386	894,038	3,302,635	2,318,580	4,950,117	54,599,930								
2008-09	2,312,849	1,405,780	7,804,899	3,990,358	8,085,471	18,242,542	612,848	1,767,995	2,815,705	-	47,038,447								

(1) Information has only been available for 7 years.

(2) Includes primary government only.

(3) The water and sewer operations, including the blended component unit, were transferred to the Halifax County Service Authority during FY 2008.

COUNTY OF HALIFAX, VIRGINIA

Table 2

Government-Wide Revenues
Last Seven Fiscal Years (1)

PROGRAM REVENUES				GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
2002-03	\$ 804,286	\$ 7,689,931	\$ 1,104,067	\$ 14,094,304	\$ 5,297,557	\$ 426,705	\$ 261,498	\$ 2,333,115	\$ 32,011,463
2003-04	842,749	7,626,882	1,035,484	15,013,226	5,566,404	349,020	559,849	1,863,289	32,856,903
2004-05	775,336	8,299,912	1,316,361	15,482,599	5,885,175	549,581	354,048	1,675,128	34,338,140
2005-06	896,598	8,737,400	413,539	18,119,877	6,163,007	1,401,345	638,495	1,796,891	38,167,152
2006-07	974,949	10,249,711	1,527,388	20,667,806	6,306,972	2,274,778	435,632	1,822,478	44,259,714
2007-08	582,735	9,808,887	1,774,373	30,744,187	6,393,593	2,320,614	718,423	2,201,320	54,544,132
2008-09	638,515	9,801,128	1,177,293	24,538,078	5,905,056	589,508	437,425	1,502,504	44,589,507

(1) Information has only been available for 7 years.

(2) Includes primary government only.

COUNTY OF HALIFAX, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Adminis- tration	Parks, Recreation, and Cultural				Debt Service	Total	
	Adminis- tration	Public Safety		Public Works	Health and Welfare	Education (2)	Community Development			
1999-00	\$ 1,048,278	\$ 743,394	\$ 4,072,411	\$ 1,208,763	\$ 4,030,248	\$ 41,939,827	\$ 116,730	\$ 986,943	\$ 1,269,670	\$ 55,416,264
2000-01	1,119,977	780,777	4,199,156	1,416,098	4,292,816	41,469,465	156,555	1,175,198	1,217,173	55,827,215
2001-02	1,205,441	790,391	6,802,027	1,973,792	4,428,694	43,250,503	147,291	1,318,791	2,100,434	62,017,364
2002-03	1,182,399	825,764	5,347,849	1,344,883	4,941,390	47,006,169	295,194	2,042,159	1,875,857	64,861,664
2003-04	1,375,346	1,120,330	5,828,400	1,569,164	5,529,022	48,757,423	316,043	3,049,065	1,675,734	69,220,527
2004-05	1,481,322	1,166,359	6,593,025	1,793,623	5,376,011	53,579,424	361,636	4,029,065	1,595,594	75,976,059
2005-06	1,749,241	1,182,823	6,330,220	1,937,473	6,194,497	56,798,887	379,530	3,279,371	1,640,534	79,492,576
2006-07	1,847,104	1,277,304	6,828,457	2,089,523	7,644,557	59,971,600	445,885	3,141,263	4,098,889	87,344,582
2007-08	2,121,771	1,398,840	6,993,742	2,617,573	7,734,479	61,634,425	424,717	3,787,477	5,549,361	92,262,385
2008-09	2,141,122	1,391,667	7,440,463	3,325,895	8,019,717	64,323,460	591,205	1,763,924	6,051,488	95,048,941

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

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

COUNTY OF HALIFAX, VIRGINIA

Table 4

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	
1999-00	\$	11,170,106	\$	4,230,370	\$	112,095	\$	24,739	\$	791,866	\$	1,280,798	\$	373,031	\$	120,420	\$	39,072,416	\$	57,175,841
2000-01		12,272,209		4,688,880		110,299		39,056		895,884		1,410,285		347,297		145,712		36,804,440		56,714,062
2001-02		12,294,779		4,892,448		110,658		41,123		463,870		1,420,402		562,764		130,400		41,847,246		61,763,690
2002-03		14,053,268		5,297,557		116,584		31,340		416,768		1,411,050		524,506		105,389		44,767,819		66,724,281
2003-04		14,724,623		5,566,404		128,231		25,077		356,989		1,431,521		820,408		137,713		38,794,325		61,985,291
2004-05		15,466,288		5,885,175		129,775		22,157		548,052		1,467,896		1,184,604		144,786		51,547,745		76,396,478
2005-06		17,986,767		6,163,007		153,490		31,633		1,402,700		1,485,108		1,748,676		787,970		53,594,874		83,354,225
2006-07		20,515,847		6,306,972		127,543		16,663		2,276,997		1,585,555		1,115,579		204,147		60,237,578		92,386,881
2007-08		30,263,336		6,393,593		138,168		16,311		2,254,804		1,653,143		2,079,186		330,204		60,595,023		103,723,768
2008-09		24,346,869		5,905,056		122,761		73,379		591,734		2,334,130		1,536,350		121,259		60,305,548		95,337,086

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

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

COUNTY OF HALIFAX, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1,3,4)		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	
1999-00	\$	11,686,253	\$	11,291,678	\$	96.62%	\$	225,407	\$	11,517,085	\$	98.55%	\$	924,756		7.91%
2000-01		13,207,591		12,800,726		96.92%		270,768		13,071,494		98.97%		966,686		7.32%
2001-02		14,376,470		13,482,473		93.78%		259,127		13,741,600		95.58%		1,518,259		10.56%
2002-03		15,645,110		15,019,836		96.00%		320,909		15,340,745		98.05%		1,517,589		9.70%
2003-04		16,189,008		15,206,057		93.93%		727,778		15,933,835		98.42%		1,298,464		8.02%
2004-05		16,667,284		16,110,369		96.66%		419,749		16,530,118		99.18%		1,460,674		8.76%
2005-06		19,548,439		18,855,929		96.46%		200,820		19,056,749		97.48%		1,439,428		7.36%
2006-07		20,473,289		19,758,307		96.51%		416,535		20,174,842		98.54%		1,796,186		8.77%
2007-08		31,484,340		30,490,974		96.84%		570,092		31,061,066		98.66%		2,086,683		6.63%
2008-09		25,471,645		25,086,207		98.49%		199,676		25,285,883		99.27%		2,164,820		8.50%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

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

(4) In fiscal year 2008 the County assessed and billed property taxes in installments, Dec. 5 and June 5

COUNTY OF HALIFAX, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools	Mobile Homes	Public Utility (2)	Total
1999-00	\$ 1,450,721,319	\$ 253,210,133	\$ 129,287,500	\$ 24,103,868	\$ 775,593,447	\$ 2,632,916,267
2000-01	1,498,563,705	271,995,582	122,149,400	25,386,484	763,726,849	2,681,822,020
2001-02	1,523,727,584	287,475,583	129,813,500	26,273,123	728,653,925	2,695,943,715
2002-03	1,546,356,849	278,982,097	100,039,773	26,765,260	685,105,818	2,637,249,797
2003-04	1,569,245,514	280,451,047	106,841,200	27,426,465	770,683,235	2,754,647,461
2004-05	1,910,664,805	263,810,600	107,198,300	24,372,634	776,778,376	3,082,824,715
2005-06	1,935,164,682	282,638,875	119,637,200	24,397,296	746,782,274	3,108,620,327
2006-07	2,157,582,260	218,028,800	131,854,800	24,130,000	1,042,337,183	3,573,933,043
2007-08	2,186,407,594	218,486,973	113,786,300	24,404,648	1,020,808,708	3,563,894,223
2008-09	2,582,057,659	221,649,707	118,967,559	24,513,892	1,025,725,027	3,972,913,844

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

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

(3) Personal property is assessed at 100% of fair market value as of January 1, 1995.

COUNTY OF HALIFAX, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate (2)	Personal Property	Machinery and Tools
1999-00	\$	\$	\$
2000-01	0.31	1.26	1.17
2001-02	0.36	1.26	1.26
2002-03	0.40	1.26	1.26
2003-04	0.42	1.76	1.26
2004-05	0.42	1.76	1.26
2005-06	0.37	2.00	1.26
2006-07	0.41	2.50	1.26
2007-08	0.41	3.30	1.26
2008-09	0.44 / 0.48	3.30	1.26
	0.44	3.60	1.26

(1) Per \$100 of assessed value.

(2) In fiscal year 2008 the County assessed and billed property taxes in installments, Dec. 5 and June 5

The rates include first and second half installments, respectively.

COUNTY OF HALIFAX, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to	
					Assessed Value	Net Bonded Debt per Capita
1999-00	37,474	\$ 2,632,916	\$ 14,123,524	\$ 14,123,524	0.54%	\$ 377
2000-01	37,355	2,681,822	14,934,798	14,934,798	0.56%	400
2001-02	37,355	2,695,944	13,864,083	13,864,083	0.51%	371
2002-03	37,355	2,637,250	13,082,217	13,082,217	0.50%	350
2003-04	37,355	2,754,647	11,988,042	11,988,042	0.44%	321
2004-05	37,355	3,082,825	11,223,380	11,223,380	0.36%	300
2005-06	36,700	3,108,620	59,003,606	59,003,606	1.90%	1,608
2006-07	36,700	3,573,933	67,721,571	67,721,571	1.89%	1,845
2007-08	36,700	3,563,894	64,115,842	64,115,842	1.80%	1,747
2008-09	36,700	3,972,914	61,471,134	61,471,134	1.55%	1,675

(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 absences.

COUNTY OF HALIFAX, VIRGINIA

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1999-00	\$ 1,010,720	\$ 301,026	\$ 1,311,746	\$ 55,416,264	2.37%
2000-01	874,243	342,930	1,217,173	55,827,215	2.18%
2001-02	1,190,921	909,513	2,100,434	62,017,364	3.39%
2002-03	1,051,579	586,876	1,638,455	64,861,664	2.53%
2003-04	512,983	511,232	1,024,215	69,220,527	1.48%
2004-05	1,096,662	436,307	1,532,969	75,976,059	2.02%
2005-06	1,140,660	499,874	1,640,534	79,492,576	2.06%
2006-07	1,618,829	2,480,060	4,098,889	87,344,582	4.69%
2007-08	2,926,284	2,623,077	5,549,361	92,262,385	6.01%
2008-09	3,066,056	3,047,366	6,113,422	95,048,941	6.43%

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

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Compliance

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

**To The Honorable Members of the Board of Supervisors
County of Halifax
Halifax, Virginia**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Halifax, Virginia, as of and for the year ended June 30, 2009, which collectively comprise the County of Halifax, Virginia's basic financial statements and have issued our report thereon, dated November 30, 2009. 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 Halifax, 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 Halifax, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Halifax, Virginia's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 30, 2009

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited the compliance of the County of Halifax, Virginia, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County of Halifax, 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 Halifax, Virginia's management. Our responsibility is to express an opinion on the County of Halifax, Virginia's compliance based on our audit. We did not audit the financial statements of the School Cafeteria and School Textbook Funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements and this report on internal controls and compliance, insofar as they related to the School Cafeteria and School Textbook Funds are based solely on the report of the other auditors.

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 Halifax, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Halifax, Virginia's compliance with those requirements.

In our opinion, based on our audit and on the report of other auditors, the County of Halifax, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

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

Internal Control Over Compliance: (Continued)

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
November 30, 2009

COUNTY OF HALIFAX, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Health and Human Services:		
Pass Through Payments:		
Department of Social Services:		
Promoting safe and stable families	93.556	\$ 31,840
Temporary Assistance for Needy Families (TANF)	93.558	493,955
Refugee and Entrant Assistance - State administered programs	93.566	830
Low-income Home Energy Assistance	93.568	19,852
Child Care and Development Block Grant	93.575	170,289
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	106,311
Chafee Education and Training Vouchers	93.599	1,043
Adoption Incentive Payments Program	93.603	4,691
Child Welfare Services - State Grants	93.645	2,575
Foster Care - Title IV-E	93.658	312,288
ARRA - Foster Care - Title IV-E	93.658	16,447
Adoption Assistance	93.659	89,347
ARRA - Adoption Assistance	93.659	8,155
Social Services Block Grant	93.667	221,957
Chafee Foster Care Independence Program	93.674	7,776
Children's Health Insurance Program	93.767	34,726
Child Care and Development Block Grant - ARRA	93.713	1,723
Medical Assistance Program	93.778	320,034
Total Department Health and Human Services		\$ 1,843,839
Department of Agriculture:		
Pass Through Payments:		
Department of Agriculture:		
Food Distribution	10.555	\$ 173,070
Department of Education:		
National school breakfast program	10.553	\$ 442,735
National school lunch program	10.555	1,316,406
Fresh fruits and vegetables program	10.582	58,144
Department of Social Services:		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	\$ 481,147
Total Department of Agriculture		\$ 2,471,502
Department of the Interior:		
Direct payments:		
Bureau of Land Management:		
Payments in Lieu of Taxes	15.000	\$ 14,421
Total Department of the Interior		\$ 14,421

COUNTY OF HALIFAX, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Housing and Urban Development:		
Pass Through Payments:		
Department of Housing and Community Development:		
Community development block grant - States' program	14.228	\$ 117,307
Department of Justice:		
Direct payments:		
Bulletproof vest partnership program	16.607	\$ 23,692
Total Department of Justice		\$ 23,692
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
Alcohol Open Container Requirements	20.607	\$ 11,127
Department of Homeland Security		
Pass Through Payments:		
State Homeland Security Program	97.073	\$ 30,375
Emergency Management Performance Grant	97.042	12,196
Total Department of Homeland Security		\$ 42,571
Pass Through Payments:		
Department of Education:		
Title I: Grants to Local Educational Agencies	84.010	\$ 1,377,018
Special Education - Grants to States	84.027	1,181,877
Career and Technical Education: Basic grants to states	84.048	132,606
Special Education - Preschool Grants	84.173	58,369
Safe and Drug-free Schools and Communities - State Grants	84.186	60,477
Migrant Education - State Grants	84.011	1,503
Education technology state grants	84.318	12,181
Reading first state grant	84.357	292,701
English Language Acquisition grants	84.365	6,847
Improving Teacher Quality - state grants	84.367	154,085
Total Department of Education		\$ 3,277,664
Total Federal Assistance		\$ 7,802,123

COUNTY OF HALIFAX, VIRGINIA

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

Note 1 - General

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

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

Note 3 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 91,811
Special Revenue Funds:	
Virginia Public Assistance Fund	2,324,986
State and Federal Grants Fund	117,307
Total primary government	<u>\$ 2,534,104</u>

Component Unit Public Schools:

School Operating Fund	\$ 3,277,664
School Cafeteria Fund	1,990,355
Total component unit public schools	<u>\$ 5,268,019</u>

Total federal expenditures per basic financial
statements

\$ 7,802,123

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 7,802,123

COUNTY OF HALIFAX, VIRGINIA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant Deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant Deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
93.575/93.596/93.713	Child Care and Development Block Grant
93.778	Medical Assistance Program (Title XIX)
93.658	Foster Care - Title IV-E
93.658	ARRA - Foster Care - Title IV-E
84.010	Title I - Educationally Deprived Children

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

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

There are no prior year findings and questioned costs to report.