

AGENDA
FLUVANNA COUNTY BOARD OF SUPERVISORS
Regular Meeting
Circuit Courtroom
Fluvanna Courts Building
December 21st 2011
7:00 p.m.

1-CALL TO ORDER, PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

2-REPORTS

Darren Coffey, Interim County Administrator

3-PUBLIC COMMENTS #1 (5 minutes each)

4-CONSENT AGENDA

- TAB L Minutes of December 7th, 2011 – Mary Weaver, Clerk to the Board of Supervisors
TAB M Budget Supplement and Transfer for the award Bryan Rothamel – Renee Hoover, Finance Director
TAB Mc Budget Supplement for Eckert Seamans Cherin & Mellott Legal Services – Renee Hoover, Finance Director
TAB N Request for IT Budget Supplement – Jonathan McMahon, Information Technology Director

5-ACCOUNTS PAYABLE

None

6-PUBLIC HEARING

- TAB O SUP 11:03, National Communication Towers, LLC – A request for a special use permit to allow for a 195 foot wireless communications tower with respect to 3.5 acres of Tax Map 47, Section A, Parcel 10. The property is zoned A-1 and is located on the north side of West River Road (U.S. Route 6), approximately 0.4 miles east of its intersection with Beals Lane (Route 645). The property is located in the Cunningham Election District and is within the Rural Residential Planning Area. – Steven Tugwell, Planner
- TAB P SUP 11:04, Clifford H. Krammes – A request for a special use permit to amend the conditions of SUP 00:003 with respect to 24.773 acres of Tax Map 29, Section A, Parcel 113. This property is zoned A-1 and is located on the south side of Haden Martin Road (Route 640), approximately 1.5 miles east of its intersection with Sclaters Ford Road (Route 660). The property is located in the Fork Union Election District and is within the Rural Residential Planning Area. – Steven Tugwell, Planner

7-PRESENTATIONS (normally not to exceed 10-minute limitation)

- TAB Q FY 11 Comprehensive Annual Financial Report – Renee Hoover, Finance Director and David Foley, Robinson, Farmer, Cox and Associates.
TAB R Accounting of Health Insurance Fund – Linda Lenherr, Treasurer
TAB S Fluvanna Education Foundation Community Scholarship Program – Shaun Kenney, Board of Supervisor

8-ACTION MATTERS

- TAB T Proposal to Study Fiscal Impact of Extending a Water Line to Zion Crossroads by Planning District Commission Staff – Darren K. Coffey, Interim County Administrator
TAB U Fork Union Sanitary District Loan Repayment and Refunding Resolution – John Robins, Director of Public Works – John Robins, Public Works Director
TAB V EST 11:02 – Palmyra Associates – Steve Tugwell, Planner
TAB W Route 15/53 Roundabout Revenue Share Agreement – Darren K. Coffey, Interim County Administrator
TAB X Heritage Farm Museum at Pleasant Grove – Dwight Godwin, Director of Parks and Recreation

9-UNFINISHED BUSINESS

*For the Hearing-Impaired – there is a listening device available upon request.. TTY access number is 711 to make arrangements.
For persons with Disabilities – if you have special needs, please call the County Administrator's Office at 591-1910 and relay your request.*

10-NEW BUSINESS

Hiring process of County Administrator

11-PUBLIC COMMENT #2 (5 minutes each)

12-CLOSED MEETING

Legal Matters - Potential Litigation

13-ADJOURN

Pledge of Allegiance

I pledge allegiance to the flag
of the United States of America
and to the Republic for which it stands,
one nation, under God, indivisible,
with liberty and justice for all.

**FLUVANNA COUNTY BOARD OF SUPERVISORS
PUBLIC HEARING RULES OF PROCEDURE**

1) PURPOSE

The purpose of a public hearing is to receive testimony from the public on certain resolutions, ordinances or amendments prior to taking action. A hearing is not a dialogue or debate. Its express purpose is to receive additional facts, comments and opinion on subject items.

2) SPEAKERS

- Speakers should approach the lectern so they may be visible and audible to the Board.
- Each speaker should clearly state his/her name and address.
- All comments should be directed to the Board.
- All questions should be directed to the Chairman. Members of the Board are not expected to respond to questions, and response to questions shall be made at the Chairman's discretion. Speakers are encouraged to contact staff regarding unresolved concerns or to receive additional information.
- Speakers with questions are encouraged to call County staff prior to the public hearing.
- Speakers should be brief and avoid repetition of previously presented comments.

3) ACTION

At the conclusion of the public hearing on each item, the Chairman will close the public hearing. The Board will proceed with its deliberation and will act on or formally postpone action on such item prior to proceeding to other agenda items. Further public comment after the public hearing has been closed generally will not be permitted.

ORDER

1. It shall be the duty of the Chairman to maintain order and decorum at meetings. The Chairman shall speak to points of order in preference to all other members.
2. In maintaining decorum and propriety of conduct, the Chairman shall not be challenged and no debate shall be allowed until after the Chairman declares that order has been restored. In the event the Board wishes to debate the matter of the disorder or the bringing of order; the regular business may be suspended by vote of the Board to discuss the matter.
3. No member or citizen shall be allowed to use abusive language, excessive noise, or in any way incite persons to use such tactics. The Chairman and/or the County Administrator shall be the judge of such breaches, however, the Board may vote to overrule both.
4. When a person engages in such breaches, the Chairman shall order the person's removal from the building, or may order the person to stand silent, or may, if necessary, order the person removed from the County property.

For the Hearing-Impaired – there is a listening device available upon request.. TTY access number is 711 to make arrangements.

For persons with Disabilities – if you have special needs, please call the County Administrator's Office at 591-1910 and relay your request.

MOTION: I move the minutes of the Fluvanna County Board of Supervisors for Wednesday, December 7th, 2011 be adopted.

AGENDA BOARD OF SUPERVISORS DATE: December 21st, 2011

SUBJECT: Adoption of the Fluvanna County Board of Supervisors regular meeting minutes.

RECOMMENDATION: Approval

TIMING: Routine

FISCAL IMPLICATIONS: None

POLICY IMPLICATIONS: None

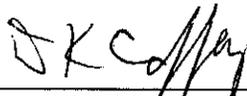
DISCUSSION: None

LEGISLATIVE HISTORY: None

Staff: Mary L. Weaver, Clerk to the Board of Supervisors

County Administrator's Use Only

Comments:



Darren K. Coffey, Interim County Administrator

**FLUVANNA COUNTY BOARD OF SUPERVISORS
REGULAR MEETING MINUTES
Circuit Courtroom
Fluvanna Courts Building
December 7th, 2011
2:00 p.m.**

MEMBERS PRESENT: John Y. Gooch, Chairman
Shaun V. Kenney, Vice-Chairman
Mozell H. Booker
Joe Chesser
Chris Fairchild

MEMBERS ABSENT: Donald W. Weaver

ALSO PRESENT: Fred Payne, County Attorney
Darren Coffey, Interim County Administrator
Steven Tugwell, Planner
Andrew Pompei, Planner
Renee Hoover, Finance Director
Amy Helfrich, Building Inspections Permit Clerk
Jonathan McMahon, Director of Information Technology
Garland Nuckols, Facilities Director
Mary Weaver, Clerk, Board of Supervisors

CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

Chairman Gooch called the meeting of December 7th, 2011, to order at 2:00 p.m., in the Circuit Courtroom of the New Courts Building in Palmyra, Virginia; and the Pledge of Allegiance was recited; after which, Chairman Gooch called for a moment of silence.

REPORTS

Darren Coffey, Interim County Administrator reported on the following topics:

- Met with Department Heads, Constitutional Officers, School Superintendent and her staff, and as many of the Agency Heads as possible to open communications.
- Planning Commission will begin review of the Capital Improvements Plan (CIP), Wednesday, December 14th, 2011 in the Morris Room at 7:00pm.
- Earthquake Update – Currently 80 reports of damage, mostly minor. FEMA and VDEM are trying to determine if we have enough damage for assistance.
- Compost workshop was held on November 19th, 2011, with approximately 100 participants. Fluvanna County Public Works, Fluvanna Extension and the Master Gardeners were co-sponsors. This was a very successful workshop, thanks to those who helped put it together.
- VRS local contributions are going to increase by an average of 2.6%.
- Will be attending the Governor's Transportation Conference in discussion of the devolution of the secondary road system.

- Governor Task Force – Mr. Kenney reviewed the progress they made at their last meeting on November 19, 2011.
- IAC hosted a very informative luncheon for the Board today before the meeting.
- Rivanna River Basin Commission would like to host a luncheon on February 1, 2012, for the Board and Planning Commission, to present an update on the pollution standards for water quality.
- Board of Supervisors is having a retreat on January 6, 2012, at the Thomas Jefferson Water Street Center starting with breakfast at 8am.
- Elected Officials Conference from January 6 – 8, 2012, in Richmond.
- Leonard Gardner, former Board member, is a Pearl Harbor veteran survivor and is in Pearl Harbor today with other veterans to commemorate that event. Thank you for their service.

PUBLIC COMMENTS #1

Chairman Gooch opened the floor for the first round of public comments.

- Lyle Plitt, Rivanna District – addressed the Board in opposition of hiring contract services for EMS coverage.
- Adrian Miller, Rivanna District – appropriate to remember the Pearl Harbor survivors and thank Mr. Jay Scudder, Mr. John Gooch and Mr. Chris Fairchild for their service to this county. Also addressed the Board regarding spending less money.

With no one else wishing to speak, Chairman Gooch closed the first round of public comments.

CONSENT AGENDA

The following items were approved under the consent agenda:

MOTION:

Mr. Kenney moved to approve the consent agenda, which consisted of:

- Minutes of November 2nd, 2011
- Minutes of November 16th, 2011
- Resolution Recognizing Gregory Edward Kenneth Palmer as an Eagle Scout
- FY12 Budget Supplement for Fork Union Sanitary District Insurance Claim
- FY12 Budget Supplement for Sheriff's Department Insurance Claim
- FY12 Budget Supplement for Review of Telecommunication Tower Applications
- Budget Transfer for County Attorney Services
- Resolution to Adopt a Road Name: Palmer Farm Lane

Mrs. Booker seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Kenney, Fairchild and Chesser. NAYS: None. ABSENT: Weaver

ACCOUNTS PAYABLE

Renee Hoover, Finance Director, addressed the Board regarding accounts payable.

MOTION:

Mr. Kenney moved that the Accounts Payable from October 26th, 2011, through November 28th, 2011, and payroll for the month of October, 2011, in the amount of \$5,790,028.28, be ratified. Mr. Chesser seconded. The motion carried with a

vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

General	\$ 552,467.99
Community Programs	270.00
Federal Grants	5,950.00
Capital Improvements	1,934,988.73
Debt Service	2,657,100.00
Sewer	7,806.02
Fork Union Sanitary District	<u>13,368.80</u>
Total Expenditures by Fund	\$5,171,951.54
Payroll - September	<u>618,076.74</u>
Total Payables & Payroll	\$ 5,790,028.28

PUBLIC HEARING

None

PRESENTATIONS

LMOA Property Exchange – Mr. Fred Payne, County Attorney, gave the Board a status update on the exchange of property with Lake Monticello Owners' Association. Mr. Payne discussed several matters affecting the property that are believed not to have any practical impact on the County's intended use of the property for a greenway trail, but needed to be brought to the Board's attention.

Tyler Munis Financial Software Project Update – Mr. Jonathan McMahon, Information Technology Director, gave the Board a progress update of the time-line for completion and a budget summary for converting to the new Munis software.

ACTION MATTERS

EST 11:02 Palmyra Associates, LLC/Conservation Easement – This request was deferred.

EST 11:03 Helen E. Maben/Conservation Easement – Mr. Andrew Pompei, Planner, addressed the Board regarding this request to establish a conservation easement, to be held by Fluvanna County, in connection with 94.558 acres of Tax Map 17(A)22.

The Board discussed the long-term intention of the owner to donate this property to the County. Mr. Fred Payne, County expressed his concerns with this request.

MOTION:

Mr. Chesser moved to deny request to establish a conservation easement, to be held by Fluvanna County, in connection with 94.558 acres of Tax Map 17(A)22. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Hiring of contract services for rescue coverage (corrected from "Hiring of additional staff)

Mr. Len Bozza, President of the Lake Monticello Rescue Squad, addressed the Board with this request to consider contracting services with the University of Virginia to provide an Advanced Life Support (ALS) crew for an initial period of six months.

The Board directed staff to request from the Commonwealth Virginia Fire Safety Board to conduct an audit on the Fluvanna County Fire and Rescue needs. A suggestion to start gathering data when this service begins to show progress or lack of, in order to support it in numbers was made. Mr. Fairchild mentioned on behalf of Mr. Weaver's absence, that he would like to see progressive efforts on the side of revenue recovery.

MOTION:

Mr. Chesser moved to direct staff to negotiate and return a proposed contract with the University of Virginia (UVA) to hire a weekday Advanced Life Support (ALS) crew and a full weekend ALS crew for an initial period not to extend past June 30th, 2012 subject to extensions. Mrs. Booker seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Budget Appropriation to Carry-Over the School FY 11 Local Appropriation – Ms. Renee Hoover, Finance Director, addressed the Board regarding this item.

MOTION:

Mr. Kenney moved to approve carry-over of the FY11 Schools unexpended local funds of \$246,102 to increase the FY12 School's Local Appropriation from \$13,950,000 to \$14,196,102 for a total amended School Budget of \$35,966,987.24. Mrs. Booker seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Reimbursement for SPCA Maintenance – Mr. Garland Nuckols, Facilities Director, addressed the Board regarding this item.

MOTION:

Mr. Kenney moved to approve the transfer of \$10,000 to the Facilities Department for the repairs to the Shelter at Carysbrook and the FSPCA that was agreed on in the County Contract with the FSPCA. The funding will be transferred from Board of Supervisor's contingency fund to the facilities budget line 10041500 403310. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Appointment/Board of Zoning Appeals(two positions)

MOTION:

Mr. Chesser moved to recommend appointment of Mr. Steve Nichols to the Board of Zoning Appeals, at large Position, filling the vacancy left by Bill Anderson, with a term to begin immediately, and to terminate on December 31, 2014. Mrs. Booker seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

MOTION:

Mr. Chesser moved to recommend appointment of Mr. Easton Loving to the Board of Zoning Appeals, at large Position, with a term to begin January 1, 2012, and to terminate on December 31, 2016. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Reappointment/Economic Development Authority(EDA)

MOTION:

Mr. Chesser moved to reappoint Mr. Robert Flood to the Economic Development Authority (EDA), with a term to begin January 1, 2012, and to terminate on December 31, 2015. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Reappointment-Appointment/Fork Union Sanitary District Advisory Committee(two positions)

MOTION:

Mrs. Booker moved to reappoint Ms. Lillian Dabney Taylor to the Fork Union Sanitary District Advisory Committee, with a term to begin January 1, 2012, and to terminate on December 31, 2015. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Second position was left vacant due to the lack of an interested applicant that resides in Fork Union District.

Appointment/Jefferson Area Board for Aging Advisory Council (JABA)

MOTION:

Mrs. Booker moved to appoint Mr. Richard Bucci to the Jefferson Area Board for Aging Advisory Council (JABA), with a term to begin immediately, and to terminate on April 30th, 2012. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Appointment/Thomas Jefferson Emergency Medical Services Council

MOTION:

Mr. Chesser moved to appoint Mr. John Robins to the Thomas Jefferson Emergency Medical Services Council, with a term to begin immediately, and to terminate June 30, 2012. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

Reappointment/Thomas Jefferson Planning district commission (TJPDC)

MOTION:

Mr. Kenney moved to reappoint Mr. Keith Smith to the Thomas Jefferson Planning District Commission (TJPDC), with a term to begin January 1, 2012, and to terminate on December 31, 2013. Mrs. Booker seconded. The motion carried with a vote of 5-

0. AYES: Gooch, Booker, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Weaver.

UNFINISHED BUSINESS

The following items were discussed:

- EMS funding source.
- Recruiting Advertisement for Fluvanna Rescue Volunteers.

The Board directed staff to look into advertising needs for recruiting Fluvanna Rescue Volunteers.

NEW BUSINESS

None

PUBLIC COMMENTS #2

Chairman Gooch opened the floor for the second round of public comments.

- Elizabeth Franklin, Kents Store – Addressed the Board in regards to the outstanding service of Mr. Bouson Peterson, Jr. Clerk of the Circuit Court and his staff.
- Adrian Miller, Rivanna District – Addressed the Board in regards to the funding of EMS services and improvement of the audio in meetings and on the website.
- Angus Murdock, Kents Store – Addressed the Board in regards to the land swap with the Lake Monticello Owner's Association.

With no one else wishing to speak, Chairman Gooch closed the second segment of public comments.

Mr. Fairchild asked about the status of harvesting the walnut trees on the property received in the Land Swap from Lake Monticello Owner's Association.

CLOSED MEETING

MOTION TO ENTER INTO A CLOSED MEETING:

At 4:14 p.m., Mr. Chesser moved the Fluvanna County Board of Supervisors enter into a closed meeting, pursuant to the provisions of Section 2.2-3711 of the Code of Virginia, 1950, as amended, for the purpose of discussing Legal Matters – Consultation with legal counsel and briefings by staff members regarding specific legal matters requiring provision of the legal advice by such counsel and Acquisition of Real Property – Discussions or considerations of the acquisition of real property for a public purpose. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Booker, Kenney, Fairchild and Chesser. NAYS: None. ABSENT: Weaver.

MOTION TO EXIT A CLOSED MEETING & RECONVENE IN OPEN SESSION:

At 5:53 p.m., Mr. Chesser moved the closed meeting be adjourned and the Fluvanna County Board of Supervisors convene again in open session. Mr. Kenney seconded. The motion carried with a vote of 6-0. AYES: Gooch, Booker, Kenney, Fairchild and Chesser. NAYS: None. ABSENT: Weaver.

MOTION:

At 5:54 p.m., the following resolution was adopted by the Fluvanna County Board of Supervisors, following a closed meeting held Wednesday, December 7th, 2011, on motion of Mr. Chesser, seconded by Mr. Kenney and carried by the following vote: AYES: Gooch, Kenney, Booker, Chesser, and Fairchild. NAYS: None. ABSENT: Weaver.

“BE IT RESOLVED to the best of my knowledge (i) only public business matters lawfully exempted from open meeting requirements under Section 2.2-3711-A of the Code of Virginia, 1950, as amended, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting.”

The Board directed staff to pursue an agreement with the TJPDC to do a market based study, return on investment for Zion Crossroads, associated with possible improvements to be made, mainly water line and return to the Board possibly on December 21st, 2011 with a proposal.

The Board directed staff to pursue discussions with the Department of Corrections to see the viability of possible partnering with them on utilities, water and sewer.

ADJOURN

MOTION:

At 5:55 p.m., Mr. Kenney moved to adjourn the meeting of Wednesday, December 7th, 2011. Mrs. Booker seconded. The motion carried, with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Booker and Fairchild. NAYS: None. ABSENT: Weaver

ATTEST:

FLUVANNA COUNTY BOARD OF SUPERVISORS

Mary L. Weaver, Clerk

John Y. Gooch, Chairman



**BOARD OF SUPERVISORS
County of Fluvanna
Palmyra, Virginia**

RESOLUTION

At a regular monthly meeting of the Fluvanna County Board of Supervisors held on Wednesday, December 7th, 2011, in Palmyra, Virginia, the following action was taken:

<u>Present</u>	<u>Vote</u>
John Y. Gooch, Chairman	YEA
Shaun V. Kenney, Vice Chairman	YEA
Mozell H. Booker	YEA
Joseph Chesser	YEA
Chris S. Fairchild	YEA
Donald W. Weaver	ABSENT

On a motion by Mr. Kenney, seconded by Mrs. Booker, and carried by a vote of 5-0, the following resolution was adopted.

RESOLUTION

Recognizing Gregory Edward Kenneth Palmer Award of Eagle Scout Status

WHEREAS, Gregory Edward Kenneth Palmer has completed all the requirements for becoming an Eagle Scout; and

WHEREAS, Gregory has been examined by an Eagle Scout Board of Review and deemed worthy of the Eagle Scout award; and

WHEREAS, Boy Scout Troop 138 will be convening a Eagle Scout Court of Honor on January 8th, 2012 at 2:00 p.m. at Saints Peter and Paul Catholic Church, Palmyra, Virginia;

NOW, THEREFORE BE IT RESOLVED that the Fluvanna County Board of Supervisors joins Gregory's family and friends in congratulating him on his achievements and the award of Eagle Scout status.

Adopted this 7th, day of December 2011
by the Fluvanna County Board of Supervisors

ATTEST:

John Y. Gooch, Chairman

**RESOLUTION TO ADOPT A ROAD NAME:
PALMER FARM LANE**

WHEREAS, the establishment of an Enhanced 9-1-1 emergency telephone system in Fluvanna County has become effective; and

WHEREAS, such system requires the assignment of names to all streets and roads in the County, the assignment of building numbers to all buildings having telephones and /or occupancies, and the erection of appropriate street signs at intersections; and

WHEREAS, County staff has recommended this road name for consideration; and

WHEREAS, the Board of Supervisors is empowered to name streets, roads and alleys within the County in accordance with Section 18-2 of the Fluvanna County code that the road located off of Little Creek Road be named Palmer Farm Lane.

Adopted this 7th day of December, 2011

Mary Weaver
Clerk to the Board of Supervisors

MOTION: I move the Board of Supervisors approve the budget supplement of \$35,263.56 from fund balance and transfer of \$2,208.94 from board of supervisor contingency for the award per case no. 3:11CV00002 to Bryan Rothamel in the amount of \$37,472.50.

The following general ledger lines will be effect:

10011000 403100 Board of Supervisors – Professional Services	\$37,472.50
10000090 343100 Use of Fund Balance	35,263.56
10086000 405870 Board of Supervisors – Contingency	2,208.94

AGENDA

BOARD OF SUPERVISORS

December 21, 2011

SUBJECT: Budget Supplement & Transfer for the Award to Bryan Rothamel

RECOMMENDATION: Staff recommends that the Board of Supervisors approve the budget supplement of \$35,263.56 from fund balance and transfer of \$2,208.94 for a total of \$37,472.50 per order dated December 8, 2011 for case no. 3:11CV00002.

TIMING: Upon approval

FISCAL IMPLICATIONS: The Board of Supervisor contingency is depleted and money will be taken from fund balance to pay award.

POLICY IMPLICATIONS: None

DISCUSSION: See attached court order.

LEGISLATIVE HISTORY:

Staff: Renee Hoover,  Director of Finance

Copy:

Attachments: Court Order Case No. 3:11CV00002

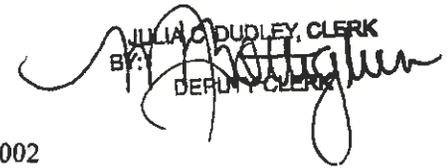
For County Administrator's Use Only:

Comments:


Darren K. Coffey, Interim County Administrator

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
CHARLOTTESVILLE DIVISION

DEC 08 2011

JULIA C. DUDLEY, CLERK
BY: 
DEPUTY CLERK

BRYAN ROTHAMEL,)
)
Plaintiff,)
)
v.)
)
FLUVANNA COUNTY, VIRGINIA,)
)
Defendant.)

CASE NO. 3:11CV00002

ORDER

By: B. WAUGH CRIGLER
U.S. MAGISTRATE JUDGE¹

Upon consideration of Plaintiff's Motion for Fees and Costs filed on September 28, 2011, the defendant's October 26, 2011 opposition thereto and of oral argument presented by counsel for the parties at the hearing on December 7, 2011, and upon the findings and conclusions set forth from the bench at the conclusion of those proceedings, which are incorporated herein and made a part hereof, it hereby is

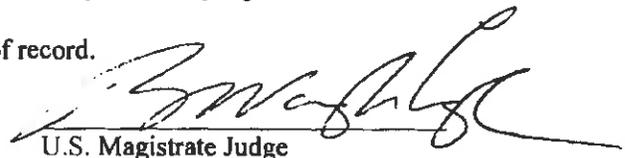
ORDERED

as follows:

- (1) The Plaintiff's Motion for Fees and Costs ("Motion") hereby is GRANTED;
- (2) The Plaintiff is AWARDED the sum of \$37,119.50. This sum represents \$32,119.50 in attorneys' fees through the date of judgment together with the \$5,000.00 in supplemental fees incurred for the preparation and presentation of the Motion.
- (3) Plaintiff further is AWARDED costs in the amount of \$353.00.

The Clerk is directed to enter these fees and costs as part of the judgment in the case and to transmit a certified copy of this Order to all counsel of record.

ENTERED:


U.S. Magistrate Judge
Dec 8, 2011
Date

¹ This action has been referred to the undersigned pursuant to 28 U.S.C. §636 (b)(3).

MOTION: I move the Board of Supervisors approve the budget supplement of \$200,000 from fund balance for legal services of Eckert Seamans Cherin & Mellott and transfer back to Board of Supervisor's contingency funds previously approved.

The following general ledger lines will be increased:

10011000 403100 Board of Supervisors – Professional Services	\$200,000.00
10000090 343100 Use of Fund Balance	200,000.00

AGENDA BOARD OF SUPERVISORS December 21, 2011

SUBJECT: Budget Supplement for Eckert Seamans Cherin & Mellott Legal Services

RECOMMENDATION: Staff recommends that the Board of Supervisors approve the budget supplement of \$200,000 from fund balance for Eckert Seamans Cherin & Mellott for legal services per the ratification of their services at the August 3, 2011 Board of Services meeting.

TIMING: Upon approval

FISCAL IMPLICATIONS: The funds will decrease fund balance.

POLICY IMPLICATIONS: None

DISCUSSION: When the Board ratified the engagement of Eckert Seamans Cherin & Mellott funds were not budgeted to cover the monthly bills. For the first six months of service, each bill was paid upon approval by the Board of Supervisors as a transfer from Board of Supervisor's (BOS) contingency fund for a total of \$21,987.53. This action, along with other transfers, has depleted the Board of Supervisor's contingency fund. In order to continue payment, there needs to be a budget appropriation set up. Staff is requesting that a budget supplement from fund balance of \$200,000 to cover legal services. This money will be encumbered in a purchase order and carry over to subsequent fiscal years. The funds transferred from BOS contingency would be returned.

LEGISLATIVE HISTORY: At the August 3, 2011 Board of Supervisor's meeting the engagement of Eckert Seamans Cherin & Mellot was ratified to represent the County, along with the County Attorney, in potential litigation involving any and all available causes of action arising out of the issuance of debt instruments relating to the construction of the new County high school.

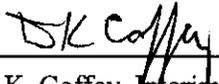
Staff: Renee Hoover  Director of Finance

Copy:

Attachments:

.....
For County Administrator's Use Only:

Comments:



Darren K. Coffey, Interim County Administrator

MOTION: I move the Board of Supervisors approve a FY12 budget supplement of \$29,500.00 from the fund balance for equipment replacements and software upgrades by the Department of Information Technology.

The following General Ledger lines will be increased:

Use of Fund Balance (10000090 343100) – \$29,500.00

Information Technology EDP Equipment (10015000 408107) – \$29,500.00

AGENDA

BOARD OF SUPERVISORS

December 21, 2011

SUBJECT: Request for FY12 Information Technology budget supplement

RECOMMENDATION: Staff recommends approval.

TIMING: Immediate.

FISCAL IMPLICATIONS: This budget supplement will increase the FY12 Information Technology Department budget line 10015000 408107 (EDP Equipment) by \$29,500.00.

POLICY IMPLICATIONS: None.

DISCUSSION: This request results from the need to address several major issues with the County's IT equipment.

\$24,000 is being requested to fund the replacement of 20 County computer systems. The County computer upgrade plan calls for a 4 year replacement cycle; i.e. each computer system gets upgraded every four years. The County has 80 active computer systems (not including servers) and nearly half of these systems are over 4 years old—many are older than that. The older systems are running Windows XP, an operating system that is over ten years old. The older equipment also places a significantly higher burden on IT staff for maintenance, and some of these systems are so slow that it affects the efficiency of staff performing routine daily tasks. This request (combined with the FY13 IT department budget request) would be a major step to correct this outdated equipment issue by replacing twenty-nine systems in the remainder of FY12 (twenty funded by this request and the remaining nine funded through existing IT budget) and thirty-one systems in FY13 (which will be reflected in the IT Department's FY13 budget request).

\$4,000 is being requested to replace a failing tape autoloader drive, which is responsible for performing backups of all the County's critical servers. The current unit (a Quantum SuperLoader 3) will be replaced and the amount above will cover a one year maintenance agreement on the new unit. Failure to replace this unit in a timely fashion could result in major data loss if a server hard drive fails or becomes corrupted.

\$1,500 is being requested to fund the purchase of five Adobe Acrobat X Professional licenses. This software is used by Administration to prepare Board packets, the Planning Department to prepare Planning Commission packets, Finance to interface with the Tyler invoicing system, and the IT Department in website redesign and maintenance tasks. The newer software achieves

significantly greater data compression which results in smaller board packet sizes and greater ease of online distribution. Additionally, there are well-known security risks in running out-of-date Adobe software.

LEGISLATIVE HISTORY: None.

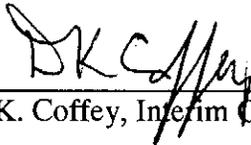
Staff: Jonathan McMahon, Director of Information Technology

Copy: n/a

Attachments: Request for Supplemental Appropriation
Request for FY12 Information Technology budget supplement.pptx (PowerPoint)

County Administrator's Use Only

Comments:



Darren K. Coffey, Interim County Administrator

Fluvanna County Department of Info Tech

Request for FY12 IT Budget Supplement

December 21, 2011



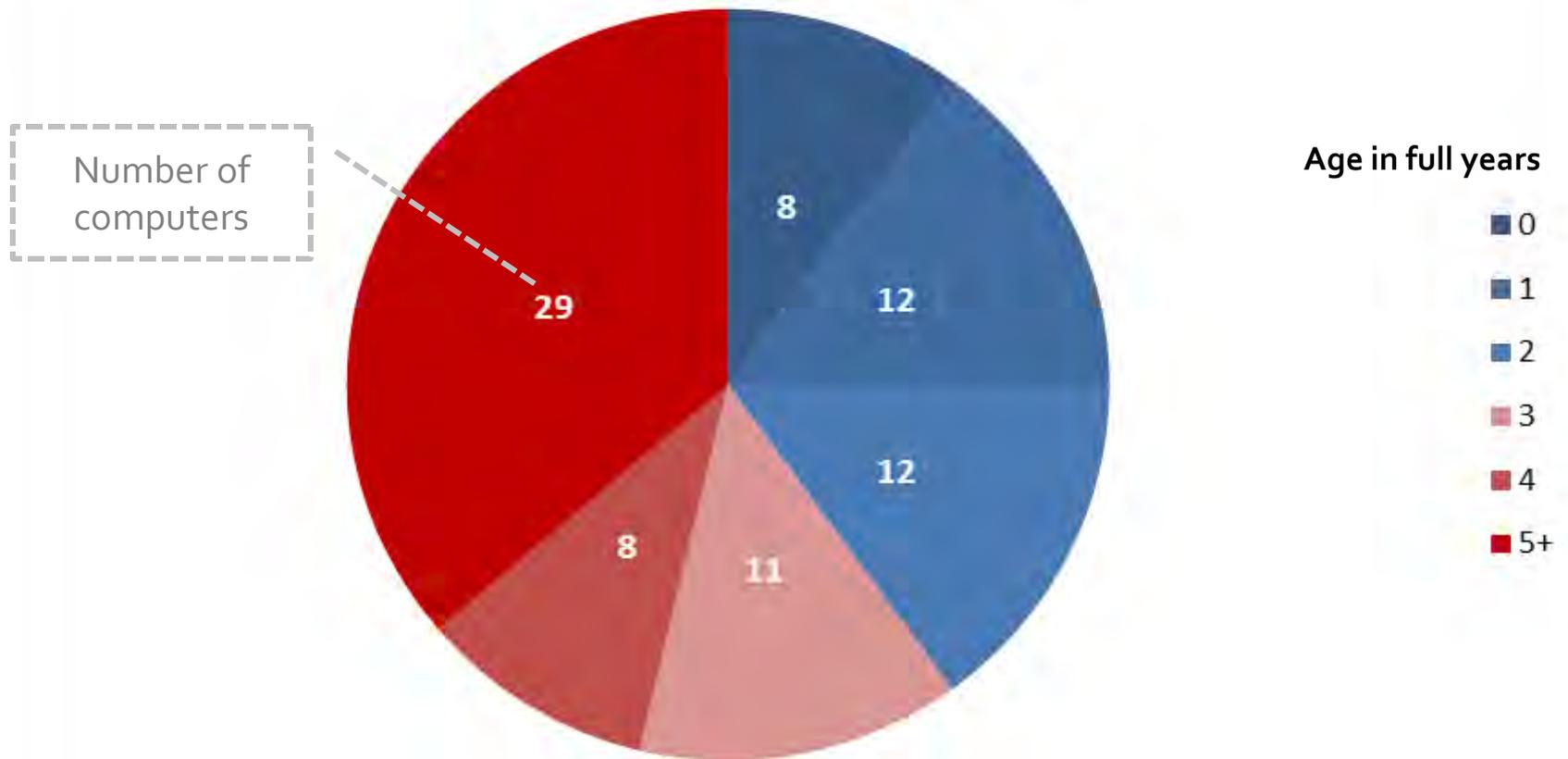
Breakdown of Funding Request

- Computer system upgrades (20): \$24,000
- Tape autoloader replacement (1): \$4,000
- Adobe Acrobat X licenses (5): \$1,500

- **Total:** **\$29,500**

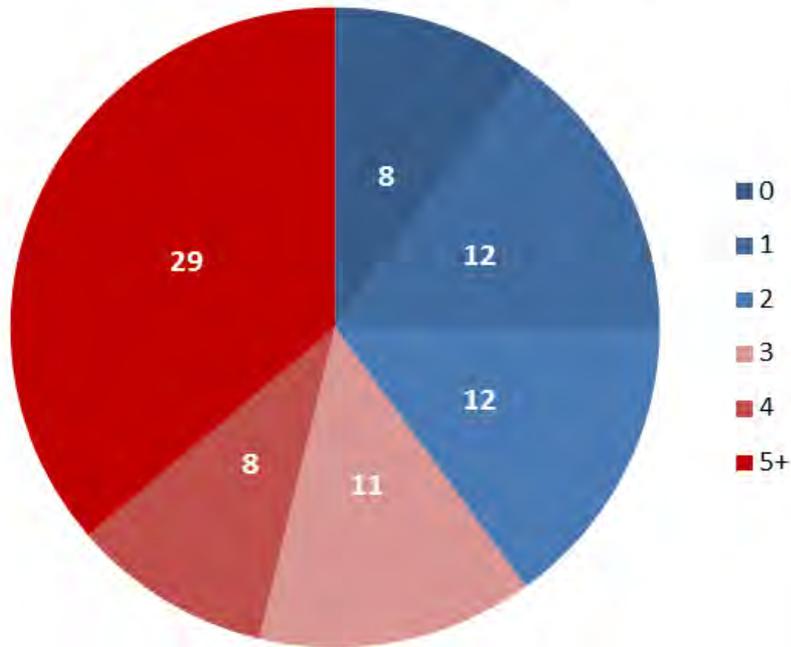
Age of County Computers

System Age in Full Years

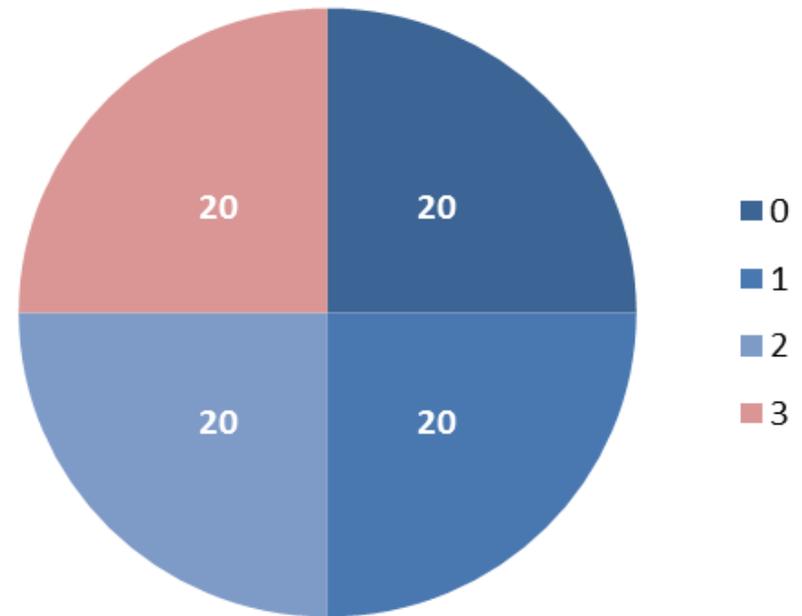


Current situation versus goal

System Age in Full Years



Normal Distribution



The true cost of outdated systems

- Increased maintenance demands on IT staff
- 10+ year old operating system (Windows XP)
- More difficult to centrally administrate
- Decreased employee productivity
- Downtime

Plan for getting upgrades on track

- **FY12:** **Replace 29 more computers**
- **FY13:** Replace 31 computers
- **FY14:** Replace 20 computers
- **FY15+:** Replace 20 computers...

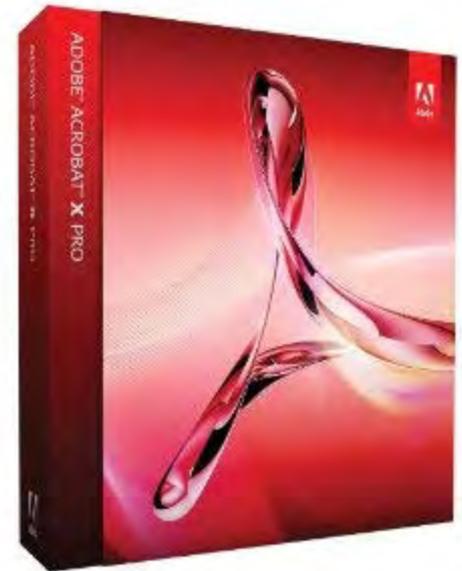
Replacement for Tape Autoloader



- **Quantum SuperLoader 3**
 - Performs backups of all major County servers
 - Current unit is failing; maintenance contract has expired and the renewal costs almost as much as new unit (~ \$3000)
 - \$3,999.98 for unit and 1 year of maintenance

Adobe Acrobat X Professional

- Used for:
 - Board of Supervisors packet preparation (Administration)
 - Planning Commission packet preparation (Planning Dept.)
 - Invoice management (Finance)
 - County website work (IT)
- Funding would cover 5 licenses



Benefits to upgrading

- Network security – outdated versions of Adobe Acrobat are a major attack vector
- Increased efficiency with file compression – Dec. 7 Board packet went from 15MB to less than 7MB when created using Acrobat X
- Ability to quickly create fillable forms for online distribution (no need to print out and then fill out)

Questions



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

P.O. Box 540 Palmyra, VA 22963 (434) 591-1910 FAX (434) 591-1911 www.co.fluvanna.va.us

STAFF REPORT

To: Fluvanna County Board of Supervisors
Case Number: SUP 11:03
Tax Map: Tax Map 47, Section A, Parcel 10

From: Steve Tugwell
District: Cunningham
Date: December 21, 2011

General Information: This request is to be heard by the Board of Supervisors on Wednesday, December 21, 2011 at 7:00 pm in the Circuit Courtroom of the Courts Building.

Applicant: National Communication Towers, LLC

Requested Action: A request for a special use permit to construct a 195 foot monopole telecommunications facility and associated ground equipment with respect to 3.5 acres of Tax Map 47, Section A, Parcel 10. (Attachment A)

Existing Zoning: A-1, Agricultural, General

Planning Area: Rural Residential Planning Area

Zoning Ordinance: Section 22-27-1

Location: The affected property is zoned A-1 and is located on the north side of West River Road (U.S. Route 6), approximately 0.4 miles east of its intersection with Beals Lane (Route 645). (Attachment B)

Existing Land Use: Veterans of Foreign Wars Post 8169 is located on this property.

Adjacent Land Use: The surrounding area is zoned A-1, Agricultural, General and is very low-density residential in nature.

Comprehensive Plan:

The Comprehensive Plan designates this area as within the Rural Residential Planning Area. The Infrastructure Chapter of the Comprehensive Plan has the following recommendations concerning the siting of cellular towers.

- Encourage the location and co-location of wireless communication equipment on existing structures;
- Accommodate the growing need and demand for wireless communication services;
- Encourage coordination between communication providers;
- Establish consistent and balanced legal language governing wireless communications facilities that take into consideration the Comprehensive Plan and communications master plan; and
- Maintain compliance with applicable laws, including but not limited to the 1996 Telecommunications Act.

The above recommendations are the primary reasons the county has procured a telecommunications consultant to assist with these applications.

Analysis:

When evaluating proposed uses for special use permits, in addition to analyzing the potential adverse impacts of the use, staff utilizes two (2) general guidelines for evaluation as set forth in the zoning ordinance.

First, the proposed use should not tend to change the character and established pattern of the area or community.

The character and established pattern of the area where the communications facility is proposed is rural, not highly populated, and has land involved in agricultural production. According to the Virginia Department of Transportation, the entire segment of Route 6 in Fluvanna County is designated as a Virginia Byway. “Per Virginia Code, a Virginia Byway means those highways designated by the Commonwealth Transportation Board (CTB) pursuant to articles §33.1-62 through §33.1-66. The Virginia Outdoors Plan, from the Department of Conservation and Recreation (DCR), identifies roads that have been considered as having intrinsic qualities of Virginia Byways for many years”.

To be considered, a segment of road must substantially meet the following criteria:

- The route provides important scenic values and experiences;
- There is diversity of experiences, as in transition from one landscape scene to another;
- The route links together or provides opportunities to leave high-speed routes for variety and

- leisure in motoring. Landscape control or management along the route is feasible;
- The route allows for additional features that will enhance the motorist's experience and improve safety;
 - Local government(s) has/have initiated zoning or other land-use controls, so as to reasonably protect the aesthetic and cultural value of the highway. (Attachment D)

Staff conducted a site visit on Wednesday, November 2, 2011, in order to assess the potential visual impacts of the proposed tower, and also to observe the balloon test. Weather conditions that day were sunny, dry, and cool with little wind. Staff concluded that the tower would be very visible from several portions of West River Road (Route 6), when traveling in either direction, both east and west. The balloon was also visible from neighboring properties and roadways, including the Fox Memorial Baptist Church located adjacent to the west. Staff stopped at several residences and spoke with a handful of neighbors in the area and all of them appeared to be in favor of enhanced wireless capabilities over the potential for diminished or altered views. In consideration of the proximity of the proposed tower's location to West River Road (Route 6), a Virginia Byway, the proposed facility could also be concealed as a firetower or other similar structure that would better blend with the rural character of the area. As proposed, it appears that a tower sited at this location could change the character and established pattern of the area, and/or create impacts that may be regarded as less than sensitive to its scenic beauty. (Attachment E)

Second, the proposed use should be compatible with the uses permitted by-right in that zoning district and shall not adversely affect the use/or value of neighboring property.

This is a rural area, and all of the surrounding property is zoned A-1 (Agricultural General). Since the proposed tower will be less than 200 feet, it will not have to be lighted. The applicant is proposing to build a 195 foot non-concealed freestanding antenna support facility within a 125 foot x 125 foot lease area, which per Sec. 22-27-8, requires a special use permit, and is not permitted by-right. Some permitted by-right uses in the A-1 zoning district include single-family dwellings, minor utilities, hunting preserves, public parks, home occupations, private kennels, group homes, and temporary sawmills to name a few. The definition of a minor utility is: *“Facilities for the distribution and collection of public, private, and central utilities including poles, lines, transformers, pipes, meters, and communication and distribution lines”*.

When evaluating an application for a proposed new telecommunication antenna support facility (TASF), siting of new facilities shall be in accordance with Sec. 22-27-8, the siting preference table. The applicant is proposing to construct a new 195 foot non-concealed freestanding antenna support facility (monopole). The subject property is zoned A-1 (Agricultural, General), and in accordance with the siting preference table, this application requires a special use permit and public hearing process.

Pursuant to Sec. 22-27-9.8, all new telecommunication antenna support facilities shall meet the requirements of that section. Staff has evaluated the application, and it appears all of the requirements of this section have been met.

According to the Fluvanna County Wireless Master Plan, the area of the proposed tower is absent of sufficient telecommunications service, and could accommodate all of the service providers with a uniform and dependable signal 24/7. The applicant has stated in their application, that *“the tower will be designed to accommodate six collocations and the fenced compound will house a variety of support buildings and equipment pads”*. The ability to accommodate more collocations could result in a need for fewer new towers. The applicant has also stated that *“the facility will provide wireless phone coverage, data transmissions and internet services to the area. Also, one radiation center on the tower and a 10’ x 20’ space in the compound will be made available for Fluvanna County’s 911 equipment on a rent free basis”*.

The applicant proposes to construct and maintain a leased telecommunication facility on the north side of West River Road (U.S. Route 6), approximately 0.4 miles east of its intersection with Beals Lane (Route 645). The proposed facility would be comprised of a 195 foot monopole tower with the potential for multiple carriers, along with peripheral ground equipment. The proposed site will be within a 80 x 90 fenced area, surrounded by a (125 ft. x 125 ft.) lease area. If approved, the applicant will be required to submit a site development plan for review and approval. (Attachment F)

Neighborhood Meeting:

Due to a procedural error, notices were not mailed to adjacent property owners, therefore the October 12th neighborhood meeting was canceled.

Technical Review Committee:

At the October 13, 2011 Technical Review Committee meeting, VDOT stated that if the entrance to the site was disrupted, then the gravel would have to be restored, but that a permit would not be required;

Central Virginia Electric Cooperative stated they would require their own easement to get power to the site;

Planning staff inquired about the balloon test for this site, and the applicant stated they have a primary date of November 2nd and a backup date of November 3rd and 4th from 8am to noon; they said they would be mailing out notices to the Board, Planning Commission, and adjacent property owners; Planning staff also commented that the top of the tower would be reserved for public safety as identified in the Telecommunication Master Plan, to which the applicant agreed.

The full list of TRC comments is attached to this staff report (Attachment C).

Planning Commission:

The Planning Commission considered this SUP request at their November 14th meeting, and there was discussion with regard to condition #5 because the consensus from the Commission was that it lacked clarity. The original wording for condition #5 from the consultant read, *“The applicant provides written approval of County Public Safety antennas and feed lines use of the*

tower at the highest designed elevation”. The condition has been revised to read, “*The applicant shall provide space on the TASF for the County’s Public Safety antennas and feed lines at the highest designed elevation. Space for ground level electronic equipment shall also be provided*”. Both the Planning Commission and the County Attorney feel this wording is an improvement for purposes of clarity and effectiveness. One person spoke in favor of the application. The Planning Commission unanimously recommended approval 6-0, with the conditions and modification to condition #5 as described in the staff report.

Consultant’s Recommendation:

Cityscape Consultants, Inc. has stated that they are of the opinion that, “*although there is no solid indication of carrier commitment, this application may have additional merits which could be beneficial to the citizens of Fluvanna County*”.

- Would the proposed facility be acceptable to other wireless service providers? And,
- Would the proposed facility be beneficial to the County and therefore the citizens of the County? And,
- Would the proposed facility fit the County Master Plan or would it be disruptive? And,
- Does the application meet the desires of the County because of generally accepted and adequately demonstrated technological reasons?

The consultant has concluded that approval for this application for a new telecommunication antenna support facility will “*accelerate the construction of additional wireless services to better serve the County’s citizens*”. The consultant has also stated, “*in addition there are additional public benefits in that the tower will support a Fluvanna County Public Safety communication link*”.

Therefore, Cityscape Consultants, Inc. has recommended approval of this application with the following conditions:

1. The applicant provide the County with the necessary NEPA and SHPO approvals; and
2. Satisfies any other conditions as stated by the County; and,
3. The applicant provides written approval of County Public Safety antennas and feed lines use of the tower at the highest designed elevation. Space for ground level electronic equipment shall be provided. (Attachment G)

Conclusion:

This request for a special use permit for a 195 ft. monopole telecommunication facility appears to be in substantial conformance with the intent of the Comprehensive Plan’s recognition that telecommunications are a critical part of the role of infrastructure throughout the county, and the criteria set forth in the Zoning Ordinance. The Board of Supervisors may wish to consider the potential for visual impacts to the Route 6 Virginia Byway, and to nearby properties. Given the proximity of the proposed facility to the Byway, the Board may also wish to consider requiring a

concealed facility instead of the proposed non-concealed facility. If approved, staff recommends the following conditions:

- 1) The tower, including antennae, will not be higher than 199 ft. and will not be lit;
- 2) The applicant secures all necessary permits required, and submits structural design and certification by a Virginia Registered Professional Engineer that the proposed facility, as built, will comply with EIA/TIA 222-G for the wind zone for Fluvanna County; Virginia;
- 3) Prior to issuance of building permits the applicant shall submit satisfactory SHPO and NEPA documentation;
- 4) The applicant shall secure the necessary permits required by Fluvanna County and VDOT;
- 5) ~~The applicant provides written approval of County Public Safety antennas and feed lines use of the tower at the highest designed elevation. Space for ground level electronic equipment shall be provided;~~ The revised condition is as follows: *The applicant shall provide space on the TASF for the County's Public Safety antennas and feed lines at the highest designed elevation. Space for ground level electronic equipment shall also be provided;*
- 6) The facility when completed shall be accessible only to authorized personnel;
- 7) The tower shall be a monopole, and shall be engineered with breakpoint technology;
- 8) The facility shall install the necessary landscaping buffer;
- 9) The applicant shall install an emergency generator to ensure continuity of telecommunications operations in the event of a disaster or major power outage; and provisions for such generators shall include additional special treatments; for diesel, a fuel retaining area for propane, ignition separation requirements; and that generator testing shall occur only between 9 AM and 4 PM Monday through Friday; and the same shall be noted on the site development plan;
- 10) If the structures should no longer be needed, the applicant shall remove them, and restore the grounds to the prior condition;
- 11) The support structure is to be sufficient to support antennas of a like design for at least six (6) wireless service providers;
- 12) The tower shall be in the same location as shown in the application;
- 13) Violation of any condition of this permit shall be grounds for revocation of this permit, and;
- 14) The Board of Supervisors, or their representative, has the right to inspect the property for compliance with these conditions at any time.

The language in condition #5 has been modified for clarity per the Planning Commission.

Suggested Motion:

I move that the Board of Supervisors approve/deny SUP 11:03, a special use permit request to allow for a 195 foot monopole telecommunications tower pursuant to Fluvanna County Code Section 22-27-1 with respect to 3.5 acres of Tax Map 47, Section A, Parcel 10, (if approved) subject to the conditions listed in the staff report.

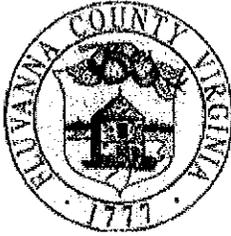
Attachments:

- A – Application, statement of proposed use, and APO letter
- B – Aerial Vicinity Map
- C – TRC comments
- D – Virginia Department of Transportation excerpt and byway map
- E - Applicant’s photos, photosimulations, and balloon flight statement
- F – Tower design certification, search ring map, and sketch site plan
- G – Consultant’s report

Copy: Owner- V.F.W. Post 8169, 2977 West River Road, Scottsville, VA 24590

Applicant – National Communication Towers, LLC, 5413 Patterson Avenue, Suite 101, Richmond, VA 23226

CityScape Consultants, 10704 Elmbrook Court, Raleigh, NC 27614



COMMONWEALTH OF VIRGINIA
COUNTY OF FLUVANNA
Application for Special Use Permit (SUP)

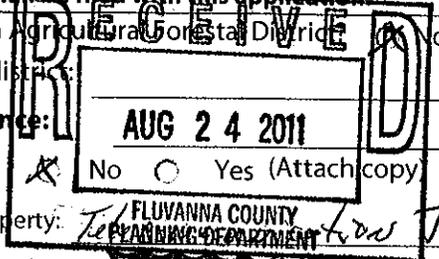
Owner of Record: V.F.W. Post 8169 **Applicant of Record:** National Com. Towers, LLC
 E911 Address: 2977 W. River Road, Scottsville Va. 22039 E911 Address: 5413 Patterson Ave Suite 101, Rich. Va. 23226
 Phone: 434-591-0769 Fax: _____ Phone: 804-673-8800 x303 Fax: 804-673-4242
 Email: ohnomybill@embargomail.com Email: _____

Representative: N.C.T. LLC Caldwell, U.P. of Dev.
 E911 Address: 5413 Patterson, Ave, Suite 101, Rich. Va.
 Phone: 804-366-1165 Fax: 804-673-4242
 Email: acaldoss@NationalTowers.com

Note: If applicant is anyone other than the owner of record, written authorization by the owner designating the applicant as the authorized agent for all matters concerning the request shall be filed with this application.

Tax Map and Parcel(s): 47-A-10
Acres: 3.5 **Zoning:** A-1
 Request for a SUP in order to: construct a Tele Com. Tower

Deed Book Reference: _____
Deed Restrictions? No Yes (Attach copy)
Proposed use of Property: Telecommunications Tower



FLUVANNA COUNTY
 PLANNING DEPARTMENT
 JUNE E. PERKINS
 Notary Public
 Commonwealth of Virginia
 My Commission Expires 08/24/2013

*Two copies of a plan must be submitted, showing size and location of the lot, dimensions and location of the proposed building structure or proposed use, and the dimensions and location of the existing structures on the lot.

By signing this application, the undersigned owner/applicant authorizes entry onto the property by County Employees of the Planning Commission, and the board of Supervisors during the normal discharge of their duties in regard to this request and all future requests. county employees will make regular inspections of the site.

Date: August 19 2011 Signature of Owner/Applicant: William Hughes
 Subscribed and sworn to before me this 19th day of August 20 11 Register # 7282794
 My commission expires: August 31, 2013 Notary Public: June E Perkins
 Certification: Date: 8/24/2011 Zoning Administrator: Steven Tynnell

All plats must be folded prior to submission to the Planning Department for review. Rolled plats will not be accepted.

Date Received:	Pre-Application Meeting:	PH Sign Deposit Received:	Application #: SUP <u>11-03</u>
\$800.00 fee plus mailing costs paid:		Mailing Costs: \$20.00 Adjacent Property Owner(APO) after 1st 15, Certified Mail	
Amendment of Condition: \$400.00 fee plus mailing costs paid:			
Telecommunications Tower \$1,500.00 fee plus mailing costs paid:		\$5,500 w/Consultant Review paid:	
Election District: <u>Cummingham</u>	Planning Area: <u>12R</u>		
Advertisement Dates: <u>09 10 Nov 2011</u>		Advertisement Dates:	
APO Notification: <u>10/31/2011</u>		APO Notification:	
Date of Hearing: <u>11/14/2011</u>		Date of Hearing	
Decision:		Decision:	

Describe briefly the **improvements** proposed. State whether new buildings are to be constructed, existing buildings are to be used, or additions made to existing buildings.

195' with a 4' lightning Rod, Total Height 199' and
Wireless Communication Facility to include a 125' Monopole Tower, extendable to 195', contained within 80' X 90' fenced enclosure. The tower will be designed to accommodate six collocations and the fenced compound will house a variety of support buildings and equipment pads. The existing VFW Hall will not be expanded or utilized for the purpose of this Special Use Permit request.

NECESSITY OF USE: Describe the reason for the requested change.

To provide wireless services along the Rt. 6 corridor and surrounding area.

PROTECTION OF ADJOINING PROPERTY: Describe the effects of the proposed use on adjacent property and the surrounding neighborhood. What protection will be offered adjoining property owners?

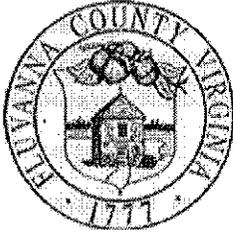
The tower will be a Monopole design to minimize the potential visual impact of surrounding properties and the existing trees will be maintained to screen the view of the compound from adjoining properties.

ENHANCEMENT OF COUNTY: Why does the applicant believe that this requested change would be advantageous to the County of Fluvanna? (Please substantiate with facts.)

The Facility will provide wireless phone coverage, data transmissions and Internet services to the area. Also, one Radiation Center on the tower and a 10' X 20' space in the compound will be made available for Fluvanna County's 911 equipment on a rent free bases. The 195' R.C. will be reserved for Fluvanna County. *coll*

PLAN: Furnish plot plan showing boundaries and dimensions of property, width of abutting right-of-ways, location and size of buildings on the site, roadways, walks, off-street parking and loading space, landscaping, etc. Architect's sketches showing elevations of proposed buildings and complete plans are desirable and may be required with the application. **Remarks:**

Please see the attache Site Plan prepared by JMT.



COMMONWEALTH OF VIRGINIA
COUNTY OF FLUVANNA
Public Hearing Sign Deposit

Name: National Communications Towers, LLC
 Address: 5413 Patterson Ave, Suite 101
 City: Richmond
 State: Va. Zip Code: 23226

I hereby certify that the sign issued to me is my responsibility while in my possession. Incidents which cause damage, theft, or destruction of these signs will cause a partial or full forfeiture of this deposit.

[Signature]
 Applicant Signature

8/22/2011
 Date

*Number of signs depends on number of roadways property adjoins.

OFFICE USE ONLY	
Application #: BZA _____ : CPA _____ : SUP <u>11:003</u> ZMP _____ : ZTA _____ :	
\$90 deposit paid per sign*:	Approximate date to be returned:

**Statement of Proposed Use
Special Use Permit Application
National Communication Towers, LLC
V.F.W. Post 8169, Scottsville, Virginia**

National Communication Towers L.C. (“National”) as lessee, hereby applies for a Special Use Permit to allow a telecommunications facility and accessory structures on leased land. The leased land is located on property known by Tax Map Parcel 047-A-10. The parcel is located on the north side of Rt. 6 approximately 2,000 feet east of Rt. 645. According to the tax records of Fluvanna County it is owned by V.F.W. Post 8169.

National is requesting a Special Use Permit to allow a self support Monopole Tower, measuring approximately 195’ in height with a 4’ lightning rod, to be located within a leased area, measuring 125’ x 125’. The facility will be designed to allow multiple collocations on the tower and within a secure fenced compound area. The exact number and types of future users is difficult to predict, however the tower will be designed to accommodate a mix of carrier types. The design mix will include: 6 or more users of panel antennas (typically 15 panels, 12” wide X 72” high, per user). Likewise, the compound area is designed to accommodate a mix of shelter types and sizes as denoted on the drawings submitted with this application.

The 3.5 acre parcel is zoned A1. According to the Fluvanna County zoning ordinance, telecommunication facilities are permitted on A1 zoned properties, with Special Use Permits. Proper setback distances have been observed and are denoted on the enclosed plans.

National develops telecommunication facilities for collocations by cellular, PCS, paging and other wireless services which rely upon a network of elevated platforms in areas where the carriers have gaps in signal coverage, or “holes.” Such a hole exists along the Route 6 corridor. Supported by propagation studies, National believes a communications facility located on the subject parcel will enable carriers to fill this gap, while minimizing the effect on surrounding property owners. The tower can be designed to be extendable to 195’ should a higher Radiation Center be needed for County antennas.

The FCC has authorized several carriers to provide wireless services in this part of Cumberland County. Those carriers include: Sprint, AT&T, Verizon Wireless U.S. Cellular and Ntelos.

The facility will be in continuous operation but will produce no interference with other types of communications including: radio, television, cable TV, garage door openers or other consumer electronic equipment. No offices will be constructed on the site, so neither sewer nor water facilities will be required. The facility will produce no refuse, noise, vibration, dust, glare, odors or fumes. Neither National nor any of the tower users will introduce hazardous or toxic substances to the site. After completion of construction, the only traffic associated with the site will be short visits by technicians on a monthly basis to test or replace equipment components. In most instances towers below 200' are not required by the FAA to be lit.

The facility will provide a vital public safety service to this part of the County in two important ways. First, the County may co-locate antennas for law enforcement and fire and rescue at the 195' radiation Center along with a 10' X 20' space inside of the compound on rent free bases. Second, this new facility will enable wireless services to be extended to this part of the County, enabling the public at large to utilize those services for important medical or life-safety calls.

The proposed use conforms to the provisions of all applicable ordinances, regulations, adopted standards and conditions. National is not seeking any wavier or variance for the proposed use at this time. National respectfully requests the approval of this Special Use Permit application.



Al Doss
Vice President of Development
National Communication Towers, L.L.C.

08/24/2011
Date

Memorandum

DATE: October 31, 2011
RE: APO'S for **SUP 11:03** Public Hearing Letters
TO: Darren Coffey
FROM: Lauren Ryalls

Please be advised the attached letter went out to the attached list of Adjacent Property Owners for the **November 14, 2011** Planning Commission meeting.



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

P.O. Box 540 Palmyra, VA 22963 (434) 591-1910 FAX (434) 591-1911 www.co.fluvanna.va.us

NOTICE OF PUBLIC HEARING

October 31, 2011

Fox Memorial Baptist Church
2847 W. River Rd.
Scottsville, VA 24590
TMP# 37(A)32

Re: Public Hearing on SUP 11:03

Dear Fox Memorial Baptist Church:

This letter is to notify you that the Fluvanna County Planning Commission will hold a public hearing on the above referenced item on **Monday, November 14, 2011** at **7:00 PM** in the Circuit Court Room at the Fluvanna County Courts Building in Palmyra, VA. The request is described as follows:

***SUP 11:03, National Communication Towers, LLC** - A request for a special use permit to allow for a 195 foot wireless communications tower with respect to 3.5 acres of Tax Map 47, Section A, Parcel 10. The property is zoned A-1 and is located on the north side of West River Road (U.S. Route 6), approximately 0.4 miles east of its intersection with Beals Lane (Route 645). The property is located in the Cunningham Election District and is within the Rural Residential Planning Area.*

The applicant or applicant's representative must be present at the Planning Commission meeting. The tentative agenda and staff report will also be available for review by the public in the Fluvanna County Planning and Community Development Department during working hours (8:30 a.m. – 5:00 p.m., Monday through Friday). If you have any questions, please feel free to contact me at 434-591-1910.

Sincerely,

Steve Tugwell
Planner

9 Parcels Selected

Monday October 31, 2011



Map	Parcel ID	Owner's Name
	37 A 32	FOX MEMORIAL BAPTIST CHURCH
	37 A 34	CATLETT, J D & NANCY T
	47 A 6	RANKIN, REBECCA A ET AL
	47 A 9	HILL, RICHARD
	47 A 10	V.F.W. HALL
	47 A 11	EASTON, JAMES A & LUCY C LE ET AL
	47 A 12A	HUNT, CARLTON R III & CHRISTINA R
	47 A 29	EASTON, LARRY W. & LISA M.
	47 A 30	FORD, CHARLES W JR & TARA G

Click on the Globe in a row to show that parcel on the map page. Click on the Parcel ID number to show the detail information of that parcel. Click on an Owner's Name to show a list of all properties of that owner.

[Close](#)

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COUNTY OF FLUVANNA

"Responsive & Responsible Government"

P.O. Box 540 Palmyra, VA 22963 (434) 591-1910 FAX (434) 591-1911 www.co.fluvanna.va.us

October 18, 2011

National Com. Towers, LLC (Al Doss)
5413 Patterson Avenue, Suite 101
Richmond, VA 23226

Delivered via mail

**Re: TRC comments SUP 11:03 National Communication Towers, LLC Construct 195' telecomm
monopole, Tax Map: 47-A-10**

Dear Applicant:

The following comments are the result of the Technical Review Committee meeting.

1. The Dept. of forestry and the Health Dept. had no comments for this application;
2. Virginia Department of Transportation said that if access to the site was disrupted, then it would have to be restored; and that a permit is not required;
3. Central Virginia Electric Cooperative said they would require their own easement to get power service to the site;
4. Planning staff inquired about the balloon test for this site, and the applicant said they have a primary date of November 2nd, with backup dates of November 3rd and 4th from 8am to noon; they also said they would be mailing out notices to the Board, Planning Commission, and adjacent property owners; Planning staff also commented that the top of the tower would be reserved for public safety as identified in the Telecomm Master Plan, and the applicant agreed.

Please provide any other materials or documentation that is to be included in the Planning Commission packet by **Friday, October 28, 2011**. Submitting revisions by this deadline will place your request on the **November 14, 2011** Planning Commission agenda.

If you have any questions or need additional information, please contact me at 434-591-1910.

Sincerely,

Steve Tugwell
Planner
Dept. of Planning & Community Development

Cc: V.F.W. Post 8169, 2977 West River Road, Scottsville, VA 24590



Programs

[Home](#) > [Programs](#) > [Virginia's Scenic Byways](#) > [Frequently Asked Questions](#)

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Sut

Virginia Byway - Frequently Asked Questions

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Adventure beckons on the roads and highways designated as Virginia Byways. More than mere pavement between points A and B, a Virginia Byway offers travelers a side of the Commonwealth that is uncommon and enlightening. Each byway leads to scenes of natural beauty and places of historical and social significance.

Currently, there are nearly 3,000 miles of roads designated as Virginia Byways, yet several hundred more miles of Commonwealth roadway could qualify. To help attract visitors and support economic development through tourism, the Virginia Department of Transportation (VDOT), the Virginia Department of Conservation and Recreation (DCR) and the Commonwealth Transportation Board (CTB), encourage local governments to nominate roads for Virginia Byway designation.

What's the purpose of the Virginia Byway program?

The program identifies road corridors containing aesthetic or cultural value near areas of historical, natural or recreational significance. By designating certain roads as Virginia Byways, widely distributing "A Map of Scenic Roads in Virginia," and promoting the Virginia Scenic Roads Web site, the program encourages travel to interesting destinations and away from high-traffic corridors.

Byways also stimulate local economies by attracting visitors to lesser-known destinations. One study showed visitors spent \$1.8 billion in counties adjacent to the Blue Ridge Parkway in Virginia and North Carolina. This supported nearly 75,000 jobs and generated more than \$147 million in tax revenues in the region.

What makes a Virginia Byway different from other roads?

People like to explore. The 2000 Virginia Outdoors Survey, conducted by Virginia's Department of Conservation and Recreation (DCR), finds that driving for pleasure is the second most popular outdoor activity, with more than 82% of the population participating.

By following the highlighted byways on the state transportation map, the scenic roads map and the scenic roads Web site, visitors are directed to places where they can tour wineries, explore Civil War battle sites and historical attractions, view beautiful scenery and enjoy recreational resources.

Once designated, a byway becomes part of the coordinated promotional strategy for Virginia tourism.

What are other important considerations regarding Virginia Byway status?

- Virginia Byway designation gives localities the opportunity to participate in the National Scenic Byway Program.
- It might limit placement of outdoor advertising signs.
- It does not affect land use controls.
- It does not limit road improvements.

What is a Virginia Byway?

Per Virginia Code, "Virginia Byway" means those highways designated by the Commonwealth Transportation Board (CTB) pursuant to articles §33.1-62 through §33.1-66. The Virginia Outdoors Plan, from DCR, identifies roads that have been considered as having intrinsic qualities of Virginia Byways for many years. In addition, there are other roads that meet the criteria for designation.

What are the criteria?

To be considered, a segment of road must substantially meet the following criteria:

- The route provides important scenic values and experiences.
- There is a diversity of experiences, as in transition from one landscape scene to another.
- The route links together or provides access to scenic, historic, recreational, cultural, natural and archeological elements.
- The route bypasses major roads or provides opportunities to leave high-speed routes for variety and leisure in motoring. Landscape control or management along the route is feasible.
- The route allows for additional features that will enhance the motorist's experience and improve safety.
- Local government(s) has/have initiated zoning or other land-use controls, so as to reasonably protect the aesthetic and cultural value of the highway.

What are the steps to designation?

1. Anyone can request byway designation, but local government(s) must adopt a resolution of support.
2. Upon receipt of a request and historical documentation from an interested party/local government, the Virginia Department of Transportation (VDOT) and the Virginia Department of Conservation and Recreation (DCR) collect information on local zoning laws, traffic volumes and accident reports before evaluating the roads according to the criteria.
3. Based on a joint review according to the criteria, the DCR Director recommends qualifying roads for consideration by the CTB.
4. Before the CTB acts, VDOT offers the local government the opportunity to hold a public hearing. If a public hearing is requested, VDOT's Local Assistance Division and DCR will provide assistance.
5. After the public hearing, or if no hearing was requested, the CTB officially designates the byway(s) at their next scheduled meeting. Subsequently, signs are posted, and changes are made to the appropriate maps.

How can I get more information about the Virginia Byway program?

Call **1-800-FOR-ROAD (1-800-367-7623)** or contact Lynn Crump, Virginia Department of Conservation and Recreation, at Lynn.Crump@dcr.virginia.gov.

For additional copies of this brochure or others in the VDOT Answers Your Questions series, please contact:

Virginia Department of Transportation
Office of Public Affairs
1401 East Broad Street
Richmond, VA 23219
E-mail: vdotinfo@VDOT.Virginia.gov

Page last modified: Nov. 1, 2010

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NATIONAL COMMUNICATION TOWERS, LLC

5413 Patterson Avenue, Suite 101
Richmond, Virginia 23226
Telephone: 804-673-8800
Facsimile: 804-673-4242

VFW Balloon Flight Certification Statement November 2, 2011

General weather conditions: clear, average visibility 7 miles, light winds averaging 4 to 6 MPH from 8:00 AM to 9:00 AM and mostly calm throughout the morning.

8:05 AM: Balloon launched winds 4-6 MPH some fog

9:00 AM to 12:05 PM: Winds calm to light, visibility good

12:05 PM: Ended balloon flight

Date: 11/07/2011

A handwritten signature in black ink, appearing to read "A. S. Doss". The signature is written in a cursive style and is positioned above the printed name and title.

Al Doss

Vice President of Development

BALLOON



VIEW FROM THE WEST / LOCATION: GAS LINE ACCESS AREA ON ROUTE 6

TOWER



VIEW FROM THE WEST / LOCATION: GAS LINE ACCESS AREA ON ROUTE 6

BALLOON



VIEW FROM THE WEST / LOCATION: INTERSECTION AT ROUTE 6 & ROUTE 645 ~1,500 FT.

NCT

TOWER



VIEW FROM THE WEST / LOCATION: INTERSECTION AT ROUTE 6 & ROUTE 645 ~1,500 FT.

NCT

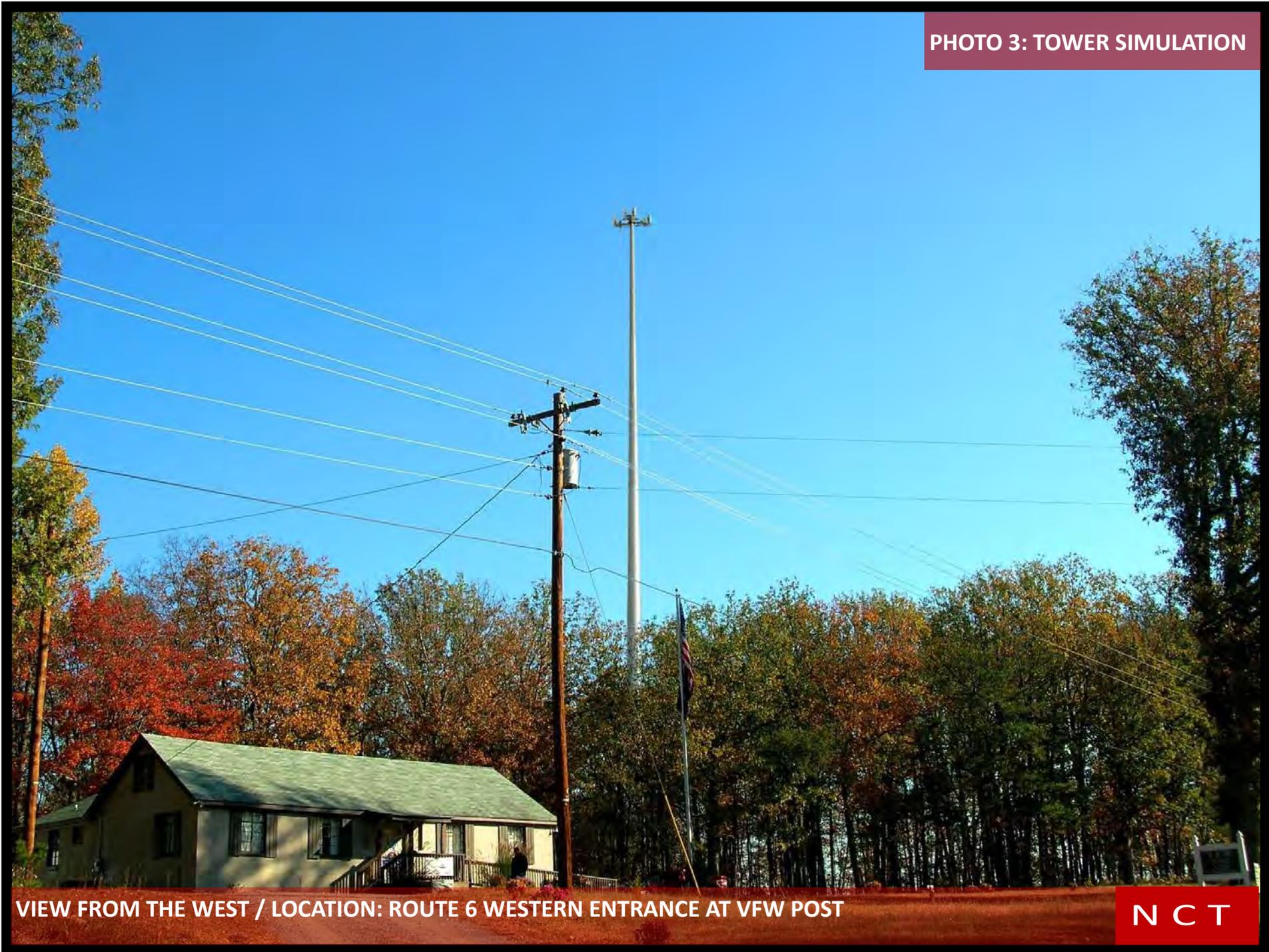
PHOTO 3: BALLOON FLIGHT



VIEW FROM THE WEST / LOCATION: ROUTE 6 WESTERN ENTRANCE AT VFW POST

NCT

PHOTO 3: TOWER SIMULATION



VIEW FROM THE WEST / LOCATION: ROUTE 6 WESTERN ENTRANCE AT VFW POST

NCT

PHOTO 4: BALLOON FLIGHT

BALLOON



VIEW FROM THE EAST / LOCATION: ROUTE 6 NEAR THE EASTERN EDGE OF THE VFW POST EAST ENTRANCE

NCT

PHOTO 4: TOWER SIMULATION

TOWER



VIEW FROM THE EAST / LOCATION: ROUTE 6 NEAR THE EASTERN EDGE OF THE VFW POST EAST ENTRANCE

NCT

PHOTO 5: BALLOON FLIGHT



VIEW FROM THE EAST / LOCATION: ROUTE 6 EAST OF THE SITE ~1,500 FT.

NCT



VIEW FROM THE EAST / LOCATION: ROUTE 6 EAST OF THE SITE ~1,500 FT.

BALLOON



VIEW FROM THE EAST / LOCATION: INTERSECTION AT ROUTE 6 & ROUTE 611

NCT

TOWER



VIEW FROM THE EAST / LOCATION: INTERSECTION AT ROUTE 6 & ROUTE 611

NCT

NATIONAL COMMUNICATION TOWERS, LLC

5413 Patterson Avenue, Suite 101
Richmond, Virginia 23226
Telephone: 804-673-8800
Facsimile: 804-673-4242

October 25, 2011

Rick Edwards
Consultant
CityScape Consultants, Inc.
10704 Elmbrook Ct.,
Raleigh, NC 27614

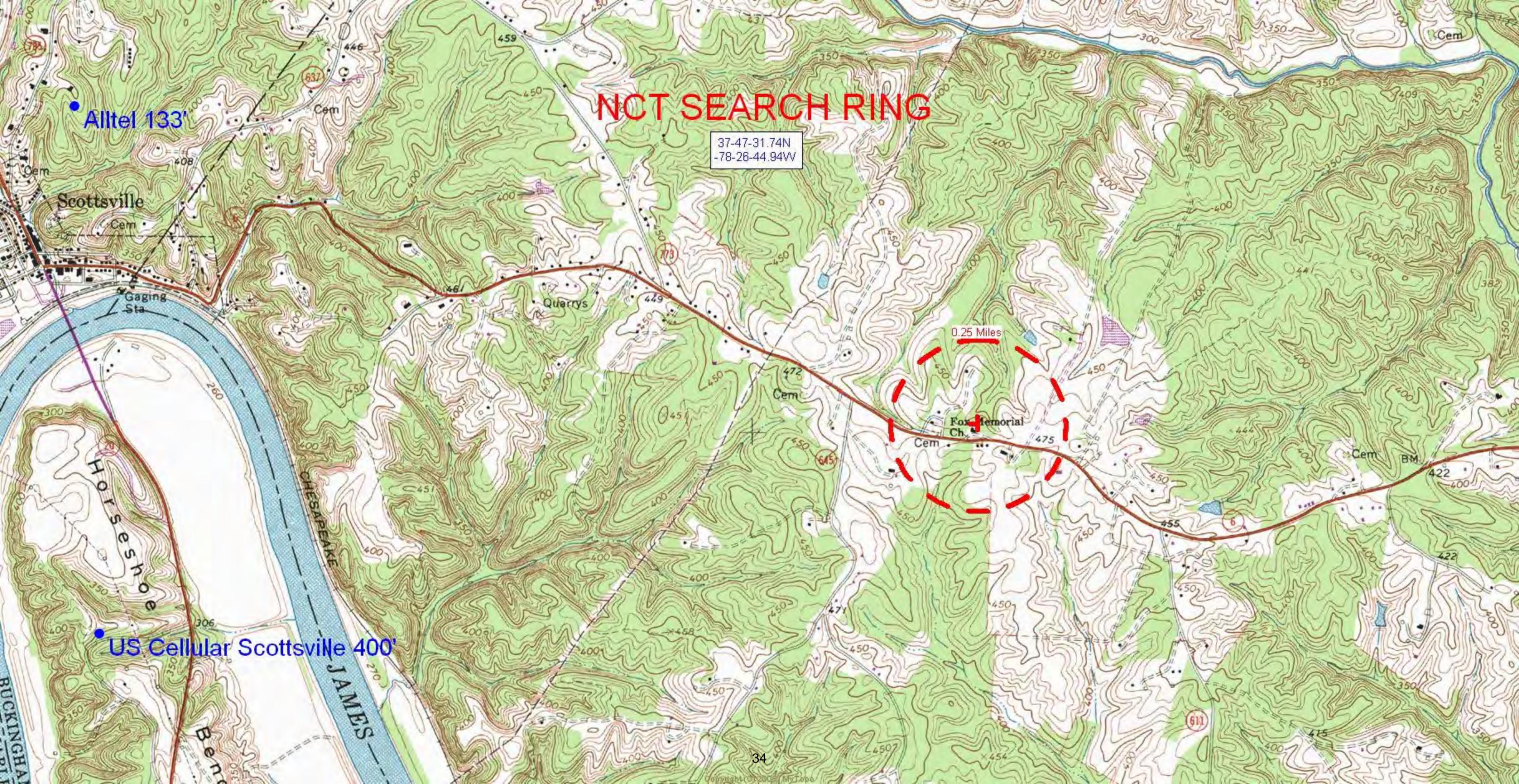
Subject: VFW Communications Tower Design Certification

This letter is to certify National Communications Towers, LLC, as applicant and developer of the VFW Communications Facility, will design and build the proposed monopole tower capable of bearing the equipment loading of six collocations (See the attached Tower Design RFQ). Also in the event of a catastrophic occurrence, the tower will be designed with breakpoint technology and will fail at the 130' elevation AGL.

Sincerely,

A handwritten signature in black ink, appearing to read "A. S. Doss". The signature is written in a cursive style with a large, looped "D" at the end.

A. S. Doss
V.P. of Development



NCT SEARCH RING

37-47-31.74N
-78-26-44.94W

Alltel 133'

Scottsville

Quarrys

0.25 Miles

Fox Memorial Ch.

US Cellular Scottsville 400'

Horseshoe

JAMES

State of Virginia
Telecommunications Site Review



Consultants, Inc.
 7050 W. Palmetto Park Road #15-652
 Boca Raton, FL 33433-3483
 Phone: 877-438-2851 • Fax: 877-220-4593

October 26, 2011

Mr. Darren Coffey
 Planning Director
 132 Main Street
 Palmyra, Virginia 22963

RE: NCT
VFW Location

Dear Mr. Coffey,

At your request on behalf of Fluvanna County, Virginia, CityScape Consultants, as the wireless communications consultant for the County, has conducted a Site Review of an application submitted by National Communications Towers ("NCT"). The request is for a new one hundred-ninety five (195) foot monopole type support structure. This application was originally to request one hundred twenty five (125) feet rather than the one hundred ninety five (195) foot currently requested by NCT. The Applicant held this application until after the County made certain modifications within the County ordinance to allow for additional elevation. It was the opinion of the undersigned that one hundred twenty five (125) feet of elevation would only provide usable antenna space for no more than three (3) carriers, but more likely only two (2) would be constructed, which would result in the need for more towers in the area. The site will be owned by NCT. The underlying property is owned by Veterans of Foreign Wars Post 8169, and is located at 2977 West River Road, near Scottsville in Fluvanna County, Virginia, see *figure 1*.

General Information about Wireless Communications

All wireless communications systems depend on the concept of resource re-use to achieve their great capacities. With some technologies, the individual channel frequencies are reused every few cells, but not too closely, since interference would result. In other systems, power from one base station interferes with the users on another, impacting network capacity. Therefore, it is undesirable for the wireless phones to communicate with more than a few base stations simultaneously.

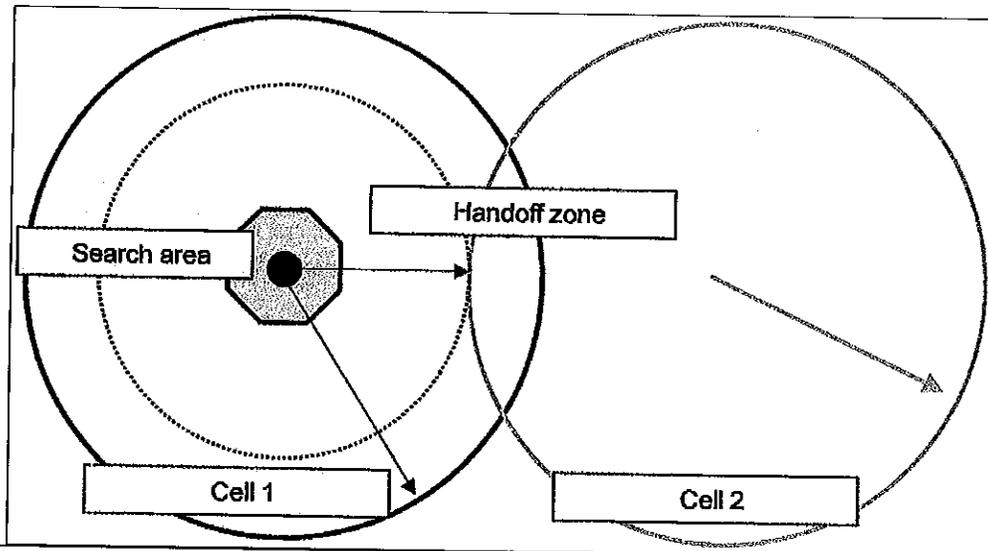
Wireless Broadband, Cellular, PCS and EMSR service providers attain coverage through ground equipment base stations and antennas mounted on towers or other elevated structures and buildings. The height and location of the elevated antenna platform is critical to two aspects of radio frequency (RF) engineering. The first of these is wireless network coverage, which is the current stage of wireless infrastructure development in Fluvanna County.

Generally, the higher the antenna is mounted on the support structure, the farther the wireless signal penetrates a defined geographic area. However, the ground equipment at the base station has capacity limitations. In areas where wireless subscribers are intense and airtime minutes are high, caller volume will exceed the designed network capacity, resulting in busy signals or "no service" messages. To help remedy this situation, the antenna heights are mounted at lower elevations than would be necessary for coverage.

**State of Virginia
Telecommunications Site Review**

In the wireless system evolution, a provider will initially provide service with a few coverage base stations with relatively tall antenna elevations to maximize the "footprint" for minimal cost. Still Fluvanna County infrastructure industry's primary concern remains in allowing sufficient coverage to subscribers. As subscriber totals grow, and network capacity for that base station is maximized, antennas must be lowered and the areas in between the former "tall" base stations fill in with lower-antenna "coverage" base stations.

Such a stipulation is not difficult to achieve in a new system. In most cities and in all rural areas, wireless providers seek to maximize height in new systems in order to provide continuous coverage at the least expense to the provider. However, in urban-to-suburban areas, as demand increases, the base stations become less capable of meeting network objectives. Thus, wireless providers seek to deploy antennas mounted at lower elevations.



Sample 1: Search Area Determination

In Sample 1, the hexagonal search areas radius is one-quarter of the radius of the cells coverage less a 20 percent handoff overlap.

Specifics

The threshold of proof appears to be clear, and does justify a need for a new support structure in this general area. CityScape anticipates this facility, if built as designed, should be sufficient to allow an improvement of service to wireless service provider customers within this area into the foreseeable future.

CityScape recognizes that Fluvanna County is now becoming a rapid growth area. This facility will be available to all federally licensed and unlicensed service providers, which includes cellular type telephone, and wireless broadband systems, and the tower owner has provided the top location of 195 feet to the County for County Public Safety communications.

VFW Site
October 26, 2011

**State of Virginia
Telecommunications Site Review**

For the reasons listed below, it is our opinion that:

Although there is no solid indication of carrier commitment, this application may have additional merits which could be beneficial to the citizens of Fluvanna County.

- Would the proposed facility be acceptable to other wireless service providers? And,
- Would the proposed facility be beneficial to the County and therefore the citizens of the County? And,
- Would the proposed facility fit the County Master Plan or would it be disruptive? And,
- Does the application meet the desires of the County because of generally accepted and adequately demonstrated technological reasons?

There are two (2) letters of interest, attached as Exhibits, from qualified wireless service providers, in addition CityScape is aware that AT&T Mobility is highly active in central Virginia and there is a strong likelihood that AT&T would join the group based on other factors. The County wants the site to compliment their existing Public Safety communications and the Applicant has agreed thereto. The Fluvanna Wireless Master Plan shows the site is devoid of sufficient service and could accommodate all the service providers with a uniform and dependable signal 24/7. The planned tower does meet the desires of Fluvanna County.

Conclusion

CityScape in normal circumstances understands that most governmental agencies prefer to avoid the approval of additional tower without strong commitment from the federally designated wireless service providers. This application is an exception and CityScape believes that approval of this facility will accelerate the construction of additional wireless services to better serve the County's citizens. In addition there are additional public benefits in that the tower will support a Fluvanna County Public Safety communications link. Therefore CityScape recommends this application be approved with the following conditions:

1. The Applicant provide the County with the necessary NEPA and SHPO approvals; and,
2. Satisfies any other conditions as stated by the County; and,
3. The Applicant provides written approval of County Public Safety antennas and feed lines use of the tower at the highest designed elevation. Space for ground level electronic equipment shall be provided.

Respectfully submitted,



Richard L. Edwards
FCC Licensed
PCIA Certified
CityScape Consultants, Inc.

**State of Virginia
Telecommunications Site Review**

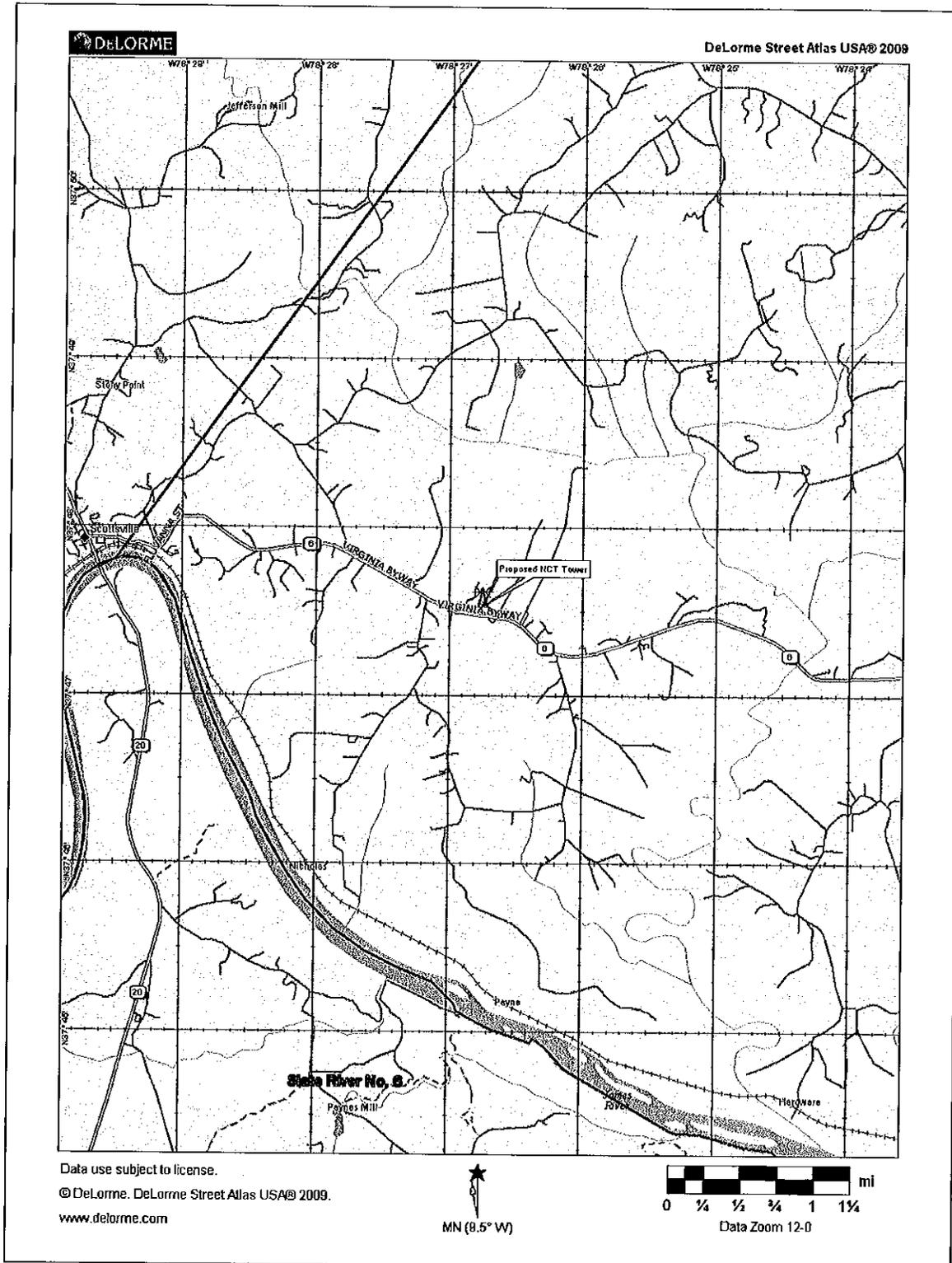


Figure 1. Proposed Facility Location

**State of Virginia
Telecommunications Site Review**



Figure 2. Projected Service Area, Current Service is Not Dependable

**State of Virginia
Telecommunications Site Review**

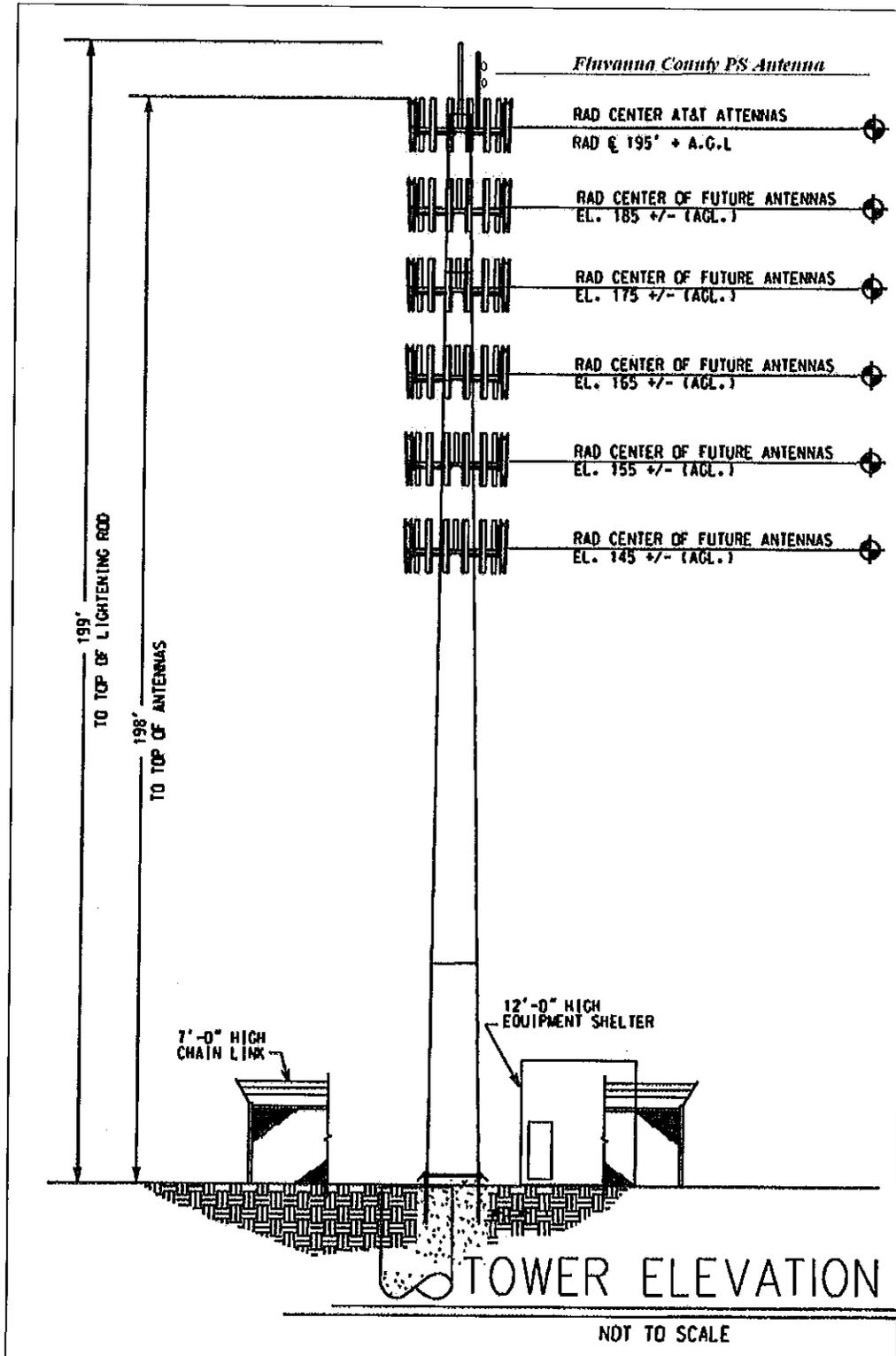


Figure 3. Proposed Future Antenna Locations

VFW Site
October 26, 2011

**State of Virginia
Telecommunications Site Review**



1506 Circle Drive | Suite 100 | Annapolis, MD 21409

June 28, 2011

Mr. Al Doss
Vice President of Operations
National Communications Towers, LLC
5413 Patterson Ave, Suite 101
Richmond, VA 23226

RE: Proposed Telecommunications Structure at the VFW Site in Fluvanna County, VA.

Dear Mr. Doss:

This letter is provided per the request of National Communications Towers, L.L.C., and addresses the assurances that National Communication Towers will meet "Fluvanna County Communications Application Checklist" items 4 and 5.

Item 4: National Communications Towers, LLC will ensure its member tenants adhere and comply with FCC rules regarding exposure to RF energy.

Item 5: National Communications Towers, LLC will ensure its member tenants adhere and comply with FCC rules regarding radio frequency interference.

If any questions arise regarding the Radio Frequency issues of proposed application please get in touch at the number or email address listed below.

Cordially,

A handwritten signature in black ink, appearing to read "Mark Taylor".

Mark Taylor, P.E.
Edge Wireless, LLC
marktaylor03@comcast.net
M 443-271-3714



Figure 4. Compliance Statements

VFW Site
October 26, 2011

**State of Virginia
Telecommunications Site Review**

Central Virginia Technology Group, LLC
110 Fredericksburg Avenue
Louisa, VA 23093
540-967-3973

September 29, 2011

Mr. Elliott M. Harrigan
National Communication Towers, LLC
5413 Patterson Ave., Suite 101
Richmond, VA 23226

RE: Letter of Intent, Proposed Communications Facility:
VFW Tower, Rt. 6 Fluvanna County, Virginia
37-47-31.74 N, 78-26-44.94W

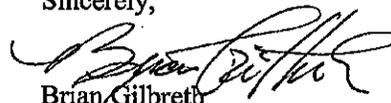
Dear Mr. Harrigan:

This letter serves to notify you Central Virginia Technology Group, LLC, dba CVA Link.Com, has evaluated the location you are proposing for the new telecommunication structure and has determined it meets our future network improvement goals.

CVA Link supports National Communication Towers in your efforts to secure and required zoning, permits or other local approval necessary to develop the communications facility, as proposed.

Please feel free to contact me should I be of further assistance.

Sincerely,



Brian Gilbreth

President

Exhibit A. Letter of Interest

VFW Site
October 26, 2011

**State of Virginia
Telecommunications Site Review**

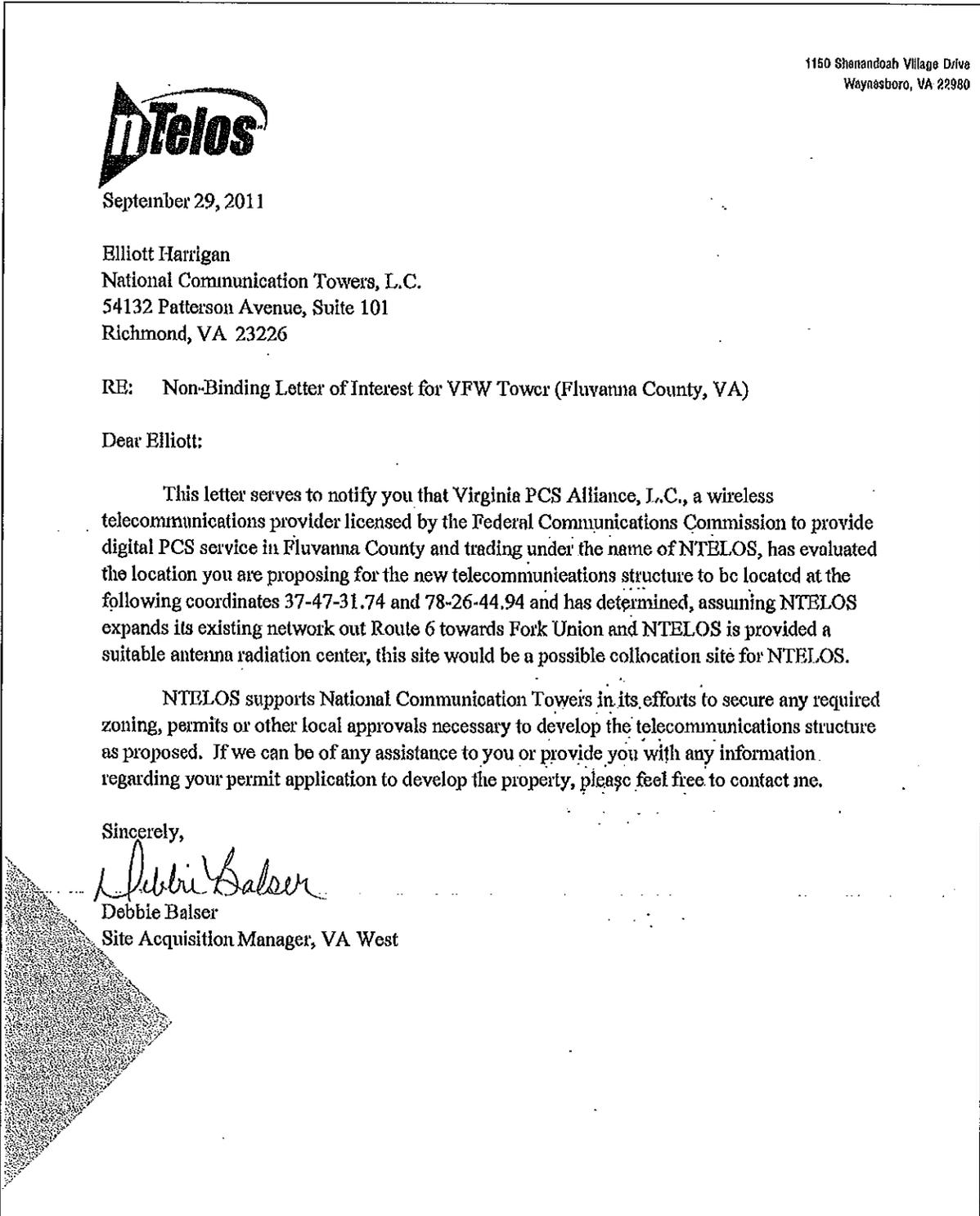


Exhibit B. Letter of Interest



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

P.O. Box 540 Palmyra, VA 22963 (434) 591-1910 FAX (434) 591-1911 www.co.fluvanna.va.us

STAFF REPORT

To: Fluvanna County Board of Supervisors
Case Number: SUP 11:04
Tax Map: Tax Map 29, Section A, Parcel 113

From: Steve Tugwell
District: Fork Union
Date: December 21, 2011

General Information: This request is to be heard by the Board of Supervisors on Wednesday, December 21, 2011 at 7:00 pm in the Circuit Court Room in the Courts Building.

Owner/Applicant: Clifford H. Krammes

Representative: Clifford H. Krammes

Requested Action: A request to amend SUP 00:03, with respect to 24.773 acres of Tax Map 29, Section A, Parcel 113, for which condition # 6 states the aggregate building size is not to exceed 3,000 square feet. (Attachment A)

Location: The affected property is located on the south side of Haden Martin Road (Route 640), approximately 1.5 miles east of its intersection with Sclaters Ford Road (Route 660). (Attachment B)

Existing Zoning: A-1, Agricultural, General

Planning Area: Rural Residential Planning Area

Existing Land Use: The parcel is approximately 24.773 acres in size with the primary residence located along Haden Martin Road (Route 640) and the shop building is located behind the primary dwelling. (Attachment C)

Adjacent Land Use: The surrounding area is zoned A-1, Agricultural, General.

Zoning History: Special Use Permit 00:03 was approved by the Board of Supervisors on June 21, 2000.

Comprehensive Plan:

VISION 2029

The vision for Fluvanna County is based on key goals such as “preserving the rural character, promote economic development and protect individual property rights”. Protecting and preserving the rural character is essential as was expressed by Fluvanna citizens throughout the comprehensive planning process (see Appendix A in the Comprehensive Plan under the “2006 Planning Issues Survey”).

Analysis:

Special use permit 00:03 was approved on June 21, 2000 to operate a small home industry consisting of a machine shop. Condition # 6 of the originally approved special use permit states that “*aggregate building size is not to exceed 3,000 square feet*”. Mr. Krammes would like to purchase a new piece of machinery and expand the current building footprint so that his employees will have a lounge space for their breaks. In order to allow for this type of expansion, condition # 6 must be deleted or amended so that the aggregate building size can exceed 3,000 square feet. (Attachment E)

When evaluating proposed uses for a special use permit, in addition to analyzing the potential adverse impacts of the use, staff utilizes two (2) general guidelines for evaluation as set forth in the zoning ordinance.

First, the proposed use should not tend to change the character and established pattern of the area or community.

The existing small home industry is located on nearly 25 acres, and the applicant owns an adjacent 74 acres. The existing building the small home industry is housed in is not visible from adjacent properties other than the applicant’s, and is barely visible from Route 640 (Haden Martin Road). The small home industry as it currently operates does not appear to alter the rural character or established pattern of the community.

Second, the proposed use should be compatible with the uses permitted by-right in that zoning district and shall not adversely affect the use/or value of neighboring property.

Small home industries are allowed by SUP in the A-1 district. By-right uses that are similar, in operation or size of structures, to this application may include home occupations, equestrian facilities, farm sales, non-commercial greenhouses, and accessory dwellings. The zoning ordinance allows for one accessory dwelling unit per subject property, similar to locating the garage behind the primary dwelling. In general, small home industries differ from home occupations in that non-family employees can be hired and the business may take up more than 25% of the gross floor area of the dwelling.

Sec. 22-1-2 of the zoning ordinance states that the purpose of the zoning ordinance is “to protect against over crowding of land”. The existing machine shop and related activities are conducted in an enclosed building, and not considered intensive for a property such as the subject parcel,

which is nearly 25 acres in size. Furthermore, the zoning ordinance states its purpose is to “facilitate the creation of a convenient, attractive and harmonious community” requiring the upkeep of the property, free from debris. The fact that the machine shop activities take place within an enclosed building appear to limit the impacts from dust, debris, vibration, and noise on the adjoining neighbors. Additionally, the zoning ordinance states its purpose as “encouraging economic development activities”. The applicant provides a service to the community by employing several people, and his clients depend on him to provide them with a high-quality product.

Neighborhood Meeting:

Due to a procedural error, notices were not mailed to adjacent property owners, therefore the October 12th neighborhood meeting was canceled.

Technical Review Committee:

At the October 13th, 2011 Technical Review Committee meeting, the Health Department stated they will need a submittal to expand the existing sewage disposal system, and that assessment and design of the system must be done by an AOSE;

The Virginia Department of Transportation said they had met with the applicant on-site, and had a discussion about the trees and brush to the west when exiting the driveway. The trees and brush were removed allowing for adequate sight distance to the west;

The Central Virginia Electric Cooperative inquired if the 600 amp service will be able to handle the site, and they will need a detail voltage sheet showing additional load in case any adjustments need to be made.

The full list of Technical Review Committee comments is attached to this staff report. (Attachment D)

Planning Commission:

The Planning Commission discussed this SUP request at their November 14, 2011 meeting. Mr. Krammes addressed the Planning Commission with regard to his request to amend his existing SUP, due to his desire to expand the footprint of the building. Condition #6 of the originally approved SUP (SUP 00:03), states “*aggregate building size is not to exceed 3,000 square feet*”, therefore Mr. Krammes is requesting to amend this condition in order to be able to expand his building. No one spoke during the public hearing. The Planning Commission discussed modifying condition #6 by placing a maximum aggregate size of 10,000 square feet for the size of the building. Mr. Krammes stated that he has no future plans for significant expansion since he believes it would detract from the value of his property. The Planning Commission voted unanimously to recommend approval of SUP 11:04 with a vote of 6-0.

Conclusion:

The Board of Supervisors should consider any potential adverse impacts, such as traffic entering and exiting the property, noise, dust, vibration, or visual clutter. Staff is not aware of any additional impacts associated with the existing small home industry.

Recommended Conditions

If approved Staff recommends conditions 7-10 in addition to the existing conditions:

1. Determination of adequate sewer systems for the users of the facility by the Fluvanna County Health Department.
2. Approval of the entry to State Route 640 and any improvements required thereof by the Virginia Department of Transportation.
3. Structures that are utilized by this use shall be designed to reflect the architectural style of the existing building.
4. Any lighting will not be directed toward adjacent properties and be limited in nature.
5. No exterior security system that emits light or noise.
6. Aggregate building size is not to exceed ~~3,000~~ 10,000 square feet.
7. *Prior to development of the site, a site development plan that meets the requirements of the Fluvanna County Zoning Ordinance, must be submitted for review and approval.*
8. *All activity related to this small home industry application will continue to operate within the enclosed building.*
9. *The Board of Supervisors, or representative, reserves the right to inspect the business for compliance with these conditions at any time.*
10. *Under Sec. 22-17-4 F (2) of the Fluvanna County Code, the Board of Supervisors has the authority to revoke a Special Use Permit if the property owner has substantially breached the conditions of the Special Use Permit.*

Suggested Motion:

I move that the Board of Supervisors [approve/deny] SUP 11:04, with respect to 24.773 acres of Tax Map 29, Section A, Parcel 113, [if approved] with revisions to the conditions as described in the staff report.

Attachments:

- A – Application & APO Letter
- B – Sketch Plan
- C – Aerial Vicinity Map
- D – TRC Comment Letter
- E – Special use permit case number SUP 00:03 Board of Supervisors extract

Copy:

Applicant – Clifford H. Krammes, 3794 Haden Martin Road, Palmyra, VA, 22963

File



COMMONWEALTH OF VIRGINIA
COUNTY OF FLUVANNA

Fluvanna County

Application for Special Use Permit (SUP)

Owner of Record: CLIFFORD H. KRAMMES
E911 Address: 3794 HADEN MARTIN ROAD
PALMYRA VA 22963
Phone: 434-589-1663 Fax: 434-589-1664
Email: CKRAM88556@AOL.COM

Applicant of Record: C. H. KRAMMES & Co, INC.
E911 Address: 3794 HADEN MARTIN RD
PALMYRA, VA 22963
Phone: 434-589-1663 Fax: 434-589-1664
Email: CKRAM88556@AOL.COM

Representative:
E911 Address:
Phone: Fax:
Email:

Note: If applicant is anyone other than the owner of record, written authorization by the owner designating the applicant as the authorized agent for all matters concerning the request shall be filed with this application.

Is property in Agricultural Forestal District? No Yes
If Yes, what district:

Tax Map and Parcel(s): 29 -113
Acreage: 24.773 Zoning: AC

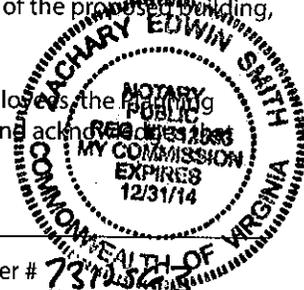
Deed Book Reference: 200-749 700-114 PLAT
Deed Restrictions? No Yes (Attach copy)

Request for a SUP in order to: AMEND SUP

Proposed use of Property: EXPAND SIZE OF BUILDING

*Two copies of a plan must be submitted, showing size and location of the lot, dimensions and location of the proposed building, structure or proposed use, and the dimensions and location of the existing structures on the lot.

By signing this application, the undersigned owner/applicant authorizes entry onto the property by County Employees, the Planning Commission, and the board of Supervisors during the normal discharge of their duties in regard to this request and acknowledges that county employees will make regular inspections of the site.



Date: 9/21/2011 Signature of Owner/Applicant: [Signature]
Subscribed and sworn to before me this 21 day of September, 20 11 Register # 731232
My commission expires: 12/31/2014 Notary Public: [Signature]

Certification: Date: Zoning Administrator:

All plats must be folded prior to submission to the Planning Department for review. Rolled plats will not be accepted.

Date Received: <u>9-21-11</u> Pre-Application Meeting:		PH Sign Deposit Received: <u>CK# 8755</u> Application #: <u>SUP 11:04</u>	
\$800.00 fee plus mailing costs paid:		Mailing Costs: \$20.00 Adjacent Property Owner(APO) after 1st 15, Certified Mail	
Amendment of Condition: \$400.00 fee plus mailing costs paid: <u>CK # 8722</u>			
Telecommunications Tower \$1,500.00 fee plus mailing costs paid:		\$5,500 w/Consultant Review paid:	
Election District: <u>FW</u>	Planning Area: <u>RR</u>		
Advertisement Dates:	Advertisement Dates:		
APO Notification:	APO Notification:		
Date of Hearing:	Date of Hearing:		
Decision:	Decision:		

Describe briefly the **improvements** proposed. State whether new buildings are to be constructed, existing buildings are to be used, or additions made to existing buildings.

Fluvanna County

ADDING 2450 sq. FT. TO EXISTING BUILDING

NECESSITY OF USE: Describe the reason for the requested change.

WE ARE ADDING MORE EQUIPMENT NEEDED FOR OUR MANUF. OPERATION. NEED MORE ROOM SO THE BUILDING CAN BE A LOWER TEMP OR KEPT AT A MORE CONSISTENT TEMP TO ALLOW FOR PRECISION MACHINING OF VERY PRECISE PARTS

PROTECTION OF ADJOINING PROPERTY: Describe the effects of the proposed use on adjacent property and the surrounding neighborhood. What protection will be offered adjoining property owners?

I DON'T SEE ANY EFFECTS TO NEIGHBORS. WE OWN THE ADJOINING FARM GIVING US ABOUT A MILE OF ROAD FRONTAGE. THE CLOSEST NEIGHBOR IS MY SON WHO WORKS FOR THE COMPANY.

ENHANCEMENT OF COUNTY: Why does the applicant believe that this requested change would be advantageous to the County of Fluvanna? (Please substantiate with facts.)

MORE TAX REVENUE - AN EMPLOYER WHO IS PROVIDING GOOD PAYING JOBS FOR COUNTY RESIDENTS WHO MAY BE QUALIFIED.

PLAN: Furnish plot plan showing boundaries and dimensions of property, width of abutting right-of-ways, location and size of buildings on the site, roadways, walks, off-street parking and loading space, landscaping, etc. Architect's sketches showing elevations of proposed buildings and complete plans are desirable and may be required with the application. Remarks:

Memorandum

DATE: October 31, 2011
RE: APO'S for SUP 11:04 Public Hearing Letters
TO: Darren Coffey
FROM: Lauren Ryalls

Please be advised the attached letter went out to the attached list of Adjacent Property Owners for the **November 14, 2011** Planning Commission meeting.



COUNTY OF FLUVANNA

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P.O. Box 540 Palmyra, VA 22963 (434) 591-1910 FAX (434) 591-1911 www.co.fluvanna.va.us

NOTICE OF PUBLIC HEARING

October 31, 2011

Gavin, INC.
221 Palmer Country
Palmyra, VA 22963
TMP# 29(A)109

Re: Public Hearing on SUP 11:04

Dear Gavin, INC.:

This letter is to notify you that the Fluvanna County Planning Commission will hold a public hearing on the above referenced item on **Monday, November 14, 2011** at **7:00 PM** in the Circuit Court Room at the Fluvanna County Courts Building in Palmyra, VA. The request is described as follows:

***SUP 11:04, Clifford H. Krammes** – A request for a special use permit to amend the conditions of SUP 00:003 with respect to 24.773 acres of Tax Map 29, Section A, Parcel 113. This property is zoned A-1 and is located on the south side of Haden Martin Road (Route 640), approximately 1.5 miles east of its intersection with Sclaters Ford Road (Route 660). The property is located in the Fork Union Election District and is within the Rural Residential Planning Area.*

The applicant or applicant's representative must be present at the Planning Commission meeting. The tentative agenda and staff report will also be available for review by the public in the Fluvanna County Planning and Community Development Department during working hours (8:30 a.m. – 5:00 p.m., Monday through Friday). If you have any questions, please feel free to contact me at 434-591-1910.

Sincerely,

Steve Tugwell
Planner

11 Parcels Selected

Monday October 31, 2011



Map	Parcel ID	Owner's Name
	29 A 109	GAVIN, INC
	29 A 109A	CASSADA, LAWRENCE E JR & MARY M
	29 A 109B	BARR, PAUL D ET AL
	29 A 109C	SWEETERS, CHRISTINE
	29 A 112	KRAMMES, CLIFFORD H & VERNA M
	29 A 113	KRAMMES, CLIFFORD H. & VERNA M.
	29 A 113A	MILLER REVOCABLE TRUST
	29 A 113B	KRAMMES, CHRISTOPHER C
	29 A 114	ANDERSON, MILTON & NAOMI
	29 A 115	WHITE, F.F.
	29 17 1	SWEETERS, CHRISTINE

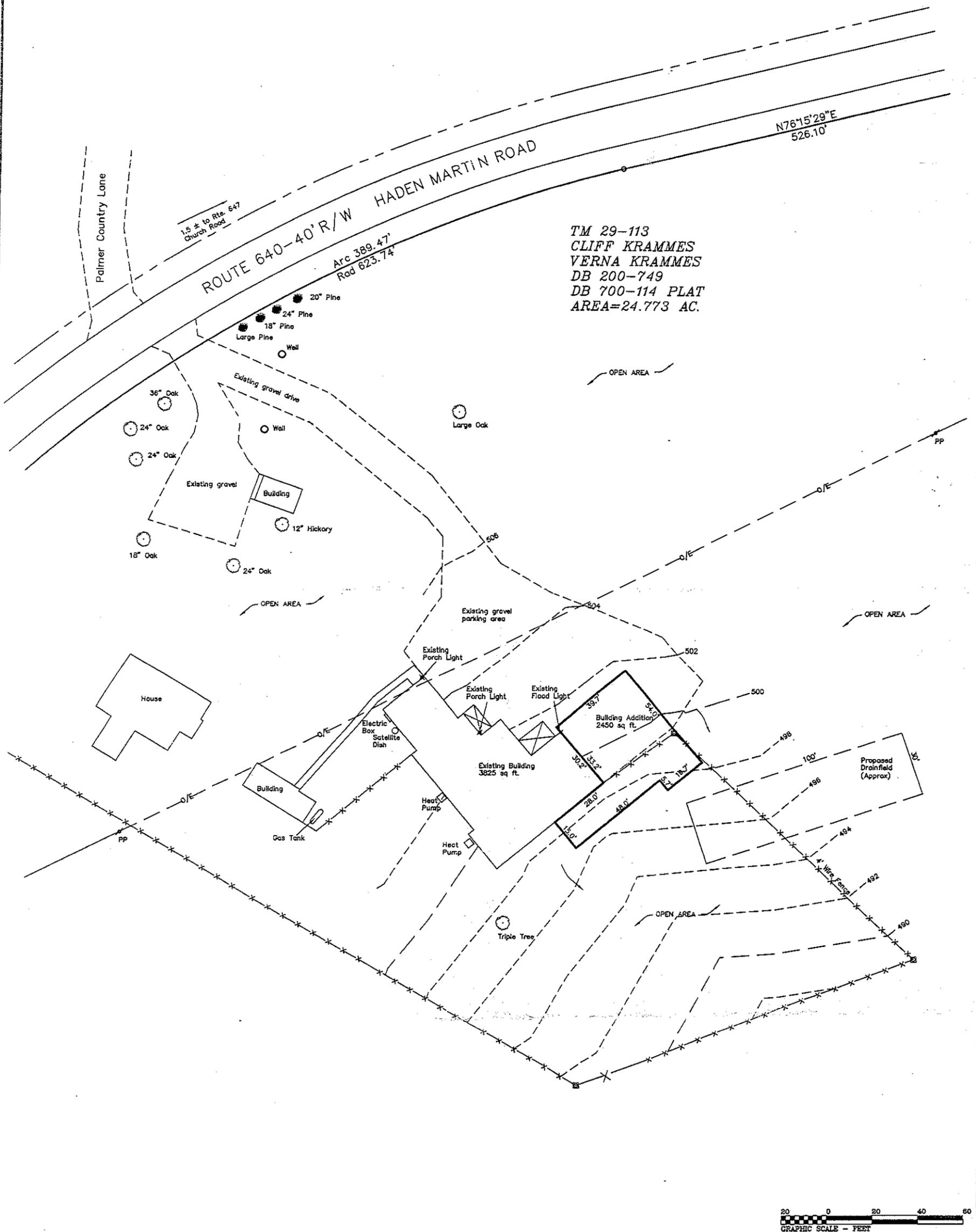
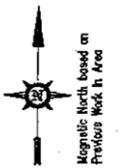
Click on the Globe in a row to show that parcel on the map page. Click on the Parcel ID number to show the detail information of that parcel. Click on an Owner's Name to show a list of all properties of that owner.

Close

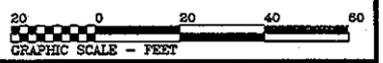
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Print

- NOTES:
 1. CONTOURS SHOWN ARE FIELD LOCATIONS BASED ON ASSUMED ELEVATIONS.
 2. NO PROPOSED OUTDOOR LIGHTING
 3. NO ADDITIONAL PARKING AREAS PROPOSED



TM 29-113
 CLIFF KRAMMES
 VERA KRAMMES
 DB 200-749
 DB 700-114 PLAT
 AREA=24.773 AC.

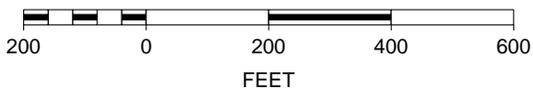


1 OF 2	SITE PLAN SKETCH	SITE PLAN SKETCH TAX MAP 29 PARCEL 113 FORK UNION DISTRICT, FLUVANNA COUNTY	REVISIONS: NO. DESCRIPTION DATE		STANLEY LAND SURVEYS, PLC LAND SURVEYING-LAND PLANNING PALMYRA OFFICE CENTER 2-14-12: TMS@STANLEYLANDSURVEYS.COM POST OFFICE BOX 154 PHONE: (434) 588-8395 PALMYRA, VA 22963-0154 FAX: (434) 589-8327
	Drawing Scale: 1"=20' Date: 9-9-11	Drawn By: TS Checked By: PTS	File Name: 29000113-SP.dwg Project No.: 0000		

SUP 11:04 Amendment to SUP 00:03 Clifford H. Krammes



SCALE 1 : 3,739





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October 18, 2011

Clifford H. Krammes
3794 Haden Martin Road
Palmyra, VA 22963

Delivered via mail

**Re: SUP 11:04 Clifford H. Krammes Amend Small Home Industry SUP 00-003
Tax Map: 29-A-113**

Dear Applicant:

The following comments are the result of the Technical Review Committee meeting.

1. The Dept. of forestry had no comments for this application;
2. Virginia Department of Transportation said they had met with the applicant on-site, and had a discussion about the treed and brush to the left when exiting the driveway. The trees and brush were removed allowing for adequate sight distance to the left;
3. The Central Virginia Electric Cooperative inquired if the 600 amp service will be able to handle the site, and that they will need a detail voltage sheet showing additional load in case any adjustments need to be made;
4. The Health Department said they will need a submittal to expand the existing sewage disposal system, and that assessment and design of the system must be done by AOSE;

Please provide any other materials or documentation that is to be included in the Planning Commission packet by **Friday, October 28, 2011**. Submitting revisions by this deadline will place your request on the **November 14, 2011** Planning Commission agenda.

If you have any questions or need additional information, please contact me at 434-591-1910.

Sincerely,

Steve Tugwell
Planner
Dept. of Planning & Community Development

Cc: File

FLUVANNA COUNTY
Post Office Box 299
Palmyra, Virginia 22963
804-589-3138 (Phone) 804-589-4976 (Fax)

TO: Cabell Lawton, Director of Planning & Development
COPY:
DATE: June 22nd 2000

*****EXTRACT*****
(from the Draft Minutes)

At a regular meeting of the Fluvanna County Board of Supervisors held June 21st 2000 in the Supervisor's meeting room, Palmyra, Virginia.

Present: Stafford M. Pace, Chairman; Andrew M. Sheridan, Jr., Vice Chairman; Cecil L. Cobb; Leonard F. Gardner and Donald W. Weaver.

Absent: None

SUP 00-03/Request by C. H. Krammes & Co., Inc. for a Special Use Permit in Order to Permit the Operation of a Machine Shop as a Small Home Industry

The applicant has requested approval of a special use permit in order to permit a small home industry consisting of a machine shop.

Cabell Lawton, Director of Planning & Development, introduced this issue.

Mr. Krammes was available for any questions.

Chairman Pace opened the public hearing.

With no one wishing to speak, Chairman Pace closed the public hearing

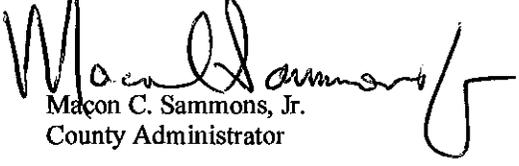
MOTION:

Mr. Sheridan moved that SUP 00-03 for a small home industry at tax map parcel 29(A)113 be approved subject to the following conditions:

- 1) Determination of adequate sewer systems for the users of the facility by the Fluvanna County Health Department.
- 2) Approval of the entry to State Route 640 and any improvements required thereof by the Virginia Department of Transportation.
- 3) Structures that are utilized by this use shall be designed to reflect the architectural style of the existing building.
- 4) Any lighting will not be directed toward adjacent properties and be limited in nature.
- 5) No exterior security system that emits light or noise.
- 6) Aggregate building size is not to exceed 3,000 square feet.

Mr. Gardner seconded. The motion carried with a vote of 5-0. AYES: Cobb, Gardner, Sheridan, Weaver and Pace. NAYS: None.

A COPY, teste


Maçon C. Sammons, Jr.
County Administrator

Comprehensive Annual Financial
Report (CAFR)
for Fiscal Year Ending June 30, 2011

Fluvanna County
December 21, 2011

General Fund Bottom Line @ June 30, 2011 (in millions) – CAFR Exhibit 4

Revenues	\$ 36.6
Expenditures	<u>35.1</u>
Excess (deficiency) of revenues over expenditures	1.5
Other financing sources (uses)	<u>(1.2)</u>
Changes in fund balance	\$.3

Governmental Accounting Standards
Board (GASB) 54 -
Fund Balance Reporting and Type
Definitions

New Fund Balance

- Standard released on February 2009.
- Effective with fiscal years ending in 2011.
- Alters the terminology and categories used.

Old V. New Fund Balance

Old	New
	Nonspendable – never convert to cash
Reserved – not available because of external limitations	Restricted – not available because of externally limitations
Unreserved – available for appropriation	
Designated – appropriated by governing body	Committed – appropriated by the governing body
	Assigned – obligated from adopted budget to departments
Undesignated – available for appropriation	Unassigned – available for appropriation

General Fund Fund Balance @ June 30, 2011 CAFR Exhibit 3

Nonspendable	\$ 35,080
Restricted	78,938
Committed	7,077,296
Assigned	63,698
Unassigned	13,528,036
Total fund balance	\$ 20,783,048

Fund Balance – Committed

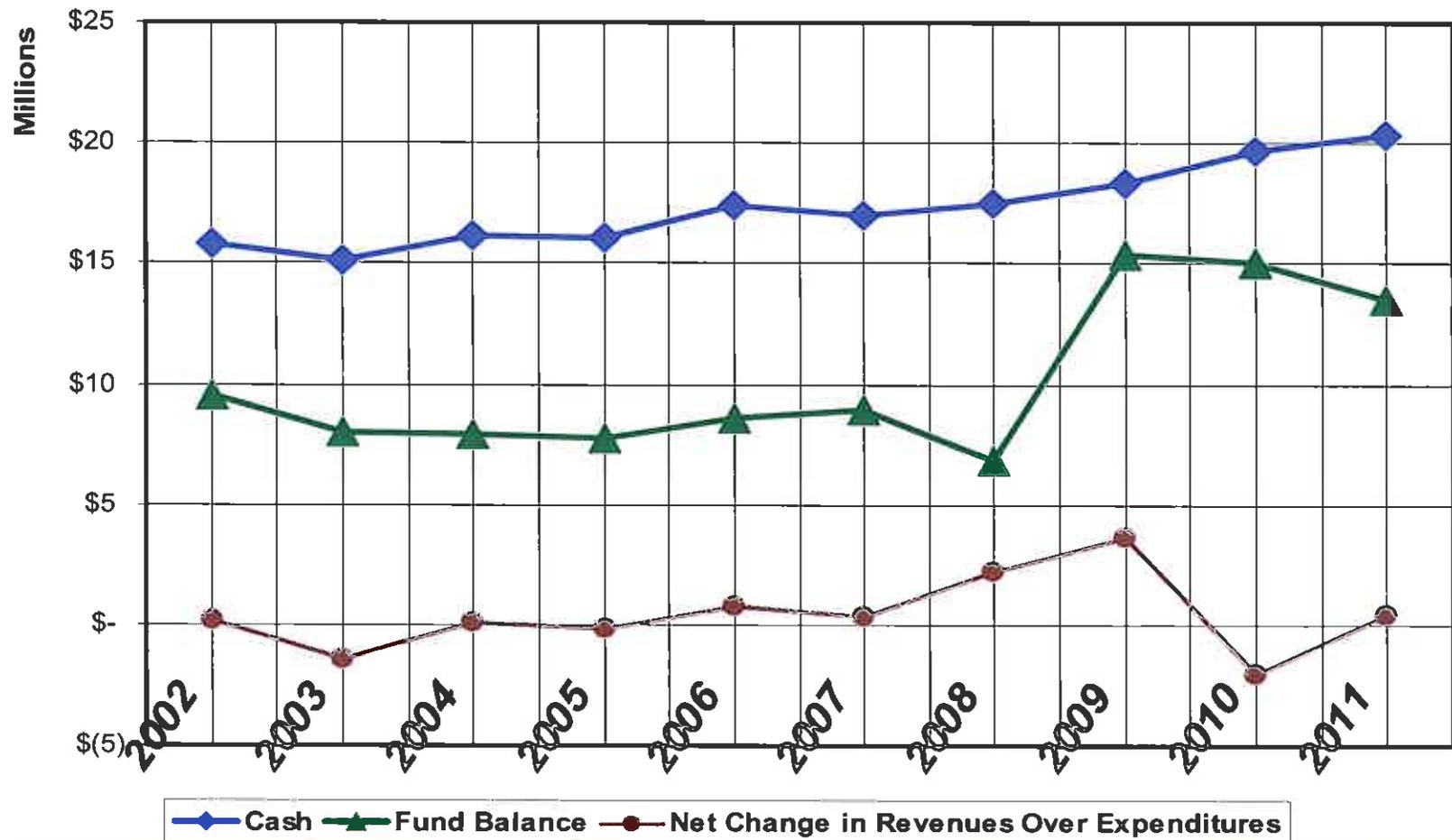
Projects	Amount Remaining from Appropriation
Pleasant grove house renovations	\$ 127,873
Human services building	302,331
Financial software	213,203
Fork union firehouse	276,791
Ambulance re-chassis	100,000
Admin building HVAC replacement	375,000
E911 Radio	3,500,000
Sheriff Vehicles	220,000
Schools FY 11 Carryover	246,102
Debt service reserve	1,080,000
Round about @ Rt 15 & 53	285,000

General Fund - Fund Balance
 Comparable Fiscal Years June 30, 2009,2010, and 2011
 (in millions) – CAFR Table 3

	2009	2010	2011
No spendable	\$ -	\$ -	\$.04K
Reserved	4.0	.09K	-
Restricted	-	-	.08k
Unreserved, designated	3.0	5.3	-
Committed	-	-	7.1
Assigned	-	-	.06K
Unreserved, undesignated	15.4	15.0	-
Unassigned	-	-	13.5
Total fund balance	\$ 22.4	\$ 20.4	\$ 20.7

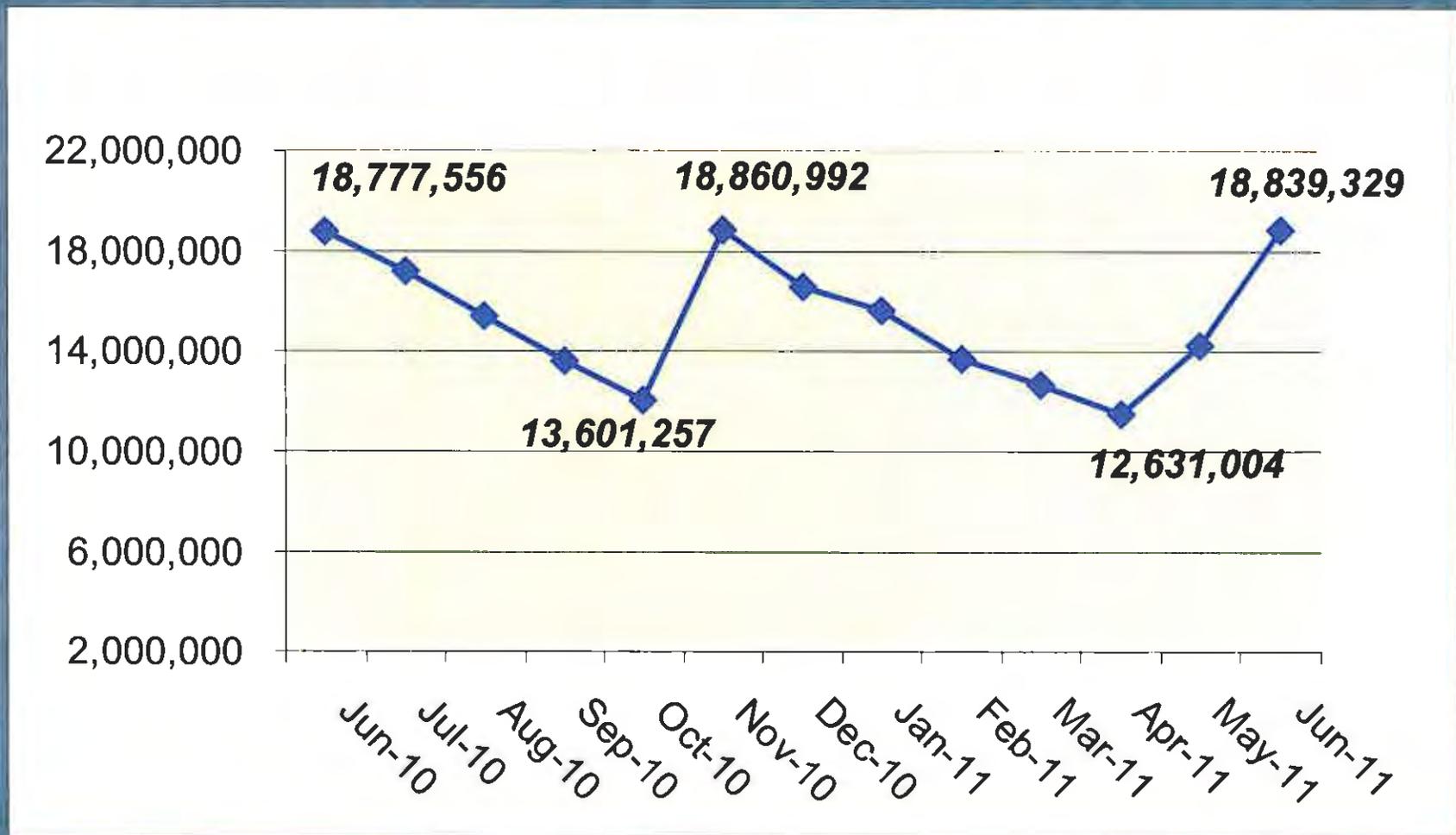
Fiscal years 2009 and 2010 are presented in accordance to 2009 policy

General Fund Comparison of Fund Balance, Cash, and Net Change for 10 Fiscal Years

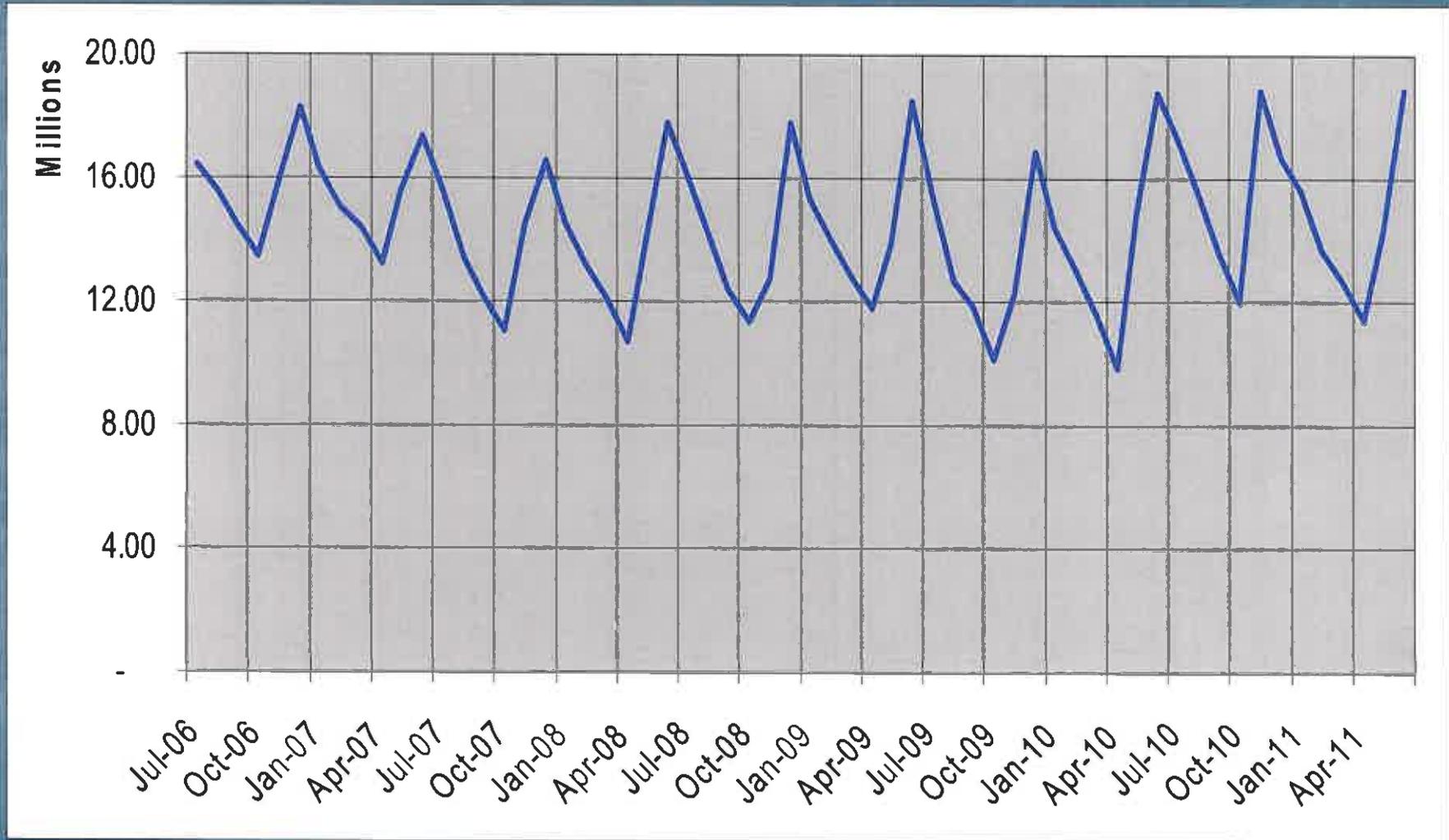


Financial Report for Fiscal Year
Ending June 30, 2011

Cash – Annual Trend for FY11



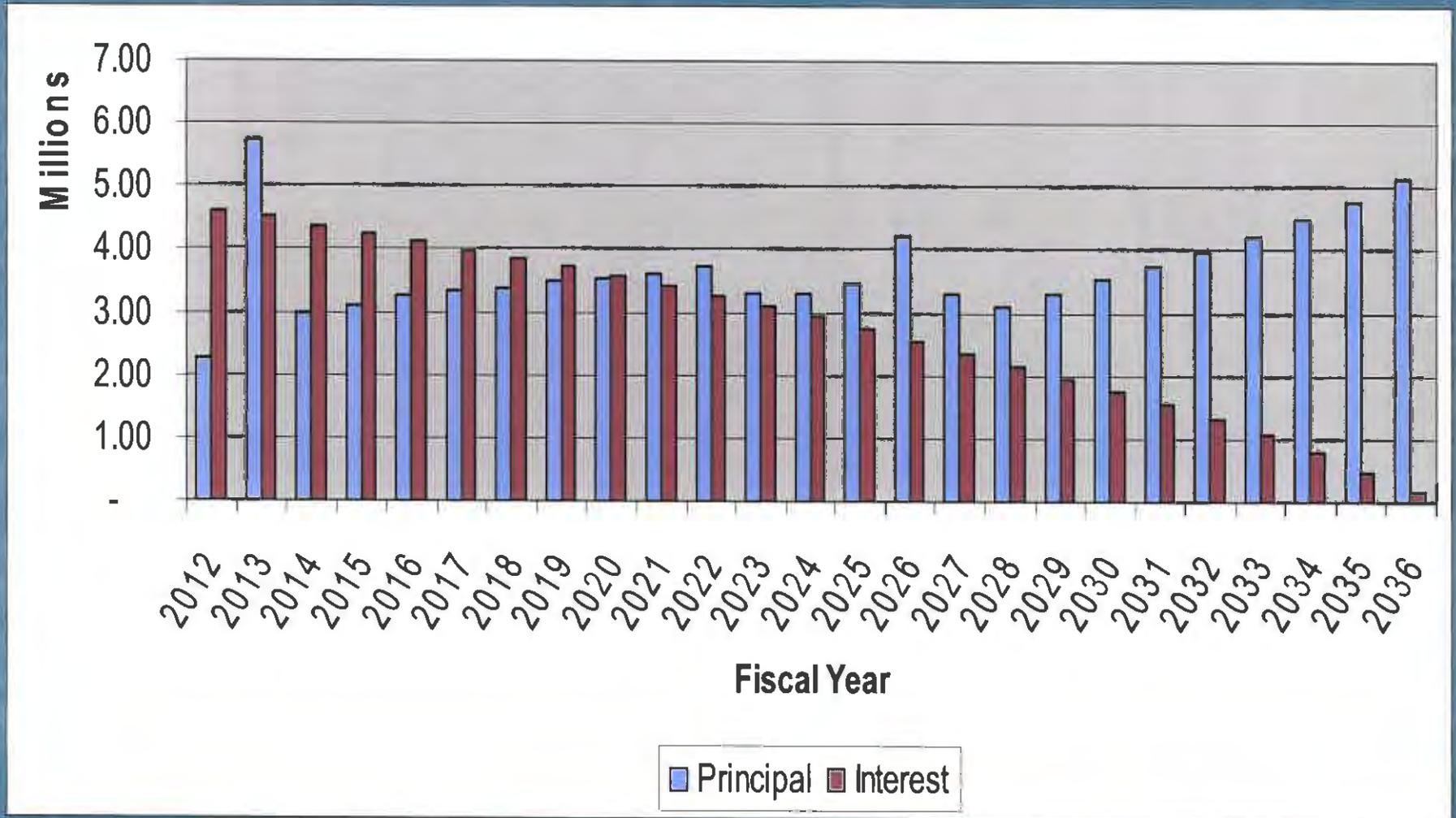
Cash – 5 Fiscal Year Trend



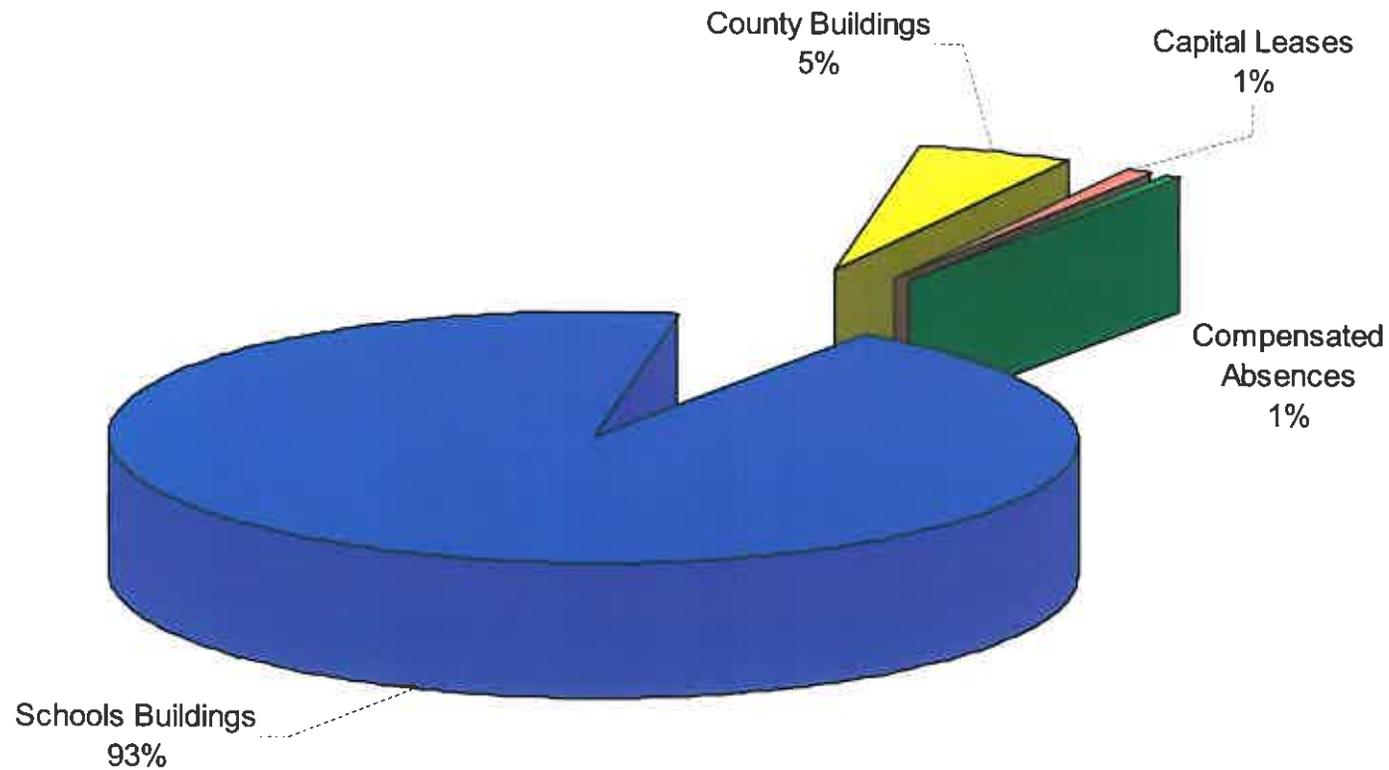
Debt Service Summary of Outstanding – CAFR Note 7 June 30, 2011

General obligation bonds	\$79,250,017
Literary fund loans	3,746,605
Public facility revenue bonds	5,973,100
Public facility revenue note	2,704,077
Capital leases	663,377
Total	<u>\$92,337,176</u>

Debt Service – Existing Prin & Int by Fiscal Years



Debt Service – Allocation @ June 30, 2011



Debt Service – Ratios CAFR Table 11

	Policy	2011
Ratio of net debt to assessed taxable property value	3.5%	2.4%
Annual debt service to government revenues	12.0%	16.68%

General Fund Revenues

CAFR Exhibit 11

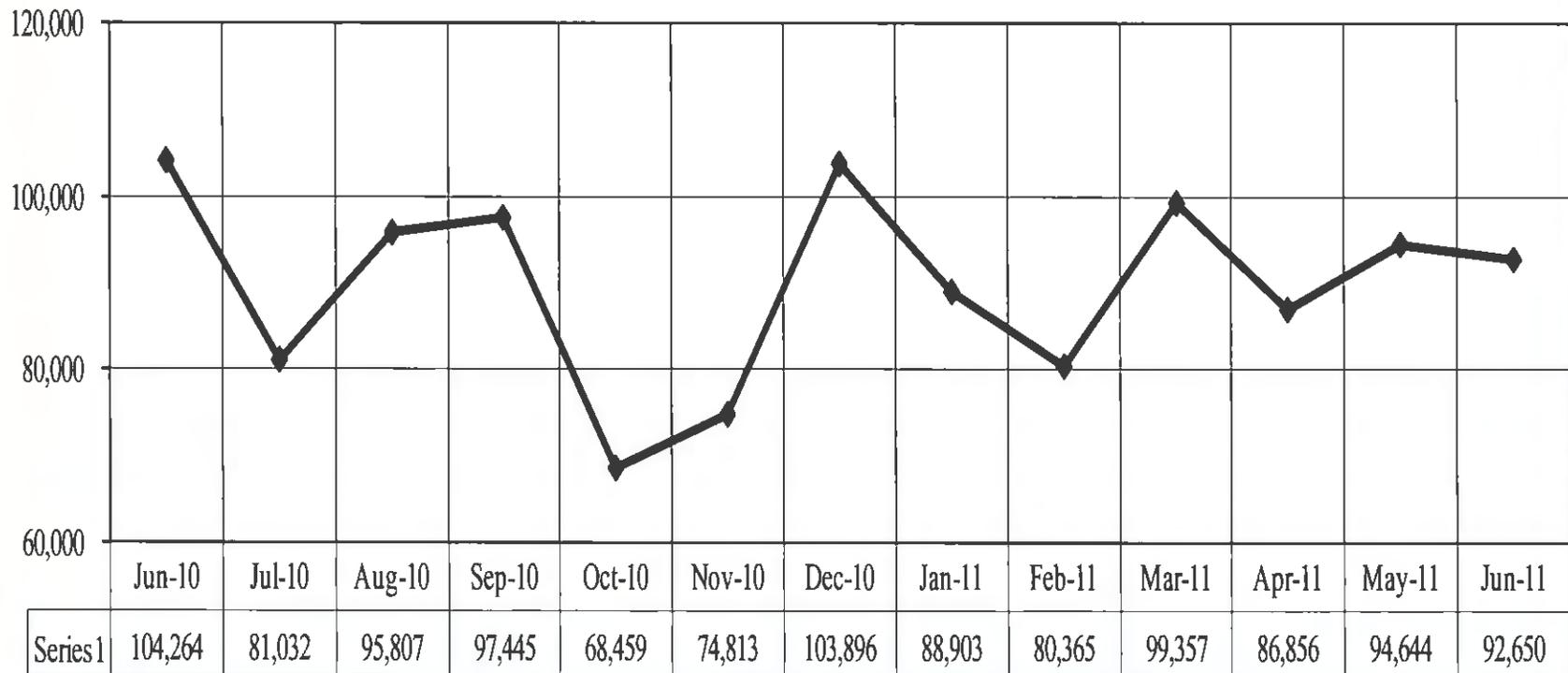
	Amended Budget	Actual	Variance Positive (Negative)
General property taxes	\$22,824,394	\$24,333,649	\$1,509,255
Other local taxes	3,215,205	3,501,207	286,002
Permits, privilege fees	332,294	347,774	15,480
Fines and forfeitures	20,914	60,363	39,449
Revenues from use of money	40,500	51,225	10,725
Charges for services	149,123	158,223	9,100
Miscellaneous	257,916	205,458	(52,458)
Recovered cost	168,464	211,610	43,146
Commonwealth	6,851,387	6,761,028	(90,359)
Federal	1,231,601	1,000,946	(230,655)
Total	\$35,091,798	\$36,631,483	\$1,539,685

Top 5 Local Revenues @ June 30, 2011

CAFR Schedule 1

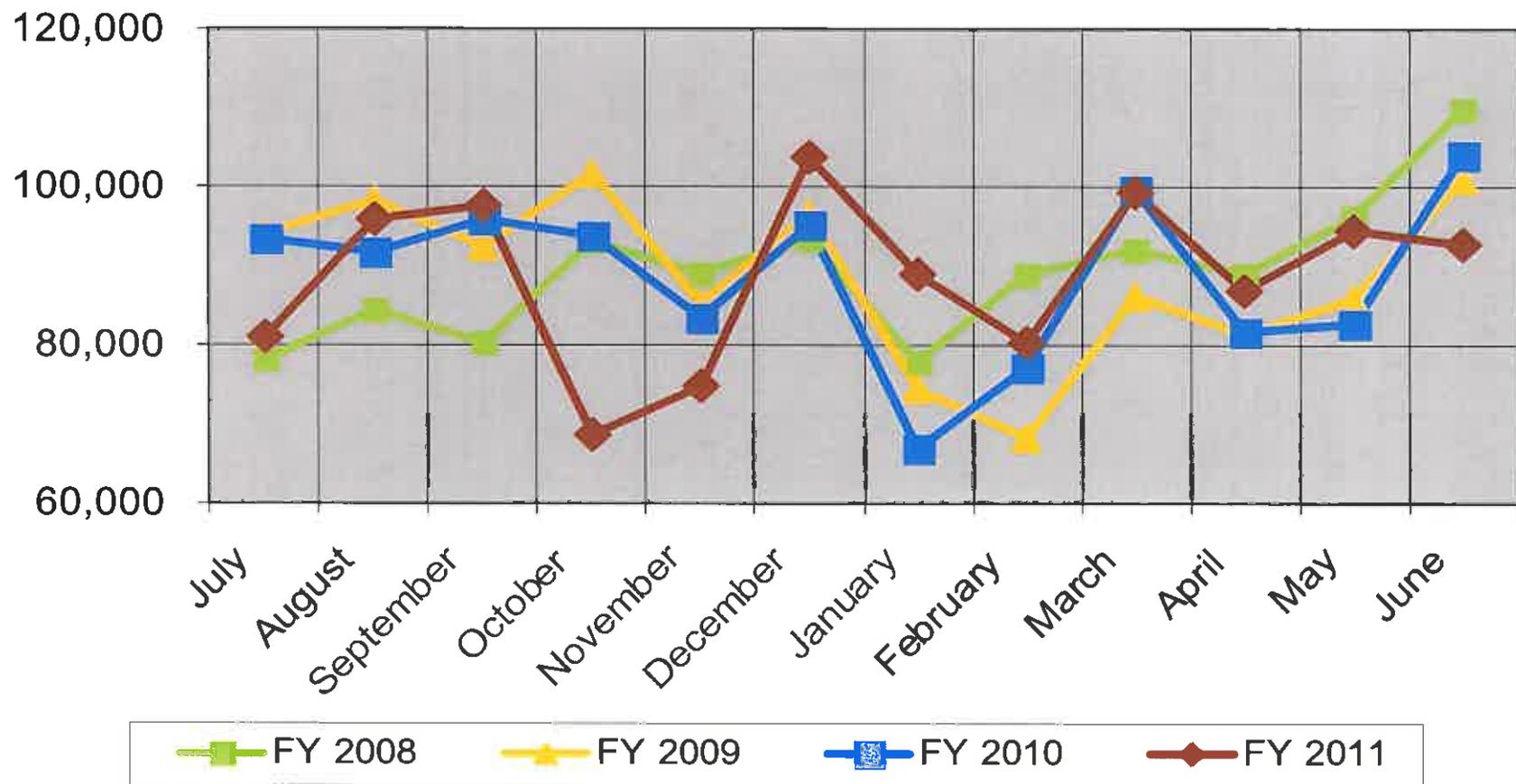
1. Real estate taxes - \$16,745,940
2. Personal property taxes - \$4,111,791
3. Public service corporation - \$3,080,155
4. Consumer utility taxes - \$1,290,455
5. Local sales taxes - \$1,061,791

Local Sales Tax – Annual Trend



Financial Report for Fiscal Year
Ending June 30, 2011

Local Sales Tax – 4 FY Trend



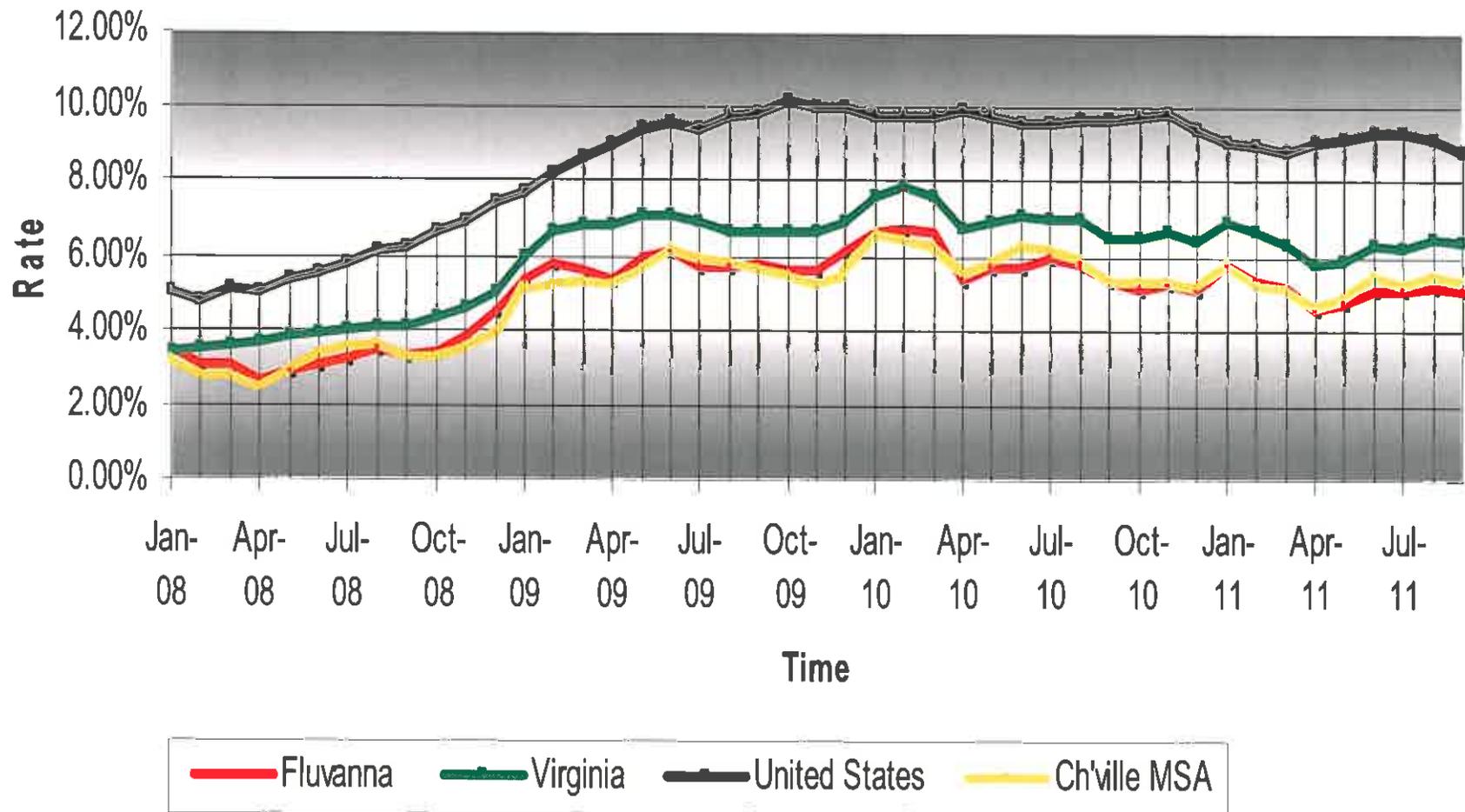
General Fund Expenditures

CAFR Exhibit 11

Expenditures (Function Level)	Amended Budget	Actual	Variance Positive (Negative)
General Admin	\$2,146,042	\$2,006,876	\$139,166
Judicial Admin	986,686	924,825	61,861
Public Safety	4,905,170	4,559,133	346,037
Public Works	1,581,961	1,444,944	137,017
Health & Welfare	5,180,245	4,858,939	321,306
Education	13,916,072	13,669,970	246,102
Parks, Recreation, & Library	622,962	607,528	15,434
Community Development	522,334	442,140	80,194
Non-departmental	441,211	383,995	57,216
Principal	1,503,178	1,436,343	66,835
Interest	6,450,331	4,748,216	1,702,115
Total	\$38,256,192	\$35,082,909	3,173,283

Financial Report for Fiscal Year
Ending June 30, 2011

Unemployment Rate



Robinson Farmer Cox Associates

- Audit Opinion
- Management Letter
- Questions

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: December 9, 2011

Memorandum To: Board of Supervisors
County of Fluvanna, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit for year ended June 30, 2011

In planning and performing our audit of the financial statements of the County of Fluvanna, Virginia for the year ended June 30, 2011, we considered the County's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated December 9, 2011, on the financial statements of the County of Fluvanna, Virginia. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

General Checking Account Reconciliation

During the course of our audit, we noted the general checking account was not reconciled to the County's general ledger in a timely manner. The reconciliations for the general checking account for May 2011 and June 2011 were not completed by the Treasurer's Office until October 2011. It is imperative that the bank accounts be reconciled in a timely manner to ensure the accuracy of the cash reported in the County's accounting system. Furthermore, the bank account reconciliation is a valuable measure for providing assurance that all financial transactions are posted. We recommend bank reconciliations be performed in a timely manner to ensure the accuracy of financial information in the County's general ledger.

Information Technology Internal Controls

As part of the audit we performed an examination of controls over the County's information technology ("IT") and related processes. We are providing the following comments and recommendations from our IT examination:

- Passwords are not regularly updated in the windows domain. It is recommended that passwords be changed on a quarterly basis to protect against password stagnation and unauthorized access.
- The IT Director is currently the County's only Security Officer/Domain Administrator. It is recommended that if possible a backup staff member be given this access and cross-trained.

Information Technology Internal Controls: (Continued)

- Access levels within the financial system are not regularly reviewed. It is recommended that these levels be annually reviewed with the assistance of department heads to ensure adequate controls and segregation of access.
- Backups are not stored offsite, procedurally documented, or tested. It is recommended that backups be tested, fully documented, and stored offsite to increase the County ability to operate in a Contingency Situation.
- There is no written contingency plan in place. It is recommended that such a document be developed, to include:
 - Description of systems in use and network
 - Network diagram (to include physical locations, connectivity, and resources at each location)
 - Listing of servers with locations and systems on each
 - Contact information for key staff and system vendors
 - Documentation of critical procedures such as backup and recovery.

Grant Compliance

During the course of our audit we noted the reimbursement requested on July 20, 2010 in the amount of \$258,300 from the Environmental Protection Agency grant to cover construction expenditures for the Palmyra Sewer Extension through June 2010, had not yet been received as of September 2011. The delay in reimbursement from the EPA was due to the County not having the appropriate paperwork completed that was required by the Grant. We recommend the County put procedures in place to ensure that all grant requirements are met to prevent the delay or loss of receiving grant funds.

COUNTY OF FLUVANNA, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011

DRAFT

Prepared By:

Renee Hoover, CPA, MBA
Finance Director

DRAFT

COUNTY OF FLUVANNA, VIRGINIA

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-ix
Directory of Principal Officials	xi
Certificate of Achievement	xiii
Organizational Chart	xv
FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-14
<u>Basic Financial Statements</u>	
Government-wide Financial Statements:	
Exhibit 1 Statement of Net Assets	19
Exhibit 2 Statement of Activities	20-21
Fund Financial Statements:	
Exhibit 3 Balance Sheet—Governmental Funds	25
Exhibit 4 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	26
Exhibit 5 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities—Governmental Funds	27
Exhibit 6 Statement of Net Assets—Proprietary Funds	28
Exhibit 7 Statement of Revenues, Expenses and Changes in Net Assets—Proprietary Funds	29
Exhibit 8 Statement of Cash Flows—Proprietary Funds	30
Exhibit 9 Statement of Fiduciary Net Assets—Fiduciary Funds	31
Exhibit 10 Statement of Changes in Fiduciary Net Assets—Fiduciary Funds	32
Notes to Financial Statements	33-70

COUNTY OF FLUVANNA, VIRGINIA

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
FINANCIAL SECTION (continued)	
<u>Required Supplementary Information</u>	
Exhibit 11 Schedule of Revenues, Expenditures, and Changes in Fund Balances–Budget and Actual–General Fund	73
Exhibit 12 Schedule of Funding Progress for the Virginia Retirement System and Other Post Employment Benefits	74
<u>Other Supplementary Information</u>	
Combining and Individual Fund Statements and Schedules:	
Exhibit 13 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–Capital Projects Fund	79-80
Exhibit 14 Statement of Fiduciary Net Assets–Agency Fund	81
Exhibit 15 Statement of Changes in Net Assets and Liabilities–Agency Fund	82
Discretely Presented Component Unit–School Board:	
Exhibit 16 Combining Balance Sheet–Governmental Funds	84
Exhibit 17 Combining Statement of Revenues, Expenditures and Changes in Fund Balances–Governmental Funds	85
Exhibit 18 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	86-87
Exhibit 19 Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–Governmental Funds	88
Supporting Schedules:	
Schedule 1 Schedule of Revenues–Budget and Actual–Governmental Funds and Discretely Presented Component Unit	91-95
Schedule 2 Schedule of Expenditures–Budget and Actual–General Fund	96-99

COUNTY OF FLUVANNA, VIRGINIA

Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

(Continued)

STATISTICAL SECTION	Page
Table 1 Net Assets by Component—Last Nine Fiscal Years	102-103
Table 2 Changes in Net Assets—Last Nine Fiscal Years	104-105
Table 3 Fund Balances of Governmental Funds—Last Ten Fiscal Years	106-107
Table 4 Changes in Fund Balances of Governmental Funds—Last Ten Fiscal Years	108-109
Table 5 Assessed Value and Estimated Actual Value of Taxable Property—Last Ten Fiscal Years	110
Table 6 Property Tax Rates—Direct and Overlapping Governments—Last Ten Fiscal Years	111
Table 7 Principal Property Taxpayers—Current and the Period Nine Years Prior	112
Table 8 Property Tax Levies and Collections—Last Ten Fiscal Years	113
Table 9 Ratios of Outstanding Debt by Type—Last Ten Fiscal Years	114
Table 10 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Per Capita—Last Ten Fiscal Years	115
Table 11 Debt Policy Information—Last Ten Fiscal Years	116-117
Table 12 Demographic and Economic Statistics—Last Ten Fiscal Years	118
Table 13 Principal Employers—Current Year and Nine Years Ago	119
Table 14 Full-time Equivalent County Government Employees by Function—Last Ten Fiscal Years	120
Table 15 Operating Indicators by Function—Last Six Fiscal Years	121
Table 16 Capital Asset Statistics by Function—Last Seven Fiscal Years	122
COMPLIANCE SECTION:	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	123-124
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	125-126
Schedule of Expenditures of Federal Awards	127-128
Notes to Schedule of Expenditures of Federal Awards	129
Schedule of Findings and Questioned Costs	130

DRAFT



COUNTY OF FLUVANNA

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P.O. Box 540
Palmyra, VA 22963
(434) 591-1910
FAX (434) 591-1911
www.co.fluvanna.va.us

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Palmyra District

Shaun V. Kenney, Vice Chair
Columbia District

Donald W. Weaver
Cunningham District

Mozell H. Booker
Fork Union District

Joseph C. Chesser
Rivanna District

Chris Fairchild
Rivanna District

STAFF

Darren K. Coffey
Interim County Administrator
dcoffey@co.fluvanna.va.us

Mary L. Weaver
Clerk to the Board
mweaver@co.fluvanna.va.us

December 9, 2011

To the Honorable Members of the Board of Supervisors
To the Citizens of Fluvanna County
County of Fluvanna, Virginia

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the County of Fluvanna (the "County") for the fiscal year ended June 30, 2011. The Commonwealth of Virginia requires that local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report has been prepared by the Finance Department in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) where applicable, and the Auditor of Public Accounts (APA).

This report consists of management's representations concerning the finances of the County. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

This report is intended to provide informative and relevant financial information for the residents of the County, the Board of Supervisors (the Board), investors, creditors, and other concerned readers. All are encouraged to contact the Department of Finance with any comments or questions concerning this report.

The County's financial statements have been audited by Robinson, Farmer, Cox, Associates, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

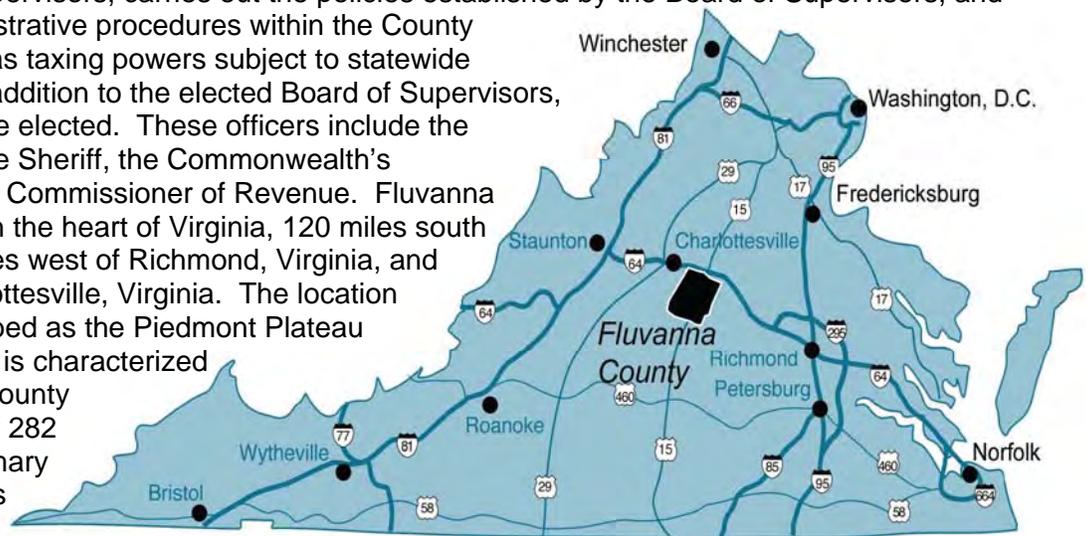
The independent auditors concluded, based upon the audit, there was a reasonable basis for rendering an unqualified opinion. The County's financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this report.

PROFILE OF THE COUNTY

The County was established in 1777 after several divisions from other counties with the final division from Albemarle County. Fluvanna County was once part of Henrico County, one of the original shires of the Virginia Colony. In 1727, Henrico County was divided and Fluvanna County became a part of Goochland County. Goochland County was divided in 1744 and Fluvanna became a part of Albemarle County. In 1777, Albemarle County was divided to create Fluvanna County. The County was named for the Fluvanna River, the name given to the James River west of Columbia. Fluvanna is Latin for "Anne's River" – in honor of Queen Anne of England.

Palmyra was made the county seat in 1828 and remains the county seat today. It quickly became a thriving town after the courthouse was completed in 1830. While Palmyra has changed and modernized over the years, it still possesses an aura of tranquility.

The County operates under the traditional form of government as defined under Virginia law. The governing body of the County is the Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of six members representing the five electoral districts in the County: Columbia, Cunningham, Fork Union, Palmyra, and Rivanna. The Board of Supervisors appoints a County administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and directs business and administrative procedures within the County government. The County has taxing powers subject to statewide restriction and tax limits. In addition to the elected Board of Supervisors, five constitutional officers are elected. These officers include the Clerk of the Circuit Court, the Sheriff, the Commonwealth's Attorney, the Treasurer, and Commissioner of Revenue. Fluvanna County is centrally located in the heart of Virginia, 120 miles south of Washington, D.C., 60 miles west of Richmond, Virginia, and 25 Miles southeast of Charlottesville, Virginia. The location of the County can be described as the Piedmont Plateau Physiographic Province and is characterized by gently rolling hills. The County encompasses a land area of 282 square miles. Two U.S. primary and two State primary routes traverse the County.



Fluvanna has a strong economy with strong manufacturing, trade services, and agricultural sectors. Manufacturing activity includes: electrical power, and iron castings. Major service industries include: health care, education, and government. The County is bounded, in effect, by Interstate 64 to the north and by the James River to the south. The Rivanna River, the Commonwealth's first designated "Scenic River", bisects the county and joins the James at the historic town of Columbia. Agriculture remains important In Fluvanna's economy, two-thirds of the county's land is forested with most open land devoted to farming and grazing.

THE REPORTING ENTITY AND ITS SERVICES

The County of Fluvanna report includes all funds and account groups of the “primary government.” In Virginia, cities and counties are distinct units of government; therefore, the County is responsible for providing all services normally provided by a local government. These services include public safety, social services, recreation and cultural activities, and community development. Additionally, the County operates water and sewer utility systems. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, “The Financial Reporting Entity,” the County has identified one discrete component unit. The GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations, and therefore are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of this primary government. Therefore, the County School Board is reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government.

The financial statements for the Blue Ridge Juvenile Detention, Central Virginia Regional Jail, and the Region Ten Community Services Board are not included in the County report. Boards separate from, and independent of, the Board of Supervisors administer these organizations.

The departments of the Board of Supervisors, County Administrator, County Attorney, Commissioner of the Revenue, Reassessment, Treasurer, Information Technology, Finance, and Registrar constitute the general government administration of the County. The County Administrator, Constitutional officers, along with the Directors of the various departments, implement the laws and policies of the County by developing and executing the procedures that are necessary in order to provide general support services to residents of the County.

The Court system is made up of the Circuit Court, General District Court, Juvenile and Domestic Relations Court, Clerk of the Circuit Court, Court Services, and Commonwealth’s Attorney. The public safety operations of the County include the Sheriff, Emergency Communications, Fire and Rescue Squad, Animal Control, Building Inspections, Blue Ridge Juvenile Detention, and Central Virginia Regional Jail.

Public Works category is comprised of the departments of facilities, utilities, and public works which administers capital projects of the County and oversees solid waste management, sewer, and the Fork Union Sanitary District.

The Department of Social Services determines eligibility for public assistance programs, which are mandated by federal and state law. The Community Services Board provides mental health, mental retardation, and substance abuse services. In addition, it provides adult services, group home services, and supervised living services. Fluvanna is served by the Thomas Jefferson Health District along with Charlottesville, Albemarle, Greene, Louisa, and Nelson.

Parks and Recreation provides and promotes leisure services including park activities, educational and hobby programs, senior citizen activities, youth programs, adult athletic leagues, special events, and other activities for County residents. The Fluvanna County Library provides public library service to the County through one site and one satellite book return.

THE REPORTING ENTITY AND ITS SERVICES: (CONTINUED)

The Planning and Community Development Department provides numerous services that relate to the wellbeing and orderly development of the community. Primary areas of responsibility include current and long range planning, and code enforcement. This Department also maintains the geographic information system (GIS) for developing, maintaining, and distributing geographic related data sets and applications.

The County provides education through its own school system administered by the Fluvanna County School Board (the School Board). This agency has been classified as a discretely presented component unit in the financial reporting entity because the School Board administers its own appropriations within the categories defined by the Commonwealth of Virginia. The Board of Supervisors' financial accountability over the School Board is also limited to approving transfers to the education funds and authorizing school debt issuances. The Fluvanna County Public Schools is the single largest service provided by the County. The elected School Board is composed of six members who represent the five magisterial districts. The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of one high school, one middle school, and three elementary schools. The combined enrollment as of June 2011 totaled 3,703 students. The Fluvanna High School Completion Rate is 93.3 (VA On Time Graduation Rate) percent with 80.71 percent of graduates seeking higher education.

Budgetary Controls

Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation of the County's financial planning and control. These budgetary controls ensure compliance with provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general fund and capital projects fund are included in the annual appropriated budget. All agencies and departments of the County are required to submit requests for appropriation to the County Administrator by the date established in the budget calendar. The County Administrator uses these requests as the starting point for developing a proposed budget. Then, the County Administrator presents the proposed budget to the Board who begins a series of work sessions. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30th, the close of the County's fiscal year, as required by 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds. The appropriated budget is prepared by fund and function (e.g. public safety) with the appropriations resolution adopted by the Board of Supervisors placing legal restrictions on expenditures at the fund and function level.

When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with 15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes annually, with supplemental appropriations made as required. These appropriations, except those to incur mandated expenditures, may be greater or less than contemplated in the budget.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Fluvanna County operates.

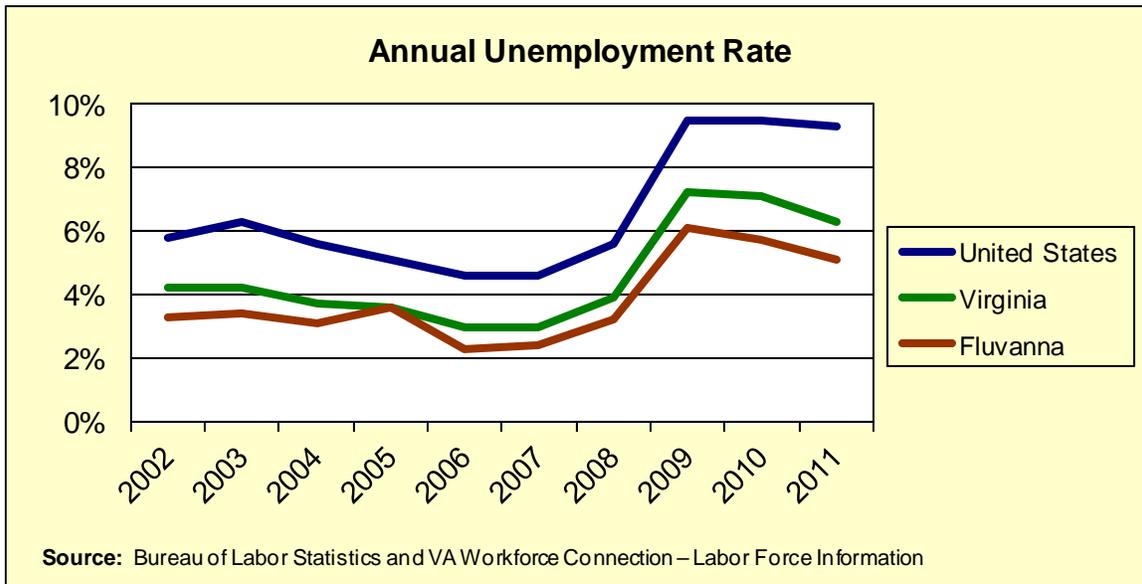
Local Economy

Based on available economic data, the local unemployment rate was 5.1% at June 30, 2011, .6% lower than the 5.7% at June 30, 2010. The local unemployment rate compares favorably to the state and national rate of 6.3% and 9.3% respectively. The County's unemployment conditions has improved, although at a slow pace the

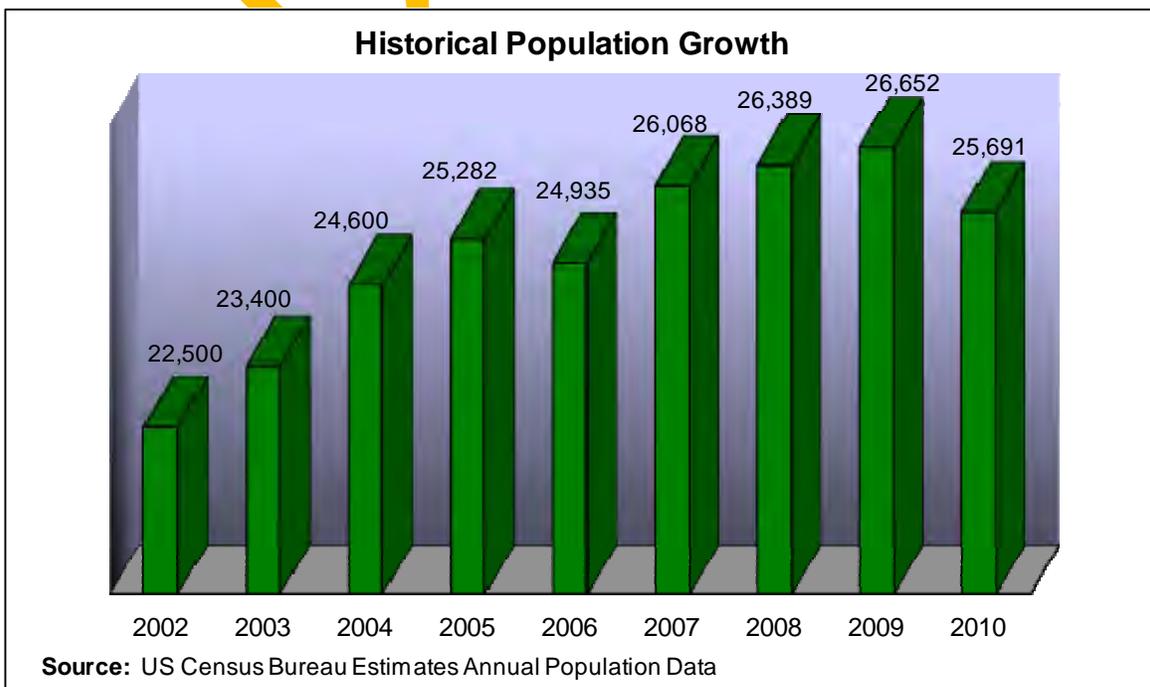
FACTORS AFFECTING FINANCIAL CONDITION: (CONTINUED)

Local Economy: (Continued)

Charlottesville Metropolitan Statistical Area (MSA) maintains a lower unemployment rate of 5.5% compared to Virginia's metropolitan areas, except for Washington-Arlington-Alexandria at 4.8%. Jobs are steady in the area due to the proximity to Charlottesville. The predominant job sectors are healthcare, education, service related industries, and the leisure and hospitality. According to the Virginia Employment Commission, the number of persons employed in the civilian labor force for Fluvanna has increased by 3,041 from 11,429 in 2002 to 14,470 in 2011. In summary, the local job market has remained relatively unchanged due to a slow construction industry for new home construction.



Fluvanna County's Board of Supervisors has defined the County's vision statement as "the most livable and sustainable community in the United States." The population growth in the County has increased over the years due to competitively priced housing, rural setting, and approximation to major urban centers including Charlottesville, Richmond, and Washington, D.C. Fluvanna County saw its population increase by 2 percent since 2005.



FACTORS AFFECTING FINANCIAL CONDITION: (CONTINUED)

Local Economy: (Continued)

The County received their first formal public credit ratings in July 2008. Standard & Poor's provided a rating of AA- with remarks of "strong wealth and income levels, developing local economy has access to the Charlottesville core based statistical area, and solid financial performance with positive operating results and strong reserves." Moody's provided a rating of Aa2 (recalibration of ratings under the Global Scale) with remarks of "favorable location along Interstate 64 between the major employment centers of Charlottesville (G.O. rated Aaa) and Richmond (G.O. rated Aa3/stable outlook) is expected to support ongoing growth, albeit at more moderate levels."

Financial Policies

In fiscal year 2008, the Board of Supervisors adopted a fund balance policy for the County's General Fund. The policy set the minimum undesignated, unreserved fund balance at 12% of Governmental General Fund Revenues and Component Unit – School Board Operating Revenues.

In fiscal year 2009, the Board of Supervisors adopted a formal Investment Policy that seeks to safeguard principal, meet liquidity objectives, and seek fair value rates of return within the parameters of the *Code of Virginia*.

The County recognizes the need to monitor revenue estimates to identify any shortfalls and potential trends that would significantly affect the various revenue sources in the current budget. A significant emphasis is placed on controlling departmental expenditures through accounts payable and purchasing card polices and procedures.

Policies and procedures are developed or revised periodically to provide better clarification, more detail of practice, and strengthen documentation of management.

Risk Management

The County of Fluvanna has a risk management program which is committed to the logical, systematic and continuous identification of loss exposures for and to the County, including its employees, its citizens and taxpayers, through the evaluation of risk in terms of severity and frequency probability and the application of sound loss control procedures. As a part of this commitment, the county has obtained third party coverage through the Virginia Association of Counties (VACO) for all liability risk.

Cash Management

Investments and deposits during the year consisted of a variety of securities, durations and increments as allowable by the Code of Virginia. These allowable investments include U.S. agency securities, corporate notes, banker's acceptances, commercial paper, money market accounts, mutual funds, and state bonds. The amount of interest received was \$ 24,830. This is a decrease of \$13,139 from interest earned on investments in fiscal year 2009-10 when the interest on investments totaled \$37,969. The County Treasurer is responsible for investing County funds.

Pension Benefits

The County is a participant in the Virginia Retirement System (VRS), a defined benefits plan pension system, for which the County contributes a percentage of a qualifying County employee's salary to VRS. The VRS is responsible for setting the contribution rate and making retirement payments in accordance with the established plan. In addition, the County provides employees access to a Section 457 retirement investment program. This plan is funded through employee deductions, and administered by Nationwide.

MAJOR INITIATIVES

For fiscal year 2011, following the priorities established by the County of Fluvanna Board of Supervisors, and with the assistance and guidance of the County Administrator, County staff and agencies implemented and continued a number of specific projects designed to provide County residents with cost efficient government while enhancing their home and employment environment. Major initiatives begun, continued, or completed during this fiscal year are:

New High School

In April 2009, the School Board broke ground on the construction of a \$71 million new high school on Pleasant Grove. The new high school was designed with an initial capacity of 1,500 students with the flexibility to expand the capacity to 1,750 and eventually to 2,500 students in the future. The anticipated completion date is winter 2012 with doors opening to students in August 2012.

Pleasant Grove Manor House Rehabilitation Project

Pleasant Grove consists of just less than 1,000 acres located on Route 53 just west of the intersection of U.S. 15 and Route 53. The manor house in 2004 was officially entered into the Virginia Landmarks Register and National Register of Historic Places. The adaptive reuse project includes 1) rehabilitation of the exterior of the house, 2) renovation of portions of the interior for a Visitors Center to showcase the history of the historic Rivanna River Canal Navigation system which served as the primary mode of transportation in the late 18th and early 19th centuries, and 3) construction of a new architecturally compatible two-story addition. In collaboration with the Fluvanna Historical Society, funds totaling \$851,250 were raised through Federal, State, and Private grants including a County appropriation of \$150,000. Rehabilitation is planned for 2012.

Municipal Software

In the Fiscal Year 2010 the Board of Supervisors appropriated \$427 thousand for the purchase of a financial management software and hardware. In May 2010, the Board of Supervisors awarded a contract to Tyler Technologies. The new system is a comprehensive financial solution including general ledger, budgeting, GASB 34 reporter, HR/payroll, revenues including VA Tax, and utility billing. Project implementation began in August 2010. The financial module including general ledger, budgeting, purchasing, and accounts payable went live April 2011. Completion of implementation is targeted for summer 2012.

Kent Store Firehouse

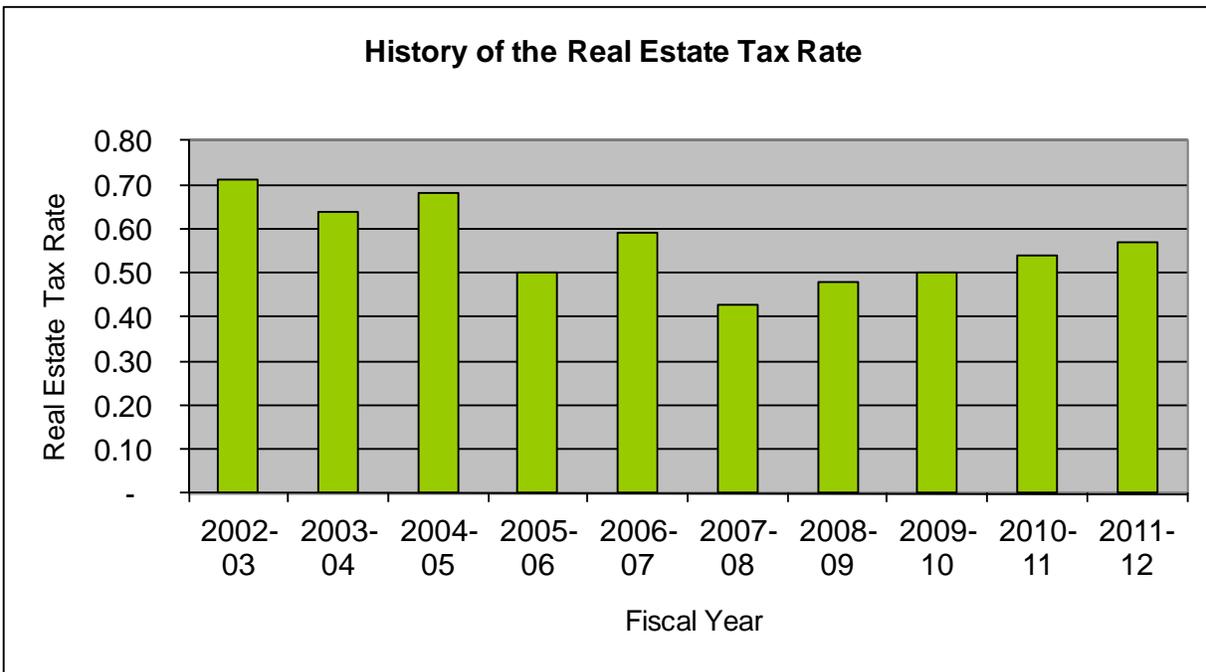
The construction of the Kent Store Firehouse was authorized by the Board of Supervisors in October 2009 with an appropriation of \$1.1 million cash from fund balance. This project was completed as projected in March 2011 for \$1.2 million.

Fork Union Firehouse

The Board of Supervisors authorized in 2009 the construction of the Fork Union Firehouse. The Firehouse will be built next to the Fluvanna Community Center on Route 15. The County received an awarded from the American Recovery and Reinvestment Act (ARRA) Federal Emergency Management Agency for \$1.4 million with a cash match of \$360 thousand for a total project cost of \$1.8 million. This project was awarded September 2009 and schedule for completion in the spring 2013.

PROSPECTS FOR THE FUTURE

For the fiscal year 2011-2012, the Board of Supervisors approved an operating budget of \$67.9 million inclusive of a governmental general fund budget of \$33.1 million and a school fund budget of \$34.8 million. The Board of Supervisors elected to increase the real estate tax rate of \$0.57. Below is a historical real estate tax rate graph for the County.



OTHER INFORMATION

Management's Discussion and Analysis

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County of Fluvanna's MD&A can be found immediately following the report of the independent auditors.

Independent Audit

Sections 15.2-2510 and 15.2-2511 of the Code of Virginia requires an annual audit of the financial records and transactions of all departments of the County by independent certified public accountants selected by the Board of Supervisors. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government and Non-Profit Organizations. Information related to this single audit, including the findings and recommendations, and auditors' reports on the internal control structure and compliance with laws and regulations, is contained in this report. These requirements have been complied with and the auditor's opinion is included in this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's compliance with the financial and administrative requirements applicable to each of the County's major federal programs. These reports are available in the Compliance Section of this report.

OTHER INFORMATION: (CONTINUED)

Awards and Acknowledgments

The Governmental Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting (CAFR) to the County of Fluvanna for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This is the fourth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the cooperation and dedication of the staff of the Fluvanna County Finance Department, to Robinson Farmer Cox Associates, and to all County agencies and departments that assisted and contributed to the preparation of this Report. Credit also must be given to the Board of Supervisors for their unwavering support for maintaining the highest standards of professionalism in the management of Fluvanna County's finances.

Respectfully submitted,

DRAFT

Da
ren K. Coffey
Interim County Administrator

DRAFT

Renee Hoover
Director of Finance

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COUNTY OF FLUVANNA, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
June 30, 2011

Board of Supervisors

John Y. Gooch, Chair..... Palmyra District
Shaun V. Kenney, Vice Chair Columbia District
Mozell H. Booker..... Fork Union District
Joseph C. Chesser Rivanna District
Chris S. Fairchild..... Rivanna District
Donald W. Weaver.....Cunningham District
Mary L. Weaver.....Clerk

Constitutional Officers

Andrew M. SheridanCommissioner of Revenue
Linda H. Lenherr Treasurer
Jeffrey W. Haislip Commonwealth's Attorney
Ryant L. Washington.....Sheriff
Bouson E. Peterson, Jr. Clerk of the Circuit Court

County Administrative Officials

William P. "Jay" Scudder..... County Administrator

School Board

Barbara Gibbons, Chair Rivanna District
Camilla Washington, Vice Chair Columbia District
Bertha Armstrong..... Fork Union District
William HughesCunningham District
Tom Muir Palmyra District
Brian Phillips Rivanna District
Brandi CritzerClerk

School Administrative Officials

Gena Keller Superintendent of Schools
Chuck Winkler Assistant Superintendent of Administration

Social Services Board

Sharon Beeler, Chair Rivanna District
Kathy Brent, Vice Chair..... Columbia District
Tom Payne..... Palmyra District
Gail Bruce Fork Union District
Leonard Gardner..... Rivanna District
Mary Kalchbrenner.....Cunningham District
Mozell H. Booker..... Board of Supervisor's Representative

Social Services Administrative Official

Susan Muir Director of Social Services

Other Officials

John G. Berry Judge of the Circuit Court
Roger L. Morton Judge of the General District Court
Dwight Johnson Judge of the Juvenile and Domestic Relations District Court

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Fluvanna
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



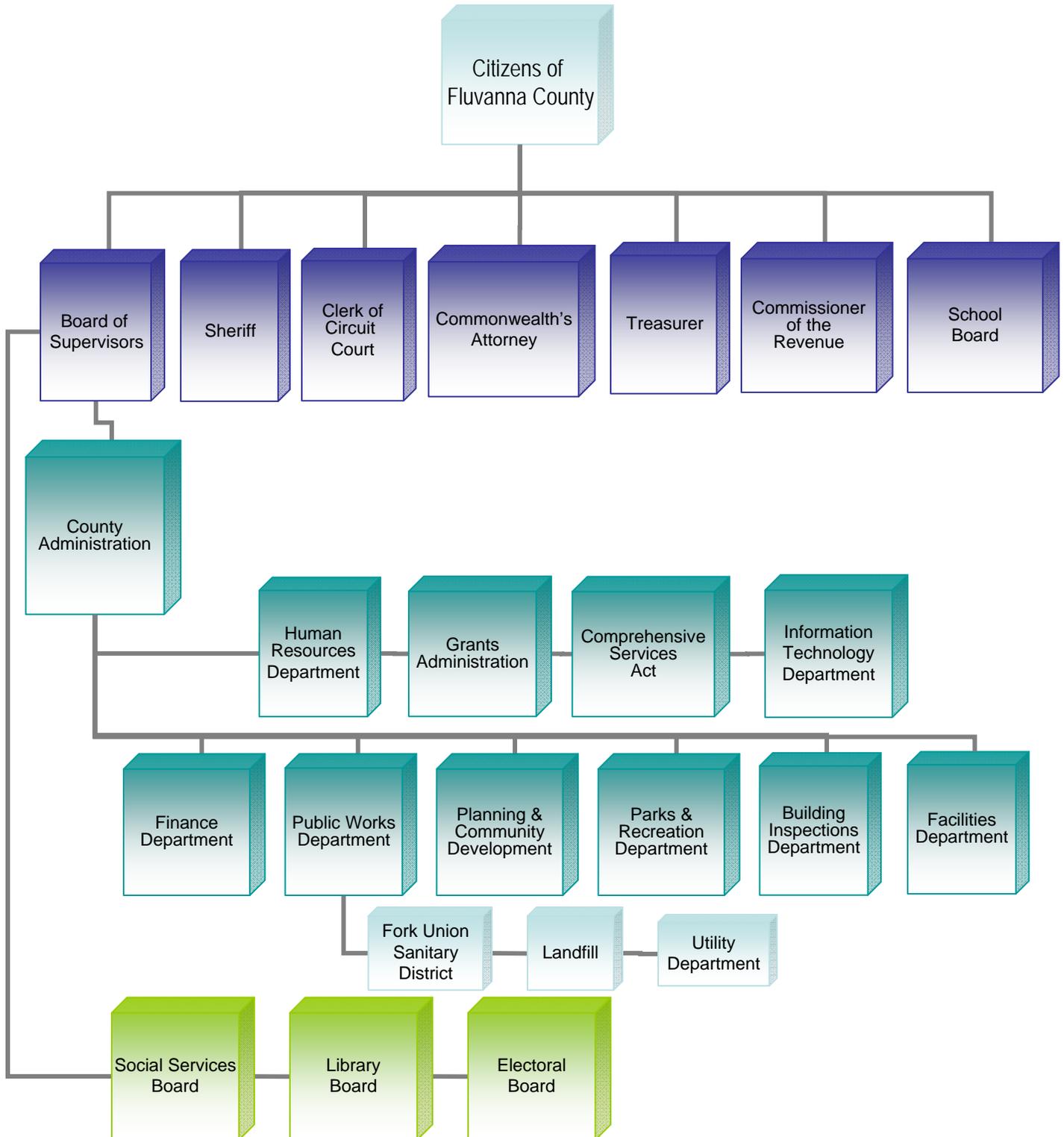
President

Executive Director

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Fluvanna County Organizational Chart



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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 Fluvanna, Virginia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fluvanna, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County of Fluvanna, Virginia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Fluvanna, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fluvanna, Virginia, as of June 30, 2011, 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.

As described in Note 1 to the financial statements, the County of Fluvanna, Virginia adopted the provisions of *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2011, 2011, on our consideration of the County of Fluvanna, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Fluvanna, Virginia's financial statements as a whole. The introductory section, combining fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The combining fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

DRAFT
Charlottesville, Virginia
December 9, 2011



MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors To the Citizens of Fluvanna County County of Fluvanna, Virginia

The management of the County of Fluvanna, Virginia presents the following discussion and analysis as an overview of the County's financial activities for the fiscal year ended June 30, 2011. We encourage readers to read this discussion and analysis in conjunction with the transmittal letter in the Introductory Section of this report, and the County's financial statements which follow this discussion and analysis.

Financial Highlights

Government-wide Financial Statements

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$36.7 million (net assets). Of this amount, \$21.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$5.8 million, of which the governmental activities increased by \$5.2 million and business-type activities increased by \$600 thousand.
- The total cost of the County's programs was \$31.0 million (governmental activities) a decrease of \$2 million. This overall decline in expenses is a combination of decreases in Public Safety of \$600 thousand, and Education of 5.2 million, Public Works of \$200 thousand and increase in Interest on long-term debt of \$4.1 million.
- The County's total debt decreased by \$500 thousand during the current fiscal year. This net decrease was a result of principal payments. Although, the County transferred from the Proprietary Fund the Landfill post-closure care costs in the amount of \$846 thousand.

Fund Financial Statements

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$37.5 million (Exhibit 3), a decrease of \$26.8 million in comparison with the prior year. Approximately 44 percent of this amount, \$16.5 million, is restricted from funds borrowed in 2008 for construction of the new high school. Approximately 36 percent of this amount, \$13.5 million, is available for spending at Fluvanna's Board of Supervisors discretion (unassigned fund balance).
- Unassigned fund balance for the General Fund was \$13.5 million, or 36.9 percent of total General Fund revenues and 38.6 percent of total general fund expenditures (Exhibit 4). This exceeds the County's reserve fund balance policy minimum of 12% of total governmental general fund revenues and component unit – school board operating revenues.

Overview of the Financial Statements

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

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

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

Overview of the Financial Statements: (Continued)

Government-Wide Financial Statements

The *government-wide financial statements* (Exhibits 1 and 2) are designed to report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net-assets and how they have changed during the fiscal year. These statements provide both short-term and long-term information about the County's overall financial status.

The *statement of net assets* (Exhibit 1) presents information on all of the County's assets and liabilities, including governmental activities, business-type activities, and School Board activities. Net assets are the difference between assets and liabilities, which provides a measure of the County's financial health, or financial condition. Over time increases or decreases in the net assets may serve as an indicator of whether the County's financial condition is improving or deteriorating. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of the County's facilities.

The *statement of activities* (Exhibit 2) presents information using the accrual basis of accounting, and shows how the County's net assets changed during the fiscal year. All of the current year's revenues and expenses are shown in this statement, regardless of when cash is received or paid. The Statement of Activities presents expenses before revenues to emphasize that the government's revenue is generated for the express purpose of providing services.

In the government-wide financial statements, the County's activities are divided into three categories:

Governmental activities: Most of the County's basic services are reported here, including general governmental; judicial administration; public safety; public works; health and welfare; education; parks, recreation and cultural; and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and State grants.

Business-type activities: The County charges fees to users to cover all, or a significant portion, of the costs associated with the provision of certain services. These business-type activities of Fluvanna County are intended to be self-supporting and include the Fork Union Sanitary District, Landfill, Community Programs, and Sewer.

Component unit: The County has one component unit, the Fluvanna County Public Schools (School Board), which is included in this annual financial report. Although legally separate, this discretely presented component unit is important because the County is financially accountable for it. A primary government is accountable for an organization if the primary government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funding for its operation. Additional information on the component unit can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

These statements focus on individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. Funds are used to ensure compliance with finance-related legal requirements and are to keep track of specific sources of revenue and expenses for particular purposes. The County has three kinds of funds:

Overview of the Financial Statements: (Continued)

Fund Financial Statements: (Continued)

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on (1) the in flows and out flows of cash and other financial assets that can be readily converted to cash, and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with the fund financial statements to explain the relationship (or differences). The County has two major funds, the General Fund and the Capital Projects Fund. The General fund is the main operating account of the County and therefore, the largest of the governmental funds. The Capital Projects Fund is used to account for major capital projects, primarily construction related. It provides control over resources that have been segregated for specific capital projects. All other governmental funds, which include special revenue funds, are collectively referred to as non-major governmental funds.

The County adopts an annual appropriated budget for its Governmental funds. A budgetary comparison statement has been provided for the General Fund and Capital Projects Fund to demonstrate compliance with this budget.

Proprietary funds – The County maintains four enterprise funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its landfill, water, community operations, and sewer. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the landfill, water, community activities, and sewer all of which are considered to be major funds of the County.

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

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain *required supplementary information* for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit School Board. The School Board does not issue separate financial statements.

Financial Analysis of the Government-Wide

Statement of Net Assets

Table 1 summarizes the Statement of Net Assets (Exhibit 1 in the Financial Section of the CAFR) for the primary government as of June 30, 2011 and 2010.

Table 1

**County of Fluvanna, Virginia
Summary of Net Assets
(\$ in millions)**

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 46.1	\$ 71.9	\$ 0.3	\$ 0.4	\$ 46.4	\$ 72.3
Capital assets	91.1	60.7	6.0	6.3	97.1	67.0
Total assets	\$ 137.2	\$ 132.6	\$ 6.3	\$ 6.7	\$ 143.5	\$ 139.3
Long-term liabilities outstanding	\$ 91.1	\$ 92.5	\$ 1.6	\$ 2.5	\$ 92.7	\$ 95.0
Current liabilities	10.2	8.5	0.2	0.3	10.4	8.8
Total liabilities	\$ 101.3	\$ 101.0	\$ 1.8	\$ 2.8	\$ 103.1	\$ 103.8
Net assets:						
Invested in capital assets, net of related debt	\$ 15.5	\$ 12.9	\$ 4.4	\$ 4.5	\$ 19.9	\$ 17.4
Restricted	-	-	-	-	-	-
Unrestricted	21.2	18.6	0.1	(0.6)	21.3	18.0
Total net assets	\$ 36.7	\$ 31.5	\$ 4.5	\$ 3.9	\$ 41.2	\$ 35.4

As noted earlier, over time, changes in net assets may serve as a useful indicator of a County's financial position. Of interest, County's assets exceeded liabilities by \$36.7 million at the June 30, 2011. The County's net assets of \$15.5 million or 41 percent 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, like schools, libraries, law enforcement, fire and emergency medical services. 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 is of a permanent nature, as assets acquired are generally not sold or otherwise disposed of during their useful life).

The remaining \$21.2 million balance for net assets may be used to meet the County's ongoing obligations to citizens and creditors.

For the business-type activities, total net assets increased by \$600 thousand or 15% which is primarily the result of the transfer of the Landfill Post Closure liability to Governmental Activities. The unrestricted net assets also increased by \$700 thousand with the closure of the Landfill business activity.

Financial Analysis of the Government-Wide: (Continued)

Statement of Activities

Table 2 summarizes the Statement of Activities (Exhibit 2 in the Financial Section of the CAFR) for the primary government.

Table 2

**County of Fluvanna, Virginia
Changes in Net Assets
(\$in millions)**

	Primary Government					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 0.6	\$ 0.4	\$ 0.3	\$ 1.7	\$ 0.9	\$ 2.1
Operating grants and contributions	4.6	4.6	-	0.3	4.6	4.9
Capital grants and contributions	0.2	0.7	-	-	0.2	0.7
General revenues:						
General property taxes	24.5	23.0	-	-	24.5	23.0
Other local taxes	3.5	3.2	-	-	3.5	3.2
Use of money and property	0.3	0.4	-	-	0.3	0.4
C/VA non-categorical aid	3.2	3.1	-	-	3.2	3.1
Other general revenues	0.2	0.5	-	-	0.2	0.5
Total revenues	\$ 37.1	\$ 35.9	\$ 0.3	\$ 2.0	\$ 37.4	\$ 37.9
Expenses:						
General government administration	\$ 2.3	\$ 2.1	\$ -	\$ -	\$ 2.3	\$ 2.1
Judicial administration	1.1	1.1	-	-	1.1	1.1
Public safety	4.9	5.5	-	-	4.9	5.5
Public works	1.3	1.5	-	-	1.3	1.5
Health and welfare	4.8	5.0	-	-	4.8	5.0
Education	10.8	16.0	-	-	10.8	16.0
Parks, recreation, and cultural	0.7	0.7	-	-	0.7	0.7
Community development	0.4	0.5	-	-	0.4	0.5
Interest and other fiscal charges	4.7	0.6	-	-	4.7	0.6
Water	-	-	0.4	0.4	0.4	0.4
Community programs	-	-	-	-	-	-
Landfill	-	-	-	0.2	-	0.2
Sewer	-	-	0.2	0.2	0.2	0.2
Total expenses	\$ 31.0	\$ 33.0	\$ 0.6	\$ 0.8	\$ 31.6	\$ 33.8
Increase in net assets before transfers	\$ 6.1	\$ 2.9	\$ (0.3)	\$ 1.2	\$ 5.8	\$ 4.1
Transfers	(0.9)	(0.1)	0.9	0.1	-	-
Increase in net assets	\$ 5.2	\$ 2.8	\$ 0.6	\$ 1.3	\$ 5.8	\$ 4.1
Net assets, July 1, 2010,	31.5	28.7	3.9	2.6	35.4	31.3
Net assets, June 30, 2011	\$ 36.7	\$ 31.5	\$ 4.5	\$ 3.9	\$ 41.2	\$ 35.4

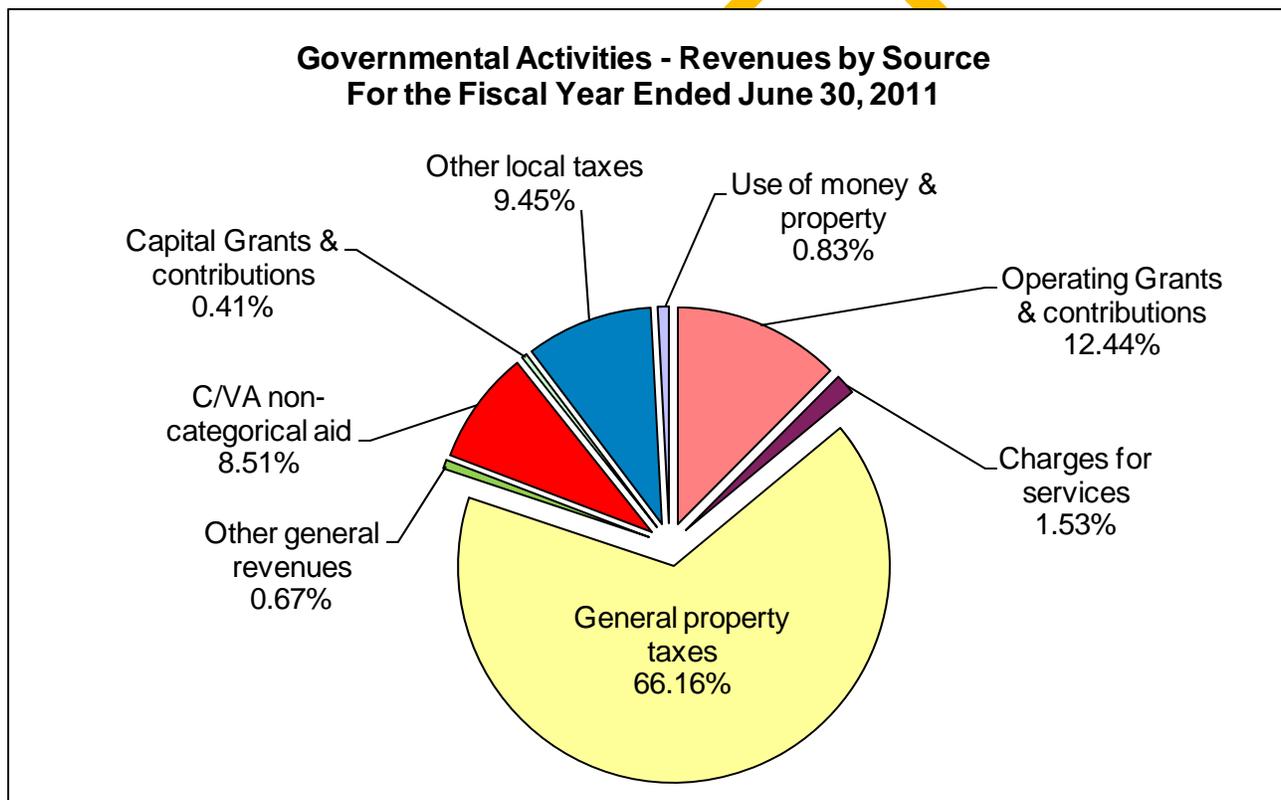
Financial Analysis of the Government-Wide: (Continued)

Statement of Activities: (Continued)

Generally, net asset changes are the result of difference between revenues and expenses. The increase in net assets attributable to the County's **governmental activities** totaled \$5.2 million for the current fiscal year. Revenues were \$37.1 million for fiscal year 2011. This is an increase of \$1.2 million from the prior fiscal year.

A summary of key revenue elements follows:

- General property taxes, including the payments received from the State as reimbursement under the State's personal property tax relief program, were \$27.5 million, representing an increase of \$1.5 million or 6 percent over fiscal year 2010. These revenues comprise the County's largest source of revenues, which reflects the recognition of the second half calendar year 2010 and the first half of calendar 2011 property taxes, collected during fiscal year 2011. The County Board of Supervisors increased the Real Estate Tax Rate to 57 cents per \$100 of assessed value for the tax calendar year 2011.
- Capital grants and contributions for governmental activities decreased by \$500 thousand or 71 percent primarily as a result of completion of grants in fiscal year 2010 from the Department of Criminal Justice for public safety partnership and community policing grants.



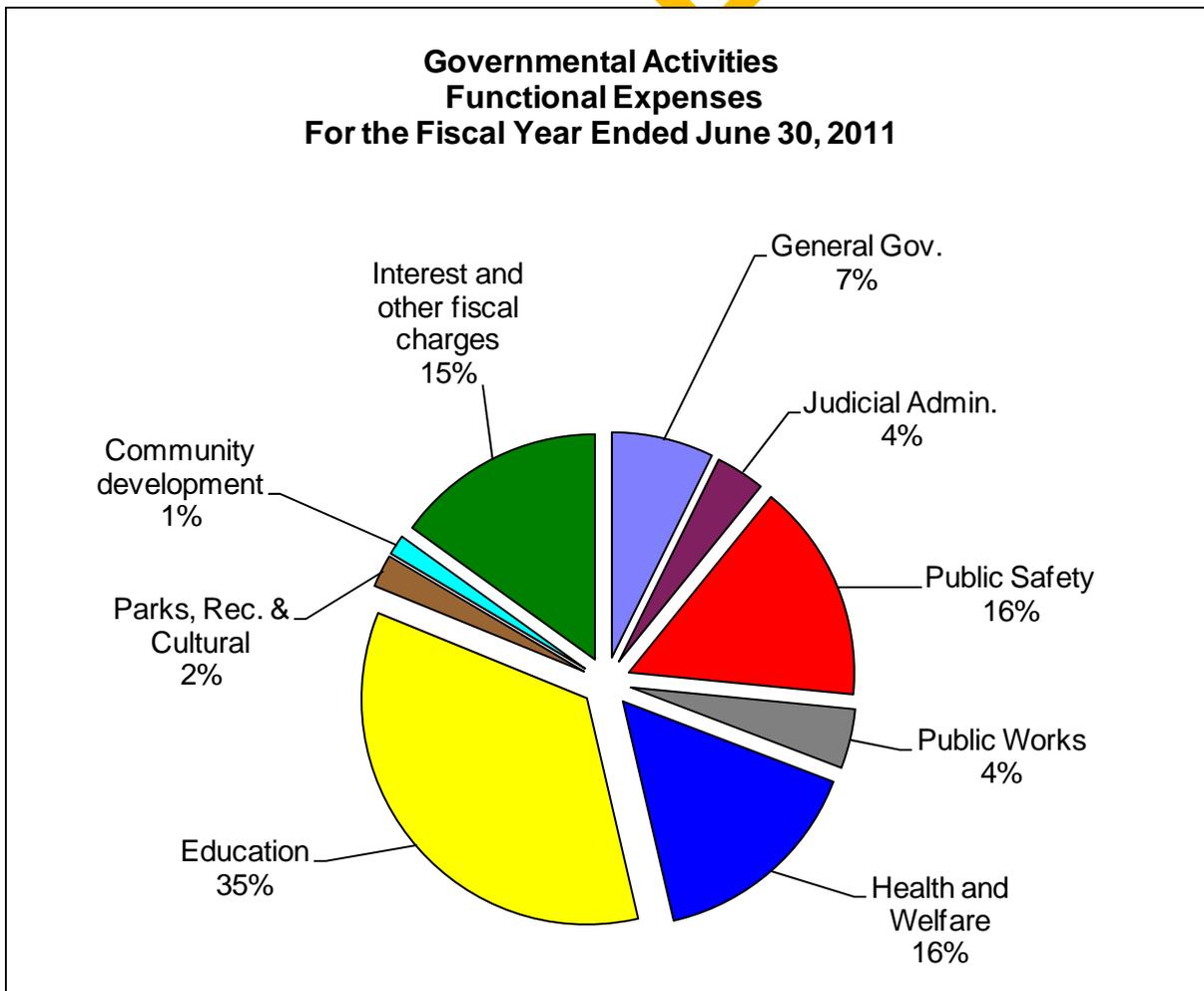
For the fiscal year June 30, 2011, the expenses for governmental activities totaled \$31 million, a decrease of \$2 million or 6 percent compared to the prior year. Included in this activity are employee compensation and benefits, payments for educational expenses to the School Board, and increases in the interest on long-term debt.

Financial Analysis of the Government-Wide: (Continued)

A summary of key expenses elements follows:

- General government administration had an increase by \$200 thousand over fiscal year 2010. This was primarily due to the purchase and implementation of the financial managements software system.
- Expenses in public safety decreased by \$600 thousand or 11 percent from the prior fiscal year. The Sheriff's expenses decreased with the completion of two grants of \$200 thousand each for community policing in fiscal year 2010.
- Local expenses for education of \$10.8 million decreased by \$6 million from the over fiscal year 2010. This is primarily due to capitalizing the cost from the construction of new high school. Education continues to be the County's largest program and highest priority.
- Interest and other fiscal charges had an increase of \$4.1 million. The capitalized interest expense from the 2008 bond issue of \$3.9 million caused the increase to this function.

The following graph illustrates the County's expenses for each functional area comprising its governmental activities. Education expense represents the County's payment to its School Component Unit on the accrual basis.



Financial Analysis of the Government-Wide: (Continued)

Business-Type Activities – Business-type activities increased the County's net assets by \$600 thousand. Similar to changes in net assets attributable to governmental activities, changes in business-type activity net assets also result from the differences between revenues and expenses. However, unlike governmental activities, which rely primarily on general tax revenues to finance operations, business-type activities are financed to a significant extent by fees charged for goods and services provided. The County's business-type activities consist of its water, sewer, and community programs. Like all business-type activities, the County attempt to recover as much of the operating expenses it incurs to meet service demands as possible through user charges.

Key elements of increases/decreases in the activities are as follows:

- Charges for services for business-type activities decreased by \$1.4 million during the fiscal year. This can be contributed to collection of \$1.2 million in sewer connection and availability fees for the construction of the sewer expansion to new high school and other public buildings in fiscal year 2010.
- Expenses total \$600 thousand, which were \$200 thousand lower than the prior year. The decrease in expenses was primarily due to the closure of the landfill business-type activity and transfer to governmental activities.

Financial Analysis of the County's Funds

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

Governmental Funds

As of June 30, 2011, the County's governmental funds reported combined ending fund balances of \$37.5 million (Exhibit 3), a decrease of \$26.8 million in comparison with the prior fiscal year. The decrease is primarily due to the disbursement of bond proceeds of \$27.4 million from the 2008 bond issuance for the new high school construction project and capitalized interest. There is \$16.6 million or 44 percent restricted in fund balance for the completion of the project. Approximately 36 percent of the fund balance constitutes unassigned fund balance, which is available for spending at the County's discretion. The remaining fund balance is committed for capital projects of \$7.3 million or 19 percent.

The general fund is the main operating fund of the County. The fund balance for the general fund increased \$371 thousand (Exhibit 4) during the current fiscal year. This increase is primarily a result of general property tax rates and vehicle license fees. At the end of the current fiscal year, unassigned fund balance of the general fund was \$13.5 million (Exhibit 3), while total fund balance reached \$20.8 million. As a measure of the general fund's liquidity, it may be useful to compare fund balances to total fund revenues. Unassigned fund balance represents 37 percent of total general fund revenues, while the total general fund expenditures represent 39 percent of that same amount. The Board of Supervisors uses a guideline to keep an unassigned general fund balance at a minimum of 12% of the total governmental general fund revenues and component unit – school board operating revenues. The unassigned fund balance in the general fund exceeds this guideline by 48 percent or \$6.5 million.

Fund balance for the Capital Projects Fund was \$16.7 million for the fiscal year 2011; a significant portion of this amount is classified as *restricted* to indicate that it is not available for new spending. This fund decreased by \$27.2 million during the fiscal year due to expenditures incurred for new high school construction.

Financial Analysis of the County's Funds: (Continued)

Significant outlays in fiscal year 2011 included the following:

- The General Fund contributed \$13.7 million in operating funds to finance the Schools operations.
- The General Fund transferred \$1.1 thousand to the Capital Projects Fund to fund capital improvement projects for the County.
- The General Fund contributed \$262 thousand for the Other Post Employment Benefit (OPEB).

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Community Programs (*Parks & Recreation*) Fund at the end of the year were \$55 thousand, a decrease from the prior year of \$16 thousand or 23 percent. Charges for services decreased from the prior year by \$6 thousand. Operating expenses decreased from the prior year by \$4 thousand. Revenues and expenditures continue to decline because of low participation in recreational activities; the Community Programs made no capital outlay for the fiscal year.

Net assets of the Fork Union Sanitary District Fund totaled \$1.3 million a decrease from prior year of \$100 thousand or 7 percent. Charges for services increased from the prior year by \$21 thousand as result of volume of water used by commercial customers and operating expenses decreased by \$9 thousand from the prior year due no major repairs to system.

Net assets of the Sewer totaled \$3.1 million a decrease from prior year of \$.1 thousand or 3 percent. Charges for services decreased from the prior year by \$1.2 million and operating expenses increased \$23 thousand as result of depreciation from the capitalization of expanded infrastructure in fiscal year 2010.

General Fund Budgetary Highlights

Budget amendments resulted in an increase of \$1 million between the original budget and the final budget. Significant appropriations included:

- \$368 thousand for Sheriff's public safety grants;
- \$416 thousand to Education for operations; and
- \$168 thousand for Virginia Retirement System (VRS) to the constitutional officers.

Variances between the final amended budget and actual was \$3.2 million. The significant differences were:

- \$1.7 million for new high school debt service reserve;
- \$321 thousand where the Local Department of Social Services had budgeted funds for public assistance and purchased services but State funding was not available;
- \$246 thousand from educational services in the Schools;
- \$346 thousand from Sheriff's public safety grants;
- \$139 thousand in general governmental administration for VRS.

Capital Asset and Debt Administration

Capital assets

Table 3 provides information on changes in the capital assets of the governmental activities during fiscal year 2010.

Table 3

**Change in Capital Assets
Governmental Activities
(\$ in millions)**

	<u>Balance July 1, 2010</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2011</u>
Land and improvements	\$ 1.5	\$ -	\$ 1.5
Construction in progress - jointly owned	34.5	31.6	66.1
Construction in progress	0.6	0.1	0.7
Subtotal, capital assets not being depreciated	<u>\$ 36.6</u>	<u>\$ 31.7</u>	<u>\$ 68.3</u>
Buildings and improvements	\$ 16.6	\$ 1.4	\$ 18.0
Equipment	5.3	(0.1)	5.2
Jointly owned assets	<u>11.0</u>	<u>(1.0)</u>	<u>10.0</u>
Subtotal, capital assets being depreciated	<u>\$ 32.9</u>	<u>\$ 0.3</u>	<u>\$ 33.2</u>
Less: accumulated depreciation	\$ 9.7	\$ 0.8	\$ 10.5
Net capital assets being depreciated	<u>\$ 23.2</u>	<u>\$ (0.5)</u>	<u>\$ 22.7</u>
Governmental activities capital assets, net	<u><u>\$ 59.8</u></u>	<u><u>\$ 31.2</u></u>	<u><u>\$ 91.0</u></u>

The County's investment in capital assets for its governmental type activities as of June 30, 2011 totals \$91 million, net of accumulated depreciation. This represents an increase of \$31.2 million or 52 percent over the prior year. The investment in capital assets includes land, buildings, improvements, infrastructure (primarily water system), machinery and equipment, and construction in progress. State law grants the County a *tenancy in common* with the School Component Unit for School capital assets for which the County incurs an obligation payable over more than one fiscal year, under which the County reported net capital assets of \$7.8 million at year end.

Major capital asset events during the current fiscal year for the governmental activities were the capitalization the additional construction in progress of \$31.6 million for new high school.

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term debt

Table 4 provides an overview of the long-term obligations for the governmental activities.

Table 4

**Summary of Changes in Long-Term Debt
Governmental Activities
(\$ in millions)**

	<u>Balance July 1, 2010</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2011</u>
Capital leases	\$ 0.8	\$ (0.1)	\$ 0.7
Revenue bonds less deferred refunding	6.1	(0.3)	5.8
General obligations bonds plus premium less discount	83.9	(0.9)	83.0
Landfill post closure care cost	-	0.8	0.8
Compensated absences	0.5	-	0.5
Revenue note	2.7	-	2.7
Total long-term debt	<u><u>\$ 94.0</u></u>	<u><u>(0.5)</u></u>	<u><u>\$ 93.5</u></u>

Capital Asset and Debt Administration: (Continued)

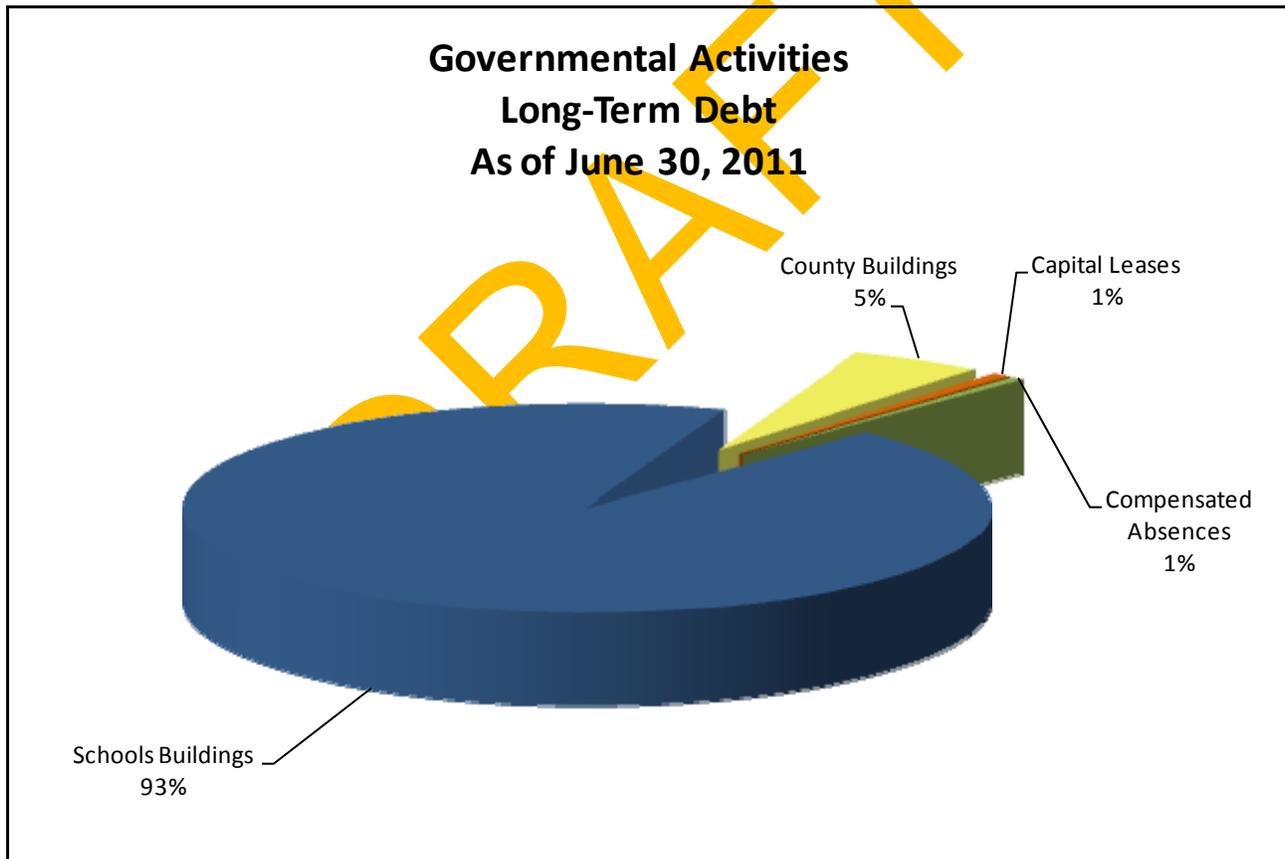
Long-term debt: (Continued)

At the end of the current fiscal year, the County had total bonded debt outstanding of \$88.8 million. This entire amount represents debt backed by the full faith and credit of the County.

The County has adopted two debt ratios as a management tool. The first ratio adopted, limits the annual general governmental debt service to no more than 12 percent of General Fund revenues. In fiscal year 2011, the County's debt to revenue ratio was 16.7 percent. The second ratio assessed by management is the net general obligation of debt to assessed value will not exceed 3.5 percent. This ratio measures the relationship between County's tax-supported debt to the taxable value of property in the County. In fiscal year 2011, this ratio was 2.4 percent.

On December 2010 the County refinanced a Public Facility's Note of \$2.7 million in the same instrument and amount.

The chart below illustrates long-term debt by type and percentage of each type relative to the total outstanding debt. Schools general obligations bonds represent the largest category of debt with 98 percent of the County's total governmental debt.



Additional information on the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

Economic Factors

According to the Weldon Cooper Center for Public Service at the University of Virginia, Fluvanna County's population was estimated to be 25,691; this is a decrease of 961 or 4 percent over the prior year. Population estimates for the last ten years are provided in Table 12, Statistical Section of this report.

The local unemployment rate was 5.1 percent at June 30, 2011, which is .6 percent less than the 5.7 percent at June 30, 2010. The local unemployment rate compares favorably to the State's rate of 6.3 percent and national rate of 9.3 percent for the same period.

Inflation measured by the national consumer price index (CPI) for June was 3.6 percent higher than a year ago where the CPI for June 201 had a percentage change of 1.1 percent.

The 2009 per capita personal income (PCPI) for Fluvanna County was \$34,811. This PCPI reflected an increase of 2.8 percent from 2008. Fluvanna is ranked 43rd in the State and 79 percent compared to Commonwealth of Virginia's average of \$44,057 and 88 percent of the national average of \$39,635, as reported by the U. S. Department of Commerce Bureau of Economic Analysis.

According to Charlottesville Area Association of Realtors the median sale price in Fluvanna has continued to slowly decline over the past four years (through third quarter of 2011). Median sale price for the County was \$204,008, 87% of the Charlottesville MSA average.

Fiscal Year 2012 Budget and Rates

For the fiscal year ending June 30, 2012, the adopted budget is \$67.9 million which is an increase of \$900 thousand or 1.3 percent over the prior fiscal year 2010.

For fiscal year 2011-2012 the real estate tax rate increased from \$0.54 to \$0.57 per \$100 of assessed value.

The County will transfer to the component unit, Schools, \$14 million a increased by 2.2 percent from prior fiscal year.

Key factors that are expected to impact future budget include:

- Recovery of the economy.
- Reduction Federal and State funding.
- Debt Service for "New" High School.
- Operating cost for "New" High School.

Requests for Information

This financial report is designed to provide a general overview of the County of Fluvanna, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 132 Main Street, Fluvanna, Virginia 22963.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets
At June 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	School Board
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 20,357,297	\$ 34,816	\$ 20,392,113	\$ 96,917
Restricted assets	21,239,066	-	21,239,066	-
Receivables (net of allowance for uncollectibles):				
Property taxes	1,803,459	-	1,803,459	-
Accounts receivable	151,915	38,572	190,487	-
Notes receivable	40,000	-	40,000	-
Prepaid expenses	35,080	-	35,080	-
Due from primary government	-	-	-	999,943
Internal balances	72,841	(72,841)	-	-
Due from other governments	2,485,167	258,300	2,743,467	1,025,096
Total Current Assets	\$ 46,184,825	\$ 258,847	\$ 46,443,672	\$ 2,121,956
Noncurrent Assets				
Capital assets (net of accumulated depreciation):				
Land	\$ 1,513,246	\$ 296,176	\$ 1,809,422	\$ 329,523
Buildings and improvements	13,620,456	2,879	13,623,335	8,602,212
Infrastructure	-	5,584,903	5,584,903	-
Equipment	1,311,932	96,942	1,408,874	801,676
Jointly owned assets	7,816,151	-	7,816,151	-
Construction in progress	66,813,176	-	66,813,176	-
Total capital assets	\$ 91,074,961	\$ 5,980,900	\$ 97,055,861	\$ 9,733,411
Other assets:				
Bond issue costs	\$ 777,900	\$ -	\$ 777,900	\$ -
Total Noncurrent Assets	\$ 91,852,861	\$ 5,980,900	\$ 97,833,761	\$ 9,733,411
Total Assets	\$ 138,037,686	\$ 6,239,747	\$ 144,277,433	\$ 11,855,367
LIABILITIES				
Current Liabilities				
Accounts payable and other current liabilities	\$ 5,894,009	\$ 50,900	\$ 5,944,909	\$ 2,030,133
Due to component unit	999,943	-	999,943	-
Unearned revenue	216,232	-	216,232	-
Accrued interest payable	707,738	-	707,738	-
Notes payable	-	40,000	40,000	-
Current portion of long-term obligations	2,353,809	92,660	2,446,469	96,425
Total Current Liabilities	\$ 10,171,731	\$ 183,560	\$ 10,355,291	\$ 2,126,558
Noncurrent Liabilities				
Noncurrent portion of long-term obligations	91,139,445	1,550,909	92,690,354	867,827
Total Liabilities	\$ 101,311,176	\$ 1,734,469	\$ 103,045,645	\$ 2,994,385
NET ASSETS				
Invested in capital assets, net of related debt	\$ 15,481,925	\$ 4,359,941	\$ 19,841,866	\$ 9,733,411
Unrestricted assets	21,244,585	145,337	21,389,922	(872,429)
Total Net Assets	\$ 36,726,510	\$ 4,505,278	\$ 41,231,788	\$ 8,860,982
Total Liabilities and Net Assets	\$ 138,037,686	\$ 6,239,747	\$ 144,277,433	\$ 11,855,367

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

COUNTY OF FLUVANNA, VIRGINIA

Statement of Activities
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,266,965	\$ -	\$ 265,250	\$ -
Judicial administration	1,092,325	74,985	537,538	-
Public safety	4,875,996	196,820	1,133,897	141,554
Public works	1,324,088	102,391	7,926	-
Health and welfare	4,826,649	-	2,606,839	-
Education	10,796,609	-	-	-
Parks, recreation, and cultural	723,393	82,284	57,597	-
Community development	447,602	109,880	-	10,022
Interest on long-term debt	4,667,841	-	-	-
Total governmental activities	\$ 31,021,468	\$ 566,360	\$ 4,609,047	\$ 151,576
Business-type activities:				
Fork Union Sanitary District	\$ 368,737	\$ 301,071	\$ -	\$ -
Community Programs	45,710	30,134	-	-
Sewer	182,931	12,791	-	-
Total business-type activities	\$ 597,378	\$ 343,996	\$ -	\$ -
Total primary government	\$ 31,618,846	\$ 910,356	\$ 4,609,047	\$ 151,576
COMPONENT UNIT:				
School Board	\$ 36,634,494	\$ 974,008	\$ 21,124,066	\$ -

General revenues:
 General property taxes
 Local sales and use taxes
 Consumer utility taxes
 Motor vehicle license taxes
 Recordation taxes
 Other local taxes
 Commonwealth of Virginia non-categorical aid
 Unrestricted revenues from use of money and property
 Miscellaneous
 Contribution from county
 Transfers
 Total general revenues and transfers
 Change in net assets
 Net assets - beginning
 Net assets - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business Type Activities	Total	School Board
\$ (2,001,715)	\$ -	\$ (2,001,715)	\$ -
(479,802)	-	(479,802)	-
(3,403,725)	-	(3,403,725)	-
(1,213,771)	-	(1,213,771)	-
(2,219,810)	-	(2,219,810)	-
(10,796,609)	-	(10,796,609)	-
(583,512)	-	(583,512)	-
(327,700)	-	(327,700)	-
(4,667,841)	-	(4,667,841)	-
<u>\$ (25,694,485)</u>	<u>\$ -</u>	<u>\$ (25,694,485)</u>	<u>\$ -</u>
\$ -	\$ (67,666)	\$ (67,666)	\$ -
-	(15,576)	(15,576)	-
-	(170,140)	(170,140)	-
<u>\$ -</u>	<u>\$ (253,382)</u>	<u>\$ (253,382)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ (253,382)</u>	<u>\$ (25,947,867)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,536,420)</u>
\$ 24,510,584	\$ -	\$ 24,510,584	\$ -
1,061,791	-	1,061,791	-
1,290,455	-	1,290,455	-
667,940	-	667,940	-
244,066	-	244,066	-
236,955	-	236,955	-
3,152,927	-	3,152,927	-
307,436	-	307,436	16,292
247,590	-	247,590	387,152
-	-	-	14,394,360
(867,924)	867,924	-	-
<u>\$ 30,851,820</u>	<u>\$ 867,924</u>	<u>\$ 31,719,744</u>	<u>\$ 14,797,804</u>
<u>\$ 5,157,335</u>	<u>\$ 614,542</u>	<u>\$ 5,771,877</u>	<u>\$ 261,384</u>
<u>\$ 31,569,175</u>	<u>\$ 3,890,736</u>	<u>\$ 35,459,911</u>	<u>\$ 8,599,598</u>
<u>\$ 36,726,510</u>	<u>\$ 4,505,278</u>	<u>\$ 41,231,788</u>	<u>\$ 8,860,982</u>

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Fund Financial Statements

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Balance Sheet - Governmental Funds
At June 30, 2011

	<u>Governmental Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Capital Projects</u>	
ASSETS			
Cash and cash equivalents	\$ 20,357,297	\$ -	\$ 20,357,297
Cash in custody of others		21,239,066	21,239,066
Receivables (Net of allowance for uncollectibles):			
Taxes, including penalties	1,803,459	-	1,803,459
Accounts	142,783	9,132	151,915
Notes receivable	40,000		40,000
Prepaid items	35,080		35,080
Due from other funds	72,841	188,564	261,405
Due from other governmental units	2,336,566	148,601	2,485,167
Total assets	\$ 24,788,026	\$ 21,585,363	\$ 46,373,389
LIABILITIES			
Accounts payable	\$ 1,045,969	\$ 4,848,040	\$ 5,894,009
Due to component unit School Board	999,943	-	999,943
Due to other funds	188,564	-	188,564
Deferred revenue	1,770,502	10,000	1,780,502
Total liabilities	\$ 4,004,978	\$ 4,858,040	\$ 8,863,018
FUND BALANCES			
Nonspendable	\$ 35,080	\$ -	\$ 35,080
Restricted	78,938	16,544,058	16,622,996
Committed	7,077,296	183,265	7,260,561
Assigned	63,698	-	63,698
Unassigned	13,528,036	-	13,528,036
Total fund balances	\$ 20,783,048	\$ 16,727,323	\$ 37,510,371
Total liabilities and fund balances	\$ 24,788,026	\$ 21,585,363	

Detailed explanation of adjustments from fund statements to government-wide statement of net assets:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the County as a whole.	\$ 91,074,961
Bond issuance costs net of amortization	777,900
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(707,738)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance.	1,564,270
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net assets.	(93,493,254)
Net assets of General Government Activities	\$ 36,726,510

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

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds
 Year Ended June 30, 2011

	Governmental Funds		Total Governmental Funds
	General	Capital Projects	
Revenues:			
General property taxes	\$ 24,333,649	\$ -	\$ 24,333,649
Other local taxes	3,501,207	-	3,501,207
Permits, privilege fees and regulatory licenses	347,774	-	347,774
Fines and forfeitures	60,363	-	60,363
Revenue from use of money and property	51,225	256,211	307,436
Charges for services	158,223	-	158,223
Miscellaneous	205,458	42,132	247,590
Recovered costs	211,610	6,667	218,277
Intergovernmental:			
Commonwealth	6,761,028	-	6,761,028
Federal	1,000,946	151,576	1,152,522
Total revenues	\$ 36,631,483	\$ 456,586	\$ 37,088,069
Expenditures:			
Current:			
General government administration	\$ 2,006,876	\$ 276,988	\$ 2,283,864
Judicial administration	924,825	-	924,825
Public safety	4,559,133	992,517	5,551,650
Public works	1,444,944	-	1,444,944
Health and welfare	4,858,939	-	4,858,939
Education	13,669,970	27,504,235	41,174,205
Parks, recreation, and cultural	607,528	21,654	629,182
Community development	442,140	11,686	453,826
Nondepartmental	383,995	-	383,995
Debt service:			
Principal retirement	1,436,343	-	1,436,343
Interest and other fiscal charges	4,748,216	-	4,748,216
Total expenditures	\$ 35,082,909	\$ 28,807,080	\$ 63,889,989
Excess (deficiency) of revenues over expenditures	\$ 1,548,574	\$ (28,350,494)	\$ (26,801,920)
Other financing sources (uses):			
Transfers in	\$ 15,450	\$ 1,142,137	\$ 1,157,587
Transfers (out)	(1,193,257)	(10,427)	(1,203,684)
Refunded public facility note redeemed	-	(2,670,000)	(2,670,000)
Issuance of refunding public facility note	-	2,704,077	2,704,077
Total other financing sources (uses)	\$ (1,177,807)	\$ 1,165,787	\$ (12,020)
Changes in fund balances	\$ 370,767	\$ (27,184,707)	\$ (26,813,940)
Fund balances at beginning of year	20,412,281	43,912,030	64,324,311
Fund balances at end of year	\$ 20,783,048	\$ 16,727,323	\$ 37,510,371

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

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Funds
For the Year Ended June 30, 2011

	<u>Primary Government Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ (26,813,940)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. The following details support this adjustment.</p>	
Capital outlay	\$ 32,943,073
Depreciation expense	<u>(1,031,421)</u> 31,911,652
Transfer of joint tenancy assets from Primary Government to the Component Unit	(731,336)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of the change in deferred taxes.	176,935
<p>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. A summary of items supporting this adjustment is as follows:</p>	
Proceeds from debt issued	\$ (2,704,077)
Principal retired on school general obligation bonds	501,859
Principal retired on public facility bonds	333,000
Principal retired on note payable	2,670,000
Principal retired on capital lease obligations	105,666
Principal retired on state literary fund loans	495,818
Deferred amount on refunding	(9,978)
Landfill postclosure costs	(846,177)
Amortization of bond premium	<u>27,988</u> 574,099
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:</p>	
Change in accrued leave	\$ (22,440)
Change in interest payable	<u>62,365</u> 39,925
Change in net assets of governmental activities	<u>\$ 5,157,335</u>

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

Statement of Net Assets
 Proprietary Funds
 At June 30, 2011

	<u>Fork Union Sanitary District</u>	<u>Community Programs Fund</u>	<u>Landfill</u>	<u>Sewer</u>	<u>Totals</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 19,991	\$ 14,825	\$ -	\$ -	\$ 34,816
Accounts receivable	37,858	-	-	714	38,572
Due from other governments	-	-	-	258,300	258,300
Total Current Assets	\$ 57,849	\$ 14,825	\$ -	\$ 259,014	\$ 331,688
Noncurrent Assets					
Capital assets:					
Land and construction in progress	\$ 11,736	\$ -	\$ -	\$ 284,440	\$ 296,176
Other capital assets, net of depreciation	2,021,100	43,474	-	3,620,150	5,684,724
Total Noncurrent Assets	\$ 2,032,836	\$ 43,474	\$ -	\$ 3,904,590	\$ 5,980,900
Total Assets	\$ 2,090,685	\$ 58,299	\$ -	\$ 4,163,604	\$ 6,312,588
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	\$ 26,814	\$ 3,209	\$ -	\$ 20,877	\$ 50,900
Note payable	40,000	-	-	-	40,000
Due to other funds	-	-	-	72,841	72,841
Current portion of long-term obligations	32,023	-	-	60,637	92,660
Total Current Liabilities	\$ 98,837	\$ 3,209	\$ -	\$ 154,355	\$ 256,401
Noncurrent Liabilities					
Noncurrent portion of long-term obligations	645,180	-	-	905,729	1,550,909
Total Liabilities	\$ 744,017	\$ 3,209	\$ -	\$ 1,060,084	\$ 1,807,310
NET ASSETS					
Invested in capital assets, net of related debt	\$ 1,371,876	\$ 43,474	\$ -	\$ 2,944,591	\$ 4,359,941
Unrestricted assets	(25,208)	11,616	-	158,929	145,337
Total Net Assets	\$ 1,346,668	\$ 55,090	\$ -	\$ 3,103,520	\$ 4,505,278
Total Liabilities and Net Assets	\$ 2,090,685	\$ 58,299	\$ -	\$ 4,163,604	\$ 6,312,588

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

Statement of Revenues, Expenses and Changes in Net Assets --
 Proprietary Funds
 Year Ended June 30, 2011

	<u>Fork Union Sanitary District</u>	<u>Community Programs Fund</u>	<u>Landfill</u>	<u>Sewer</u>	<u>Totals</u>
Operating revenues:					
Charges for services	\$ 301,071	\$ 30,134	\$ -	\$ 12,791	\$ 343,996
Total operating revenues	<u>\$ 301,071</u>	<u>\$ 30,134</u>	<u>\$ -</u>	<u>\$ 12,791</u>	<u>\$ 343,996</u>
Operating expenses:					
Personal services	\$ 106,507	\$ -	\$ -	\$ 37,856	\$ 144,363
Fringe benefits	48,222	-	-	16,613	64,835
Contractual services	10,818	-	-	19,590	30,408
Other charges	69,917	35,476	-	12,258	117,651
Depreciation	98,048	10,234	-	96,614	204,896
Total operating expenses	<u>\$ 333,512</u>	<u>\$ 45,710</u>	<u>\$ -</u>	<u>\$ 182,931</u>	<u>\$ 562,153</u>
Operating income (loss)	<u>\$ (32,441)</u>	<u>\$ (15,576)</u>	<u>\$ -</u>	<u>\$ (170,140)</u>	<u>\$ (218,157)</u>
Nonoperating revenues (expenses):					
Interest expense	\$ (35,225)	\$ -	\$ -	\$ -	\$ (35,225)
Total nonoperating revenues (expenses)	<u>\$ (35,225)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,225)</u>
Income (loss) before contributions and transfers	<u>\$ (67,666)</u>	<u>\$ (15,576)</u>	<u>\$ -</u>	<u>\$ (170,140)</u>	<u>\$ (253,382)</u>
Capital contributions and construction grants	\$ -	\$ -	\$ 821,827	\$ 0	\$ 821,827
Transfers					
Transfers in	\$ -	\$ -	\$ -	\$ 51,120	\$ 51,120
Transfers (out)	-	-	(5,023)	-	(5,023)
Total transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,023)</u>	<u>\$ 51,120</u>	<u>\$ 46,097</u>
Change in net assets	\$ (67,666)	\$ (15,576)	\$ 816,804	\$ (119,020)	\$ 614,542
Net assets at beginning of year	<u>1,414,334</u>	<u>70,666</u>	<u>(816,804)</u>	<u>3,222,540</u>	<u>3,890,736</u>
Net assets at end of year	<u>\$ 1,346,668</u>	<u>\$ 55,090</u>	<u>\$ -</u>	<u>\$ 3,103,520</u>	<u>\$ 4,505,278</u>

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

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2011

	<u>Fork Union Sanitary District</u>	<u>Community Programs Fund</u>	<u>Landfill</u>	<u>Sewer</u>	<u>Totals</u>
Cash flows from operating activities:					
Receipts from customers and users	\$ 292,601	\$ 30,134	\$ -	\$ 15,773	\$ 338,508
Payments to suppliers	(82,360)	(26,659)	(11,615)	(110,881)	(231,515)
Payments to employees (including fringe benefits)	(154,729)	-	-	(54,469)	(209,198)
Net cash provided (used) by operating activities	<u>\$ 55,512</u>	<u>\$ 3,475</u>	<u>\$ (11,615)</u>	<u>\$ (149,577)</u>	<u>\$ (102,205)</u>
Cash Flows From Noncapital Financing Activities:					
Transfers in	\$ -	\$ -	\$ -	\$ 51,120	\$ 51,120
Transfers (out)	-	-	(5,023)	-	(5,023)
Increase / (decrease) in due to other funds	-	-	-	72,841	72,841
Net cash provided (used) by noncapital financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,023)</u>	<u>\$ 123,961</u>	<u>\$ 118,938</u>
Cash flows from capital and related financing activities:					
Construction and acquisition of capital assets	\$ -	\$ -	\$ -	\$ -	-
Interest expense	(35,225)	-	-	-	(35,225)
Retirement of indebtedness	(28,446)	-	-	(60,000)	(88,446)
Net cash provided (used) by capital and related financing activities	<u>\$ (63,671)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ (123,671)</u>
Cash flows from investing activities:					
Interest income	\$ -	\$ -	\$ -	\$ -	-
Increase (decrease) in cash and cash equivalents	\$ (8,159)	\$ 3,475	\$ (16,638)	\$ (85,616)	\$ (106,938)
Cash and cash equivalents at beginning of year	<u>28,150</u>	<u>11,350</u>	<u>16,638</u>	<u>85,616</u>	<u>141,754</u>
Cash and cash equivalents at end of year	<u><u>\$ 19,991</u></u>	<u><u>\$ 14,825</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,816</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (32,441)	\$ (15,576)	\$ -	\$ (170,140)	\$ (218,157)
Adjustments to reconcile net loss to net cash provided used by operations:					
Depreciation	\$ 98,048	\$ 10,234	\$ -	\$ 96,614	\$ 204,896
Changes in operating assets and liabilities:					
(Increase)/decrease in accounts receivable	(8,470)	-	(11,615)	2,982	(17,103)
(Decrease) in accounts payable and accrued expenses	(1,625)	8,817	-	(79,033)	(71,841)
Total adjustments	<u>\$ 87,953</u>	<u>\$ 19,051</u>	<u>\$ (11,615)</u>	<u>\$ 20,563</u>	<u>\$ 115,952</u>
Net cash provided used by operating activities	<u><u>\$ 55,512</u></u>	<u><u>\$ 3,475</u></u>	<u><u>\$ (11,615)</u></u>	<u><u>\$ (149,577)</u></u>	<u><u>\$ (102,205)</u></u>

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

Statement of Fiduciary Net Assets
 Fiduciary Funds
 At June 30, 2011

	Other Post - Employment Benefits Trust	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 961,872	\$ 91,638
	<u> </u>	<u> </u>
Total assets	<u>\$ 961,872</u>	<u>\$ 91,638</u>
LIABILITIES		
Amounts held for social services clients	\$ -	\$ 91,638
	<u> </u>	<u> </u>
Total liabilities	<u>\$ -</u>	<u>\$ 91,638</u>
NET ASSETS		
Restricted - Held in trust for OPEB	\$ 961,872	\$ -
	<u> </u>	<u> </u>
Total liabilities	<u>\$ 961,872</u>	<u>\$ -</u>

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

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Statement of Changes in Fiduciary Net Assets
 Fiduciary Funds
 For the Year Ended June 30, 2011

	<u>Other Post - Employment Benefits Trust</u>
ADDITIONS	
Contributions:	
Employer	\$ 262,000
Total contributions	<u>\$ 262,000</u>
Investment earnings:	
Interest	\$ 117,643
Total investment earnings	<u>\$ 117,643</u>
Total additions	<u>\$ 379,643</u>
Change in net assets	\$ 379,643
Net assets - beginning	<u>582,229</u>
Net assets - ending	<u><u>\$ 961,872</u></u>

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

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COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The County of Fluvanna, Virginia is governed by an elected six member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include sheriff and volunteer fire protection, recreational activities, cultural events, education, and social services.

The financial statements of the County of Fluvanna, 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.

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 components unit. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Assets

The Statement of Net Assets is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component unit. Governments report all capital assets in the government-wide Statement of Net Assets and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government are 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).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Fund Financial Statements

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

Budgetary Comparison Schedules

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended component Units:

The County has no blended component units.

Discretely Presented Component Unit:

School Board: The School Board operates the County Public School System. Members are currently elected by popular vote. The School Board adopts an annual budget for the schools. The School Board submits an appropriation request to the Board of Supervisors. The Board of Supervisors can decline to fund the entire appropriation which they adopt (as modified) in the annual County Budget. A separate financial report for the School Board is not prepared.

Other Related Organizations included in the County's CAFR: None

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. 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 those 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 financial statements. Agency funds have no measurement focus. 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 reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

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

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

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

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

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

1. Governmental Funds

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

a. General 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 service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

b. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

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 based upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (continued)

Enterprise Funds

Enterprise Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and 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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

Enterprise funds consist of Fork Union Sanitary District (F.U.S.D.), Community Programs (Parks and Recreation), Landfill, and Sewer.

3. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. These funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's only Agency Fund is the Special Welfare Fund. The County's only Trust Fund is the Other Post Employment Benefits Fund.

D. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; and the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Capital Project Fund. The School Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets and Budgetary Accounting: (continued)

7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

E. Cash and Cash Equivalents

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

F. Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. Investments consist of assets held by a trustee. Bond proceeds are maintained to comply with the provisions of the Internal Revenue Tax Code and various bond indentures. Bond proceeds are deposited in the State Non-Arbitrage Program (SNAP). Values of shares in the SNAP reflect fair value. Capital lease proceeds are held in escrow and deposited in money market funds.

State statutes authorize the County government and the School Board to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

G. Receivables and Payables

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

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 \$298,293 at June 30, 2011 and is comprised of the following:

Fork Union Sanitary District	\$	5,159
Sewer		130
Property Taxes		<u>293,004</u>
Total	\$	<u><u>298,293</u></u>

Property Tax Calendar

The County collects real and personal property taxes semiannually. Real and personal property taxes are levied as of January 1 for a calendar year and are due on June 5 and December 5; penalties and interest accrue on all unpaid balances as of these dates. Unpaid real and personal property taxes constitute a lien against the property as of the due date of the tax. The County bills and collects its own property taxes.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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 as of June 30, 2011 was \$10,299,137.

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

<u>Assets</u>	<u>Years</u>
Buildings	40 to 50
Building improvements	30 to 40
Vehicles and equipment	5 to 10
Water and sewer system	20 to 50
Buses	12

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 receive sick pay benefits. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

K. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums 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.

L. Fund Balances

Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to insure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from problematic fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Under GASB 54, fund balances are required to be reported according to the following classifications:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority.

Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

L. Fund Balances: (Continued)

The Board of Supervisors is authorized to assign amounts for specific purposes. The Board of Supervisors is also authorized to commit amounts for purposes. The Board of Supervisors is also authorized to commit amount for purposes by way of formal resolution approved by the board. The following is detail of County's Fund Balances:

Category	General Fund	Capital Projects Fund	Component Unit School Board Cafeteria Fund
Nonspendable:			
Prepaid Expenses	\$ 35,080	\$ -	\$ -
Total Nonspendable	\$ 35,080	\$ -	\$ -
Restricted:			
Social Services - Revenue Maximization	\$ 78,938	\$ -	\$ -
Unexpended Bond Proceeds	-	16,544,058	-
Total Restricted	\$ 78,938	\$ 16,544,058	\$ -
Committed:			
Capital Projects:			
Heritage Trail	\$ 31,355	\$ -	\$ -
Fork union community plan	83,761	-	-
PG Active Recreation Plan	1,800	-	-
Pleasant grove house renovations	127,873	-	-
Human Services Bldg	302,331	-	-
Western Trailhead	24,779	-	-
Kents Store Firehouse Bldg	11,793	-	-
Financial Software	213,203	-	-
Fork Union Firehouse Bldg	276,791	-	-
Economic Development Reserve	43,138	-	-
Radio Communication Study	2,043	-	-
Telecommunications	34,327	-	-
Administration Vehicles	38,000	-	-
School Buses	80,000	-	-
Ambulance Rechasis Vehicle	100,000	-	-
Replacement of Co Bldg HVAC	375,000	-	-
E911 Radio	3,500,000	-	-
Sheriff Vehicles	220,000	-	-
Round About @ Rt 15 & 53	285,000	-	-
New High School	-	183,265	-
Education	246,102	-	-
Debt Service	1,080,000	-	-
Total Committed	\$ 7,077,296	\$ 183,265	\$ -
Assigned:			
Encumbrances	\$ 63,698	\$ -	\$ -
Cafeteria	-	-	91,823
Total Assigned	\$ 63,698	\$ -	\$ 91,823

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. Net Assets

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

N. 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.

O. Component Unit – School Board Capital Asset and Debt Presentation

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction or improvement of its capital assets. That responsibility lies with the County who issues the debt on behalf of the School Board. However, the Code of Virginia requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the asset.

In the Statement of Net assets, this scenario presents a dilemma for the County. Debt issued on behalf of the School Board is reported as a liability of the primary government, thereby reducing the net assets of the County. The corresponding capital assets are reported as assets of the Component Unit-School Board (title holder), thereby increasing its net assets.

The Virginia General Assembly amended the Code of Virginia to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt.

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (continued)

Investments

Statutes authorize the County and School Board Component Unit 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). Bond proceeds subject to arbitrage rebate are invested in the State Non-Arbitrage Program (See Note 1). Capital lease proceeds are held in escrow and invested in money market funds.

Credit Risk of Debt Securities

The County limits the investment of funds in Debt Securities to those with credit ratings of at least Aa3/AA-.

The County's rated debt investments as of June 30, 2011 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

Rated Debt Investments' Values			
Investment Type	Fair Value	AAA	AA+
Commercial Paper	\$ 561,649	\$ -	\$ 561,649
Money Market Mutual Funds	21,236,709	21,236,709	-
Total	<u>\$ 21,798,358</u>	<u>\$ 21,236,709</u>	<u>\$ 561,649</u>

Interest Rate Risk

The County Investment Policy requires that investment cash flows be optimized to match expected cash flow needs and are limited to investments with an average life of 5 years or less.

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Money Market Mutual Funds	\$ 21,236,709	\$ 21,236,709
Commerical Paper	561,649	561,649
Total	<u>\$ 21,798,358</u>	<u>\$ 21,798,358</u>

Custodial Credit Risk

The County's investments are all insured, registered in the County's name and held in an account in the County's name, or invested in an external investment pool.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS:

Receivables due from other governmental units consist of the following at June 30, 2011:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
Local sales tax	\$ 187,295	\$ -
Communication tax	132,925	-
Public assistance and welfare administration	26,029	-
State sales tax	-	523,973
PPTRA	1,438,261	-
Shared expenses	140,382	-
Comprehensive services	256,535	-
VDOT	100,000	-
Other	20,993	8,758
Federal Government:		
School grants	-	492,365
Public assistance and welfare administration	24,346	-
Homeland Security	141,554	-
Criminal Justice Grants	6,010	-
Environmental Protection Agency	258,300	-
Other	10,837	-
Totals	<u>\$ 2,743,467</u>	<u>\$ 1,025,096</u>

NOTE 4 - INTERFUND OBLIGATIONS/TRANSFERS:

Interfund obligations at June 30, 2011, consisted of the following:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 72,841	\$ 188,564
Capital Projects	188,564	-
Sewer	-	72,841
Total	<u>\$ 261,405</u>	<u>\$ 261,405</u>

The purpose of interfund balances is to cover cash overdrafts at year-end.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 4 - INTERFUND OBLIGATIONS/TRANSFERS: (continued)

Interfund transfers for the year ended June 30, 2011, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government		
General Fund	\$ 15,450	\$ 1,193,257
Sewer	51,120	-
Landfill	-	5,023
Capital Improvements Fund	1,142,137	10,427
Total	<u>\$ 1,208,707</u>	<u>\$ 1,208,707</u>

Transfers are used to (1) move revenue 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.

NOTE 5 - DUE TO/FROM PRIMARY GOVERNMENT/COMPONENT UNIT:

<u>Fund</u>	<u>Due from Primary Government</u>	<u>Due to Component Unit</u>
Primary Government - General Fund	\$ -	\$ 999,943
Component Unit - School Board	999,943	-
Total	<u>\$ 999,943</u>	<u>\$ 999,943</u>

The purpose of the interfund obligations is to report the balance of local appropriations unspent at year-end due back to the respective funds.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 6 - CAPITAL ASSETS:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2011:

	Beginning Balance July 1, 2010	Additions	Deletions	Ending Balance June 30, 2011
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,513,246	\$ -	\$ -	\$ 1,513,246
Construction in progress-jointly owned assets	34,537,882	31,555,307	-	66,093,189
Construction in progress	646,671	1,291,428	1,218,112	719,987
Total capital assets not being depreciated	\$ 36,697,799	\$ 32,846,735	\$ 1,218,112	\$ 68,326,422
Capital assets being depreciated:				
Buildings	\$ 16,590,527	\$ 1,289,955	\$ 9,734	\$ 17,870,748
Equipment	5,261,151	24,495	8,739	5,276,907
Jointly owned assets	11,049,299	-	997,677	10,051,622
Total capital assets being depreciated	\$ 32,900,977	\$ 1,314,450	\$ 1,016,150	\$ 33,199,277
Less accumulated depreciation for:				
Buildings	\$ 3,796,090	\$ 463,936	\$ 9,734	\$ 4,250,292
Equipment	3,657,520	316,194	8,739	3,964,975
Jointly owned assets	2,250,521	251,291	266,341	2,235,471
Total accumulated depreciation	\$ 9,704,131	\$ 1,031,421	\$ 284,814	\$ 10,450,738
Total capital assets being depreciated, net	\$ 23,196,846	\$ 283,029	\$ 731,336	\$ 22,748,539
Governmental activities capital assets, net	\$ 59,894,645	\$ 33,129,764	\$ 1,949,448	\$ 91,074,961

Tenancy in Common – State legislation enacted in 2002, Section 15.2-1800.1 of the Code of Virginia, (1950), as amended, granted the County a tenancy in common with the School Board when the County incurs a financial obligation for school property which is payable over more than one fiscal year. For financial reporting purposes, the net book value of School capital assets financed by the County guaranteed debt is shown under the County up to the amount of outstanding debt. At June 30, 2011, the School component unit capital assets financed by the outstanding County guaranteed debt with a book value of \$73,909,340 were reported in the Primary Government as tenant in common with the School Board.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 6 - CAPITAL ASSETS: (continued)

	Beginning Balance July 1, 2010	Additions	Deletions	Ending Balance June 30, 2011
Business-type Activities:				
<u>Fork Union Sanitary District:</u>				
Capital assets, not being depreciated:				
Land	\$ 11,736	\$ -	\$ -	\$ 11,736
Total capital assets not being depreciated	\$ 11,736	\$ -	\$ -	\$ 11,736
Capital assets being depreciated:				
Buildings	\$ 18,079	\$ -	\$ -	\$ 18,079
Infrastructure	3,078,912	-	-	3,078,912
Equipment	159,711	-	-	159,711
Total capital assets being depreciated	\$ 3,256,702	\$ -	\$ -	\$ 3,256,702
Less accumulated depreciation for:				
Buildings	\$ 14,979	\$ 221	\$ -	\$ 15,200
Infrastructure	1,036,113	78,046	-	1,114,159
Equipment	86,462	19,781	-	106,243
Total accumulated depreciation	\$ 1,137,554	\$ 98,048	\$ -	\$ 1,235,602
Total capital assets being depreciated, net	\$ 2,119,148	\$ (98,048)	\$ -	\$ 2,021,100
Fork Union Sanitary District capital assets, net	<u>\$ 2,130,884</u>	<u>\$ (98,048)</u>	<u>\$ -</u>	<u>\$ 2,032,836</u>
<u>Community Programs Fund:</u>				
Capital assets being depreciated:				
Equipment	\$ 159,153	\$ -	\$ -	\$ 159,153
Total capital assets being depreciated	\$ 159,153	\$ -	\$ -	\$ 159,153
Less accumulated depreciation for:				
Equipment	\$ 105,445	\$ 10,234	\$ -	\$ 115,679
Total accumulated depreciation	\$ 105,445	\$ 10,234	\$ -	\$ 115,679
Total capital assets being depreciated, net	\$ 53,708	\$ (10,234)	\$ -	\$ 43,474
Community Programs capital assets, net	<u>\$ 53,708</u>	<u>\$ (10,234)</u>	<u>\$ -</u>	<u>\$ 43,474</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 6 - CAPITAL ASSETS: (continued)

	<u>Beginning Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2011</u>
Business-type Activities: (continued)				
<u>Landfill Fund:</u>				
Capital assets being depreciated:				
Land improvements	\$ 86,211	\$ -	\$ 86,211	\$ -
Total capital assets being depreciated	\$ 86,211	\$ -	\$ 86,211	\$ -
Less accumulated depreciation for:				
Land improvements	\$ 14,368	\$ -	\$ 14,368	\$ -
Total accumulated depreciation	\$ 14,368	\$ -	\$ 14,368	\$ -
Total capital assets being depreciated, net	\$ 71,843	\$ -	\$ 71,843	\$ -
Landfill capital assets, net	<u>\$ 71,843</u>	<u>\$ -</u>	<u>\$ 71,843</u>	<u>\$ -</u>
<u>Sewer Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 284,440	\$ -	\$ -	\$ 284,440
Total capital assets not being depreciated	\$ 284,440	\$ -	\$ -	\$ 284,440
Capital assets being depreciated:				
Infrastructure	\$ 3,864,580	\$ -	\$ -	\$ 3,864,580
Total capital assets being depreciated	\$ 3,864,580	\$ -	\$ -	\$ 3,864,580
Less accumulated depreciation for:				
Infrastructure	\$ 147,815	\$ 96,615	\$ -	\$ 244,430
Total accumulated depreciation	\$ 147,815	\$ 96,615	\$ -	\$ 244,430
Total capital assets being depreciated, net	\$ 3,716,765	\$ (96,615)	\$ -	\$ 3,620,150
Sewer capital assets, net	<u>\$ 4,001,205</u>	<u>\$ (96,615)</u>	<u>\$ -</u>	<u>\$ 3,904,590</u>
Business-type activities capital assets, net	<u>\$ 6,257,640</u>	<u>\$ (204,897)</u>	<u>\$ 71,843</u>	<u>\$ 5,980,900</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 6 - CAPITAL ASSETS: (continued)

	<u>Beginning Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2011</u>
Discretely Presented Component-Unit School Board:				
Capital assets, not being depreciated:				
Land	\$ 329,523	\$ -	\$ -	\$ 329,523
Total capital assets not being depreciated	<u>\$ 329,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,523</u>
Capital assets being depreciated:				
Buildings	\$ 9,234,279	\$ -	\$ -	\$ 9,234,279
Equipment	4,352,021	89,392	-	4,441,413
Jointly owned assets	7,845,567	997,677	-	8,843,244
Total capital assets being depreciated	<u>\$ 21,431,867</u>	<u>\$ 1,087,069</u>	<u>\$ -</u>	<u>\$ 22,518,936</u>
Less accumulated depreciation for:				
Buildings	\$ 8,770,475	\$ 704,836	\$ -	\$ 9,475,311
Equipment	3,480,783	158,954	-	3,639,737
Total accumulated depreciation	<u>\$ 12,251,258</u>	<u>\$ 863,790</u>	<u>\$ -</u>	<u>\$ 13,115,048</u>
Total capital assets being depreciated, net	<u>\$ 9,180,609</u>	<u>\$ 223,279</u>	<u>\$ -</u>	<u>\$ 9,403,888</u>
School Board capital assets, net	<u>\$ 9,510,132</u>	<u>\$ 223,279</u>	<u>\$ -</u>	<u>\$ 9,733,411</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 6 - CAPITAL ASSETS: (continued)

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

Governmental Activities:

General government administration	\$	110,435
Judicial administration		163,179
Public safety		343,525
Public works		39,124
Health and welfare		19,927
Education		251,291
Parks, recreation and cultural		103,940
Total	\$	<u>1,031,421</u>

Business-Type Activities:

Fork Union Sanitary District	\$	<u>98,048</u>
Community Programs	\$	<u>10,234</u>
Landfill	\$	<u>-</u>
Sewer	\$	<u>96,615</u>
Component Unit School Board	\$	<u>597,449 (1)</u>
(1) Depreciation Expense	\$	597,449
Accumulated depreciation on joint tenancy asset transfer		<u>266,341</u>
Total additions to accumulated depreciation	\$	<u>863,790</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2011:

	<u>Amounts Payable at July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Governmental Funds:					
Public facility note	\$ 2,670,000	\$ 2,704,077	\$ 2,670,000	\$ 2,704,077	\$ -
School general obligation bonds	79,751,876	-	501,859	79,250,017	1,344,131
Premium on general obligation bonds	484,717	-	27,988	456,729	27,887
Discount on general obligation bonds	(507,149)	-	-	(507,149)	(31,697)
Public facility bonds	6,306,100	-	333,000	5,973,100	348,600
Less deferred amount on refunding	(159,640)	-	(9,978)	(149,662)	(9,978)
Landfill closure and post-closure costs	-	897,840	51,663	846,177	31,340
Capital lease obligation	769,043	-	105,666	663,377	110,177
Literary fund loans	4,242,423	-	495,818	3,746,605	482,351
Compensated absences	487,543	144,326	121,886	509,983	50,998
Total governmental funds	<u>\$ 94,044,913</u>	<u>\$ 3,746,243</u>	<u>\$ 4,297,902</u>	<u>\$ 93,493,254</u>	<u>\$ 2,353,809</u>

The general fund revenues are used to liquidate compensated absences and other long-term obligations.

	<u>Amounts Payable at July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Enterprise Funds:					
Compensated absences payable	\$ 29,826	\$ 240	\$ 7,457	\$ 22,609	\$ 2,261
Water facility bonds	689,406	-	28,446	660,960	30,399
Sewer revenue bonds	1,020,000	-	60,000	960,000	60,000
Landfill closure and post-closure costs	887,305	-	887,305	-	-
Total Enterprise Funds	<u>\$ 2,626,537</u>	<u>\$ 240</u>	<u>\$ 983,208</u>	<u>\$ 1,643,569</u>	<u>\$ 92,660</u>
Total Primary Government	<u>\$ 96,671,450</u>	<u>\$ 3,746,483</u>	<u>\$ 5,281,110</u>	<u>\$ 95,136,823</u>	<u>\$ 2,446,469</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (continued)

Primary Government

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

Year	Literary Fund Loans		General Obligation Bonds		Public Facility Revenue Refunding Bond		Public Facility Revenue Bond	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 482,351	\$ 115,781	\$ 1,344,131	\$ 4,194,868	\$ 74,800	\$ 88,142	\$ 273,700	\$ 159,936
2013	475,593	99,585	2,080,484	4,127,117	74,600	84,938	285,100	148,638
2014	309,851	83,660	2,222,684	4,044,084	79,300	81,637	296,900	136,866
2015	309,851	74,364	2,316,773	3,957,634	83,900	78,136	309,100	124,606
2016	309,851	65,069	2,427,011	3,857,114	88,300	74,442	321,800	111,844
2017	309,851	55,773	2,545,056	3,755,132	92,500	70,564	335,100	98,554
2018	309,851	46,478	2,570,736	3,661,120	96,500	66,510	349,100	84,714
2019	309,851	37,182	2,661,143	3,556,788	100,300	62,289	363,500	70,296
2020	309,851	27,887	2,766,834	3,437,097	104,000	57,906	378,400	55,280
2021	309,851	18,591	2,788,139	3,313,291	107,500	53,370	394,100	39,650
2022	309,853	9,296	2,904,442	3,189,989	110,700	48,689	410,300	23,368
2023	-	-	3,026,073	3,055,020	113,700	43,876	164,000	6,416
2024	-	-	3,172,128	2,899,096	121,500	38,831	-	-
2025	-	-	3,333,030	2,725,538	124,000	33,565	-	-
2026	-	-	3,504,210	2,541,702	720,400	15,453	-	-
2027	-	-	3,312,143	2,355,956	-	-	-	-
2028	-	-	3,115,000	2,167,206	-	-	-	-
2029	-	-	3,315,000	1,966,269	-	-	-	-
2030	-	-	3,525,000	1,756,925	-	-	-	-
2031	-	-	3,740,000	1,538,975	-	-	-	-
2032	-	-	3,970,000	1,307,675	-	-	-	-
2033	-	-	4,215,000	1,062,125	-	-	-	-
2034	-	-	4,490,000	789,750	-	-	-	-
2035	-	-	4,790,000	488,150	-	-	-	-
2036	-	-	5,115,000	166,238	-	-	-	-
Totals	\$ 3,746,605	\$ 633,666	\$ 79,250,017	\$ 65,914,859	\$ 2,092,000	\$ 898,348	\$ 3,881,100	\$ 1,060,168

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (continued)

Primary Government: (Continued)

Year	Public Facility Revenue Note		Capital Leases		Revenue Bonds			
	Principal	Interest	Principal	Interest	Water Facilities Bond		Sewer System Revenue Bond	
					Principal	Interest	Principal	Interest
2012	\$ -	\$ 46,578	\$ 110,177	\$ 27,284	\$ 30,299	\$ 29,221	\$ 60,000	\$ -
2013	2,704,077	42,995	114,882	22,579	31,691	27,829	60,000	-
2014	-	-	91,604	17,671	33,147	26,373	60,000	-
2015	-	-	95,322	13,953	34,670	24,850	60,000	-
2016	-	-	99,191	10,084	36,263	23,257	60,000	-
2017	-	-	48,767	6,058	37,928	21,592	60,000	-
2018	-	-	50,708	4,117	39,671	19,849	60,000	-
2019	-	-	52,726	2,098	41,493	18,027	60,000	-
2020	-	-	-	-	43,400	16,120	60,000	-
2021	-	-	-	-	45,393	14,127	60,000	-
2022	-	-	-	-	47,479	12,041	60,000	-
2023	-	-	-	-	49,660	9,860	60,000	-
2024	-	-	-	-	51,941	7,579	60,000	-
2025	-	-	-	-	54,327	5,193	60,000	-
2026	-	-	-	-	56,823	2,697	60,000	-
2027	-	-	-	-	26,775	377	60,000	-
Totals	\$ 2,704,077	\$ 89,573	\$ 663,377	\$ 103,844	\$ 660,960	\$ 258,992	\$ 960,000	\$ -

Refunding of Public Facility Revenue Note:

The \$7,500,000 Public Facility Revenue Note issued in December 7, 2007 to help pay for the new high school had a balance outstanding of \$2,670,000 that was due on January 15, 2011. On December 1, 2010 the County issued a \$2,704,077 Public Facility Revenue Note to pay this balance off. There was no economic gain or loss on this transaction.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (continued)

Detail of Long-Term Obligations

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<i><u>Public Facility Bonds:</u></i>		
\$2,695,000 Public Facility Revenue Bond Series 2006 payable in various installments of principal and interest beginning January 15, 2007, interest payable semiannually at 4.27%.	\$ 2,272,800	\$ 166,200
\$2,505,000 Public Facility Revenue Refunding Bond Series 2005 payable in various principal installments ranging from \$59,100 to \$720,400 beginning October 15, 2006, interest payable semiannually at 4.29%.	2,092,000	74,800
Less deferred amount on refunding	(149,662)	(9,978)
\$1,900,000 Public Facility Revenue Bond Series 2007 payable in various principal installments ranging from \$88,300 to \$164,100 beginning January 15, 2009, interest payable semiannually at 3.91%.	<u>1,608,300</u>	<u>107,600</u>
Total public facility bonds	<u>\$ 5,823,438</u>	<u>\$ 338,622</u>
<i><u>Public Facility Note:</u></i>		
\$2,704,077 Public Facility Revenue Note Series 2010 principal payable in one lump sum on January 1, 2013. Interest payable semiannually beginning July 1, 2011 at 1.59%.	<u>\$ 2,704,077</u>	<u>\$ -</u>
<i><u>School General Obligation Bonds:</u></i>		
\$2,096,324 School Bonds, 1995C, issued December 21, 1995, maturing annually in installments ranging from \$92,389 to \$123,720 through July 15, 2016, interest at 5.10% payable semiannually.	\$ 594,850	\$ 114,456
\$830,197 School Bonds, 1996A, issued March 1996, maturing annually in installments ranging from \$36,064 to \$49,458 through July 15, 2017, interest up to 8% payable semiannually.	281,935	44,686

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (continued)

Detail of Long-Term Obligations: (continued)

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<i>School General Obligation Bonds: (continued)</i>		
\$1,000,000 Refunding School Bonds, 1999A, issued May 13, 1999, maturing annually in installments of \$50,000 through July 15, 2019, interest payable semiannually at 4.1%.	\$ 450,000	\$ 50,000
\$6,411,957 School Bonds, 2005A, issued November 10, 2005, maturing annually in installments ranging from \$273,104 to \$372,067 through July 15, 2025, interest payable semiannually at 5.1%.	4,978,232	299,489
\$67,525,000 School Bonds, 2008A, issued December 22, 2008, maturing annually in installments ranging from \$700,000 to \$5,115,000 through December 1, 2035, interest payable semiannually at 5.95%	67,525,000	700,000
Premium on School Bonds 2008A	456,729	27,887
\$5,420,000 School Bonds, 2009A, issued November 13, 2009, maturing annually in installments ranging from \$135,500 to \$387,143 through September 15, 2026. The interest rate is 0.0%.	5,420,000	135,500
Discount on School Bonds 2009A	<u>(507,149)</u>	<u>(31,697)</u>
Total school general obligation bonds	\$ <u>79,199,597</u>	\$ <u>1,340,321</u>
<i>State Literary Fund Loans:</i>		
\$3,500,000, issued June 15, 1992 due in annual installments of \$172,500 through June 15, 2011, final payment due June 15, 2012 in the amount of \$165,742, interest at 4%.	\$ 338,242	\$ 172,500
\$6,197,023, issued July 15, 2001 due in principal annual installments of \$309,851 through July 15, 2021, interest at 3%.	<u>3,408,363</u>	<u>309,851</u>
Total state literary fund loans	\$ <u>3,746,605</u>	\$ <u>482,351</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (continued)

Detail of Long-Term Obligations: (continued)

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<u>Capital Leases:</u>		
\$412,000 capital lease dated February 15, 2007 payable in annual payments of principal and interest in the amount of \$54,450 through July 15, 2015. Interest payable annually at 4.13%. Lease is for Pumper Truck.	\$ 241,521	\$ 44,475
\$217,963 capital lease dated December 22, 2002 payable in annual payments of principal and interest in the amount of \$28,186 through December 26, 2012. Interest payable annually at 4.97%. Lease is for Tanker Truck.	52,432	25,580
\$450,000 capital lease dated January 7, 2009 payable in annual payments of principal and interest in the amount of \$54,825 through October 15, 2018. Interest payable annually at 3.98%. Lease is for Pumper Truck.	<u>369,424</u>	<u>40,122</u>
Total capital leases	\$ <u>663,377</u>	\$ <u>110,177</u>
Landfill closure liability	\$ <u>846,177</u>	\$ <u>31,340</u>
Compensated absences	\$ <u>509,983</u>	\$ <u>50,998</u>
Total	\$ <u>93,493,254</u>	\$ <u>2,353,809</u>
<u>Enterprise Funds:</u>		
Water Facilities Bond:		
\$1,000,000, Series 1998-A, authorized June 25, 1998, due in monthly installments of \$4,960, including principal and interest. The interest rate is 4.5% and final payment is due December 31, 2030.	\$ 660,960	\$ 30,399
Sewer System Revenue Bond:		
\$1,200,000, Series 2006, authorized August 1, 2006, due in semi-annual installments of \$30,000, principal only. The interest rate is 0.0% and final payment is due March 1, 2027.	960,000	60,000
Compensated absences	<u>22,609</u>	<u>2,261</u>
Total Enterprise Obligations	\$ <u>1,643,569</u>	\$ <u>92,660</u>
Total Primary Government	\$ <u>95,136,823</u>	\$ <u>2,446,469</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (continued)

Component Unit School Board

The following is a summary of long-term obligations for the fiscal year ended June 30, 2011:

	<u>Amounts Payable at July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable at June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$ 1,004,454	\$ 210,911	\$ 251,113	\$ 964,252	\$ 96,425
Total	<u>\$ 1,004,454</u>	<u>\$ 210,911</u>	<u>\$ 251,113</u>	<u>\$ 964,252</u>	<u>\$ 96,425</u>

The School Operating and School Cafeteria Funds are used to liquidate the School Board's compensated absences liability.

NOTE 8 - DEFINED BENEFIT PENSION PLAN:

A. Plan Description

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

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

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

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 10 years of service credit or age 50 with at least five years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN: (continued)

A. Plan Description:

- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

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

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2010-annual-report.pdf> by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund 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 and School's contribution rate for the fiscal year ended 2011 were 10.57% and 5.52% of annual covered payroll.

The School Board's contributions for professional employees were \$2,094,436, \$2,203,478, and \$2,227,174 to the teacher cost-sharing pool for the fiscal years ended June 30, 2010, 2009 and 2008 respectively and these contributions represented 8.93%, 8.81%, and 8.81% respectively, of current covered payroll.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN: (Continued)

C. Annual Pension Cost

For fiscal year 2011, the County's annual pension cost of \$558,946 was equal to the County's required and actual contributions.

For fiscal year 2011, the County School Board's annual pension cost for the Board's non-professional employees was \$107,190 which was equal to the Board's required and actual contributions.

Three Year Trend Information for the County and School Board

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2011	\$ 558,946	100%	\$ -
June 30, 2010	479,024	100%	-
June 30, 2009	499,625	100%	-
School Board			
Non-Professional:			
June 30, 2011	\$ 107,190	100%	\$ -
June 30, 2010	129,790	100%	-
June 30, 2009	131,036	100%	-

(1) Employer portion only

The FY2011 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the County and School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the County's plan was 76.38% funded. The actuarial accrued liability for benefits was \$16,820,969, and the actuarial value of assets was \$12,848,487, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,972,482. The covered payroll (annual payroll of active employees covered by the plan) was \$5,569,325, and ratio of the UAAL to the covered payroll was 71.33%.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN: (Continued)

D. Funded Status and Funding Progress: (Continued)

As of June 30, 2010, the most recent actuarial valuation date, the County School Board's plan was 82.34% funded. The actuarial accrued liability for benefits was \$4,870,931, and the actuarial value of assets was \$4,010,577, resulting in an unfunded actuarial accrued liability (UAAL) of \$860,354. The covered payroll (annual payroll of active employees covered by the plan) was \$1,995,180, and ratio of UAAL to the covered payroll was 43.12%.

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

NOTE 9 - CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES:

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

The County employees earn vacation and sick leave based on years of service at the rate of eight hours per month for each full-time employee with less than 5 years of service. Twenty-five percent of the unused sick leave or \$2,500 for County or \$5,000 for Social Services, whichever is less, will be paid to an employee who leaves county employment after five or more years of service. Accumulated vacation is paid upon termination based on length of employment as defined in the County's personnel policy. The County has accrued vacation and sick leave pay as follows:

Primary Government	\$ 509,983
Enterprise Funds	\$ 22,609
Component Unit School Board	\$ 964,252

NOTE 10 - 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 contracts with the Virginia Association of Counties Municipal Liability Pool to provide insurance coverage for these risk losses. The County pays an annual premium to the association for its general workers compensation insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including general liabilities and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 11 - DEFERRED REVENUE - GOVERNMENTAL FUNDS:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred revenue totaling \$1,780,502 is comprised of the following:

- A. Deferred property tax revenues totaled \$1,708,627.
- B. Bama Works Grant \$10,000.
- C. Proffers for litter pick-up \$60,090
- D. Advanced notes funding for Secure Our Schools Grant \$1,785.

NOTE 12 - CONTINGENT LIABILITIES:

Federal assistance programs in which the County and its component unit participate were audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Pursuant to the above provisions, major and non-major programs were tested for compliance with applicable grant requirements. While there are no items of non-compliance, as noted in the compliance report, the federal government may subject grant programs to additional compliance testing which may result in disallowances of current grant program expenditures. However, management believes that if any of these expenditures were disallowed it would be immaterial to the overall general-purpose financial statements.

NOTE 13 - LITIGATION:

At June 30, 2011, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

NOTE 14 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST:

The County of Fluvanna, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on each phase of its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. In accordance with Statement 18 of the Governmental Accounting Standards Board entitled *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$846,177 reported as a landfill closure and postclosure care liability at June 30, 2011, represents the cumulative amount reported based on the use of 100% of the estimated capacity used of the landfill. The County has closed the landfill. These amounts are based on what it would cost to perform all closures and postclosure care in 2011. Actual closure and postclosure care costs may be higher due to inflation, changes in technology, or changes in regulations.

The County 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 9VAC20-70 of the Virginia Administrative Code.

The County plans to meet all federal laws, regulations and tests of financial assurance related to the financing of closure and postclosure care when they become effective.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 15 - SURETY BONDS:

Fidelity and Deposit Company of Maryland - Surety:

Bouson E. Peterson, Jr., Clerk of the Circuit Court	\$ 25,000
Linda H. Lenherr, Treasurer	\$ 400,000
Andrew M. Sheridan, Commissioner of the Revenue	\$ 3,000
Ryant L. Washington, Sheriff	\$ 30,000

The Department of Risk Management of the Virginia General Services Administration maintains a self-insurance plan which covers any duly elected Constitutional Officer required to present a bond and all deputies and/or employees of such Constitutional Officers. The coverage provided by the plan is \$500,000.

Western Surety Company - Surety:

Dr. Gena Keller, Superintendent of Schools	\$ 10,000
Linda P. Higginbotham, Clerk of the School Board	\$ 10,000
William P. "Jay" Scudder, County Administrator	\$ 2,000
Joseph Chesser, Supervisor	\$ 2,500
Shaun V. Kenney, Supervisor	\$ 2,500
Chris S. Fairchild, Supervisor	\$ 2,500
Donald W. Weaver, Supervisor	\$ 2,500
John Gooch, Supervisor	\$ 2,500
Mozell Booker, Supervisor	\$ 2,500

Continental Insurance Company - Surety:

Social Services Department employees - blanket bond	\$ 100,000
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The Travelers - Surety:

Manager, Fork Union Sanitary District	\$ 10,500
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NOTE 16 - CONSTRUCTION COMMITMENTS:

At June 30, 2011 the County has several major projects under construction which are summarized below:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expenditures as of June 30, 2011</u>	<u>Contract Balance</u>
High School	\$ 62,709,485	\$ 51,647,721	\$ 11,061,764
Human Services Building	292,600	63,050	229,550
Fork Union Fire Station	237,290	187,940	49,350
Total	<u>\$ 63,239,375</u>	<u>\$ 51,898,711</u>	<u>\$ 11,340,664</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 17 - TRUST FOR OTHER POST-EMPLOYMENT BENEFITS:

The County of Fluvanna has established a irrevocable trust pursuant to Section 15.2-1544 of the Code of Virginia, as amended for the purpose of accumulated and investing assets to fund Other Post-Employment Benefits (OPEB) and to participate in the Virginia Pooled OPEB Trust Fund and has established a Local Finance Board to become a Participating Employer in the Trust Fund. The Trust Fund provides administrative, custodial and investment services to the Participating Employers in the Trust Fund. For the fiscal year ending June 30, 2011 the County contributed \$262,000 to the Trust Fund. There have been no expenses allocated to the Trust Fund during the fiscal year ended June 30, 2011.

The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML) at P.O. Box 12164, Richmond, Virginia 23241.

NOTE 18-OTHER POST-EMPLOYMENT BENEFITS PROGRAM:

County:

A. Plan Description

The County Post-Retirement Medical Plan (CPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the County and is eligible for retirement from VRS. The County's post-retirement medical plan does not issue a separate, audited GAAP basis report.

B. 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 100 % of premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The estimated pay as you go cost for OPEB benefits is \$84,156 for fiscal year 2011. The County elected to prefund OPEB liabilities. 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.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 18—OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (Continued)

County: (Continued)

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

For 2011, the County's expected cash payment of \$84,156 is equal to the ARC. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2011	\$ 84,156	100%	\$ -
June 30, 2010	\$ 84,156	100%	\$ -
June 30, 2009	\$ 98,798	100%	\$ -

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011 is as follows:

Actuarial accrued liability (AAL)	\$ 585,404
Actuarial value of plan assets	62,792
Unfunded actuarial accrued liability	522,612
Funded ratio (actuarial value of plan assets / AAL)	10.73%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	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 assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 18—OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (Continued)

County: (Continued)

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

Cost Method

The projected unit credit (PUC) cost method was used for this valuation. The objective of this method is to fund each participant’s benefits under the plan as they would accrue. Under this method the total value of the benefit to which each participant is expected to become entitled is broken down into units, each associated with a year of past or future credited service.

Interest Assumptions

In the July 1, 2009, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2009, was thirty years.

	<u>Funded</u>
Discount rate	7.0%
Payroll growth	N/A

School Board:

A. Plan Description

The School Board Post-Retirement Medical Plan (CPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the County and is eligible for retirement from VRS. The School Board’s Post-Retirement Medical Plan does not issue a separate, audited GAAP basis report.

B. Funding Policy

The School Board Post-Retirement Medical Plan (SBPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the School Board and is eligible for retirement from VRS.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 18—OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (Continued)

School Board: (Continued)

C. Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post employment benefits (OPEB) under GASB 45 is calculated based on the annual required contribution or ARC an amount actuarially determined in accordance with the parameters of GASB Statement 45. The estimated pay as you go cost for OPEB benefits is \$278,928 for fiscal year 2011. The School Board elected to pre-fund OPEB liabilities. 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.

For 2011, the School Board's expected cash payment of \$278,928 is equal to the ARC. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2011	\$ 278,928	100%	\$ -
June 30, 2010	278,928	100%	-
June 30, 2009	253,963	100%	-

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011 is as follows:

Actuarial accrued liability (AAL)	\$ 2,086,200
Actuarial value of plan assets	223,770
Unfunded actuarial accrued liability	1,862,430
Funded ratio (actuarial value of plan assets / AAL)	10.73%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	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 assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 18-OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (Continued)

School Board: (Continued)

C. Annual Required Contribution (ARC): (Continued)

Actuarial Methods and Assumptions

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

Cost Method

The entry age normal cost method is used to determine the Plan's 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 of percentage of pay to the assumed earnings for that year (or if benefits are not pay related, the level amount for each year).

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

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

Interest Assumptions

In the July 1, 2009, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included a 4.5 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2009, was thirty years.

Funded

Discount rate	7.0%
Payroll growth	N/A

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 19–VRS HEALTH INSURANCE CREDIT OTHER POST-EMPLOYMENT BENEFITS:

A. Plan Description

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

An employee of the County, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 8.

B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2011 was .10% of annual covered payroll.

C. OPEB Cost and Net OPEB Obligation:

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The County is required to contribute the 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.

For 2011, the County's contribution of \$5,288 was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years are as follows:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2009	\$ 9,758	100%	\$ -
June 30, 2010	\$ 9,349	100%	\$ -
June 30, 2011	\$ 5,288	100%	\$ -

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 19–VRS HEALTH INSURANCE CREDIT OTHER POST-EMPLOYMENT BENEFITS: (CONTINUED)

D. Funded Status and Funding Progress

The funded status of the plan as of September 30, 2010, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$	100,837
Actuarial value of plan assets		60,799
Unfunded actuarial accrued liability		40,038
Funded ratio (actuarial value of plan assets / AAL)		60.29%
Covered payroll (active plan members)		5,569,325
UAAL as a percentage of covered payroll		0.72%

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 and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements 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. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

E. Actuarial Methods and Assumptions

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

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.5% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2010 was 27 years.

F. Professional Employees – Discretely Presented Component Unit School Board

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2011 (Continued)

NOTE 19-VRS HEALTH INSURANCE CREDIT OTHER POST-EMPLOYMENT BENEFITS: (CONTINUED)

F. Professional Employees – Discretely Presented Component Unit School Board: (Continued)

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

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.04% of annual covered payroll. The School Board's contribution to VRS for the year ended June 30, 2011, was \$140,724, and equaled the required contributions for each year.

NOTE 20-RESTRICTED ASSETS:

Restricted assets at June 30, 2011 consist of the following:

	<u>Governmental Activities</u>
Cash for Capital Projects - New High School	\$ 21,239,066
Total	\$ <u>21,239,066</u>

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared on the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America.

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Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - General Fund
 Year Ended June 30, 2011

	General Fund			Variance From Amended Budget Positive (Negative)
	Original Budget	Budget As Amended	Actual	
Revenues:				
General property taxes	\$ 22,824,394	\$ 22,824,394	\$ 24,333,649	\$ 1,509,255
Other local taxes	3,215,205	3,215,205	3,501,207	286,002
Permits, privilege fees and regulatory licenses	332,294	332,294	347,774	15,480
Fines and forfeitures	20,914	20,914	60,363	39,449
Revenue from use of money and property	40,500	40,500	51,225	10,725
Charges for services	50,123	149,123	158,223	9,100
Miscellaneous	155,864	257,916	205,458	(52,458)
Recovered costs	122,229	168,464	211,610	43,146
Intergovernmental:				
Commonwealth	6,847,629	6,851,387	6,761,028	(90,359)
Federal	1,124,836	1,231,601	1,000,946	(230,655)
Total revenues	\$ 34,733,988	\$ 35,091,798	\$ 36,631,483	\$ 1,539,685
Expenditures:				
Current:				
General government administration	\$ 1,978,313	\$ 2,146,042	\$ 2,006,876	\$ 139,166
Judicial administration	966,240	986,686	924,825	61,861
Public safety	4,536,895	4,905,170	4,559,133	346,037
Public works	1,467,315	1,581,961	1,444,944	137,017
Health and welfare	5,170,336	5,180,245	4,858,939	321,306
Education	13,500,011	13,916,072	13,669,970	246,102
Parks, recreation, and cultural	612,258	622,962	607,528	15,434
Community development	504,856	522,334	442,140	80,194
Nondepartmental	550,245	441,211	383,995	57,216
Debt service:				
Principal retirement	1,503,178	1,503,178	1,436,343	66,835
Interest and other fiscal charges	6,450,331	6,450,331	4,748,216	1,702,115
Total expenditures	\$ 37,239,978	38,256,192	35,082,909	3,173,283
Excess (deficiency) of revenues over expenditures	\$ (2,505,990)	\$ (3,164,394)	\$ 1,548,574	\$ 4,712,968
Other financing sources (uses):				
Transfers in	\$ -	\$ -	\$ 15,450	\$ (15,450)
Transfers (out)	(250,562)	(2,351,841)	(1,193,257)	1,158,584
Total other financing sources (uses)	\$ (250,562)	\$ (2,351,841)	\$ (1,177,807)	\$ 1,143,134
Changes in fund balances	\$ (2,756,552)	\$ (5,516,235)	\$ 370,767	\$ 5,887,002
Fund balances at beginning of year	2,756,552	5,516,235	20,412,281	14,896,046
Fund balances at end of year	\$ -	\$ -	\$ 20,783,048	\$ 20,783,048

Required Supplementary Information
Schedule of Funding Progress

VIRGINIA RETIREMENT SYSTEM:

COUNTY:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2010	\$ 12,848,487	\$ 16,820,969	\$ 3,972,482	76.38%	\$ 5,569,325	71.33%
6/30/2009	12,421,768	15,169,725	2,747,957	81.89%	5,660,150	48.55%
6/30/2008	11,787,805	13,395,729	1,607,924	88.00%	5,329,695	30.17%

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD SCHOOL BOARD NON-PROFESSIONALS:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2010	\$ 4,010,577	\$ 4,870,931	\$ 860,354	82.34%	\$ 1,995,180	43.12%
6/30/2009	3,820,350	4,300,992	480,642	88.82%	2,018,118	23.82%
6/30/2008	3,558,317	3,860,843	302,526	92.16%	1,797,502	16.83%

OTHER POST EMPLOYMENT BENEFITS:

COUNTY:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2009	\$ 62,792	\$ 585,404	\$ 522,612	10.73%	N/A	N/A
7/1/2007	-	510,631	510,631	0.00%	N/A	N/A

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2009	\$ 223,770	\$ 2,086,200	\$ 1,862,430	10.73%	N/A	N/A
7/1/2007	-	1,791,292	1,791,292	0.00%	N/A	N/A

VIRGINIA RETIREMENT SYSTEM - HEALTH INSURANCE CREDIT:

COUNTY:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
9/30/2010	\$ 60,799	\$ 100,837	\$ 40,038	60.29%	\$ 5,569,325	0.72%
9/30/2009	48,698	98,571	49,873	49.40%	5,660,150	0.88%
9/30/2008	55,814	117,901	62,087	47.34%	5,329,695	1.16%

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

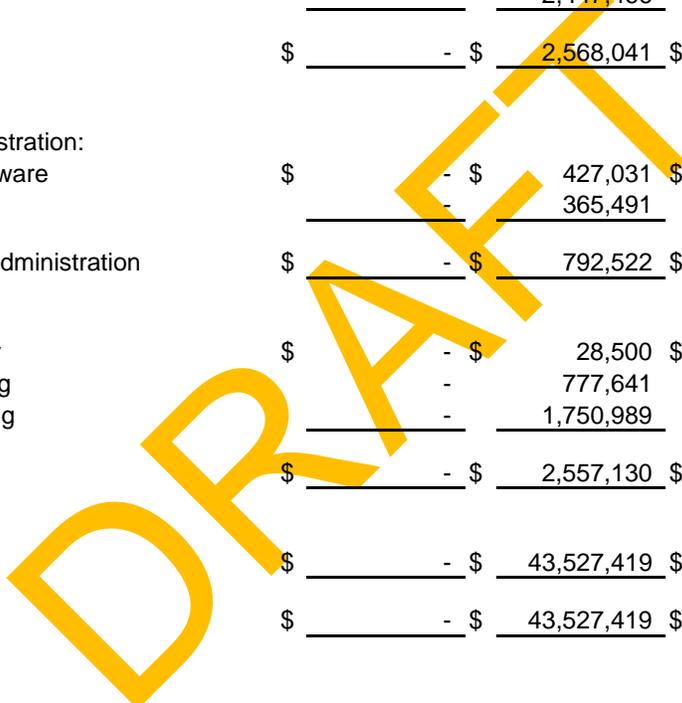
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Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget As Amended</u>	<u>Actual</u>	<u>Variance From Amended Budget Positive (Negative)</u>
Revenues:				
Revenue from use of money	\$ -	\$ -	256,211	\$ 256,211
Miscellaneous	-	120,575	42,132	(78,443)
Recovered costs	-	-	6,667	6,667
Intergovernmental:				
Federal	-	2,447,466	151,576	(2,295,890)
Total revenues	\$ -	\$ 2,568,041	\$ 456,586	\$ (2,111,455)
Expenditures:				
General government administration:				
Financial management software	\$ -	\$ 427,031	\$ 213,828	\$ 213,203
Human services building	-	365,491	63,160	302,331
Total general government administration	\$ -	\$ 792,522	\$ 276,988	\$ 515,534
Public safety:				
Radio communication study	\$ -	\$ 28,500	\$ 26,457	\$ 2,043
Kent store firehouse building	-	777,641	765,848	11,793
Fork union firehouse building	-	1,750,989	200,212	1,550,777
Total public safety	\$ -	\$ 2,557,130	\$ 992,517	\$ 1,564,613
Education:				
High school construction	\$ -	\$ 43,527,419	\$ 27,504,235	\$ 16,023,184
Total education	\$ -	\$ 43,527,419	\$ 27,504,235	\$ 16,023,184



Capital Projects Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
 Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget As Amended</u>	<u>Actual</u>	<u>Variance From Amended Budget Positive (Negative)</u>
Parks, recreation, and cultural:				
Western trailhead	\$ -	\$ 186,415	\$ 1,104	\$ 185,311
Mill park	-	167,315	-	167,315
Pleasant grove house renovations	-	658,974	9,132	649,842
Carysbrook softball concession	-	10,000	-	10,000
Pleasant grove active recreation plan	-	13,218	11,418	1,800
Total parks,recreation, and cultural	\$ -	\$ 1,035,922	\$ 21,654	\$ 1,014,268
Coummunity development:				
Fork union community plan	\$ -	\$ 431,010	\$ 11,686	\$ 419,324
Telecommunication study	-	34,327	-	34,327
Economic Development	200,000	43,138	-	43,138
Total community development	\$ 200,000	\$ 508,475	\$ 11,686	\$ 496,789
Total expenditures	\$ 200,000	\$ 48,421,468	\$ 28,807,080	\$ 19,614,388
Excess (deficiency) of revenues over expenditures	\$ (200,000)	\$ (45,853,427)	\$ (28,350,494)	\$ 17,502,933
Other financing sources (uses):				
Transfers in	\$ 200,000	\$ 2,290,948	\$ 1,142,137	\$ (1,148,811)
Refunded public facility note redeemed	-	-	(2,670,000)	(2,670,000)
Issuance of refunding public facility note	-	-	2,704,077	2,704,077
Transfers (out)	-	-	(10,427)	(10,427)
Total other financing sources (uses)	\$ 200,000	\$ 2,290,948	\$ 1,165,787	\$ (1,125,161)
Changes in fund balances	\$ -	\$ (43,562,479)	\$ (27,184,707)	\$ 16,377,772
Fund balance at beginning of the year	-	43,562,479	43,912,030	349,551
Fund balance at end of the year	\$ -	\$ -	\$ 16,727,323	\$ 16,727,323

Statement of Fiduciary Net Assets -
Agency Fund
At June 30, 2011

	<u>Special Welfare Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ <u>91,638</u>
Total assets	\$ <u><u>91,638</u></u>
<u>LIABILITIES</u>	
Amounts held for social services clients	\$ <u>91,638</u>
Total liabilities	\$ <u><u>91,638</u></u>

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Agency Fund
Statement of Changes in Assets and Liabilities-Agency Fund
Year Ended June 30, 2011

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
Assets:				
Cash and cash equivalents	\$ 68,580	\$ 55,436	\$ 32,378	\$ 91,638
Liabilities:				
Amounts held for social services clients	\$ 68,580	\$ 55,436	\$ 32,378	\$ 91,638
Total liabilities	\$ 68,580	\$ 55,436	\$ 32,378	\$ 91,638

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Discretely Presented Component Unit-School Board

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Combining Balance Sheet - Discretely Presented Component Unit - School Board
 At June 30, 2011

	School Operating Fund	School Cafeteria Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 96,917	\$ 96,917
Accounts receivable	-	-	-
Due from other governmental units	1,025,096	-	1,025,096
Due from other funds	-	36,973	36,973
Due from primary government	999,943	-	999,943
Total assets	<u>\$ 2,025,039</u>	<u>\$ 133,890</u>	<u>\$ 2,158,929</u>
LIABILITIES			
Accrued liabilities	\$ 1,988,066	\$ 42,067	\$ 2,030,133
Due to other funds	36,973	-	36,973
Total liabilities	<u>\$ 2,025,039</u>	<u>\$ 42,067</u>	<u>\$ 2,067,106</u>
FUND BALANCES			
Assigned	\$ -	\$ 91,823	\$ 91,823
Total fund balances	<u>\$ -</u>	<u>\$ 91,823</u>	<u>\$ 91,823</u>
Total liabilities and fund balances	<u>\$ 2,025,039</u>	<u>\$ 133,890</u>	

Detailed explanation of adjustments from fund statements to government-wide statement of net assets:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the School Board as a whole.	9,733,411
Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.	<u>(964,252)</u>
Net assets of General Government Activities	<u>\$ 8,860,982</u>

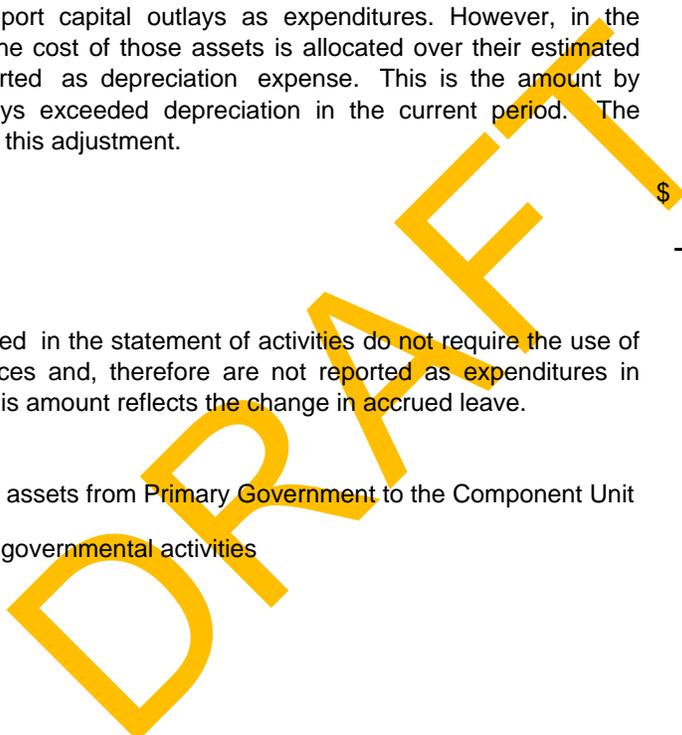
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds - Discretely Presented Component Unit - School Board
 Year Ended June 30, 2011

	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>Total</u>
Revenues:			
Revenue from use of money and property	\$ 16,292	\$ -	\$ 16,292
Charges for services	-	974,008	974,008
Miscellaneous	387,152	-	387,152
Recovered costs	572,621	-	572,621
Intergovernmental:			
County contribution to School Board	13,663,024	-	13,663,024
Commonwealth	16,929,321	14,696	16,944,017
Federal	<u>3,693,620</u>	<u>486,429</u>	<u>4,180,049</u>
Total revenues	<u>\$ 35,262,030</u>	<u>\$ 1,475,133</u>	<u>\$ 36,737,163</u>
Expenditures:			
Current:			
Education	<u>\$ 35,262,030</u>	<u>\$ 1,477,230</u>	<u>\$ 36,739,260</u>
Total expenditures	<u>\$ 35,262,030</u>	<u>\$ 1,477,230</u>	<u>\$ 36,739,260</u>
Changes in fund balances	\$ -	\$ (2,097)	\$ (2,097)
Fund balances at beginning of year	-	<u>93,920</u>	<u>93,920</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ 91,823</u>	<u>\$ 91,823</u>

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Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2011

	<u>Component Unit School Board</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ (2,097)
Assets purchased by the primary government on behalf of the School Board	-
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. The following details support this adjustment.	
Capital additions	\$ 89,392
Depreciation expense	<u>(597,449)</u> (508,057)
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. This amount reflects the change in accrued leave.	40,202
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>731,336</u>
Change in net assets of governmental activities	<u>\$ 261,384</u>



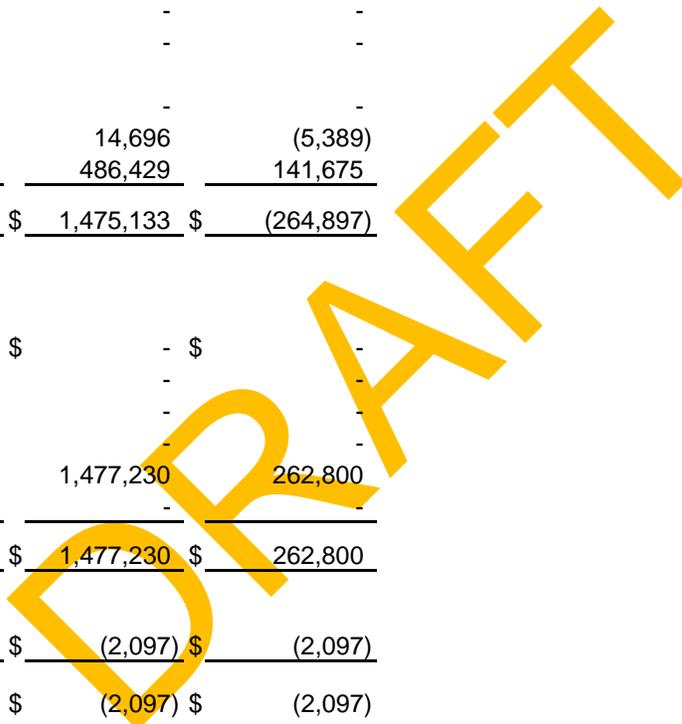
COUNTY OF FLUVANNA, VIRGINIA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual - Discretely Presented Component Unit - School Board
 Year Ended June 30, 2011

	School Operating Fund			Variance From Amended Budget Positive (Negative)
	Original Budget	Budget As Amended	Actual	
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ 16,292	\$ 16,292
Charges for services	-	-	-	-
Miscellaneous	193,872	216,372	387,152	170,780
Recovered costs	361,269	361,269	572,621	211,352
Intergovernmental:				
County contribution to School Board	13,493,065	13,909,126	13,663,024	(246,102)
Commonwealth	18,029,779	18,029,779	16,929,321	(1,100,458)
Federal	2,184,126	3,158,944	3,693,620	534,676
Total revenues	\$ 34,262,111	\$ 35,675,490	\$ 35,262,030	\$ (413,460)
Expenditures:				
Current:				
Instruction	\$ 26,266,771	\$ 27,587,187	\$ 27,353,584	\$ 233,603
Administration, attendance, and health	1,272,766	1,220,400	1,211,330	9,070
Pupil transportation	2,556,451	2,418,828	2,414,924	3,904
Operation and maintenance	3,103,549	3,351,702	3,346,208	5,494
School food service costs	-	-	-	-
Technology	1,062,574	1,097,373	935,984	161,389
Total expenditures	\$ 34,262,111	\$ 35,675,490	\$ 35,262,030	\$ 413,460
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -
Net changes in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

Exhibit 19

School Cafeteria Fund			
Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
1,375,191	1,375,191	974,008	(401,183)
-	-	-	-
-	-	-	-
-	-	-	-
20,085	20,085	14,696	(5,389)
344,754	344,754	486,429	141,675
<u>\$ 1,740,030</u>	<u>\$ 1,740,030</u>	<u>\$ 1,475,133</u>	<u>\$ (264,897)</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
1,740,030	1,740,030	1,477,230	262,800
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,740,030</u>	<u>\$ 1,740,030</u>	<u>\$ 1,477,230</u>	<u>\$ 262,800</u>
\$ -	\$ -	\$ (2,097)	\$ (2,097)
\$ -	\$ -	\$ (2,097)	\$ (2,097)
-	-	93,920	93,920
<u>-</u>	<u>-</u>	<u>93,920</u>	<u>93,920</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,823</u>	<u>\$ 91,823</u>



Supporting Schedules

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Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2011

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 16,108,582	\$ 16,108,582	\$ 16,745,940	\$ 637,358
Real and personal public service corporation taxes	2,846,596	2,846,596	3,080,155	233,559
Personal property taxes	3,537,594	3,537,594	4,111,791	574,197
Mobile home taxes	10,821	10,821	12,865	2,044
Machinery and tools taxes	4,696	4,696	4,338	(358)
Penalties	236,105	236,105	277,873	41,768
Interest	80,000	80,000	100,687	20,687
Total general property taxes	<u>\$ 22,824,394</u>	<u>\$ 22,824,394</u>	<u>\$ 24,333,649</u>	<u>\$ 1,509,255</u>
Other local taxes:				
Local sales and use taxes	\$ 1,036,963	\$ 1,036,963	\$ 1,061,791	\$ 24,828
Consumer utility taxes	1,272,000	1,272,000	1,290,455	18,455
Gross receipts tax - utilities	96,000	96,000	115,934	19,934
Motor vehicle licenses	427,242	427,242	667,940	240,698
Bank stock taxes	38,000	38,000	44,638	6,638
Recordation taxes	275,000	275,000	244,066	(30,934)
Tax on wills	70,000	70,000	76,383	6,383
Total other local taxes	<u>\$ 3,215,205</u>	<u>\$ 3,215,205</u>	<u>\$ 3,501,207</u>	<u>\$ 286,002</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,294	\$ 7,294	\$ 16,721	\$ 9,427
Building permits	100,000	100,000	150,797	50,797
Recreation program fees	100,000	100,000	70,409	(29,591)
Other permits, fees, and licenses	125,000	125,000	109,847	(15,153)
Total permits, privilege fees and regulatory licenses	<u>\$ 332,294</u>	<u>\$ 332,294</u>	<u>\$ 347,774</u>	<u>\$ 15,480</u>
Fines and Forfeitures:				
Court and other fines and forfeitures	\$ 20,914	\$ 20,914	\$ 60,363	\$ 39,449
Revenue from use of money and property:				
Revenue from use of money	\$ 15,000	\$ 15,000	\$ 24,830	\$ 9,830
Revenue from use of property	25,500	25,500	26,395	895
Total revenue from use of money and property	<u>\$ 40,500</u>	<u>\$ 40,500</u>	<u>\$ 51,225</u>	<u>\$ 10,725</u>
Charges for services:				
Charges for Commonwealth Attorney	\$ 600	\$ 600	\$ 626	\$ 26
Charges for library	6,600	6,600	11,875	5,275
Law library fees	1,500	1,500	1,758	258
Planning and community development	325	325	33	(292)
Courthouse maintenance fees	7,000	7,000	7,166	166
Courthouse security	29,410	29,410	28,432	(978)
Landfill fees	-	99,000	102,391	3,391
Other charges for services	4,088	4,088	5,942	1,854
Excess fees of clerk	600	600	-	(600)
Total charges for services	<u>\$ 50,123</u>	<u>\$ 149,123</u>	<u>\$ 158,223</u>	<u>\$ 9,100</u>

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2011 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 155,864	\$ 257,916	\$ 205,458	\$ (52,458)
Total miscellaneous revenue	\$ 155,864	\$ 257,916	\$ 205,458	\$ (52,458)
Recovered costs:				
Miscellaneous	\$ 122,229	\$ 168,464	\$ 211,610	\$ 43,146
Total recovered costs	\$ 122,229	\$ 168,464	\$ 211,610	\$ 43,146
Total revenue from local sources	\$ 26,761,523	\$ 27,008,810	\$ 28,869,509	\$ 1,860,699
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers tax	\$ 36,484	\$ 36,484	\$ 36,788	\$ 304
Mobile home titling taxes	15,239	15,239	7,736	(7,503)
Recordation taxes	104,946	104,946	111,833	6,887
PPTRA	2,996,570	2,996,570	2,996,570	-
Total noncategorical aid	\$ 3,153,239	\$ 3,153,239	\$ 3,152,927	\$ (312)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	\$ 245,077	\$ 245,077	\$ 246,434	\$ 1,357
Sheriff	920,254	920,254	950,975	30,721
Commissioner of the Revenue	100,815	100,815	103,491	2,676
Treasurer	117,704	117,704	116,142	(1,562)
Registrar/electoral board	38,000	38,000	42,763	4,763
Clerk of the Circuit Court	222,236	222,236	262,007	39,771
Total shared expenses	\$ 1,644,086	\$ 1,644,086	\$ 1,721,812	\$ 77,726
Other categorical aid:				
Litter control	\$ 8,246	\$ 8,246	\$ 7,926	\$ (320)
Health	5,527	5,527	5,000	(527)
Library grant	54,568	57,725	52,597	(5,128)
Public assistance and welfare administration	575,611	575,611	557,882	(17,729)
Comprehensive services act	1,212,636	1,212,636	1,094,957	(117,679)
Fire funds	56,103	56,103	57,670	1,567
Victim/witness coordinator grant	5,354	7,274	7,274	-
Two for life	22,000	25,681	25,681	-
Other categorical aid	110,259	105,259	77,302	(27,957)
Total other categorical aid	\$ 2,050,304	\$ 2,054,062	\$ 1,886,289	\$ (167,773)
Total categorical aid	\$ 3,694,390	\$ 3,698,148	\$ 3,608,101	\$ (90,047)
Total revenue from the Commonwealth	\$ 6,847,629	\$ 6,851,387	\$ 6,761,028	\$ (90,359)

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2011 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Criminal justice grants	\$ -	\$ 114	\$ 103	\$ (11)
Victim/witness coordinator grant	21,415	21,823	21,823	-
Commission for arts grant	-	5,000	5,000	-
Dept. motor vehicles grant	-	29,623	24,465	(5,158)
USDOJ bullet proof vest grant	-	-	555	555
Homeland security program grant	-	71,620	-	(71,620)
ARRA public assistance and welfare administration	-	-	36,913	36,913
Public assistance and welfare administration	1,103,421	1,103,421	912,087	(191,334)
Total revenue from the federal government	<u>\$ 1,124,836</u>	<u>\$ 1,231,601</u>	<u>\$ 1,000,946</u>	<u>\$ (230,655)</u>
Total General Fund	<u>\$ 34,733,988</u>	<u>\$ 35,091,798</u>	<u>\$ 36,631,483</u>	<u>\$ 1,539,685</u>
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 256,211	\$ 256,211
Miscellaneous revenue:				
Miscellaneous	-	120,575	42,132	(78,443)
Recovered costs:				
Miscellaneous	-	-	6,667	6,667
Total revenue from local sources	<u>\$ -</u>	<u>\$ 120,575</u>	<u>\$ 305,010</u>	<u>\$ 184,435</u>
Revenue from the federal government:				
Categorical aid:				
EPA grant	\$ -	\$ -	\$ -	\$ -
ARRA homeland security	-	1,415,540	141,554	(1,273,986)
Transportation grant	-	1,031,926	10,022	(1,021,904)
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 2,447,466</u>	<u>\$ 151,576</u>	<u>\$ (2,295,890)</u>
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ 2,568,041</u>	<u>\$ 456,586</u>	<u>\$ (2,111,455)</u>
Grand Total Revenues -- Primary Government	<u>\$ 34,733,988</u>	<u>\$ 37,659,839</u>	<u>\$ 37,088,069</u>	<u>\$ (571,770)</u>

Governmental Funds and Discretely Presented Component Unit
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2011 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Component Unit -- School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	\$ -	\$ -	\$ 16,292	\$ 16,292
Miscellaneous revenue:				
Miscellaneous	193,872	216,372	387,152	170,780
Recovered costs:				
Piedmont Regional Education Program	361,269	361,269	572,621	211,352
Total revenue from local sources	<u>\$ 555,141</u>	<u>\$ 577,641</u>	<u>\$ 976,065</u>	<u>\$ 398,424</u>
Intergovernmental revenue:				
County contribution to School Board	<u>\$ 13,493,065</u>	<u>\$ 13,909,126</u>	<u>\$ 13,663,024</u>	<u>\$ (246,102)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,947,369	\$ 2,947,369	\$ 3,067,855	\$ 120,486
Basic school aid	10,163,344	10,163,344	9,357,539	(805,805)
Governor's school	416,045	416,045	398,501	(17,544)
Special education - SOQ	936,277	936,277	914,574	(21,703)
Fringe benefits	913,215	913,215	892,048	(21,167)
Special education tuition	632,799	632,799	450,162	(182,637)
Textbooks	121,163	121,163	118,354	(2,809)
Remedial education	131,448	131,448	161,546	30,098
Alternative education	201,787	201,787	208,712	6,925
Composite index	432,740	432,740	399,009	(33,731)
Vocational education - SOQ	322,854	322,854	315,370	(7,484)
Other state funds	810,738	810,738	645,651	(165,087)
Total categorical aid	<u>\$ 18,029,779</u>	<u>\$ 18,029,779</u>	<u>\$ 16,929,321</u>	<u>\$ (1,100,458)</u>
Total revenue from the Commonwealth	<u>\$ 18,029,779</u>	<u>\$ 18,029,779</u>	<u>\$ 16,929,321</u>	<u>\$ (1,100,458)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 368,000	\$ 368,000	\$ 824,795	\$ 456,795
ARRA Title I - assessments	-	-	24,645	24,645
Title II - part A	113,994	113,994	116,314	2,320
Adult literacy	-	-	17,102	17,102
Title VI-B - special education	672,435	672,435	673,513	1,078
Title II - D	10,000	10,000	3,980	(6,020)
ARRA flow through	366,062	366,062	520,480	154,418
ARRA preschool	12,325	12,325	12,326	1
Preschool handicapped	37,118	37,118	19,733	(17,385)

Governmental Funds and Discretely Presented Component Unit
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2011 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from the federal government: (Continued)				
Vocational education	\$ 44,381	\$ 44,381	\$ 41,298	\$ (3,083)
Ed jobs	-	785,702	774,944	(10,758)
Title V - A	10,458	10,458	-	(10,458)
Title I assess	11,697	11,697	-	(11,697)
ARRA School improvement	-	-	24,736	24,736
Drug free schools	-	-	3,618	3,618
School improvement	537,500	537,500	-	(537,500)
AP grants	156	156	-	(156)
ARRA state fiscal stabilization fund	-	189,116	636,136	447,020
Total revenue from the federal government	\$ 2,184,126	\$ 3,158,944	\$ 3,693,620	\$ 534,676
Total School Operating Fund	\$ 34,262,111	\$ 35,675,490	\$ 35,262,030	\$ (413,460)
School Cafeteria Fund:				
Charges for services:				
Cafeteria sales	\$ 1,375,191	\$ 1,375,191	\$ 974,008	\$ (401,183)
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	20,085	20,085	14,696	(5,389)
Revenue from the federal government:				
Categorical aid:				
School food program grant	344,754	344,754	486,429	141,675
Total School Cafeteria Fund	\$ 1,740,030	\$ 1,740,030	\$ 1,475,133	\$ (264,897)
Grand Total Revenues -- Component Unit -- School Board	\$ 36,002,141	\$ 37,415,520	\$ 36,737,163	\$ (678,357)

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2011

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 134,964	\$ 134,865	\$ 139,500	\$ (4,635)
General and financial administration:				
County administrator	\$ 447,195	\$ 433,822	\$ 352,931	\$ 80,891
County attorney	98,000	155,276	155,275	1
Commissioner of the revenue	312,371	321,117	316,668	4,449
Information technology	155,041	179,390	164,899	14,491
Treasurer	422,283	464,460	448,674	15,786
Finance department	266,051	277,803	266,433	11,370
Total general and financial administration	\$ 1,700,941	\$ 1,831,868	\$ 1,704,880	\$ 126,988
Board of Elections:				
Electoral board general registrar	\$ 142,408	\$ 179,309	\$ 162,496	\$ 16,813
Total board of elections	\$ 142,408	\$ 179,309	\$ 162,496	\$ 16,813
Total general government administration	\$ 1,978,313	\$ 2,146,042	\$ 2,006,876	\$ 139,166
Judicial administration:				
Courts:				
Circuit court	\$ 41,415	\$ 41,415	\$ 25,571	\$ 15,844
General district and juvenile relations court	7,580	9,080	7,582	1,498
Juvenile court service unit	3,408	3,408	2,458	950
Clerk of the circuit court	541,025	546,515	521,016	25,499
Total courts	\$ 593,428	\$ 600,418	\$ 556,627	\$ 43,791
Commonwealth's attorney:				
Commonwealth's attorney	\$ 372,812	\$ 386,268	\$ 368,198	\$ 18,070
Total judicial administration	\$ 966,240	\$ 986,686	\$ 924,825	\$ 61,861
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,098,573	\$ 2,178,983	\$ 2,098,880	\$ 80,103
Narcotics task force	64,619	71,685	71,685	-
Drug forfeiture	-	-	19,486	(19,486)
K-9 unit	-	-	15,016	(15,016)
Public safety grants	8,525	214,435	35,667	178,768
Total law enforcement and traffic control	\$ 2,171,717	\$ 2,465,103	\$ 2,240,734	\$ 224,369

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2011 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Public Safety: (Continued)				
Fire and rescue services:				
Forest warden	\$ 9,053	\$ 9,053	\$ 9,053	\$ -
Volunteer fire and rescue	478,346	492,760	487,749	5,011
Emergency Medical Services Council	16,095	16,095	16,095	-
Total fire and rescue services	<u>\$ 503,494</u>	<u>\$ 517,908</u>	<u>\$ 512,897</u>	<u>\$ 5,011</u>
Correction and detention:				
Care of prisoners	\$ 768,484	\$ 768,484	\$ 716,019	\$ 52,465
Total correction and detention	<u>\$ 768,484</u>	<u>\$ 768,484</u>	<u>\$ 716,019</u>	<u>\$ 52,465</u>
Inspections:				
Building	\$ 237,659	\$ 240,809	\$ 223,094	\$ 17,715
Other protection:				
Animal control	\$ 177,662	\$ 199,312	\$ 203,463	\$ (4,151)
E-911	672,653	708,328	657,700	50,628
Legal aid service	3,563	3,563	3,563	-
Offender aid and restoration	1,663	1,663	1,663	-
Total other protection	<u>\$ 855,541</u>	<u>\$ 912,866</u>	<u>\$ 866,389</u>	<u>\$ 46,477</u>
Total public safety	<u>\$ 4,536,895</u>	<u>\$ 4,905,170</u>	<u>\$ 4,559,133</u>	<u>\$ 346,037</u>
Public works:				
Sanitation and waste removal:				
Landfill	\$ 41,000	\$ 141,191	\$ 119,467	\$ 21,724
Landfill post closure cost	35,000	35,000	27,988	7,012
Litter control	33,446	33,446	5,040	28,406
Total sanitation and waste removal	<u>\$ 109,446</u>	<u>\$ 209,637</u>	<u>\$ 152,495</u>	<u>\$ 57,142</u>
Maintenance of general buildings and grounds:				
Facilities	\$ 631,909	\$ 645,662	\$ 645,192	\$ 470
Public works	225,960	226,662	218,557	8,105
General services	500,000	500,000	428,700	71,300
Total maintenance of general buildings and grounds	<u>\$ 1,357,869</u>	<u>\$ 1,372,324</u>	<u>\$ 1,292,449</u>	<u>\$ 79,875</u>
Total public works	<u>\$ 1,467,315</u>	<u>\$ 1,581,961</u>	<u>\$ 1,444,944</u>	<u>\$ 137,017</u>
Health and welfare:				
Health:				
Local health department	\$ 250,441	\$ 250,441	\$ 251,788	\$ (1,347)
Mental health and mental retardation:				
Region Ten Community Services Board	\$ 80,750	\$ 80,750	\$ 80,750	\$ -

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2011 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Health and Welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 2,406,292	\$ 2,415,499	\$ 2,146,159	\$ 269,340
Comprehensive services act program	2,094,188	2,094,890	2,041,584	53,306
Jefferson area board on aging	118,750	118,750	118,750	-
JAUNT, Inc.	91,883	91,883	91,883	-
Shelter for help in emergency	8,550	8,550	8,550	-
Sexual assault resource agency	950	950	950	-
Fluvanna housing foundation	18,810	18,810	18,810	-
Piedmont housing alliance	1,900	1,900	1,900	-
Jefferson area chip	47,500	47,500	47,500	-
Children, youth and family services	1,900	1,900	1,900	-
Streamwatch	1,425	1,425	1,425	-
Youth advisory council	380	380	373	7
Piedmont workforce network	3,325	3,325	3,325	-
Monticello area community action agency	43,292	43,292	43,292	-
Total welfare	\$ 4,839,145	\$ 4,849,054	\$ 4,526,401	\$ 322,653
Total health and welfare	\$ 5,170,336	\$ 5,180,245	\$ 4,858,939	\$ 321,306
Education:				
Contributions to community colleges	\$ 6,946	\$ 6,946	\$ 6,946	-
Contribution to Component Unit School Board	13,493,065	13,909,126	13,663,024	246,102
Total education	\$ 13,500,011	\$ 13,916,072	\$ 13,669,970	\$ 246,102
Parks, recreation and cultural:				
Parks and recreation:				
Parks and recreation	\$ 384,755	\$ 386,789	\$ 368,310	\$ 18,479
Total parks and recreation	\$ 384,755	\$ 386,789	\$ 368,310	\$ 18,479
Cultural enrichment:				
Cultural arts	\$ 9,500	\$ 10,000	\$ 10,000	-
County museum	475	475	475	-
Total cultural enrichment	\$ 9,975	\$ 10,475	\$ 10,475	\$ -
Library:				
Regional library	\$ 217,528	\$ 225,698	\$ 228,743	\$ (3,045)
Total parks, recreation and cultural	\$ 612,258	\$ 622,962	\$ 607,528	\$ 15,434

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2011 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Community development:				
Planning and community development:				
Planning commission	\$ 26,909	\$ 33,158	\$ 22,276	\$ 10,882
Zoning board	4,150	-	-	-
Economic development	56,040	56,340	18,980	37,360
County planner	298,748	302,578	280,601	21,977
Plan development	2,500	11,000	4,000	7,000
Small business development center	2,375	2,375	2,375	-
Leadership development program	713	713	713	-
Thomas Jefferson Partnership for Economic Development	9,500	9,500	9,500	-
Thomas Jefferson Planning District Commission	28,230	28,230	28,230	-
Total planning and community development	<u>\$ 429,165</u>	<u>\$ 443,894</u>	<u>\$ 366,675</u>	<u>\$ 77,219</u>
Environmental management:				
Soil and water conservation district	\$ 15,200	\$ 15,200	\$ 15,200	\$ -
Total environmental management	<u>\$ 15,200</u>	<u>\$ 15,200</u>	<u>\$ 15,200</u>	<u>\$ -</u>
Cooperative extension program:				
Cooperative extension service	\$ 60,491	\$ 63,240	\$ 60,265	\$ 2,975
Total community development	<u>\$ 504,856</u>	<u>\$ 522,334</u>	<u>\$ 442,140</u>	<u>\$ 80,194</u>
Nondepartmental:				
Miscellaneous	\$ 288,245	\$ 179,211	\$ 121,995	\$ 57,216
Contribution to OPEB trust fund	262,000	262,000	262,000	-
Total nondepartmental	<u>\$ 550,245</u>	<u>\$ 441,211</u>	<u>\$ 383,995</u>	<u>\$ 57,216</u>
Debt service:				
Principal retirement	\$ 1,503,178	\$ 1,503,178	\$ 1,436,343	\$ 66,835
Interest and fiscal charges	6,450,331	6,450,331	4,748,216	1,702,115
Total debt service	<u>\$ 7,953,509</u>	<u>\$ 7,953,509</u>	<u>\$ 6,184,559</u>	<u>\$ 1,768,950</u>
Total General Fund Expenditures	<u>\$ 37,239,978</u>	<u>\$ 38,256,192</u>	<u>\$ 35,082,909</u>	<u>\$ 3,173,283</u>

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Statistical Section

Contents

Tables

Financial Trends

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

Net Assets by Component	1
Changes in Net Assets	2
Fund Balances of Governmental Funds	3
Changes in Fund Balances of Governmental Funds	4

Revenue Capacity

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

Assessed Value and Estimated Actual Value of Taxable Property	5
Property Tax Rates	6
Principal Property Taxpayers	7
Property Tax Levies and Collections	8

Debt Capacity

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

Ratios of Outstanding Debt by Type	9
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	10
Debt Policy Information	11

Demographic and Economic Information

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

Demographic and Economic Statistics	12
Principal Employers	13

Operating Information

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

Full-time Equivalent County Government Employees by Function	14
Operating Indicators by Function	15
Capital Asset Statistics by Function	16

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

COUNTY OF FLUVANNA, VIRGINIA

Net Assets by Component

Last Nine Fiscal Years

(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 3,394,423	\$ 6,956,005	\$ 7,615,852	\$ 8,848,034
Restricted	301,877	225,718	215,888	95,195
Unrestricted	<u>13,887,018</u>	<u>13,811,149</u>	<u>13,439,095</u>	<u>16,282,205</u>
Total governmental activities net assets	<u>\$ 17,583,318</u>	<u>\$ 20,992,872</u>	<u>\$ 21,270,835</u>	<u>\$ 25,225,434</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 591,726	\$ 540,511	\$ 496,399	\$ 577,246
Restricted	443,115	446,460	652,977	825,453
Unrestricted	<u>194,280</u>	<u>225,175</u>	<u>(102,232)</u>	<u>(80,310)</u>
Total business-type activities net assets	<u>\$ 1,229,121</u>	<u>\$ 1,212,146</u>	<u>\$ 1,047,144</u>	<u>\$ 1,322,389</u>
Primary government				
Invested in capital assets, net of related debt	\$ 3,986,149	\$ 7,496,516	\$ 8,112,251	\$ 9,425,280
Restricted	744,992	672,178	868,865	920,648
Unrestricted	<u>14,081,298</u>	<u>14,036,324</u>	<u>13,336,863</u>	<u>16,201,895</u>
Total primary government net assets	<u>\$ 18,812,439</u>	<u>\$ 22,205,018</u>	<u>\$ 22,317,979</u>	<u>\$ 26,547,823</u>

Note: Accrual-basis financial information is available back to fiscal year 2003 when the County implemented GASB 34.

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Table 1

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 8,820,288	\$ 8,715,583	\$ 9,453,382	\$ 12,884,537	\$ 15,481,925
-	-	3,922,469	12,966	-
<u>17,352,326</u>	<u>19,637,501</u>	<u>15,327,034</u>	<u>18,671,672</u>	<u>21,244,585</u>
<u>\$ 26,172,614</u>	<u>\$ 28,353,084</u>	<u>\$ 28,702,885</u>	<u>\$ 31,569,175</u>	<u>\$ 36,726,510</u>
\$ 2,834,924	\$ 3,431,925	\$ 3,572,328	\$ 4,548,235	\$ 4,359,941
1,009,433	-	-	-	-
<u>(396,731)</u>	<u>(728,810)</u>	<u>(945,709)</u>	<u>(657,499)</u>	<u>145,337</u>
<u>\$ 3,447,626</u>	<u>\$ 2,703,115</u>	<u>\$ 2,626,619</u>	<u>\$ 3,890,736</u>	<u>\$ 4,505,278</u>
\$ 11,655,212	\$ 12,147,508	\$ 13,025,710	\$ 17,432,772	\$ 19,841,866
1,009,433	-	3,922,469	12,966	-
<u>16,955,595</u>	<u>18,908,691</u>	<u>14,381,325</u>	<u>18,014,173</u>	<u>21,389,922</u>
<u>\$ 29,620,240</u>	<u>\$ 31,056,199</u>	<u>\$ 31,329,504</u>	<u>\$ 35,459,911</u>	<u>\$ 41,231,788</u>

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government administration	\$ 1,243,903	\$ 1,253,226	\$ 1,650,941	\$ 1,876,265	\$ 2,158,182	\$ 2,212,493	\$ 2,349,221	\$ 2,088,545	\$ 2,266,965
Judicial administration	761,871	776,509	829,676	969,016	1,106,540	1,140,519	1,160,816	1,111,127	1,092,325
Public Safety	2,997,683	3,157,159	4,056,943	4,427,947	3,885,133	4,374,838	4,738,756	5,458,590	4,875,996
Public works	684,334	770,854	796,359	878,458	1,214,823	1,484,129	1,405,843	1,506,088	1,324,088
Health and welfare	3,460,761	3,442,859	4,364,965	4,390,337	4,723,667	4,790,192	5,007,658	4,955,292	4,826,649
Education	6,530,466	8,304,113	12,059,052	13,403,847	14,463,598	15,276,510	16,408,027	16,020,958	10,796,609
Parks, recreation and cultural	648,408	763,112	695,784	853,116	790,866	872,307	909,931	741,582	723,393
Community development	728,258	337,043	356,903	408,255	457,810	453,556	606,155	509,233	447,602
Interest on long-term debt	772,555	582,099	591,538	648,514	853,223	1,090,223	1,046,588	637,891	4,667,841
Total governmental activities expenses	\$ 17,828,239	\$ 19,386,974	\$ 25,402,161	\$ 27,855,755	\$ 29,653,842	\$ 31,694,767	\$ 33,632,995	\$ 33,029,306	\$ 31,021,468
Business-type activities:									
Community Programs	\$ 96,608	\$ 101,512	\$ 103,581	\$ 19,779	\$ 43,989	\$ 62,667	\$ 60,912	\$ 50,157	\$ 45,710
Water	328,592	305,324	342,629	321,998	460,964	405,108	445,563	379,109	368,737
Sewer	-	-	-	-	-	33,015	139,834	159,433	182,931
Landfill	354,750	531,272	466,396	559,611	826,973	1,588,412	264,311	165,517	-
Total business-type activities expenses	\$ 779,950	\$ 938,108	\$ 912,606	\$ 901,388	\$ 1,331,926	\$ 2,089,202	\$ 910,620	\$ 754,216	\$ 597,378
Total primary government expenses	\$ 18,608,189	\$ 20,325,082	\$ 26,314,767	\$ 28,757,143	\$ 30,985,768	\$ 33,783,969	\$ 34,543,615	\$ 33,783,522	\$ 31,618,846
Program Revenues									
Governmental activities:									
Charges for services:									
General government administration	\$ -	\$ 81,004	\$ 98,260	\$ 166,588	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial administration	66,260	130,754	114,280	167,650	125,397	68,352	83,773	69,546	74,985
Public safety	176,579	205,381	174,905	166,066	148,865	131,542	183,433	133,186	196,820
Public works	5,662	-	-	-	-	-	-	-	102,391
Parks, recreation and cultural	5,750	5,285	5,801	110,090	161,565	139,337	109,084	93,476	82,284
Community development	71,286	18,910	8,284	27,229	173,001	137,721	140,484	145,684	109,880
Operating grants and contributions	4,201,602	3,959,533	4,254,662	4,594,724	4,737,759	4,878,357	4,753,650	4,586,272	4,609,047
Capital grants and contributions	166,352	143,706	170,363	2,174,437	406,080	185,706	348,260	743,377	151,576
Total governmental activities program revenues	\$ 4,693,491	\$ 4,544,573	\$ 4,826,555	\$ 7,406,784	\$ 5,752,667	\$ 5,541,015	\$ 5,618,684	\$ 5,771,541	\$ 5,326,983
Business-type activities:									
Charges for services:									
Community Programs	\$ 73,020	\$ 96,953	\$ 115,952	\$ 25,191	\$ 35,299	\$ 49,505	\$ 49,339	\$ 36,172	\$ 30,134
Water	294,526	355,701	277,788	295,050	315,046	328,873	320,562	279,980	301,071
Sewer	-	-	-	-	-	1,778	59,830	1,223,327	12,791
Landfill	381,097	465,134	442,030	657,094	616,775	404,191	124,695	97,752	-
Capital grants and contributions	-	-	-	-	1,185,272	60,527	-	258,300	-
Total business-type activities program revenues	\$ 748,643	\$ 917,788	\$ 835,770	\$ 977,335	\$ 2,152,392	\$ 844,874	\$ 554,426	\$ 1,895,531	\$ 343,996
Total primary government program revenues	\$ 5,442,134	\$ 5,462,361	\$ 5,662,325	\$ 8,384,119	\$ 7,905,059	\$ 6,385,889	\$ 6,173,110	\$ 7,667,072	\$ 5,670,979
Net (expense) / revenue									
Governmental activities	\$ (13,134,748)	\$ (14,842,401)	\$ (20,575,606)	\$ (20,448,971)	\$ (23,901,175)	\$ (26,153,752)	\$ (28,014,311)	\$ (27,257,765)	\$ (25,694,485)
Business-type activities	(31,307)	(20,320)	(76,836)	75,947	820,466	(1,244,328)	(356,194)	1,141,315	(253,382)
Total primary government net expense	\$ (13,166,055)	\$ (14,862,721)	\$ (20,652,442)	\$ (20,373,024)	\$ (23,080,709)	\$ (27,398,080)	\$ (28,370,505)	\$ (26,116,450)	\$ (25,947,867)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other									
Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	\$ 11,609,997	\$ 12,353,034	\$ 14,226,876	\$ 17,142,347	\$ 17,752,214	\$ 21,008,065	\$ 21,534,695	\$ 22,880,842	\$ 24,510,584
Local sales and use taxes	2,810,086	868,289	790,835	876,163	944,465	1,070,306	1,062,461	1,062,633	1,061,791
Taxes on recordation and wills	-	-	400,795	501,235	467,307	377,965	277,611	241,505	244,066
Motor vehicle licenses taxes	-	398,447	424,029	425,872	376,200	368,629	373,002	438,089	667,940
Consumer utility taxes	-	938,626	1,033,668	1,057,777	1,186,143	1,369,502	1,285,679	1,306,540	1,290,455
Other local taxes	-	824,412	564,512	595,716	365,473	217,929	210,213	197,684	236,955
Unrestricted grants and contributions	2,823,051	2,790,504	3,252,990	3,301,337	3,416,980	3,171,261	3,166,206	3,145,750	3,152,927
Unrestricted revenues from use of money and property	509,162	63,417	278,144	226,914	857,089	863,366	525,726	445,339	307,436
Miscellaneous	117,039	15,225	63,778	20,285	335,513	362,539	207,765	528,475	247,590
Transfers	(50,000)	-	(30,000)	136,137	(291,384)	(475,340)	(279,246)	(122,802)	(867,924)
Total governmental activities	\$ 17,819,335	\$ 18,251,954	\$ 21,005,627	\$ 24,283,783	\$ 25,410,000	\$ 28,334,222	\$ 28,364,112	\$ 30,124,055	\$ 30,851,820
Business-type activities:									
Unrestricted revenues from use of money and property	\$ 4,627	\$ 3,345	\$ 6,517	\$ 22,476	\$ 36,996	\$ 24,477	\$ 452	\$ -	\$ -
Transfers	50,000	-	30,000	(136,137)	291,384	475,340	279,246	122,802	867,924
Total business-type activities	\$ 54,627	\$ 3,345	\$ 36,517	\$ (113,661)	\$ 328,380	\$ 499,817	\$ 279,698	\$ 122,802	\$ 867,924
Total primary government	\$ 17,873,962	\$ 18,255,299	\$ 21,042,144	\$ 24,170,122	\$ 25,738,380	\$ 28,834,039	\$ 28,643,810	\$ 30,246,857	\$ 31,719,744
Change in Net Assets									
Governmental activities	\$ 4,684,587	\$ 3,409,553	\$ 430,021	\$ 3,834,812	\$ 1,508,825	\$ 2,180,470	\$ 349,801	\$ 2,866,290	\$ 5,157,335
Business-type activities	23,320	(16,975)	(40,319)	(37,714)	1,148,846	(744,511)	(76,496)	1,264,117	614,542
Total primary government	\$ 4,707,907	\$ 3,392,578	\$ 389,702	\$ 3,797,098	\$ 2,657,671	\$ 1,435,959	\$ 273,305	\$ 4,130,407	\$ 5,771,877

Note: Accrual-basis financial information is available back to fiscal year 2003 when the County implemented GASB 34.

COUNTY OF FLUVANNA, VIRGINIA

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Reserved	219,881	301,877	411,677	283,527
Restricted	-	-	-	-
Unreserved, designated for capital projects	-	-	-	-
Unreserved, designated for high school debt service	-	-	-	-
Unreserved, designated for subsequent expenditures	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unreserved, undesignated	9,515,128	7,984,130	7,637,629	7,486,780
Unassigned	-	-	-	-
Total general fund	<u>\$ 9,735,009</u>	<u>\$ 8,286,007</u>	<u>\$ 8,049,306</u>	<u>\$ 7,770,307</u>
All other governmental funds				
Reserved for Capital Projects	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Unreserved, reported in:				
Capital projects funds	-	-	(287,393)	(261,771)
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (287,393)</u>	<u>\$ (261,771)</u>

The County implemented GASB 54, the new standard for fund balance reporting, in FY2011. Restatement of prior year balances is not feasible. Therefore, ten years of fund balance information in accordance with GASB 54 is not available, but will be accumulated over time.

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Table 3

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	-	-	-	-	-	35,080
	110,269	78,938	78,938	4,001,407	91,904	-
	-	-	-	-	-	78,938
	-	-	1,858,037	2,033,250	2,526,018	-
	-	-	-	1,036,500	2,761,681	-
	-	-	10,015,676	-	-	-
	-	-	-	-	-	7,077,296
	-	-	-	-	-	63,698
	8,645,692	8,982,217	6,846,383	15,346,007	15,032,678	-
	-	-	-	-	-	13,528,036
\$	<u>8,755,961</u>	<u>9,061,155</u>	<u>18,799,034</u>	<u>22,417,164</u>	<u>20,412,281</u>	<u>20,783,048</u>
\$	-	3,553,451	9,071,275	67,190,334	43,912,030	-
	-	-	-	-	-	16,544,058
	-	-	-	-	-	183,265
	(398,886)	-	-	-	-	-
\$	<u>(398,886)</u>	<u>3,553,451</u>	<u>9,071,275</u>	<u>67,190,334</u>	<u>43,912,030</u>	<u>16,727,323</u>

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COUNTY OF FLUVANNA, VIRGINIA

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues				
General property taxes	\$ 10,027,527	\$ 11,118,921	\$ 11,985,006	\$ 13,913,702
Other local taxes	2,285,870	2,810,086	3,029,774	3,213,839
Permits, privilege fees and regulatory licenses	294,990	236,955	286,385	273,165
Fines and forfeitures	36,493	40,895	4,153	24,496
Revenue from use of money and property	856,777	509,162	63,417	278,144
Charges for services	18,260	47,687	150,796	103,869
Miscellaneous	109,028	117,038	15,225	63,778
Recovered costs	-	12,810	12,038	6,271
Intergovernmental:				
Contribution from School Board	-	484,332	-	-
Commonwealth	6,407,003	6,090,380	5,801,934	6,363,759
Federal	-	1,100,625	1,091,809	1,314,256
Total revenues	<u>\$ 20,035,948</u>	<u>\$ 22,568,891</u>	<u>\$ 22,440,537</u>	<u>\$ 25,555,279</u>
Expenditures				
General government administration	\$ 1,103,402	\$ 1,219,216	\$ 1,304,476	\$ 1,540,692
Judicial administration	677,921	601,752	615,062	692,038
Public safety	2,466,176	2,790,993	3,002,473	3,455,390
Public works	620,597	684,322	740,550	786,948
Health and welfare	2,836,547	3,419,535	3,414,233	4,303,490
Education	6,832	9,940,741	11,087,704	11,397,534
Parks, recreation and cultural	675,644	640,218	617,689	655,250
Community development	381,741	419,536	325,589	352,449
Capital projects	31,592	2,386,947	414,027	1,287,338
Nondepartmental	-	-	-	-
Debt service				
Principal	30,000	568,481	531,518	534,603
Interest and other fiscal charges	155,678	767,540	623,917	646,488
Bond Issuance Costs	-	-	-	-
Total expenditures	<u>\$ 8,986,130</u>	<u>\$ 23,439,281</u>	<u>\$ 22,677,238</u>	<u>\$ 25,652,220</u>
Excess of revenues over (under) expenditures	<u>\$ 11,049,818</u>	<u>\$ (870,390)</u>	<u>\$ (236,701)</u>	<u>\$ (96,941)</u>
Other financing sources (uses)				
Transfers in	\$ (937,564)	\$ 2,415,209	\$ 108,712	\$ 1,510,334
Transfers out	(9,987,204)	(2,465,209)	(108,712)	(1,540,334)
Bonds issued	-	-	-	-
Early retirement of indebtedness	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Issuance of capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>\$ (10,924,768)</u>	<u>\$ (50,000)</u>	<u>\$ -</u>	<u>\$ (30,000)</u>
Net change in fund balances	<u>\$ 125,050</u>	<u>\$ (920,390)</u>	<u>\$ (236,701)</u>	<u>\$ (126,941)</u>
Debt service as a percentage of noncapital expenditures	0.98%	6.35%	5.19%	4.85%

Table 4

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$	15,341,412	\$ 17,550,665	\$ 21,261,041	\$ 21,348,203	\$ 22,881,694	\$ 24,333,649
	3,456,763	3,339,588	3,404,331	3,208,966	3,246,451	3,501,207
	437,914	476,668	399,327	424,842	361,142	347,774
	82,323	21,594	17,895	36,545	27,752	60,363
	226,914	857,089	863,366	525,726	445,339	307,436
	117,386	110,566	59,730	55,387	52,998	158,223
	20,285	335,513	362,539	207,764	528,475	247,590
	18,965	168,970	220,734	215,758	252,899	218,277
	-	46,045	248,648	-	-	-
	7,824,255	7,065,830	7,053,225	7,004,314	6,860,079	6,761,028
	2,229,074	1,477,182	1,182,099	1,263,803	1,615,320	1,152,522
\$	<u>29,755,291</u>	<u>\$ 31,449,710</u>	<u>\$ 35,072,935</u>	<u>\$ 34,291,308</u>	<u>\$ 36,272,149</u>	<u>\$ 37,088,069</u>
\$	1,847,681	\$ 1,964,112	\$ 1,999,645	\$ 2,178,358	\$ 1,998,758	\$ 2,283,864
	830,530	940,159	991,983	991,921	941,916	924,825
	4,333,143	5,264,255	4,841,652	4,610,938	6,132,985	5,551,650
	2,074,486	1,278,835	1,668,794	1,530,900	1,435,000	1,444,944
	4,421,708	4,720,466	4,814,963	4,934,848	4,928,507	4,858,939
	12,410,194	13,736,102	15,774,008	18,395,167	37,947,333	41,174,205
	856,134	1,173,154	2,307,236	2,088,594	689,922	629,182
	406,666	463,347	490,571	623,204	531,699	453,826
	-	-	-	-	-	-
	-	45,450	88,617	380,835	509,718	383,995
	561,972	1,083,734	1,150,687	1,394,882	1,476,141	1,436,343
	484,439	838,181	939,119	2,867,392	4,923,406	4,748,216
	-	-	-	777,900	-	-
\$	<u>28,226,953</u>	<u>\$ 31,507,795</u>	<u>\$ 35,067,275</u>	<u>\$ 40,774,939</u>	<u>\$ 61,515,385</u>	<u>\$ 63,889,989</u>
\$	<u>1,528,338</u>	<u>\$ (58,085)</u>	<u>\$ 5,660</u>	<u>\$ (6,483,631)</u>	<u>\$ (25,243,236)</u>	<u>\$ (26,801,920)</u>
\$	1,367,417	\$ 2,237,244	\$ 910,587	\$ 6,370,065	\$ 976,518	\$ 1,157,587
	(1,231,279)	(2,528,628)	(1,260,263)	(6,649,311)	(1,099,320)	(1,203,684)
	8,832,057	4,195,000	9,400,000	67,525,000	5,420,000	2,704,077
	(7,500,000)	-	(1,500,000)	-	(4,830,000)	(2,670,000)
	(2,529,552)	-	-	525,066	-	-
	-	412,000	170,415	-	(507,149)	-
	-	-	-	450,000	-	-
\$	<u>(1,061,357)</u>	<u>\$ 4,315,616</u>	<u>\$ 7,720,739</u>	<u>\$ 68,220,820</u>	<u>\$ (39,951)</u>	<u>\$ (12,020)</u>
\$	<u>466,981</u>	<u>\$ 4,257,531</u>	<u>\$ 7,726,399</u>	<u>\$ 61,737,189</u>	<u>\$ (25,283,187)</u>	<u>\$ (26,813,940)</u>
	3.71%	6.62%	6.34%	14.37%	23.95%	24.98%

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year June 30	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2002	\$ 1,205,051,542	\$ 127,313,302	\$ 3,502,650	\$ 2,146,467	\$ 140,095,898	\$ 1,478,109,859	7.12	\$ 1,606,641,151	92.00%
2003	1,267,333,061	142,226,232	3,181,700	2,248,824	156,891,453	1,571,881,270	6.98	1,950,224,901	80.60%
2004	1,340,661,591	143,647,549	3,186,818	2,348,392	162,462,759	1,652,307,109	7.06	2,244,982,485	73.60%
2005	1,936,489,728	174,026,238	3,599,965	1,584,926	290,920,203	2,406,621,060	6.70	2,568,432,295	93.70%
2006	2,014,078,500	173,845,016	3,088,633	1,810,416	468,961,464	2,661,784,029	6.88	3,246,078,084	82.00%
2007	2,944,590,400	183,039,939	2,638,402	1,573,171	414,309,104	3,546,151,016	6.56	3,546,151,016	100.00%
2008	2,997,714,100	189,245,088	2,629,502	258,300	513,525,759	3,703,372,749	6.81	3,948,158,581	93.80%
2009	3,056,760,900	173,090,987	2,577,958	234,509	487,403,843	3,720,068,197	6.85	3,720,068,197	100.00%
2010	3,064,883,350	175,944,814	2,571,353	218,951	507,275,582	3,750,894,050	6.93	3,750,894,050	100.00%
2011	3,095,758,000	181,590,092	2,576,016	216,911	533,735,987	3,813,877,006	7.29	3,813,877,006	100.00%

Source: Commissioner of Revenue

(1) Thomasville furniture closed its manufacturing plant in Fluvanna during November 2007.

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Property Tax Rates (1)
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Fiscal Years	Direct Rates				Total Direct & Overlapping Rates
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	
2002	0.71	3.70	0.71	2.00	7.12
2003	0.64	3.70	0.64	2.00	6.98
2004	0.68	3.70	0.68	2.00	7.06
2005	0.50	3.70	0.50	2.00	6.70
2006	0.59	3.70	0.59	2.00	6.88
2007	0.43	3.70	0.43	2.00	6.56
2008	0.48	3.85	0.48	2.00	6.81
2009	0.50	3.85	0.50	2.00	6.85
2010	0.54	3.85	0.54	2.00	6.93
2011	0.57	4.15	0.57	2.00	7.29

(1) Per \$100 of assessed value.
 (2) There were no overlapping Governments.

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Principal Property Taxpayers
 Current Year and the Period Nine Years Prior

Fiscal Year 2011			
Taxpayer	Type Business	2011 Assessed Valuation	% of Total Assessed Valuation
Tenaska Virginia Partners, LP	Utility/Electric	314,496,976	8.25%
Virginia Electric and Power	Utility/Electric	118,428,540	3.11%
Central Va. Electric Co-op	Utility/Electric	34,012,035	0.89%
Aqua Resources	Utility/Water	21,013,941	0.55%
Central Telephone of Virginia	Utility/Water	11,928,524	0.31%
Colonial Pipeline Co.	Utility/Gas	10,550,289	0.28%
Transcontinental Gas Pipeline	Utility/Gas	10,188,749	0.27%
CSX Transportation	Railroad	8,686,698	0.23%
East Coast Transport	Commercial Property	5,564,622	0.15%
Virginia Properties LLC	Commercial Property	5,490,300	0.14%
		<u>\$ 540,360,674</u>	<u>14.17%</u>

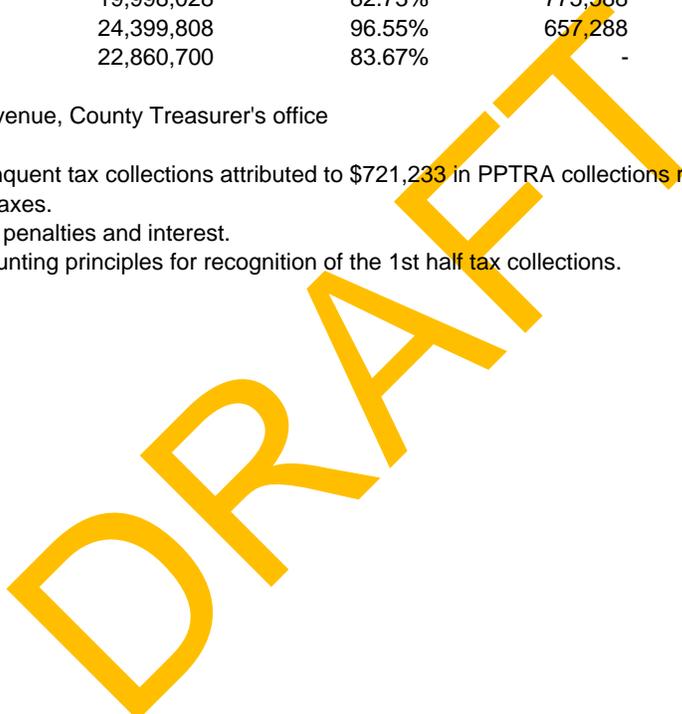
Fiscal Year 2002			
Taxpayer	Type Business	2002 Assessed Valuation	% of Total Assessed Valuation
Virginia Electric & Power	Utility/Electric	91,843,775	6.21%
Central Va. Electric Co-op	Utility/Electric	16,008,935	1.08%
Central Telephone Co. of Va	Utility/Telephone	12,922,869	0.87%
Colonial Pipeline Co.	Utility/Gas	8,281,123	0.56%
Transcontinental Gas Pipeline	Utility/Gas	6,249,392	0.42%
Williams Com.	Utility/Gas	5,873,763	0.40%
Lake Monticello Service Co.	Utility/Water	5,457,724	0.37%
CSX Transportation Inc	Railroad	4,877,300	0.33%
Alltel Com.	Utility/Telephone	1,164,145	0.08%
Charlottesville Cell	Utility/Telephone	921,735	0.06%
		<u>\$ 61,756,986</u>	<u>4.18%</u>

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 12,734,112	\$ 12,166,211	95.54%	\$ 529,002	\$ 12,695,213	99.69%
2003	13,906,887	13,317,866	95.76%	239,523	13,557,389	97.49%
2004	15,013,364	14,123,660	94.07%	248,988	14,372,648	95.73%
2005	16,598,696	15,908,764	95.84%	279,320	16,188,084	97.53%
2006	19,426,926	18,299,002	94.19%	241,002	18,540,004	95.43%
2007	30,368,234 (3)	27,813,792	91.59%	858,923 (3)	28,672,715	94.42%
2008	23,963,600	23,110,441	96.44%	913,491	24,023,932	100.25%
2009	24,173,299	19,998,028	82.73%	775,588	20,773,616	85.94%
2010	25,271,025	24,399,808	96.55%	657,288	25,057,096	99.15%
2011	27,322,612	22,860,700	83.67%	-	22,860,700	83.67%

Source: Commissioner of Revenue, County Treasurer's office

- Notes: (1) Increase in delinquent tax collections attributed to \$721,233 in PPTRA collections received during year for prior year taxes.
 (2) Exclusive of the penalties and interest.
 (3) Change in accounting principles for recognition of the 1st half tax collections.



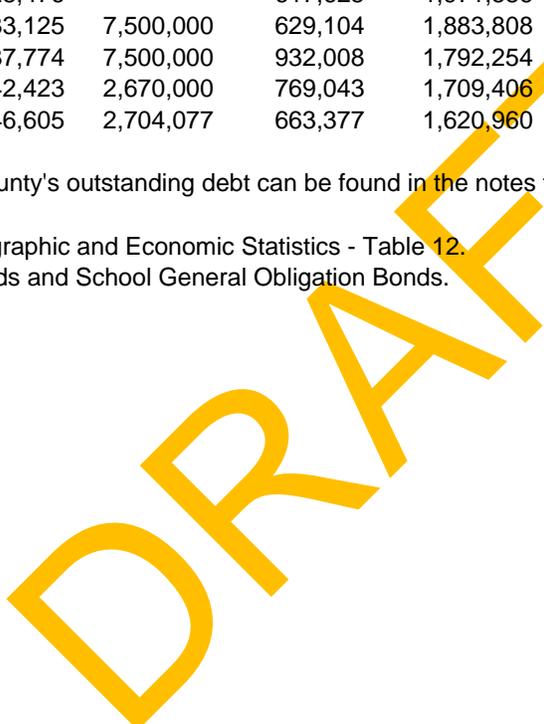
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities				Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds (2)	Literary Fund Loans	Other Notes/Bonds	Capital Leases	General Obligation Bonds			
2002	\$ 6,166,410	\$ 8,205,232	\$ 8,560,200	\$ 109,717	\$ 953,456	\$ 23,995,015	4.49%	\$ 1,077
2003	5,817,085	7,709,881	8,569,268	54,151	953,721	23,104,106	4.04%	995
2004	5,495,418	7,214,530	8,521,866	37,026	1,194,700	22,463,540	3.53%	942
2005	5,130,666	6,719,179	8,387,431	18,992	1,189,588	21,445,856	3.02%	861
2006	11,284,594	6,223,828	-	-	791,892	18,300,314	2.50%	739
2007	14,701,638	5,728,476	-	617,625	1,971,586	23,019,325	2.74%	875
2008	14,683,236	5,233,125	7,500,000	629,104	1,883,808	29,929,273	3.48%	1,094
2009	81,455,801	4,737,774	7,500,000	932,008	1,792,254	96,417,837	11.19%	3,654
2010	86,057,976	4,242,423	2,670,000	769,043	1,709,406	95,448,848	10.56%	3,581
2011	85,223,117	3,746,605	2,704,077	663,377	1,620,960	93,958,136	9.91%	3,657

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

(1) See the Schedule of Demographic and Economic Statistics - Table 12.

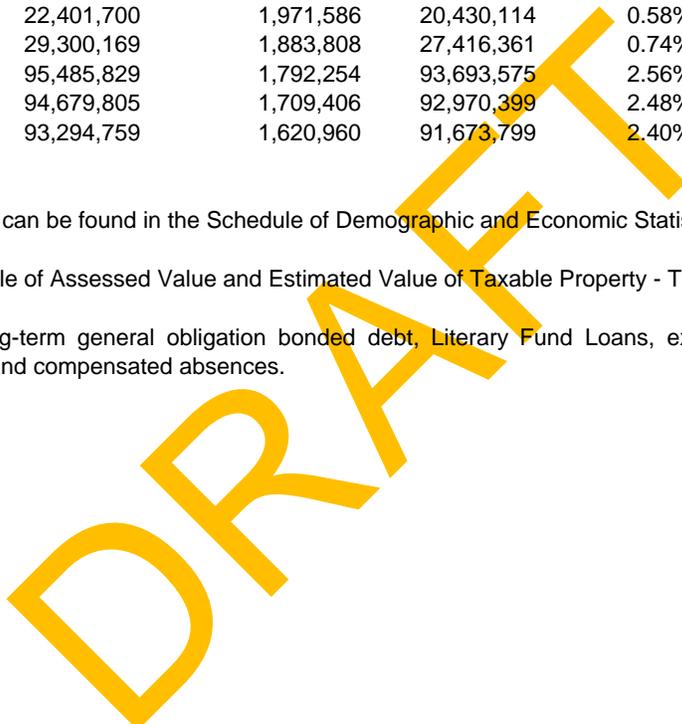
(2) Includes Public Facility Bonds and School General Obligation Bonds.



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

Fiscal Year	Gross Bonded Debt	Less Business Type Activities		Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
		General Obligation Bonds	Net Bonded Debt (3)		
2002	\$ 23,885,298	\$ 953,456	\$ 22,931,842	1.49%	\$ 1,036
2003	23,049,955	953,721	22,096,234	1.34%	1,042
2004	22,426,514	1,194,700	21,231,814	1.22%	1,035
2005	21,426,864	1,189,588	20,237,276	0.80%	1,054
2006	18,300,314	791,892	17,508,422	0.66%	1,008
2007	22,401,700	1,971,586	20,430,114	0.58%	776
2008	29,300,169	1,883,808	27,416,361	0.74%	1,002
2009	95,485,829	1,792,254	93,693,575	2.56%	3,550
2010	94,679,805	1,709,406	92,970,399	2.48%	3,488
2011	93,294,759	1,620,960	91,673,799	2.40%	3,568

- (1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 12.
- (2) See the Schedule of Assessed Value and Estimated Value of Taxable Property - Table 5.
- (3) Includes all long-term general obligation bonded debt, Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.



COUNTY OF FLUVANNA, VIRGINIA

Debt Policy Information
Last Ten Fiscal Years

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total net debt applicable to debt limits (1)	\$ 91,673,799	\$ 92,970,399	\$ 93,693,575	\$ 27,416,361
Ratio of net debt to assessed taxable property value (2)	2.40%	2.48%	2.52%	0.74%
Debt limit per policy for property value	3.50%	3.50%	3.50%	3.50%
Total general governmental revenue (3)	37,088,069	36,272,149	34,291,308	35,072,935
Debt service to general governmental revenues (3)	16.68%	6.87%	7.40%	5.96%
Debt limit per policy for general governmental revenues	12.00%	12.00%	12.00%	12.00%

Notes:

- (1) Net bonded debt can be found on Table 10.
- (2) Property value data can be found on Table 5.
- (3) General governmental revenues can be found on Table 4.

The County does not have any Constitutional or Statutory Debt Limits.

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Table 11

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	20,430,114	\$ 17,508,422	\$ 20,237,276	\$ 21,231,814	\$ 22,096,234	\$ 22,931,842
	0.58%	0.66%	0.84%	1.28%	1.41%	1.55%
	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
	31,449,710	29,755,291	25,555,279	22,440,537	22,568,891	20,035,948
	6.11%	4.76%	6.24%	6.88%	7.73%	6.92%
	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

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Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2002	22,274	\$ 534,108,000	\$ 23,979	3,287	3.30%
2003	23,221	570,953,000	24,588	3,336	3.40%
2004	23,835	628,202,000	26,356	3,395	3.10%
2005	24,900	700,287,000	28,124	3,590	3.60%
2006	24,751	730,287,000	29,530	3,670	2.30%
2007	26,311	766,801,350	29,144	3,686	2.40%
2008	27,359	805,141,418 (1),(2)	29,429	3,850	3.20%
2009	26,389	845,398,488 (1),(2)	32,036	3,736	6.10%
2010	26,652	887,668,413	33,306	3,761	5.70%
2011	25,691	932,051,833	36,279	3,703	5.10%

Source: Weldon Cooper Center, Annual school report - prepared by the School Board, www.fedstats.gov.

- (1) According to the Economic Resource Center (VEC) this information is not available for localities with a population less than 65,000.
- (2) Projection based on 5% inflation.

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Principal Employers
Current Year and Nine Years Ago

Fiscal Year 2011

Employer	Employees	Rank	% of Total County Employment
Fluvanna County Public Schools	490	1	3.57%
Fluvanna Correctional Center	480	2	3.49%
Fork Union Military Academy	190	3	1.38%
County of Fluvanna	129	4	0.94%
S&N Locating Services, LLC	100	5	0.73%
Dominion Virginia Power	50	6	0.36%
Karlise In Home Care LLC	50	7	0.36%
Food Lion	50	8	0.36%
Lake Monticello Owners	50	9	0.36%
Dominos Pizza	50	10	0.36%
	<u>1,639</u>		<u>11.93%</u>

Fiscal Year 2002

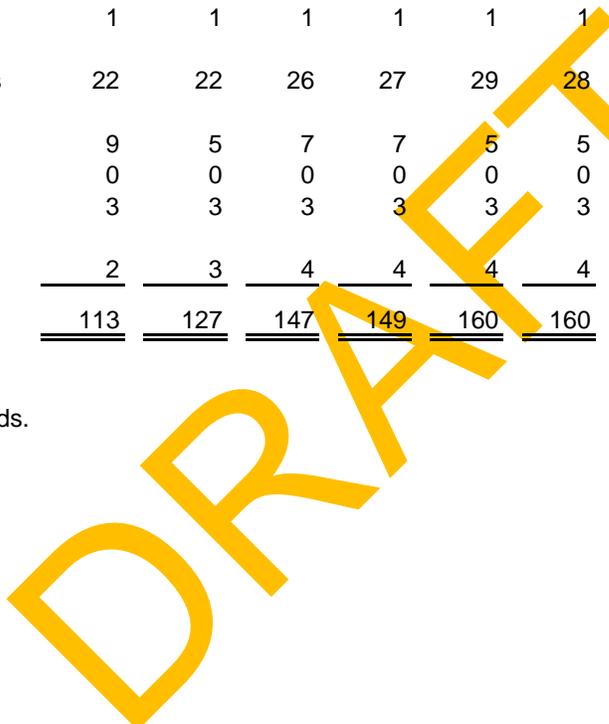
Employer	Employees	Rank	% of Total County Employment
Fluvanna County Public Schools	500	1	4.50%
Fluvanna Correctional Center	250	2	2.25%
Thomasville Furniture Industry	250	3	2.25%
Fork Union Military Academy	100	4	0.90%
Lake Monticello Owners	100	5	0.90%
County of Fluvanna	100	6	0.90%
Dominion Virginia Power	99	7	0.89%
Food Lion Inc	50	8	0.45%
Friendship Camp	50	9	0.45%
Correctional Medical Services	50	10	0.45%
Totals	<u>1,549</u>		<u>13.95%</u>

Source: Virginia Employment Commission.
VEC provides a range for the FY2000 top 10 employers.

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

<u>Function</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government	28	28	28	28	33	28	24	24	24	22	21
Judicial administration	9	12	11	13	14	12	12	12	12	12	12
Public safety											
Sheriffs department	29	37	45	43	49	55	51	54	53	53	39
Fire & rescue	0	0	0	0	0	0	0	0	0	0	0
Building inspections	3	3	4	3	3	3	3	4	4	4	3
Animal control	1	1	1	1	1	1	1	2	2	2	2
Public works											
General maintenance	5	8	12	13	13	17	18	18	18	18	18
Landfill	1	4	5	6	5	3	4	4	3	3	0
Engineering	1	1	1	1	1	1	1	1	1	1	0
Health and welfare											
Department of social services	22	22	26	27	29	28	26	21	25	25	22
Culture and recreation											
Parks and recreation	9	5	7	7	5	5	5	7	7	7	5
Museum	0	0	0	0	0	0	0	0	0	0	0
Library	3	3	3	3	3	3	3	6	6	6	3
Community development											
Planning	2	3	4	4	4	4	5	5	5	5	4
Totals	<u>113</u>	<u>127</u>	<u>147</u>	<u>149</u>	<u>160</u>	<u>160</u>	<u>153</u>	<u>158</u>	<u>160</u>	<u>158</u>	<u>129</u>

Source: County Payroll Records.



Operating Indicators by Function
Last Six Fiscal Years

Function	2006	2007	2008	2009	2010	2011
Public safety						
Sheriffs department:						
Physical arrests	844	1121	1735	1625	1985	2246
Traffic violations	n/a	n/a	n/a	n/a	n/a	n/a
Civil papers received	7034	7131	6021	7115	7911	7179
E911:						
Emergency Calls	22,428	24,048	26,000	24058	21158	25507
Fire calls:						
Number of calls answered	1980	1608	1859	1958	1981	963
Building inspections:						
Permits issued	658	698	478	439	385	415
Animal control:						
Number of calls answered	1376	1806	1973	n/a	1852	1952
Public works						
Facilities Service Requests	2840	3420	4500	5280	6000	6950
Landfill:						
Refuse collected (tons/day)	42.84	53.38	27.79	8.88	6.98	7.23
Recycling (tons/day)	0.345	3.477	3.09	n/a	0.62	0.45
Health and welfare						
Department of Social Services:						
Adpotion Cases	93	105	87	91	159	154
Adult Services	643	680	649	638	665	765
Child Protective Services Cases	337	187	208	314	262	285
Family Services Cases	1262	1387	1163	1326	1186	1127
Foster Care Cases	308	346	386	376	264	296
VIEW Cases	91	107	143	153	245	229
Auxiliary Grant Cases	121	115	88	76	75	43
General Relief Cases	132	95	96	51	61	30
Medicaid Cases	10680	14257	14687	12618	19122	20930
SLH Applications	51	45	37	27	0	0
SNAP Cases	8676	8361	9615	11512	16463	19341
TANF Cases	341	263	364	404	587	622
Caseload	22735	25948	27523	27586	39089	43822
Culture and recreation						
Parks and recreation:						
Recreation hall permits issued	0	0	0	0	0	0
After-school program participants	98	162	172	180	190	100
Youth sports participants	994	1030	1078	1128	1200	1300
Community development						
Planning:						
Zoning permits issued	330	421	295	246	227	185
Component Unit - School Board						
Education:						
School age population enrolled	3670	3686	3850	3736	3761	3703
Number of teachers	280	291	315	311	303	286
Local expenditures per pupil	\$ 8,053	\$ 8,885	\$ 9,773	\$ 9,967	\$ 9,999	\$ 9,249

Source: Individual county departments

Note: Information not available prior to fiscal year 2006

Capital Asset Statistics by Function
Last Seven Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011
General government							
Administration buildings	31	31	31	31	31	31	31
Vehicles	4	4	4	4	4	4	4
Public safety							
Sheriffs department:							
Patrol units	34	50	57	45	43	43	43
Other vehicles	2	5	7	7	7	7	7
Building inspections:							
Vehicles	2	2	2	2	2	2	2
Animal control:							
Vehicles	2	2	2	2	2	2	2
Public works							
General maintenance:							
Trucks/vehicles	6	8	12	14	14	14	14
Landfill:							
Vehicles	3	3	3	3	3	3	3
Equipment	2	2	2	2	4	4	4
Sites	1	1	1	1	1	1	1
Health and welfare							
Department of Social Services:							
Vehicles	5	5	9	9	9	9	9
Culture and recreation							
Parks and recreation:							
Community centers	2	2	2	2	2	2	2
Vehicles	6	6	5	6	6	6	6
Parks acreage	2	2	2	2	2	2	2
Swimming pools	0	0	0	0	0	0	0
Tennis courts	0	0	0	0	0	0	0
Community development							
Planning:							
Vehicles	1	1	1	2	2	2	2
Component Unit - School Board							
Education:							
Schools	9	9	9	9	9	9	9
School buses	67	73	80	88	90	90	90

Source: Individual county departments.

Note: Information not available prior to fiscal year 2005

**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 Board of Supervisors
County of Fluvanna
Palmyra, Virginia**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Fluvanna, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County of Fluvanna, Virginia's basic financial statements and have issued our report thereon dated December 9, 2011. 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 Fluvanna, 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 Fluvanna, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Fluvanna, Virginia's internal control over financial reporting.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County of Fluvanna, Virginia, in a separate letter dated December 9, 2011.

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

DRAFT

Charlottesville, Virginia
December 9, 2011

DRAFT

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

To The Honorable Members of Board of Supervisors
County of Fluvanna
Palmyra, Virginia

Compliance

We have audited the County of Fluvanna, Virginia's Compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The County of Fluvanna, 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 County of Fluvanna, Virginia's management. Our responsibility is to express an opinion on County of Fluvanna, Virginia's compliance based on our audit.

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

In our opinion, the County of Fluvanna, Virginia complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

Internal Control Over Compliance: (Continued)

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

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

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

DRAFT
Charlottesville, Virginia
December 9, 2011

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COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2011

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expendi- tures
PRIMARY GOVERNMENT:			
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Pass through payments:</u>			
Department of Social Services:			
ARRA-State administrative matching grants for the supplemental nutrition assistance program (SNAP Cluster)	0010109/0010110/0040109/0040110	10.561	\$ 6,728
State administrative matching grants for the supplemental nutrition assistance program (SNAP Cluster)	0010109/0010110/0040109/0040110	10.561	166,515
Total Department of Agriculture			\$ 173,243
<u>U. S. DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS,</u>			
<u>BUREAU OF JUSTICE ASSISTANCE:</u>			
<u>Pass through payments:</u>			
Department of Justice:			
Edward Byrne Memorial justice assistance grant program	N/A	16.592	\$ 103
Bulletproof vest partnership program	N/A	16.607	557
Crime victim assistance	09VAGX0007	16.575	21,823
Total Department of Justice			\$ 22,483
<u>DEPARTMENT OF TRANSPORTATION:</u>			
<u>Pass through payments:</u>			
Virginia Department of Transportation:			
State and community highway safety	SC-2010 50145-3765	20.600	\$ 8,613
Alcohol open container requirements	154AL 11 5134	20.607	15,852
Highway planning and construction	N/A	20.205	10,022
Total Department of Transportation			\$ 34,487
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting safe and stable families	0950109/0950110	93.556	\$ 16,417
Temporary assistance for needy families	0400109/0400110	93.558	133,739
Refugee and entrant assistance - state administered programs	0500109/0500110	93.566	321
Low-income home energy assistance	0600409/0600410	93.568	9,247
Child care and development block grant (Child Care Cluster)	0770109/0770110	93.575	103,585
Child care mandatory and matching funds of the child care and development fund			
Cand development fund (Child Care Cluster)	0760109/0760110	93.596	81,054
ARRA-Child care and development block grant (Child Care Cluster)	0740109/0780109	93.713	23,174
Chafee education and training vouchers	9160108/9160109	93.599	1,600
Child welfare services - state grants	0900109	93.645	728
Foster care-title IV-E	1100109/1100110	93.658	\$ 155,043
ARRA-Foster care-title IV-E	1100109/1100110	93.658	5,116
			\$ 160,159
Adoption assistance	1120109/1120110	93.659	\$ 34,170
ARRA - Adoption assistance	1120109/1120110	93.659	1,895
			\$ 36,065
Social services block grant	1000109/1000110	93.667	98,651
Chafee foster care independence program	915108/9150109/9150110	93.674	5,242
Children's health insurance program	0540109/0540110	93.767	4,500
Medical assistance program	1200109/1200110	93.778	101,273
Total Department of Health and Human Services			\$ 775,755

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
Year Ended June 30, 2011 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expendi- tures
PRIMARY GOVERNMENT: (CONTINUED)			
<u>National Endowment for the Arts:</u>			
<u>Pass through payments:</u>			
<u>Virginia commission for the arts</u>			
Promotion of the arts - partnership agreements	99910-10-0440	45.025	\$ 5,000
 <u>DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Pass through payments:</u>			
<u>Virginia Department of Emergency Management</u>			
ARRA-Assistance to firefighters grant	N/A	97.115	\$ 141,554
Total Department of Homeland Security			\$ 141,554
Total Primary Government			\$ 1,152,522
 COMPONENT UNIT-SCHOOL BOARD:			
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Pass through payments:</u>			
Department of Agriculture and Consumer Services:			
Food distribution (Child Care Cluster)	N/A	10.555	\$ 61,567
Department of Education:			
National school breakfast program (Child Care Cluster)	10.553/2009/2010	10.553	\$ 74,051
National school lunch program (Child Care Cluster)	10.555/2009/2010	10.555	345,776
Total Department of Agriculture			\$ 481,394
 <u>DEPARTMENT OF EDUCATION:</u>			
<u>Pass through payments:</u>			
Department of Education:			
Title 1 grants to local educational agencies (Title I Cluster)	S010A080046	84.010	\$ 824,793
ARRA-Title 1 grants to local educational agencies (Title I Cluster)	S389A090046	84.389	24,645
Special education - grants to states (Special Education Cluster)	H027A090107	84.027	673,513
ARRA-Special education - grants to states (Special Education Cluster)	H391A090107	84.391	520,480
Career and technical education - basic grants to states	V048A070046	84.048	41,298
Adult education - basic grants to states	N/A	84.002	17,102
Special education - preschool grant (Special Education Cluster)	H173A090112	84.173	19,733
ARRA-Special education - preschool grant (Special Education Cluster)	H392A090112	84.392	12,326
School improvement grants	S377A080047	84.377	24,736
Safe and drug - free schools and communities - state grants	Q186A090048	84.186	3,618
ARRA-State fiscal stabilization fund - education state grants	S394A090047	84.394	636,136
Education technology state grants	S318X090046	84.318	3,980
ARRA-Education Jobs Fund	S410A100047	84.410	779,981
Improving teacher quality - state grants	S367A080044	84.367	116,314
Total Department of Education			\$ 3,698,655
Total Component Unit School Board			\$ 4,180,049
Total Expenditures of Federal Awards			\$ 5,332,571

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2011

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expendi- tures
PRIMARY GOVERNMENT:			
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Pass through payments:</u>			
Department of Social Services:			
ARRA-State administrative matching grants for the supplemental nutrition assistance program (SNAP Cluster)	0010109/0010110/0040109/0040110	10.561	\$ 6,728
State administrative matching grants for the supplemental nutrition assistance program (SNAP Cluster)	0010109/0010110/0040109/0040110	10.561	166,515
Total Department of Agriculture			\$ 173,243
<u>U. S. DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE PROGRAMS,</u>			
<u>BUREAU OF JUSTICE ASSISTANCE:</u>			
<u>Pass through payments:</u>			
Department of Justice:			
Edward Byrne Memorial justice assistance grant program	N/A	16.592	\$ 103
Bulletproof vest partnership program	N/A	16.607	557
Crime victim assistance	09VAGX0007	16.575	21,823
Total Department of Justice			\$ 22,483
<u>DEPARTMENT OF TRANSPORTATION:</u>			
<u>Pass through payments:</u>			
Virginia Department of Transportation:			
State and community highway safety	SC-2010 50145-3765	20.600	\$ 8,613
Alcohol open container requirements	154AL 11 5134	20.607	15,852
Highway planning and construction	N/A	20.205	10,022
Total Department of Transportation			\$ 34,487
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting safe and stable families	0950109/0950110	93.556	\$ 16,417
Temporary assistance for needy families	0400109/0400110	93.558	133,739
Refugee and entrant assistance - state administered programs	0500109/0500110	93.566	321
Low-income home energy assistance	0600409/0600410	93.568	9,247
Child care and development block grant (Child Care Cluster)	0770109/0770110	93.575	103,585
Child care mandatory and matching funds of the child care and development fund			
Cand development fund (Child Care Cluster)	0760109/0760110	93.596	81,054
ARRA-Child care and development block grant (Child Care Cluster)	0740109/0780109	93.713	23,174
Chafee education and training vouchers	9160108/9160109	93.599	1,600
Child welfare services - state grants	0900109	93.645	728
Foster care-title IV-E	1100109/1100110	93.658	\$ 155,043
ARRA-Foster care-title IV-E	1100109/1100110	93.658	5,116
			\$ 160,159
Adoption assistance	1120109/1120110	93.659	\$ 34,170
ARRA - Adoption assistance	1120109/1120110	93.659	1,895
			\$ 36,065
Social services block grant	1000109/1000110	93.667	98,651
Chafee foster care independence program	915108/9150109/9150110	93.674	5,242
Children's health insurance program	0540109/0540110	93.767	4,500
Medical assistance program	1200109/1200110	93.778	101,273
Total Department of Health and Human Services			\$ 775,755

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
Year Ended June 30, 2011 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expendi- tures
PRIMARY GOVERNMENT: (CONTINUED)			
<u>National Endowment for the Arts:</u>			
<u>Pass through payments:</u>			
<u>Virginia commission for the arts</u>			
Promotion of the arts - partnership agreements	99910-10-0440	45.025	\$ 5,000
 <u>DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Pass through payments:</u>			
<u>Virginia Department of Emergency Management</u>			
ARRA-Assistance to firefighters grant	N/A	97.115	\$ 141,554
Total Department of Homeland Security			\$ 141,554
Total Primary Government			\$ 1,152,522
 COMPONENT UNIT-SCHOOL BOARD:			
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Pass through payments:</u>			
Department of Agriculture and Consumer Services:			
Food distribution (Child Care Cluster)	N/A	10.555	\$ 61,567
Department of Education:			
National school breakfast program (Child Care Cluster)	10.553/2009/2010	10.553	\$ 74,051
National school lunch program (Child Care Cluster)	10.555/2009/2010	10.555	345,776
Total Department of Agriculture			\$ 481,394
 <u>DEPARTMENT OF EDUCATION:</u>			
<u>Pass through payments:</u>			
Department of Education:			
Title 1 grants to local educational agencies (Title I Cluster)	S010A080046	84.010	\$ 824,793
ARRA-Title 1 grants to local educational agencies (Title I Cluster)	S389A090046	84.389	24,645
Special education - grants to states (Special Education Cluster)	H027A090107	84.027	673,513
ARRA-Special education - grants to states (Special Education Cluster)	H391A090107	84.391	520,480
Career and technical education - basic grants to states	V048A070046	84.048	41,298
Adult education - basic grants to states	N/A	84.002	17,102
Special education - preschool grant (Special Education Cluster)	H173A090112	84.173	19,733
ARRA-Special education - preschool grant (Special Education Cluster)	H392A090112	84.392	12,326
School improvement grants	S377A080047	84.377	24,736
Safe and drug - free schools and communities - state grants	Q186A090048	84.186	3,618
ARRA-State fiscal stabilization fund - education state grants	S394A090047	84.394	636,136
Education technology state grants	S318X090046	84.318	3,980
ARRA-Education Jobs Fund	S410A100047	84.410	779,981
Improving teacher quality - state grants	S367A080044	84.367	116,314
Total Department of Education			\$ 3,698,655
Total Component Unit School Board			\$ 4,180,049
Total Expenditures of Federal Awards			\$ 5,332,571

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Note 1 - General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Fluvanna, Virginia under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Fluvanna, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Fluvanna, Virginia.

Note 2 - Basis of Accounting

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

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

Note 3 - 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	\$ 1,000,946
Capital Projects Fund	151,576
Total primary government	<u>\$ 1,152,522</u>
Component Unit Public Schools:	
School Operating Fund	\$ 3,693,620
School Cafeteria Fund	486,429
Total component unit public schools	<u>\$ 4,180,049</u>
Total federal expenditures per basic financial statements	<u>\$ 5,332,571</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 5,332,571</u>

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? No

Significant deficiency(ies) identified? 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>
84.027/84.173/84.391/84.392	Special Education Cluster
84.394	ARRA-State Fiscal Stabilization Fund - education state grants
84.410	ARRA - Education Jobs Fund
97.115	ARRA-Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs. \$300,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

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



COUNTY OF FLUVANNA

Treasurer's Office

LINDA H. LENHERR
TREASURER

PHONE 434-591-1945

FAX 434-591-1946

EMAIL llenherr@co.fluvanna.va.us

FLUVANNA COUNTY HEALTH INSURANCE FUND

Dec. 12, 2011

Deposits:

Schools	\$1,023,926.61	
Prep	159,729.34	
Cafeteria	11,068.37	
County	343,818.54	
	Total deposits	\$1,538,542.86

Expenses:

	Premiums	Claims	
School	89,687.28	196,751.18	
Prep	14,803.40	34,463.11	
County	26,648.18	49,542.45	
	Total Expenses		- 411,895.60

Fees: Bank Service Charges - 106.06

Ending Balance \$1,126,541.20

Eligibility Requirements

To apply for a [scholarship](#) grant, a candidate must meet the following criteria:

Be a resident of Fluvanna County, Virginia, for at least one (1) year prior to applying.

1. Be a graduating senior; or have obtained a GED; or have completed an Individual Student Alternative Plan at CATEC (see note below)
2. Meet low income guidelines as specified on the Fluvanna Education Foundation website: www.fluvannaeducationfoundation.org
3. Complete the scholarship [application](#)
4. Be a citizen of the United States or hold a permanent resident visa

In addition, before scholarship funds can be disbursed, the candidate must provide the following letters:

1. An acceptance letter from an accredited two-year college or technical school
2. A financial aid award letter from the school detailing the amount of aid the applicant will receive

Applications for the Fluvanna Education Foundation Community Scholarship and supporting documents are accepted four times a year. Applicants may apply by **March 1, June 1, September 1, December 1** for the following semester. There is no age limit for applicants. In evaluating applications, the Selection Committee will consider past academic performance, employment history, life experiences, and any special circumstances noted in the application or references. In determining financial eligibility and the amount of the award, the committee will consider annual income and assets, as well as other resources available to the student and/or to the person claiming the student as a dependent; the tuition and expenses associated with attendance; and the total **financial aid package offered by the applicant's college or technical school or employer.**

Distribution of awards is contingent on proof of enrollment. Recipients are expected to maintain satisfactory academic progress and report to the Fluvanna Education Foundation Board of Trustees as requested. Students may use the

scholarship to attend colleges and technical schools outside the Fluvanna County area but they must continue to hold such ties to Fluvanna County as to make it their permanent residence.

Send completed application to

Fluvanna Education Foundation Community Scholarship Program

P.O. Box 224

Palmyra VA 22963

MOTION: I move to authorize the County Administrator to execute a contract, after County Attorney approval as to form, with the Thomas Jefferson Planning District Commission (TJPDC) to perform a financial impact study for a water line extension to Zion Crossroads in an amount not to exceed \$4,000. I further move to approve the following associated fiscal actions:

Transfer of County funding from Board of Supervisors Contingency to the Economic Development budget:

Contingency Fund:	100 86000 405870	(\$4,000)
Economic Development Professional Services:	100 83000 403100	\$4,000

AGENDA

BOARD OF SUPERVISORS

December 21, 2011

SUBJECT: Financial Impact Report Consultant; execution of contract with

TIMING: Needs action to procure consulting services.

POLICY IMPLICATIONS: This action will allow Fluvanna County to procure TJPDC for the timely execution of a financial study as requested by the Board of Supervisors on December 7, 2011.

LEGISLATIVE HISTORY: Continued from discussions regarding the potential provision of a water line to the Zion Crossroads Community Planning Area.

DISCUSSION: This action will allow for Fluvanna County to execute a contract with TJPDC for consulting services to develop a report that will assess the financial impact of a water line extension to Zion Crossroads. The contract will follow the attached Project Proposal as signed by the PDC Executive Director including the associated scope of work. The project is expected to take less than two months. Pursuing this study now should aid in the ongoing discussions regarding a water supply line to the Zion Crossroads growth area by providing a broader context to better evaluate possible alternatives.

Please advise if further information is desired.

Staff: Darren K. Coffey, Interim County Administrator/Planning Director

Attachments:

(1) Project Proposal

County Administrator's Use Only



Darren K. Coffey, Interim County Administrator

**PROJECT PROPOSAL:
FINANCIAL IMPACT OF WATER LINE EXTENSION TO ZION CROSSROADS**

Purpose

The Thomas Jefferson Planning Commission is pleased to submit this proposal to develop a fiscal impact report on a proposed extension of water infrastructure by Aqua Virginia to the Zion Crossroads area of Fluvanna County. This analysis will benefit the Fluvanna County in a number of ways. It will provide insight to decision makers on whether a waterline is cost effective. This analysis will help County Officials consider the short and long term implications of its options. It will look beyond financial impacts and identify ways the area could develop under several different scenarios and help guide zoning and land use strategies in Zion Crossroads.

Project Description

TJPDC staff will draft a concise but complete fiscal assessment for the expansion of public water to the Zion Crossroads area, for the County's consideration.

Scope of Work

In this study TJPDC proposes to do the following:

- A. Review and reference the 2006 Zion Crossroads Community Plan and 2007 Corridor Study as models for future land uses in the area to be served. These model plans for future development in the Zion Crossroads area will be reviewed with the Planning Director.
- B. Obtain information from Fluvanna County and Aqua Virginia on the proposed water system extension, including costs, revenue and feasibility.
- C. Conduct a land use survey to identify existing and potential users within the proposed service area. The map of possible existing and future uses will be reviewed with the Planning Director as well as with Aqua Virginia.
- D. Conduct market research to determine adsorption rates for different land uses in the Zion Crossroads area, to predict future growth and demand for water. Several growth scenarios will be developed based on this information to provide a range of likely development and water demand alternatives for consideration by Fluvanna County.
- E. Develop a financial model that will be used to analyze the short term and long term return on Fluvanna County's participation in the water service extension. This model will explore the costs and revenues from all sources for the waterline extension for the alternative scenarios and will also look at approaches or incentives that might be used to increase use of the water.
- F. Provide a final report that highlights the total costs and revenues yielded by the expansion of a waterline to Zion Crossroads, under the various growth scenarios

Period of Work

The TJPDC anticipates that this project will take one and a half months to be completed. The end date may be extended if agreed to in writing by both parties.

Budget

Not to exceed \$4,000 including all time, materials and other expenses.


Stephen Williams, Executive Director

MOTION: I move to adopt the attached resolution authorizing the issuance, sale, award, and purchase of \$40,000 refunding bond of the Fork Union Sanitary District and providing for the form, detail and payment thereof. The interest rate will continue at no interest.

AGENDA BOARD OF SUPERVISORS December 21, 2011

SUBJECT: Repayment and reissuance of the loan to the Fork Union Sanitary District

ISSUE: The Fork Union Sanitary District (FUSD) was issued a loan from the County to continue paying for operations as of April 7, 2010 (“Note R-1”). The loan was repaid by the issuance of a refunding bond (“Note R-2”) as of January 1, 2011. Note R-2 matures and must be repaid as of December 15, 2011 according to the note, as required by the Code of Virginia. The District will need to request a loan for this next fiscal year. Leases with two cellular telephone vendors have been finalized during the second half of 2011, so that the cash flow should improve this year. This should improve the financial position of the District in this upcoming year and allow the District to start paying back the loan principle.

RECOMMENDATION: The staff recommends approval of the repayment and reissuance of the loan.

TIMING: The Fork Union Sanitary District is obligated to repay this loan as of December 15, 2011 to comply with the loan agreement and the Code of Virginia. Due to statutory requirements, the refunding bond is proposed to be issued as of January 1, 2012, in order to permit the refunding bond to have a maturity date of December 15, 2012 rather than June 15, 2012.

FISCAL IMPLICATIONS: The sanitary district has been working with marginal net income over the past several years. A rate increase was made and two cellular telephone carriers have signed agreements with the sanitary district. These two agreements should provide nearly \$40,000 of additional income annually. This will be used to pay the principle on this loan and allow the sanitary district to start to save money for future repairs.

POLICY IMPLICATIONS: As required by the Code of Virginia, the existing note matures and repayment is required as of December 15, 2011. Issuance of the refunding bond as of January 1, 2012 will permit the refunding bond to have a maturity date of December 15, 2012, rather than June 15, 2012.

DISCUSSION: The resolution as prepared by the County Attorney is attached to the agenda item. This resolution details the actions that the Board of Supervisors would take if the Board of Supervisors approves this resolution. The actions are summarized as follows: 1) the Board of Supervisors as the governing body of the Fork Union Sanitary District authorizes the issuance of a refunding bond to the County; and 2) the Board of Supervisors approves the refunding of the prior \$40,000 note of the District for the upcoming calendar year. The Board of Supervisors would need to set the rate of interest if it is not desired to continue with zero percent per annum (no interest).

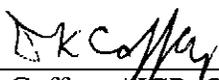
Staff: John Robins, Director of Public Works 

Attachments:

1. Resolution authorizing the issuance, sale, award and purchase of \$40,000 refunding bond of the Fork Union Sanitary District and providing for the form, detail and payment thereof.
2. Form of Refunding Bond, R-3

For County Administrator's Use Only

Comments:



Darren K. Coffey, ~~ATCP~~, ~~CZA~~, Interim County Administrator

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF \$40,000.00 REFUNDING BOND OF THE FORK UNION SANITARY DISTRICT AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the Board of Supervisors (the "Board") of Fluvanna County, Virginia (the "County"), as the governing body of the Fork Union Sanitary District (the "District"), on April 7, 2010, determined that the District should obtain short-term financing to meet casual deficits in the revenue of the District in accordance with Virginia Code Sections 21.1-118.4; and

WHEREAS, the County agreed to provide such short-term financing in the principal amount of \$40,000.00; and

WHEREAS, in accordance with the provisions of Virginia Code Section 21-118.4, the District issued and sold to the County on April 7, 2010, a Revenue Anticipation Note, numbered R-1, in the principal amount of \$40,000.00 ("Note R-1"); and

WHEREAS, Note R-1 was repaid by the District with the proceeds of a short-term Refunding Bond, numbered R-2, in the principal amount of \$40,000.00, in accordance with the provisions of Virginia Code Section 15.2-2649 ("Note R-2"); and

WHEREAS, the Board has determined that it is in the best interests of the District to repay Note R-2 with proceeds of a short-term Refunding Bond in the principal amount of \$40,000.00, in accordance with the provisions of Virginia Code Section 15.2-2649; and

WHEREAS, the amount of such short-term Refunding Bond does not exceed one-half of the amount reasonably anticipated to be produced by the revenues of the District, including taxes levied pursuant to Virginia Code Section 21-119, for the 2012 calendar year, exclusive of any anticipated tax revenues of the District which have not actually been levied and assessed against property within the District; and

WHEREAS, the County is willing to provide such short-term refunding of Note R-2, in the principal amount of \$40,000.00;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FLUVANNA COUNTY, VIRGINIA:

1. Sale of the Note. The Board, acting as the governing body of the District, hereby authorizes the District to borrow and repay the principal amount of \$40,000.00 in order to refund the Note R-2. Such borrowing shall be evidenced by a certain Refunding Bond to be issued to the County in accordance with the terms of this Resolution (the "Refunding Bond"). The County approves the refunding of Note R-2 as set forth in this Resolution.

2. Note Details; Payment Provisions. The Refunding Bond shall be issued as (i) a single fully registered note which shall be designated "Refunding Bond", shall be in typewritten form, shall be in the principal amount of \$40,000.00, shall be numbered R-3, shall be dated January 1, 2012, shall mature on December 15, 2012, and shall bear no interest. The Refunding Bond shall be issued pursuant to the Constitution of Virginia, the statutes of the Commonwealth of Virginia and this resolution adopted by the County's Board of Supervisors.

3. Prepayment of Note. The Refunding Bond shall be subject to prepayment prior to maturity at the option of the District in whole or in part at any time without premium, upon payment of the outstanding principal amount to be prepaid.

4. Execution of Note. The Refunding Bond shall be signed on behalf of the District by the manual signature of the Chairman of the Board, countersigned by the manual signature of the Clerk of the Board and the Board's seal shall be affixed thereto.

5. Note Form. The Refunding Bond shall be in substantially the form which is attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the Refunding Bond, whose approval shall be evidenced conclusively by the execution and delivery of the Refunding Bond.

6. Registration and Transfer of Note. The Refunding Bond shall be issued in registered form without coupons, payable to the registered holder or registered assigns. The County Treasurer is hereby appointed paying agent and registrar for the Refunding Bond (the "Registrar"). The County may appoint a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration and registration of transfer of the Refunding Bond. The Refunding Bond may be transferred only upon an assignment executed by the registered holder in such form as shall be satisfactory to the Registrar, such transfer to be made on the registration books and endorsed on the Refunding Bond by the Registrar. The person or persons in whose name or names the Refunding Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of and interest on the Refunding Bond shall be made only to or upon the order of the registered owner thereof or his legal representative.

7. Preparation and Delivery of Note. The Chairman and the Clerk of the Board are authorized and directed to take all proper steps to have the Refunding Bond prepared and executed, to comply with provisions of this Resolution and to deliver the Refunding Bond to the County Treasurer who shall deliver the Refunding Bond to the County in exchange for the retirement of Note R-2.

8. Payment of Prior Note. The County Treasurer is hereby authorized and directed to apply the proceeds of the Refunding Bond to the repayment to the County of Note R-2 immediately following the delivery of the Refunding Bond to the County.

9. Other Actions. All other actions of officers of the County, the District and the Board in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Refunding Bond are hereby ratified, approved and confirmed. The officers of the County and the District are authorized and directed to execute and deliver all certificates and instruments and to take all action necessary or desirable in connection with the issuance, sale and delivery of the Refunding Bond.

10. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

11. Effective Date. This Resolution shall take effect immediately.

REFUNDING BOND, R-3

\$ 40,000.00

Palmyra, Virginia
January 1, 2012

FOR VALUE RECEIVED, the Fork Union Sanitary District (hereinafter "District") promises to pay to the County of Fluvanna, or order, at Palmyra, Virginia, the principal sum of FORTY THOUSAND AND 00/100 (\$40,000.00) DOLLARS, without interest. The entire outstanding, unpaid balance of principal shall be paid on December 15, 2012, if not sooner paid. The District may prepay this note in whole or in part at any time and from time to time, without premium or penalty.

If suit is brought to collect this note, the note holder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorney's fees. Presentment, notice or dishonor and protest are hereby waived.

This note has been authorized by a resolution adopted by the Board of Supervisors of Fluvanna County, on behalf of the District, on December 21, 2011, and is a refunding bond of the District made in accordance with Virginia Code Section 15.2-2649.

IN WITNESS WHEREOF the Board of Supervisors of Fluvanna County, Virginia, as the governing body of the District, has caused this note to be signed by the Chairman of the Board of Supervisors, countersigned by the Clerk of the Board of Supervisors, the County's seal affixed hereto and this note to be dated as of January 1, 2012.

COUNTERSIGNED:

FORK UNION SANITARY DISTRICT

_____(SEAL)
Clerk, Board of Supervisors,
Fluvanna County, Virginia

BY :_____(SEAL)
Chairman, Board of Supervisors,
Fluvanna County, Virginia

Approved as to form:

Fluvanna County Attorney

CERTIFICATE OF REGISTRATION

Date of Registration : Name of Registered Owner : Signature of Registrar

_____ : _____ :

_____ : _____ :

_____ : _____ :



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

P.O. Box 540 Palmyra, VA 22963 (434) 591-1910 FAX (434) 591-1911 www.co.fluvanna.va.us

STAFF REPORT

To: Fluvanna County Board of Supervisors

From: Steve Tugwell

Case Number: EST 11:02

District: Fork Union

Tax Map: Tax Map 30, Section A, portion of Parcel 14

Date: December 21, 2011

General Information:

This request is to be heard by the Board of Supervisors on Wednesday, December 21, 2011 at 7:00 pm in the Circuit Court Room in the Courts Building.

Owner/Applicant:

Palmyra Associates, LLC

Representative:

Forbes R. Reback, Boyle, Bain, Reback & Slayton, Attorneys

Requested Action:

To establish the creation of a Conservation Easement of 26.84 acres of a portion of Tax Map 30-A-14, a total of 44.21 acres. (Attachment A)

Location:

The affected property is located to the south of U.S. Route 15 (James Madison Highway), and borders the Rivanna River on the east. (Attachment B)

Existing Zoning:

A-1, Agricultural, General (proposed conservation easement part)

Planning Area:

Palmyra Community Planning Area

Existing Land Use:

Wooded, open land, Virginia Power Easement

Adjacent Land Use:

The surrounding area is zoned A-1, Agricultural, General, and B-1, Business, General

Zoning History:

The Board of Supervisors approved a rezoning request for this property from A-1 to B-1 on March 19, 1997 (ZMP 96-11), The Board approved a modification to the proffers on November 3, 1999, The Board approved a rezoning from A-1 and B-1 to B-1 on March 1, 2006, The Planning Commission approved a sketch for a major site plan on May 24, 2006.

Purpose of Conservation Easements:

As stated in Sec. 5.5-2. of the Fluvanna County Code, “The Board of Supervisors finds that a substantial area of rural land in the County has been converted to uses not consistent with or conducive to agriculture, forestry, or other traditional rural uses; that regulatory land-use planning tools may not, in themselves, be sufficient to inhibit the conversion of farm and forest land, clean water and airsheds, biological diversity, scenic vistas and rural character have a public value as well as a private value. Therefore, the Board of Supervisors has determined that it is advisable to establish a program, pursuant to Virginia Code Sec.10.1-1700, *et seq.*, by which the County can acquire conservation easements voluntarily offered by owners to serve as one means of assuring that the County’s resources are protected and efficiently used; to help in preserving open-space and the rural character of the County by (a) preserving farm and forest lands; (b) conserving and protecting water resources; (c) conserving and protecting biodiversity and wildlife and aquatic habitat; (d) improving the quality of life for the inhabitants of the County; (e) assuring availability of lands for agricultural, forestall, recreational, or open-space use; and (f) promoting tourism through the preservation of scenic resources”. (Ord. 06-21-06)

Analysis

In accordance with Sec. 5.5-6 of the Fluvanna County Code, the Board of Supervisors must consider several criteria when determining whether to accept a proposed conservation easement:

- I. The use of the parcel subject to the conservation easement must be consistent with Comprehensive Plan;
- II. The proposed terms of the conservation deed of easement must be consistent with the minimum terms and conditions set forth in Sec. 5.5-7 of the County Code; and
- III. The acceptance of the proposed conservation easement is consistent with the purposes of the Conservation Easements Program.

The subject parcel is located within the Palmyra Community Planning Area as identified by the Comprehensive Plan. The proposed conservation easement also surrounds a 2.48 acre county-owned wastewater treatment facility. Staff is concerned that if the conservation easement were placed in its proposed location, it could restrict the ability to expand the wastewater treatment facility in the future.

Comprehensive Plan:

Natural Environment

As of 2010, there were 27 conservation and historic easements in the County, totaling 12,022.5 acres. Most of the easements are owned by the Virginia Outdoors Foundation. The Board of Supervisors created a County easement program whereby the County, as a jurisdiction, may hold and protect easements. In 2007, the County accepted the first easement under this program.

Land Use Planning Area

The Comprehensive Plan designates this area as within the Palmyra Community Planning Area. With regard to the Palmyra Community Planning Area, the Land Use section of the

Comprehensive Plan states “*a mixture of medium and small commercial businesses combines with office, civic, and residential uses to form a village-like neo-traditional development or series of interconnected developments*”. This application for a conservation easement is not in general conformance with the Comprehensive Plan because the subject parcel is located within a growth area.

As stated in the applicant’s draft deed, the Easement is granted to Fluvanna County exclusively, and will be held in perpetuity. Restrictions on the property include:

1. The land may not be subdivided;
2. Non-residential outbuildings and structures not to exceed 500 square feet in ground area unless prior written approval shall have been obtained from Grantee that a larger footprint is permitted considering the purpose of this easement and the scale of the proposed outbuilding or structure in relation to the surrounding area;
3. Grantor shall give Grantee 30 days written notice before beginning construction or land clearing prior to construction or enlargement of any structure on the property;
4. No building or structure shall be constructed within 250 feet of the west bank of the Rivanna River or the north bank of Cunningham Creek;
5. Private roads with permeable surfaces and utilities serve permitted buildings, structures, and other permitted uses, such as forestry and game management may be constructed and maintained;
6. Industrial or commercial activities other than game management and forestry are prohibited, notwithstanding any other provision of this easement, no commercial recreational use shall be allowed on the property;
7. Forest management will take place in accordance with a Forest Stewardship Management Plan approved by Virginia Department of Forestry;
8. Land disturbing activities will be limited in nature and will be consistent with best management;
9. Accumulation or dumping of trash, refuse, junk or toxic materials is not permitted on the property;
10. The types of signs will be limited in type and will be no larger than nine (9) square feet;
11. A 250 foot buffer strip shall be maintained along the west bank of the Rivanna River and the north bank of Cunningham Creek as measured from the top of the bank;
12. The County has the right to enter onto the property to inspect it for compliance with the easement. (Attachment C)

Technical Review Committee:

At the November 10, 2011 Technical Review Committee meeting, there were no comments with regard to this application.

Conclusion:

Staff believes that EST 11:02 is not in general conformance with the intent of Chapter 5.5, Conservation Easements Program and the Fluvanna County Comprehensive Plan. Therefore, approval of this application may not be appropriate. When reviewing this application, the Board may want to consider how it does or does not meet the intentions of the Comprehensive Plan.

The Board may also want to consider the potential impacts of establishing a conservation easement around a wastewater treatment facility.

Suggested Motion:

I move that the Board of Supervisors **approve/deny** EST 11:02, a request to establish the creation of a Conservation Easement, 11:02 for 26.84 acres of Tax Map (30-A-84) [if approved] subject to the property restrictions listed in the staff report, the Deed of Easement being subject to approval as to form by the County Attorney.

Attachments:

- A – Application
- B – Sketch Plan & letter from Attorney Reback
- C – Draft deed of easement
- D – Chapter 5.5 of the Fluvanna County Code
- E – Site photographs
- F – Revised deed of easement (12/13/2011)

Copy:

Applicant – Palmyra Associates, LLC, 240 Stoneleigh Road, Palmyra, VA 22963

Representative – Mr. Forbes R. Reback, Boyle, Bain, Reback & Slayton, 420 Park Street, Charlottesville, VA 22902

File

4. Do you own other land in Fluvanna County? No Yes

If yes, is the other land contiguous to the land which is the subject of this application? No Yes

If yes, please give Tax Map and Parcel Number for each contiguous parcel. _____

5. How long has the subject parcel been owned by the current owner or members of the family?

Since May 26, 2000

6. List all other persons having interests in the property, including, but not necessarily limited to, lessees, owners of easements in the property and lienholders. (Lienholders must sign to evidence their approval of the easement. Owners of other interests may need to sign as well.) Attach separate sheet listing names and contact information for such persons, as well as a copy of current title report.

Property Information:

Tax Map and Parcel(s): 30-A-14 Election District: Palmyra

Zoning: A1B1 Acreage: 41.694 acres Nearest State Highway: U.S. Route 15

Comprehensive Plan Planning Area: Palmyra

Buildings/other improvements on this parcel: N/A

Principal uses of property at present time(list all that apply, e.g., grazing, timber, crops, hunting/fishing, private recreation): hunting/fishing; riparian

Existing Buildings and other improvements on each parcel: N/A

Please describe particular physical features of the property(e.g., historic buildings, cemeteries, streams, unusual topographic features): major road; river frontage; see terms of draft deed

Proposed restrictions to be imposed by this easement:

1. Please give a summary of the restrictions you propose to apply to this property. If more than one parcel, please indicate if different restrictions are proposed for different parcels:

Please see enclosed deed

2. Please indicate whether the applicant volunteers to have the property be subject to greater restrictions than those contained in the standard sample deed of easement, and if so, delineate those voluntary, additional restrictions.

Please see enclosed deed

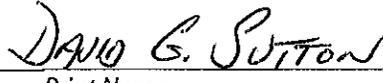
3. Please give a description of the reasons you believe the proposed easement will support the purposes of the Fluvanna County Conservation easements Program:

road; riparian frontage

4. Please attach copy of proposed deed of easement.

I/We hereby make application to Fluvanna County for the donation of development rights on the tax parcel(s) identified above on this application form pursuant to Fluvanna County Ordinance Conservation Easements Program. I/We understand and acknowledge that I/we incur no obligation by completing this application, and that Fluvanna County incurs no obligation by its acceptance of this application. I/We hereby certify that, to the best of our knowledge, the information contained in this application and attached materials are true and correct. I/We grant permission to the Conservation Easements Program Administrator or his/her designee to enter the property, after reasonable notice to the owner, for the purposes of evaluating the parcel(s) and verifying required information on the application form. This application form is not a legally binding agreement between the Applicant(s) and Fluvanna County. It is strictly for informational purposes in processing this application.

ALL OWNERS OF RECORD MUST SIGN AND DATE THIS APPLICATION!

 Signature	MEMBER  Print Name	9-21-11 Date
 Signature	John C. Zehner, Jr. Print Name	9-22-11 Date
_____ Signature	_____ Print Name	_____ Date
_____ Signature	_____ Print Name	_____ Date
_____ Signature	_____ Print Name	_____ Date

DATE: NOVEMBER 15, 2011

SCALE: 1"=100' SHEET: 1 OF 1

SHIMP ENGINEERING P.C.

PROJECT MANAGEMENT - CIVIL ENGINEERING - LAND PLANNING

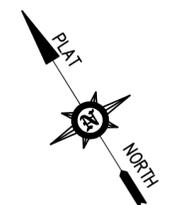
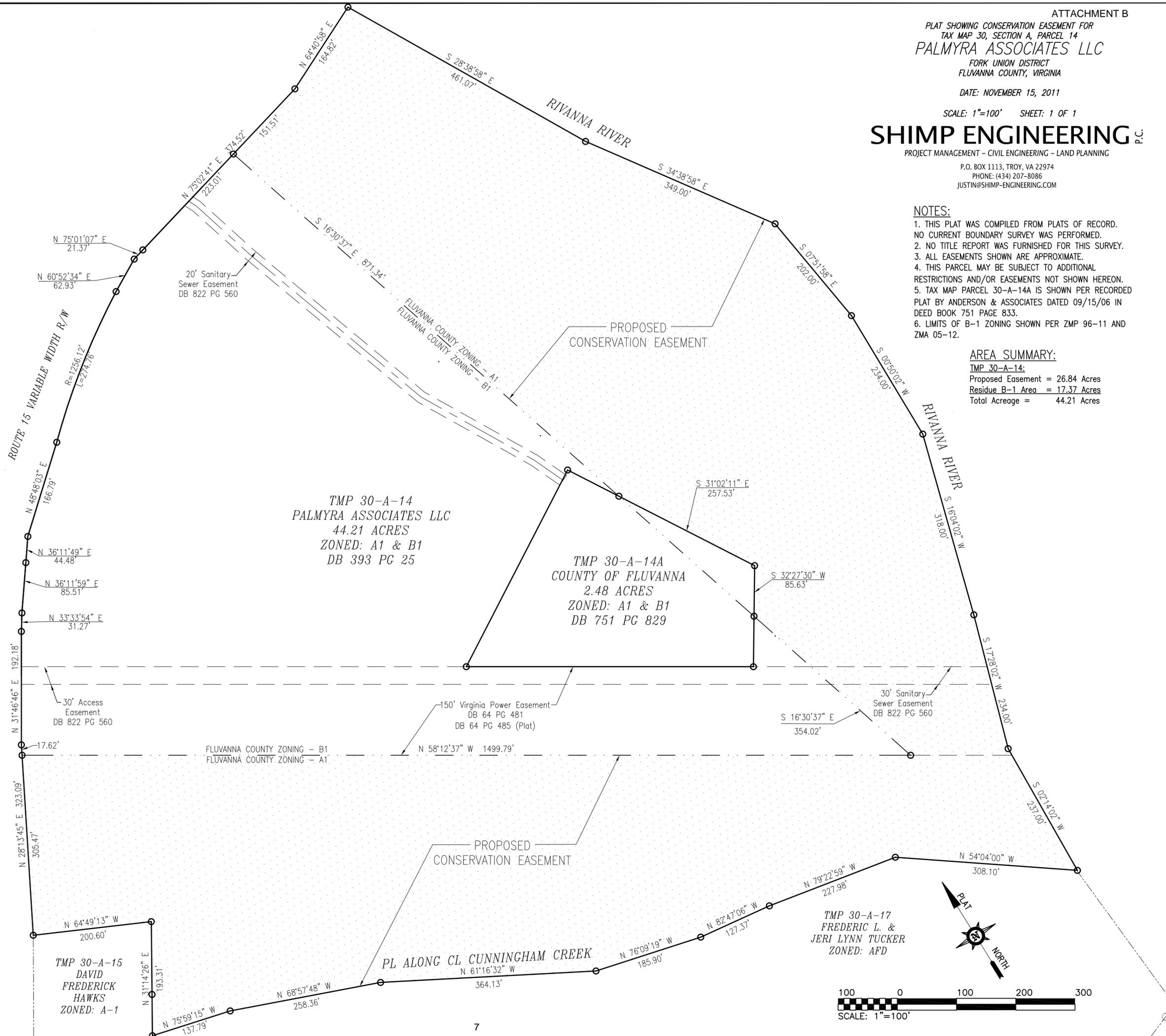
P.O. BOX 1113, TROY, VA 22974
 PHONE: (434) 207-8086
 JUSTIN@SHIMP-ENGINEERING.COM

NOTES:

1. THIS PLAT WAS COMPILED FROM PLATS OF RECORD. NO CURRENT BOUNDARY SURVEY WAS PERFORMED.
2. NO TITLE REPORT WAS FURNISHED FOR THIS SURVEY.
3. ALL EASEMENTS SHOWN ARE APPROXIMATE.
4. THIS PARCEL MAY BE SUBJECT TO ADDITIONAL RESTRICTIONS AND/OR EASEMENTS NOT SHOWN HEREON.
5. TAX MAP PARCEL 30-A-14A IS SHOWN PER RECORDED PLAT BY ANDERSON & ASSOCIATES DATED 09/15/06 IN DEED BOOK 751 PAGE 833.
6. LIMITS OF B-1 ZONING SHOWN PER ZMP 96-11 AND ZMA 05-12.

AREA SUMMARY:

TMP 30-A-14:
 Proposed Easement = 26.84 Acres
 Residue B-1 Area = 17.37 Acres
 Total Acreage = 44.21 Acres



BOYLE, BAIN, REBACK & SLAYTON

Attorneys and Counsellors at Law

420 Park Street

Charlottesville, Virginia 22902

Telephone (434) 977-6155

Facsimile (434) 977-3298

www.bbrs.net

Edward H. Bain, Jr.
(Of Counsel)

Jack N. Kegley
(Retired)

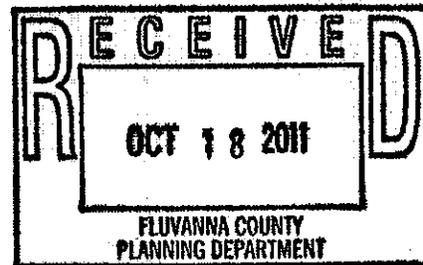
Robert P. Boyle
(1930-1992)

Forbes R. Reback
Marshall M. Slayton
Timothy I. Kelsey
C. Connor Crook
Jonathan S. Woodruff

October 17, 2011

Mr. Steve Tugwell
Fluvanna County Planning
P. O. Box 540
Palmyra, Virginia 22963

Re: Palmyra Associates, LLC
Proposed Easement



Dear Mr. Tugwell:

Please find enclosed the following information pertaining to the proposed easement for Palmyra Associates, LLC:

1. The completed Conservation Easement application and check for the \$750.00 fee
2. Draft proposed easement for your review
3. Copies of pertinent deeds and plat of the property

I hope to speak with you once you have received these materials and I look forward to working with you throughout this process. Please do not hesitate to contact me if you have any other questions or concerns.

Sincerely,


Erin L. Wilson
Legal Assistant

/elw
Enclosures

TAX MAP #30-A-14

PREPARED BY VDOT
UNDER SUPERVISION OF THE
OFFICE OF THE ATTORNEY GENERAL

Exempted from recordation taxes
under Sections 58.1-811(A) (3),
58.1-811(C)(4), 58.1-3315, 25.1-418,
42.1-70, 17.1-266, and 17.1-279(D)

2262

No. C-704002

\$98,900.00

CERTIFICATE OF TAKE

↑ VIRGINIA DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY DIVISION
1601 ORANGE ROAD
CULPEPER, VIRGINIA 22701-3819

This is to certify that \$98,900.00, which sum has been paid into Court, is estimated by the Commonwealth Transportation Commissioner of Virginia to be the fair value of the land hereinafter described, or interest therein, and damages to the remainder, if any, owned in whole or in part by PALMYRA ASSOCIATES, LLC, a Virginia limited liability company, which the said Commonwealth Transportation Commissioner of Virginia has directed to be taken in conjunction with the construction, reconstruction, alteration, maintenance and repair of Route 15 - State Primary System and for all other purposes incidental thereto, identified as Project 0015-032-V04, RW-201, as shown on Sheets 3, 3A, 4, 4A and 4B of plans for said Project on file with the Department of Transportation. The amount above specified, or so much thereof as may be directed by the Court, will be paid by the Clerk thereof, pursuant to the order of the Circuit Court of the County of Fluvanna, as provided by Title 33.1, Chapter 1, Article 7 of the 1950 Code of Virginia, as amended. The land, or interest therein, taken lies in Fork Union Magisterial District of Fluvanna County, and is described as follows:

PARCEL 001 - Being as shown on Sheets 3 and 4 of the plans for Route 15, State Highway Project 0015-032-V04, RW-201, and beginning on the southeast (right) side of the Relocated Route 15 Construction Centerline from a point in the lands of the landowner opposite approximate Station 101+50, and ending on both sides of said Centerline at the Rivanna River (southwest bank) at approximate Station 105+88, and containing 5.445 acres (22,037.7 square meters), more or less, land; together with the temporary right and easement to use the

CERTIFICATE OF TAKE

TMP 30-A-14

\$18,500.00

4649

This is to certify that \$18,500.00, which sum has been paid into this Court, is appraised by Lyn B. Holt, MAI, to be the fair value of the land hereinafter described, or interest therein, and damages to the remainder, if any, owned in whole or in part by Palmyra Associates, L.L.C., which the said Board of Supervisors of the County of Fluvanna has directed to be taken in conjunction with the construction of a wastewater treatment facility and for all other purposes incidental thereto, identified as "Palmyra Area Wastewater Project," as shown on plans for said Project, which are on file with the County of Fluvanna Department of Public Works.

The amount above specified, or so much thereof as may be directed by the Court, will be paid by the Clerk thereof, pursuant to an order of the Circuit Court of Fluvanna County, as provided by Title 25.1, Chapter 3, of the Code of Virginia, as amended. The land, or interest therein, taken lies in the Fork Union Magisterial District of Fluvanna County, and is described as follows:

5.00 acres, more or less, consisting of approximately 2.48 acres in fee simple for the construction of the wastewater plant site, together with appropriate easements for ingress and egress and for the construction and maintenance of necessary pipelines, including approximately .44 acres for a temporary construction easement, .34 acres for a permanent sewer easement, 1.14 acres for an access and outfall easement, and the remainder for a buffer area, all of which is described and set forth on a plat by Anderson & Associates, Inc., attached hereto and incorporated by reference herein; being a portion of all that certain parcel or tract of land, with improvements thereon and appurtenances thereto, situated in Fluvanna County, Virginia, on the east side of US 15, containing 52.139 acres, more or less, shown on a plat by Gregory D. Hosaflook, P.C., Professional Land Surveyor, dated November 5, 1996, last revised March 12, 1997, in the Clerk's Office of the Circuit Court of the County of Fluvanna, Virginia, in Deed Book 574, page 815, LESS AND EXCEPT that certain parcel of land containing 5.445 acres, more or less, taken by the Commonwealth of Virginia, by Certificate of Take recorded in Deed Book 574, page 815.

VIRGINIA: IN THE CIRCUIT COURT OF FLUVANNA COUNTY

COMMONWEALTH TRANSPORTATION
COMMISSIONER OF VIRGINIA
Petitioner

6443

v.

No. CL06-203

PALMYRA ASSOCIATES, LLC,
a Virginia Limited Liability
Company

and

5.445 acres, more or less, in fee,
0.234 acres, more or less, for a
temporary construction easement,
0.004 acres, more or less, for a
permanent drainage easement, and
a Central Virginia Electric
Cooperative permanent utility
relocation easement, fronting
on Route 15, in the Fork Union
Magisterial District, Fluvanna
County, Virginia

Respondents

ORDER CONFIRMING JUROR'S REPORT

This day came the Petitioner and Respondent, by
Counsel, and it appearing to the Court that the report of
the jury, hereinbefore appointed by the Court, was duly
returned herein on October 15, 2007, and filed by the Court
herein; that thereafter, within the time allowed by
statute, Petitioner filed exceptions thereto, the Court
without a hearing thereon does hereby overrule said
exceptions for the reasons previously stated in the record;
that said commissioners ascertained that the value of the
land and interests taken herein was \$462,726.00, and that
there were no damages to the residue by reason of the

ORIGINAL FILED IN CIVIL FILE FOLDER #06CL203

Company, the sum of \$363,826.00, that being the excess of the award over the amount represented by the aforesaid Certificate of Take, with interest thereon at the rate specified by Section 33.1-128 (B) of the Code of Virginia, from the 15th day of March, 2004, the date on which the aforesaid Certificate of Take was recorded, to the date of payment into Court.

Upon receipt of said sum, the Clerk shall deliver said funds to Thomas E. Albro, Tremblay & Smith, L.L.P., Attorney for the Respondents.

The Court doth further Order that the Commonwealth of Virginia be released from any liability by virtue of the recordation of the certificate aforesaid; and that the proceedings herein be recorded and indexed in the Office of the Clerk of this Court as provided by Section 25.1-314 of the Code of Virginia, with reference to be made showing the book and page number of such recordation on the margin of the page where Certificate of Take No. C-704002 is spread.

And the Court doth further Order and Direct that the costs herein, including \$60.00 each to the jurors appointed and serving herein, namely: Linda R. Bolling, Wilbert I. Maupin, Jr., Amanda E. Petrylak, Ruby D. Smith and Allan E. Young, and the sum of \$30.00 to Susan W. Allport, Ava B. Bagby, William E. Baskfield, Waverly W. Bolden, Rosetta Bowles, T.C. Dickerson III, Wilton T. Durham, Pauline M. Frazier, Fred A. Gibson, Jr., Matthew S. Lamb, Kevin P. Martens, Randi K. McFarland, Sharon F. Nalle, Eugene L.

additional area shown as being required for the proper construction of cut and/or fill slopes, containing 0.234 acre (945.0 square meters), more or less. Said temporary easement will terminate at such time as the construction of the aforesaid project is completed. Also together with the permanent right and easement to use the additional area shown as being required for the proper construction and maintenance of pipe, right of way approximate Station 102+09 to approximate Station 102+19, containing 0.004 acre (15.4 square meters), more or less; and being a part of the same land acquired by the landowner from Jarl B. Hannum by Deed dated May 26, 2000, and recorded in Deed Book 393, Page 25, in the Office of the Clerk of the Circuit Court of said County.

AND WHEREAS, the Central Virginia Electric Cooperative was the owner of an easement, right of way or other interest in land for the construction, operation and maintenance of power line facilities, together with the necessary attachments and appurtenances thereto; and

WHEREAS, the construction of the aforesaid project makes it necessary to relocate the said company's facilities;

NOW, THEREFORE, under the provisions of Section 33.1-96, 1950 Code of Virginia, as amended, the Commonwealth Transportation Commissioner of Virginia has also directed to be taken, in order that same may then be conveyed to the Central Virginia Electric Cooperative, its successors and assigns, an easement and right of way for the construction, operation and maintenance of power line facilities, including any and all necessary attachments and appurtenances thereto, and lying on the southeast (right) side of the proposed right of way line of said Route and Project, from opposite approximate Relocated Route 15 Construction Centerline Station 104+26 to opposite approximate Station 105+91, the estimated fair value of which is included in the amount above specified.

For a more particular description of the land, or interest therein, taken, reference is made to photocopy of said Sheets, showing outlined in RED the land taken in fee simple, ORANGE temporary construction easement, GREEN permanent drainage easement, YELLOW utility easement for Central Virginia Electric Cooperative, and recorded simultaneously herewith in the State Highway Plat Book 2, Page 136-140

Dated at Richmond, Virginia

MARCH 30 2004

Commonwealth Transportation
Commissioner of Virginia

By: *S.A. Waymack*
State Director, Right of Way & Utilities

Copy for: Commonwealth Transportation Commissioner
Attorney At Law

STATE OF VIRGINIA

City of Richmond

The foregoing instrument was acknowledged before me this 30th day of March, 2004, by S. A. Waymack, State Director, Right of Way & Utilities.

My Commission expires May 31, 2004

Rachel J. Satterfield
Notary Public

VIRGINIA: CLERK'S OFFICE OF THE CIRCUIT COURT OF FLUVANNA COUNTY

St. R. Tax	_____	The foregoing instrument with acknowledgment was admitted to record on <u>April 12</u> 20 <u>04</u> at <u>14:03 P.M.</u> In D.B. <u>574</u> Page(s) <u>815-817</u>
Co. R. Tax	_____	
Transfer	_____	
Clerk	<u>5 00</u>	
Grantor Tax	_____	
Total \$	<u>5 00</u>	

Recording costs paid as shown.
Teste: *Donna J. Smith* Deputy Clerk
Bouson B. Peterson, Jr., Clerk

2493

**PREPARED BY, AND
AFTER RECORDING, RETURN TO:**

KDR Real Estate Services
2500 Grenoble Road
Richmond, Virginia 23294
Attention: Sandy Baber

Tax Parcel I.D. No.: 30-A-14

ECTI Parcel No.: 38

**PERPETUAL RIGHT-OF-WAY AND EASEMENT AGREEMENT
(Palmyra Associates, LLC)**

FOR AND IN CONSIDERATION OF THE SUM OF TEN DOLLARS in hand paid and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged PALMYRA ASSOCIATES, LLC, a Virginia limited liability company, (hereinafter collectively referred to as "Grantor" whether one or more), has irrevocably granted, bargained, sold, and conveyed, and by these presents does hereby grant, bargain, sell, and convey unto EAST COAST TRANSPORT, INC., a Virginia public service corporation, and its successors and assigns (hereinafter individually and collectively referred to as "Grantee") whose address is 1044 North 115th Street, Suite 400, Omaha, Nebraska 68154, the perpetual and non-exclusive right and easement on, over, across, under and through that tract of land (the "Pipeline Easement Area") described on Exhibit "A" attached hereto and made a part hereof for purposes of (i) surveying, clearing, excavating, laying, constructing, testing, operating, inspecting, maintaining, protecting, repairing, replacing, changing the size of, altering, relocating and removing, and abandoning in place, one or more water pipelines, and utility and communications facilities necessary or desirable for the monitoring, operation and protection of said pipelines, together with all necessary and appropriate headwalls, manholes, rip rap and other erosion control measures, appliances, appurtenances, machinery, apparatus, equipment, fixtures, improvements and facilities related thereto deemed by Grantee to be necessary or desirable in connection therewith, (hereinafter collectively referred to as the "pipeline" or "pipelines"), including, but not limited to, fittings, tie-overs, valves, corrosion control equipment, and other apparatus above and below ground for the transportation of water through such pipelines; (ii) transporting water through such pipelines; (iii) installing and maintaining signs along the Pipeline Easement Area identifying the area as the location of such pipelines; (iv) cutting, clearing, removing and disposing of, from time to time, all trees, shrubs, and other vegetation, and to remove and dispose of all natural or manmade obstructions in the Pipeline Easement Area, as Grantee may deem necessary for the safe operation and maintenance of the pipelines and related facilities; (v) unobstructed ingress and egress from the nearest public road to the pipelines and Easement Areas (as hereinafter defined) across the lands now or hereafter owned by Grantor (the "Adjoining Land") in order to provide Grantee convenient access to the pipelines and Easement Areas at any time and from time to time, for the laying, construction, testing, operation, inspection, maintenance, protection, repair, replacement, changing the size of, alteration, relocation or removal of the above-described pipelines and facilities, within said Pipeline Easement Area and/or other land; and (vi) such other rights as may be necessary or convenient for the enjoyment of the rights and privileges provided by this Perpetual Right-of-Way and Easement Agreement (herein sometimes referred to as the "Agreement").

hereunder shall completely relieve the assignor of any obligation or further liability hereunder. The easements set forth in this Agreement shall be for the use, benefit and enjoyment of Grantee, and each of its designated successors, successors-in-title, grantees and assigns, and their respective agents, employees, servants, tenants, subtenants, licensees, permittees, customers, invitees, contractors, subcontractors, lenders and any other party holding a collateral interest in the property or rights of Grantee. This Agreement, each and all of its terms, conditions and provisions, and the easements, rights, and privileges created hereby shall be binding upon and inure to the benefit of Grantee and Grantor and their respective designated (to the extent necessary under the last two sentences of this paragraph) heirs, devisees, executors, administrators, personal representatives, successors, successors-in-title, grantees, assignees, and their respective tenants, subtenants, licensees, permittees, customers, lenders and any other party holding a collateral interest in the property or rights of Grantee. In addition to the easements in gross hereinabove described, Grantor agrees that all of the easements, rights and privileges, set forth herein shall touch, concern, burden and run with the title to the Easement Areas and the Adjoining Land, collectively as the servient tenement, and shall be appurtenant to, touch, concern and run with the title to any lands now or hereafter owned or leased by either Grantee, or its respective designated successors, successors-in-title, grantees and assigns located in Fluvanna County or Buckingham County, Virginia, collectively the dominant tenement. Any conveyance of said dominant tenement, or any part thereof, to any lender or any other party holding a collateral interest in the dominant tenement (whether by foreclosure, deed in lieu of foreclosure or otherwise) shall also convey the rights, privileges, duties and obligations contained in this Agreement, regardless of whether or not specific mention is made of this Agreement and regardless of whether or not a specific conveyance is made of, or subject to, the easements, rights, privileges, duties and obligations contained herein. Any conveyance of said dominant tenement, or any part thereof, to any person or entity, other than a lender or a party holding a collateral interest in the dominant tenement, shall only convey the rights, privileges, duties and obligations contained in this Agreement if specific mention is made of this Agreement or if a specific conveyance is made of, or subject to, the easement, rights, privileges, duties and obligations contained herein.

The interpretation, construction and performance of this agreement shall be governed by the laws of the Commonwealth of Virginia. Each Grantor covenants with Grantee that (i) Grantor alone is the fee simple owner of record of the Easement Areas and the Adjoining Land, is lawfully seized and possessed of the Easement Areas and the Adjoining Land, and has a good and lawful right to grant and convey the easements, rights and privileges granted hereunder, (ii) Grantor has done no act to encumber title to the Easement Areas or the Adjoining Land, and the Easement Areas and the Adjoining Land are free from all leases, liens (other than ad valorem tax liens), and other encumbrances, except those publicly recorded among the land records of the county in which the Easement Area and Adjoining Land are located, (iii) Grantee shall have quiet possession of Grantee's easement rights in the Easement Areas and the Adjoining Land, and (iv) Grantor will execute such further assurances of Grantee's rights contained herein as may be requisite.

Grantor agrees to cooperate with Grantee, and Grantor agrees to execute and deliver all such affidavits and instruments and take such actions as Grantee determines are necessary or desirable to enable Grantee to obtain title insurance insuring the rights, title and interests of Grantee under this Agreement free of any liens or encumbrances, except those publicly recorded among the land records of the county in which the Easement Areas and Adjoining Land are located, and to carry out the terms of this Agreement without further compensation to Grantor.

TO HAVE AND TO HOLD said easements, rights and privileges, together with all and singular the privileges and appurtenances thereto in anywise belonging unto each Grantee, and its respective successors and assigns forever. Each Grantor does hereby bind himself or herself and his or her respective heirs, executors, administrators, personal representatives, successors, successors-in-title and assigns to warrant and forever defend Grantor's title to the Easement Areas, possession thereof and all and

COMMONWEALTH OF VIRGINIA,

CITY/COUNTY OF Charlotteville, to-wit:

The foregoing instrument was acknowledged before me in the aforesaid jurisdiction this 25th day of July, 2010 by David G. Sutton, Member, on behalf of S. J. S. LIMITED COMPANY, a Virginia limited liability company, as Member of Palmyra Associates, LLC, a Virginia limited liability company.

Amy P. Normand
Notary Public

My commission expires:
Notary Registration No.:

May 31, 2012
111053

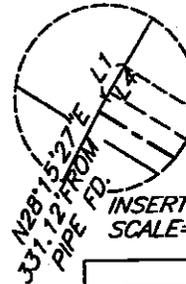
[AFFIX A SHARP, LEGIBLE, PERMANENT, AND PHOTOGRAPHICALLY REPRODUCIBLE NOTARY SEAL]



NOTE:
POSSIBLE VA. TELEPHONE & TELEGRAPH ESMT.
ON EAST SIDE OF RTE. 15 D.B.25 PG.379

(38)

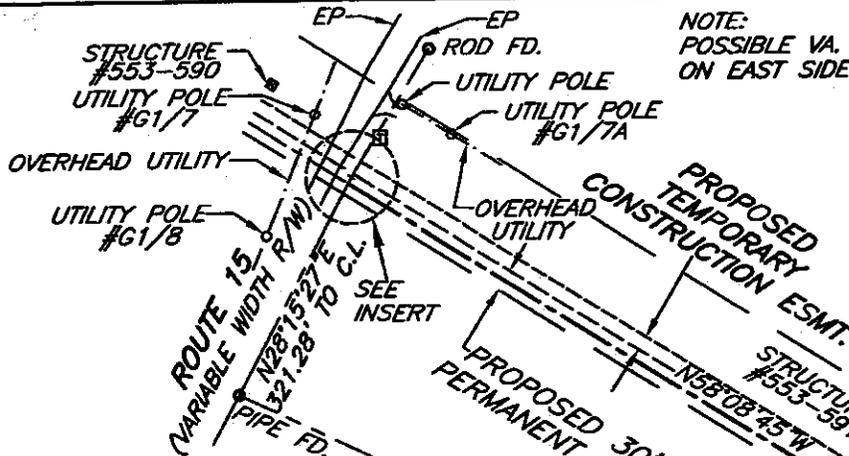
TM #30-A-14
PALMYRA ASSOCIATES, LLC
D.B. 393 PG. 25



INSERT
SCALE=1"=100'

LINE TABLE		
LINE	BEARING	LENGTH
L1	N31°45'38"E	25.17
L2	S58°08'45"E	82.72 TIE
L3	S17°28'02"W	103.24 TIE
L4	N31°45'38"E	20.00

MAD 83



TM #30-A-15
N/F
JOSEPH D. &
JUNE D. MORGAN
D.B.160 PG.670

TM #30-A-16
N/F
LUTHER P. DUNCAN JR, ETAL
LEGEND WB.52 PG.346

T.E. = TEMPORARY EASEMENT
C/L = CENTERLINE
R/W = RIGHT-OF-WAY
ESMT. = EASEMENT
P = PROPERTY LINE
EP = EDGE OF PAVEMENT
☐ = TELEPHONE PEDESTAL

AREA IN PROPOSED EASEMENTS:

PARCEL	38
30' PERMANENT	1.15 ACRES
TEMPORARY	0.93 ACRES
TOTAL	2.08 ACRES



TM #30-A-17
N/F
FREDERIC L. TUCKER &
JERI LYNN TUCKER
D.B.216 PG.325

APPROVED BY FLUVANNA
COUNTY PLATS OFFICER

PLATS OFFICER

DATE OF APPROVAL



EAST COAST TRANSPORT, INC.		
PLAT TO ACCOMPANY AGREEMENT WITH PALMYRA ASSOCIATES, LLC		
DISTRICT CUNNINGHAM	COUNTY FLUVANNA	STATE VIRGINIA
SCALE: 1 INCH = 200 FT.		SURVEYED BY B & N
DRAWN BY JDB	DATE 04-13-09	38
BURGESS & NIPLE		
ENGINEERS ■ SURVEYORS PLANNERS ■ LANDSCAPE ARCHITECTS 4112 INNSLAKE DRIVE GLEN ALLEN, VA 23060-3683 PH. (804) 320-2667 FAX (804) 323-5131		

2324-14-00
8-41-00(4p)

ORIGINAL INSTRUMENT RETURNED TO:

THIS DEED, made and entered into this 26th day of May, 2000, by and between Jarl B. HANNUM, grantor and party of the first part, and PALMYRA ASSOCIATES, LLC, a Virginia limited liability company, grantee and party of the second part, whose mailing address is c/o P. O. Box 177, Palmyra, Virginia 22963; and Carol L. HANNUM, grantor, party of the third part.

W I T N E S S E T H :

That for and in consideration of the sum of Two Hundred Eighty Thousand Dollars (\$280,000.00), cash in hand paid, the receipt of which is hereby acknowledged by the party of the first part, the said party of the first part does hereby grant, bargain, sell and convey with GENERAL WARRANTY and ENGLISH COVENANTS OF TITLE unto the said Palmyra Associates, LLC, the following-described tract or parcel of land in Fluvanna County, Virginia, to-wit:

All that certain tract or parcel of land, lying and being situate in the Fork Union Magisterial District, Fluvanna County, Virginia, adjoining U. S. Highway 15, containing 52.139 acres, more or less, and shown on plat by Gregory D. Hosaflook, P.C., dated November 5, 1996 and revised March 12, 1997 and recorded in the Office of the Clerk of the Circuit Court of Fluvanna County, Virginia, in Deed Book 354, at page 569, and being further identified as Fluvanna County Tax Map Parcel No. 30-(A)-14; and being all of the property conveyed to grantor herein, by deed of Virginia Pierce Jones, dated November 30, 1995, and recorded in the Clerk's Office aforesaid in Deed Book 292, page 721.

Page One of Three

THIS INSTRUMENT PREPARED BY P. BOSLEY CROWTHER 3RD, PALMYRA, VIRGINIA

The above conveyance is made expressly subject to all easements, reservations, rights-of-way, covenants and restrictions of record, conditions and reservations contained in duly recorded deeds, plats and other instruments constituting constructive notice in the chain of title to the property hereby conveyed which have not expired by limitation of time contained therein or have not otherwise become ineffective.

Carol L. Hannum joins in this deed to convey any marital interest she may have in the property.

WITNESS the following signatures and seals:

JRH (SEAL)
Jarl B. Hannum

CAROL L. HANNUM
by J. of Carl K. a/k/a (SEAL)
Carol L. Hannum

COMMONWEALTH OF VIRGINIA

COUNTY OF FLUVANNA, to-wit:

The foregoing instrument was acknowledged before me by Jarl B. Hannum this 31 day of May, 2000.

My commission expires: 5/31/2001



(NOTARIAL SEAL)

Deborah R. Perangi
Notary Public

COMMONWEALTH OF VIRGINIA

COUNTY OR CITY OF FLUVANNA, to-wit:

The foregoing instrument was acknowledged before me by F. Bosley Crowther 3rd, attorney-in-fact for Carol L. Hannum this 31st day of May, 2000.

My commission expires: 8-31-2002

(NOTARIAL SEAL)

D. Aileen Pelli
Notary Public



VIRGINIA: CLERK'S OFFICE OF THE CIRCUIT COURT OF FLUVANNA COUNTY

St. R. Tax	<u>420.00</u>	The foregoing instrument with acknowledgment was admitted to record on <u>June 1</u> , 2000 at <u>8:13 A.M.</u> in D.B. <u>393</u> Page(s) <u>25-27</u>
Co. R. Tax	<u>140.00</u>	
Transfer	<u>1.00</u>	
Clerk	<u>16.00</u>	
Grantor Tax	<u>280.00</u>	
Total \$	<u>857.00</u>	Recording costs paid as shown.

Teste: Sandra C. Parish Deputy Clerk
Bouson E. Peterson, Jr., Clerk

Prepared by: Boyle, Bain, Reback & Slayton
420 Park Street
Charlottesville, VA 22902

DRAFT

Tax Map No.:30-(A)-14

Exempted from recordation tax
under the Code of Virginia (1950), as amended,
Sections 58.1-811 (A) (3), 58.1-811 (D)
and from Circuit Court Clerk's fee under Section 17.1-266

THIS DEED OF GIFT OF EASEMENT (this "Easement"), made this ___ day of _____, 2011, by between and among **PALMYRA ASSOCIATES, LLC**, a Virginia limited liability company, (the "Grantor"); and the **COUNTY OF FLUVANNA**, a political subdivision of the Commonwealth of Virginia, whose business address is P.O. Box 540, Palmyra, Virginia 22963 ("Grantee");

WITNESSETH:

WHEREAS, Grantor is the owner in fee simple of a parcel of real property situated on James Madison Highway (U.S. Route 15) in Fluvanna County, Virginia, near the village of Palmyra containing 41.694 acres, more or less, as further described herein (the "Property"), and desires to give and convey to Grantee a perpetual conservation and open-space easement over the Property as herein set forth; and

WHEREAS, Grantee is a political subdivision of the Commonwealth of Virginia and a "qualified organization" and "eligible donee" under §170(h)(3) of the Internal Revenue Code of 1986, as amended (and corresponding provisions of any subsequent tax laws)(IRC) and Treasury Regulation §1.170A-14(c)(1), and is willing to accept a perpetual conservation and open-space easement over the Property as herein set forth; and

WHEREAS, Chapter 461 of the Acts of 1966, codified in Chapter 17, Title 10.1, §§10.1-1700 through 10.1-1705 of the Code of Virginia (1950) as amended (the "Open-Space Land Act"), declares that the preservation of open-space land serves a public purpose by curbing urban sprawl, preventing the spread of urban blight and deterioration and encouraging more economic and desirable urban development, helping provide or preserve necessary park, recreational, historic and scenic areas, and conserving land and other natural resources, and authorizes the acquisition of interests in real property, including easements in gross, as a means of preserving open-space land; and

WHEREAS, pursuant to §§10.1-1700 and 10.1-1703 of the Open-Space Land Act, the purposes of this Easement include retaining and protecting open-space and natural resource values of the Property, and the limitation on division, residential construction and commercial and industrial uses contained in Section II ensures that the

Property will remain perpetually available for agriculture, livestock production, game management, forest or open-space use, all as more particularly set forth below; and

WHEREAS, the Grantee is a public body within the definition in §10.1-1700 of the Open-Space Land Act and pursuant to the public policy of the Commonwealth to encourage preservation of open-space land, is authorized to hold real property or any estate or interest therein for the purpose of preserving the natural, scenic, historic, scientific, open-space and recreational lands of the Commonwealth; and

WHEREAS, this conservation and open-space easement in gross constitutes a restriction granted in perpetuity on the use which may be made of the Property, and is in furtherance of and pursuant to the clearly delineated governmental policies set forth below:

(i) Land conservation policies of the Commonwealth of Virginia as set forth in:

a. § 1 of Article XI of the Constitution of Virginia, which states that it is the Commonwealth's policy to protect its atmosphere, lands and waters from pollution, impairment, or destruction, for the benefit, enjoyment, and general welfare of the people of the Commonwealth;

b. The Open-Space Land Act cited above;

c. The Virginia Land Conservation Incentives Act, Chapter 3 of Title 58.1, §§58.1-510 through 58.1-513 of the Code of Virginia (1950) as amended, which supplements existing land conservation programs to further encourage the preservation and sustainability of the Commonwealth's unique natural resources, wildlife habitats, open spaces and forest resources;

d. Chapter 32, of Title 58.1, §§58.1-3230 through 58.1-3244 of the Code of Virginia (1950) as amended, which authorizes special use-value tax assessments for real estate devoted to agricultural, forestal, horticultural and open-space use;

(ii) Land use policies of the County of Fluvanna as delineated in:

a. its Comprehensive Plan 2000 adopted November 9, 2000 to which plan the restrictions set forth in this deed conform and which contains promotion goals, objectives and strategies hereinafter set out.

b. its County Code Chapter 5.5 adopted June 21, 2006 effective July 1, 2006 setting forth the County's Conservation Easement Program pursuant to which this Easement is given and accepted; and

WHEREAS, this Easement will yield significant public benefit to the citizens of Fluvanna County and the Commonwealth as set forth in Section I; and

WHEREAS, Grantor and Grantee desire to protect in perpetuity the conservation values of the Property as specified in Section I by restricting the use of the Property as set forth in Section II; and

WHEREAS, Grantee has determined that the restrictions set forth in Section II (the "Restrictions") will preserve and protect in perpetuity the conservation values of the Property, which values are reflected in Section I; and

WHEREAS, Grantee has determined that the Restrictions will limit use of the Property to those uses consistent with, and not adversely affecting, the conservation values of the Property and the governmental conservation policies furthered by the Easement; and

WHEREAS, Grantee, by acceptance of this Easement, designates the Property as property to be retained and used in perpetuity for the preservation and provision of open-space land pursuant to the Open-Space Land Act; and

WHEREAS, the Property possesses significant scenic, natural, open-space, wildlife habitat and historic values (the "Open-Space Values"), the preservation of which will benefit the citizens of the Commonwealth; and

WHEREAS, the Property lies in the vicinity of other lands under open-space easement deeded to the Grantee and contributes to the open-space values of such other lands under easement; and

WHEREAS, the Property fronts on James Madison Highway (U.S. Route 15), a major interstate highway and contributes to the scenic views enjoyed by the public therefrom; and

WHEREAS, the Property lies immediately outside the historic Village of Palmyra, the county seat for Fluvanna County, within the viewshed of the Fluvanna Court House Historic District, an area of historic and architectural significance; the Fluvanna County Court House built in 1830 located within the Fluvanna Court House Historic District is listed in the Virginia Landmarks Register and the National Register of Historic Places; the historic Palmyra Lock and Mill Site adjoins the Property and is located along the Rivanna River in the Palmyra Village area; and

WHEREAS, the Property has approximately 2,393 feet of frontage on the west bank of the Rivanna River, designated a Virginia Scenic River pursuant to §10.1-416 of the Code of Virginia (1950) as amended and a component of the Virginia Scenic Rivers System, and contributes to the scenic views enjoyed by the public therefrom; and

WHEREAS, the Property has 1,608 feet of frontage on the north bank of Cunningham Creek, a tributary of the Rivanna River which flows into the James River and thence to the Chesapeake Bay; and

WHEREAS, the protection of water quality within the Chesapeake Bay watershed and specifically along riparian corridors of significant waterways within the watershed such as the James River, contributes to the following governmental conservation policies: (1) the Virginia Water Quality Improvement Fund was enacted in part to meet the Commonwealth of Virginia's commitments under the Chesapeake Bay Agreement, § 10.1-2124 of the Code of Virginia (1950) as amended; (2) in the Chesapeake 2000 Agreement, the Governor of the Commonwealth of Virginia and the Administrator of the United States Environmental Protection Agency acknowledged that "future development will be sustainable only if we protect our natural and rural resource land, limit impervious surfaces and concentrate new growth in existing population centers;" and (3) a goal of the Chesapeake 2000 agreement is to "expand the use of voluntary and market-based mechanisms such as easements ... to protect and preserve natural resource lands." ; and

WHEREAS, protection of the waters of Cunningham Creek and the Rivanna River will implement the goals of the Chesapeake Bay Preservation Act; and

WHEREAS, the 2002-2003 Biennnnial Report of the Virginia Land Conservation Foundation, dated January 2004, states that meeting Virginia's land preservation goals under the Chesapeake 2000 Agreement "requires the conservation of 432,535 acres by 2010 or 61,791 acres per year." ; and

WHEREAS, the protection of the Property from intensive development will contribute to the goal of the Virginia Scenic Rivers Act to "protect and preserve certain rivers or sections thereof possessing natural or pastoral beauty"; and

WHEREAS, the protection of the Property from intensive development will contribute to the goal of the 2002 Virginia Outdoors Plan to "encourage partnerships through the establishment of private/public conservation easements along designated Scenic Rivers"; and

WHEREAS, the Comprehensive Plan 2000 of Fluvanna County, Virginia, adopted by the Board of Supervisors of said County, includes Chapter 4 on the Environment which has the following goals among others:

Goal 1: Preserve and protect the natural, rural, and open-space character of Fluvanna County; and

Goal 2: Encourage agricultural and forestal operations and productivity and ensure the availability of agricultural lands for the continued production of crops, livestock and timber; and

Goal 3: Protect water resources; and

Goal 4: Protect Natural Resources, including water, soil, air, scenery, and fragile ecosystems . . . Promote the placement of conservation / scenic easements on lands

within view of Rivanna [River] and seek to protect the scenic value of these lands when land use decisions and plans are made; and

WHEREAS, in the implementation of Goals 1 and 4 cited above, the Board of Supervisors of Fluvanna County “encourage(s),” “facilitate(s)” and “promote(s) . . . the donation of open-space and conservation easements on land that meets the minimum IRS criteria for easement donation”; and

WHEREAS, the Grantee has determined that the restrictions hereinafter set forth (the “Restrictions”) will preserve and protect in perpetuity the “Open-Space Values” of the Property, which values are reflected in the preceding paragraphs, the Grantee’s evaluation of the Property, and the documentation of the condition of the Property as contained in its files and records; and

WHEREAS, the conservation purpose of this easement is to preserve and protect in perpetuity the Open-Space Values of the Property; and

WHEREAS, the Grantee has determined that the Restrictions will limit the uses of the Property to those uses consistent with, and not adversely affecting the Open-Space Values of the Property, the scenic values enjoyed by the general public, and the governmental conservation policies furthered by this easement.

WHEREAS, this Easement is intended to constitute “a restriction (granted in perpetuity) on the use which may be made of real property”, which is “a qualified real property interest” under IRC § 170(h)(2)(c); and

WHEREAS, this Easement is granted “exclusively for conservation purposes” under IRC §170(h)(1)(C) because it effects “the preservation of certain open-space (including farmland and forest land).” The preservation of open-space on the Property as provided in this Easement (i) is pursuant to certain clearly delineated state and local governmental conservation policies referred to in the preceding preamble clauses that indicate the type of property identified by Grantees as worthy of preservation and (ii) will yield a significant public benefit, in that among other things it will: (1) protect the Property from inappropriate development, which existing and foreseeable trends in the vicinity of the Property indicate is increasing and which could contribute to the degradation of the scenic and natural character of the area; (2) prevent excessive development, soil disturbance, and pollution on the Property, thus enhancing water quality in Cunningham Creek, the James River and ultimately, the Chesapeake Bay; (3) is consistent with existing conservation programs in the area and augments open-space easements held by the Virginia Outdoors Foundation and the County of Fluvanna on other tracts of land in the Palmyra Magisterial District of Fluvanna County, Virginia, which also help to (a) preserve the scenic local and regional landscape in general and the historic landmarks therein, (b) attract tourism and commerce to the area, and (c) enhance the quality of life for area residents and visitors;

NOW, THEREFORE, in consideration of the premises and pursuant to Fluvanna County's Conservation Easements Program and the mutual covenants herein and their acceptance by Grantee, Grantor does hereby give, grant and convey to Grantee a conservation and open-space easement in gross over, and the right in perpetuity to restrict the use of, the Property, which is described in SCHEDULE "A" attached hereto and made a part hereof, and consists of 41.694 acres, more or less, located in the Fork Union Magisterial District, Fluvanna County, Virginia, near Palmyra, on James Madison Highway (U.S. Route 15) to-wit:

[SEE ATTACHED SCHEDULE A]

The Property is shown as Tax Map No. 30-(A)-14 among the land records of the County of Fluvanna, Virginia. Even if the Property consists of more than one parcel for real estate tax or any other purpose, it shall be considered one parcel for purposes of this Easement, and the restrictions and covenants of this Easement shall apply to the Property as a whole.

SECTION I - PURPOSE

The purpose of this Easement is to preserve and protect the conservation values of the Property in perpetuity by imposing the restrictions on the use of the Property set forth in Section II and providing for their enforcement in Section III. The conservation values of the Property are its open-space, scenic, and natural values and its values as land preserved for protection of water quality, and open-space.

SECTION II - RESTRICTIONS

Restrictions are hereby imposed on the use of the Property pursuant to the public policies set forth above. The acts that Grantor covenants to do and not to do upon the Property, and the restrictions that Grantee is hereby entitled to enforce, are and shall be as follows:

1. **DIVISION.** Division of the Property is prohibited. The Property shall not be sold or conveyed except as a whole.
2. **BUILDINGS AND STRUCTURES.** No buildings or structures other than the following are permitted on the Property:
Non-residential outbuildings and structures not to exceed 500 square feet in ground area unless prior written approval shall have been obtained from Grantee that a larger footprint is permitted considering the purpose of this Easement and the scale of the proposed outbuilding or structure in relation to the surrounding area;

Grantor shall give Grantee 30 days' written notice before beginning construction or land clearing prior to construction or enlargement of any structure on the Property.

To protect the scenic values of the Property, no building or structure shall be constructed within 250 feet of the west bank of the Rivanna River or the north bank of Cunningham Creek.

Private roads with permeable surfaces and utilities to serve permitted buildings, structures, and other permitted uses, such as forestry and game management may be constructed and maintained. Underground public and private utilities whose construction and maintenance will not significantly impair the Property's conservation values may be constructed and maintained.

3. **INDUSTRIAL OR COMMERCIAL ACTIVITIES.** Industrial or commercial activities other than game management and forestry are prohibited. Notwithstanding any other provision of this easement, no commercial recreational use shall be allowed on the Property.

4. **MANAGEMENT OF FOREST.** Best Management Practices, as defined by the Virginia Department of Forestry, shall be used to control erosion and protect water quality when any timber harvest is undertaken. All material timber harvest activities on the Property shall be guided by a Forest Stewardship Management Plan approved by the Virginia Department of Forestry. The objectives of the Forest Stewardship Management Plan may include, but are not limited to, forest health, timber management, wildlife habitat, and game management, water and air quality, historic and cultural resource preservation and natural area preservation, or any combination thereof.

Non-commercial *de minimis* harvest of trees for trail clearing, trees that pose an imminent hazard to human health or safety, or removal of invasive species shall not require a Forest Stewardship Management Plan.

5. **GRADING, BLASTING, MINING.** Grading, blasting or earth removal shall not materially alter the topography of the Property except for (i) wetlands or stream bank restoration pursuant to a government permit, (ii) erosion and sediment control pursuant to a government-required erosion and sediment control plan, or (iii) as required in the construction of permitted buildings, structures, roads, and utilities. Best Management Practices, in accordance with the Virginia Erosion and Sediment Control Law, shall be used to control erosion and protect water quality in such construction. Grading, blasting or earth removal in excess of one acre for the purposes set forth in subparagraphs (i) through (iii) above require 30 days' prior notice to Grantee. Generally accepted agricultural activities shall not constitute a material alteration. Surface mining, subsurface mining, dredging on or from the Property, or drilling for oil or gas on the Property are prohibited.

6. **ACCUMULATION OF TRASH.** Accumulation or dumping of trash, refuse, junk or toxic materials is not permitted on the Property. This restriction shall not

prevent generally accepted agricultural or wildlife management practices, such as creation of brush piles, composting, or the storage of farm machinery, organic matter, agricultural products or agricultural byproducts on the Property.

7. **SIGNS.** Display of billboards, signs, or other advertisements is not permitted on or over the Property except to: (i) state the name and/or address of the owners of the Property, (ii) advertise the sale or lease of the Property, (iii) advertise the sale of goods or services produced incidentally to a permitted use of the Property, (iv) provide notice necessary for the protection of the Property, (v) give directions to visitors, or (vi) recognize historic status or participation in a conservation program. Temporary political signs are allowed. No signs visible from outside the Property shall exceed nine square feet in size.
8. **RIPARIAN BUFFER.** To protect water quality, riparian buffers shall be maintained as follows:

A 250-foot buffer strip shall be maintained along the west bank of the Rivanna River and the north bank of Cunningham Creek as measured from the top of the bank.

- (i) Within the buffer strip there shall be (a) no buildings or other substantial structures constructed, (b) no storage of compost, manure, fertilizers, chemicals, machinery or equipment, (c) no removal of trees except removal of invasive or exotic species or removal of dead, diseased or dying trees, or trees posing a threat to human health or safety, and (d) no plowing, cultivation, filling, or other earth-disturbing activity.
- (ii) Notwithstanding the foregoing, permitted within the buffer strips is (a) wetland or stream bank restoration, or erosion control, pursuant to a government permit, (b) creation and maintenance of trails with unimproved surfaces, and (c) planting of non-invasive species.
- (iii) Should Cunningham Creek or the Rivanna River meander or change course naturally, the buffer strip shall remain the same width, but move relative to the movement of the river. In such event, any buildings or structures that were outside of the original buffer strip and are determined to be within the new buffer strip shall not be considered in violation of these restrictions and may be maintained at such locations.

SECTION III – ENFORCEMENT

1. **RIGHT OF INSPECTION.** Representatives of Grantee may enter the Property from time to time for purposes of inspection (including photographic documentation of the condition of the Property) and enforcement of the terms of this Easement after permission from or reasonable notice to the Grantor or the Grantor's representative, provided, however, that in the event of an emergency,

entrance may be made to prevent, terminate or mitigate a potential violation of these restrictions with notice to Grantor or Grantor's representative being given at the earliest practicable time.

2. **ENFORCEMENT.** Grantee has the right to bring an action at law or in equity to enforce the Restrictions contained herein. This right specifically includes the right to require restoration of the Property to a condition of compliance with the terms of this Easement as existed on the date of the gift of the Easement, except to the extent such condition thereafter changed in a manner consistent with the Restrictions; to recover any damages arising from non-compliance; and to enjoin non-compliance by *ex parte* temporary or permanent injunction. If the court determines that Grantor failed to comply with this Easement, Grantor shall reimburse Grantee for any reasonable costs of enforcement, including costs of restoration, court costs and attorney's fees, in addition to any other payments ordered by the court. Grantee's delay shall not waive or forfeit its right to take such action as may be necessary to insure compliance with this Easement. Notwithstanding any other provision of this Easement, Grantor shall not be responsible or liable for any damage or change to the condition of the Property caused by fire, flood, storm, Act of God, governmental act or other cause outside of Grantor's control or any prudent action taken by Grantor to avoid, abate, prevent or mitigate damage or changes to the Property from such causes.

SECTION IV – DOCUMENTATION

Documentation retained in the office of Grantee including, but not limited to, the Baseline Documentation Report ("Documentation Report"), describes the condition and character of the Property at the time of the gift. The Documentation Report may be used to determine compliance with and enforcement of the terms of this Easement; however, the parties are not precluded from using other relevant evidence or information to assist in that determination. Grantor has made available to Grantee, prior to donating this Easement, documentation sufficient to establish the condition of the Property at the time of the gift. The parties hereby acknowledge that the Documentation Report contained in the files of Grantee is an accurate representation of the Property.

SECTION V – GENERAL PROVISIONS

1. **DURATION.** This Easement shall be perpetual. It is an easement in gross that runs with the land as an incorporeal interest in the Property. The covenants, terms, conditions and restrictions contained in this Easement are binding upon, and inure to the benefit of, the parties hereto and their successors and assigns, and shall continue as a servitude running in perpetuity with the Property. Landowner's rights and obligations under this Easement terminate upon proper transfer of Landowner's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

2. **NO PUBLIC ACCESS.** Although this Easement will benefit the public as described above, nothing herein shall be construed to convey to the public a right of access to, or use of the Property. Grantor retains the exclusive right to such access and use, subject to the terms hereof.
3. **TITLE.** Grantor covenants and warrants that Grantor has good title to the Property, that Grantor has all right and authority to grant and convey this Easement and that the Property is free and clear of all encumbrances (other than utility and access easements) including, but not limited to, any mortgages not subordinated to this Easement.
4. **ACCEPTANCE.** Acceptance of this conveyance by Grantee is authorized by Virginia Code Section 10.1-1701 and the Conservation Easements Program of Fluvanna County and is evidenced by the signature of the Chairman of the Board of Supervisors of the Grantee in accordance with a resolution of the Board of Supervisors of Fluvanna County, Virginia adopted _____. Approval of this instrument as to form is evidenced by the signature of the Fluvanna County Attorney.
5. **INTERACTION WITH OTHER LAWS.** This Easement does not permit any use of the Property which is otherwise prohibited by federal, state, or local law or regulation. Neither the Property, nor any portion of it, shall be included as part of the gross area of other property not subject to this Easement for the purposes of determining density, lot coverage or open-space requirements under otherwise applicable laws, regulations or ordinances controlling land use and building density. No development rights that have been encumbered or extinguished by this Easement shall be transferred to any other property pursuant to a transferable development rights scheme, cluster development arrangement or otherwise.
6. **CONSTRUCTION.** Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purposes of the Easement and the policy and purposes of Grantee. If any provision of this Easement is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. Notwithstanding the foregoing, lawful acts or uses not expressly prohibited by this Easement are permitted on the Property. Grantor and Grantee intend that the grant of this Easement qualify as a "qualified conservation contribution" as that term is defined in Section 170(h)(1) of the Internal Revenue Code and Treasury Regulations §1.170A-14, and the restrictions and other provisions of this instrument shall be construed and applied in a manner that will not prevent this Easement from being a qualified conservation contribution.
7. **REFERENCE TO EASEMENT IN SUBSEQUENT DEEDS.** This Easement shall be referenced by deed book and page number, instrument number or other

appropriate reference in any deed or other instrument conveying any interest in the Property.

8. **NOTICE TO GRANTEE.** Grantor agrees to notify Grantee in writing at or prior to closing on any *inter vivos* transfer, other than a deed of trust or mortgage, of all or any part of the Property.
9. **TAX MATTERS.** The parties hereto agree and understand that any value of this Easement claimed for tax purposes as a charitable gift must be fully and accurately substantiated by an appraisal from a qualified appraiser as defined in IRS regulations (see Section 1.170A-13(c)(5)), and that the appraisal is subject to review and audit by all appropriate tax authorities. Grantee makes no express or implied warranties that any tax benefits will be available to Grantor from donation of this Easement, or that any such tax benefits might be transferable, or that there will be any market for any tax benefits that might be transferable. By its execution hereof, Grantee acknowledges and confirms receipt of the Easement and further acknowledges that Grantee has not provided any goods or services to Grantor in consideration of the grant of the Easement.
10. **MERGER.** Grantor and Grantee agree that in the event that Grantee acquires a fee interest in the Property, this Easement shall not merge into the fee interest, but shall survive the deed and continue to encumber the Property.
11. **ASSIGNMENT BY GRANTEE.** Grantee may not transfer or convey this Easement unless Grantee conditions such transfer or conveyance on the requirement that (1) all restrictions and conservation purposes set forth in this Easement are to be continued in perpetuity and (2) the transferee then qualifies as an eligible donee as defined in Section 170(h)(3) of the IRC as amended and the applicable Treasury Regulations.
12. **GRANTEE'S PROPERTY RIGHT.** Grantor agrees that the donation of this Easement gives rise to a property right, immediately vested in Grantee, with a fair market value that is equal to the proportionate value that the perpetual conservation restriction at the time of the gift bears to the value of the Property as a whole at that time.
13. **EXTINGUISHMENT, CONVERSION, DIVERSION.** Grantor and Grantee intend that this Easement be perpetual and acknowledge that no part of the Property may be converted or diverted from its open-space use except in compliance with the provisions of Section 10.1-1704 of the Open-Space Land Act which does not permit extinguishment of open-space easements or loss of open-space. Nevertheless, should an attempt be made to extinguish this Easement, such extinguishment can be made only by judicial proceedings and only if in compliance with Section 10.1-1704. In any sale or exchange of the Property subsequent to an extinguishment, Grantee shall be entitled to a portion of the proceeds at least equal to the proportionate value of this Easement computed as

set forth in Section 12 above, but not to be less than the proportion that the value of this Easement at the time of extinguishment bears to the then value of the Property as a whole. Grantee shall use all its share of the proceeds from the sale of the Property in a manner consistent with the conservation purpose of this easement and the Open-Space Land Act.

14. **AMENDMENT.** Grantee and Grantor may amend this Easement to enhance the Property's conservation values or add to the restricted property, provided that no amendment shall affect this Easement's perpetual duration or reduce the Property's conservation values. No amendment shall be effective unless documented in a notarized writing executed by Grantee and Grantor and recorded among the land records of the County of Fluvanna, Virginia.
15. **SEVERABILITY.** If any provision of this Easement or its application to any person or circumstance is determined by a court of competent jurisdiction to be invalid, the remaining provisions of this Easement shall not be affected thereby.
16. **ENTIRE AGREEMENT.** This instrument sets forth the entire agreement of the parties with respect to this Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the easement.
17. **CONTROLLING LAW.** The interpretation and performance of this Easement shall be governed by the laws of the Commonwealth of Virginia.
18. **RECORDING.** This Easement shall be recorded in the land records in the Circuit Court Clerk's Office of the County of Fluvanna, Virginia, and Grantee may re-record it any time as may be required to preserve its rights under this Easement.

WITNESS the following signatures and seals:

[Counterpart signature pages to follow]

Palmyra Associates, LLC

By: _____
John C. Zehler, Jr., Member

By: _____
David G. Sutton, Member

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, TO WIT:

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by John C. Zehler, Jr. on behalf of Palmyra Associates, LLC.

Notary Public

My commission expires: _____

(SEAL)

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, TO WIT:

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by David G. Sutton on behalf of Palmyra Associates, LLC.

Notary Public

My commission expires: _____

(SEAL)

[Counterpart signature page 2 of 3]

County of Fluvanna

By: _____
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, TO WIT:

The foregoing instrument was acknowledged before me this _____ day of
_____ 2011, by _____ as Chairman of the Board of
Supervisors and on behalf of the County of Fluvanna.

Notary Public

My commission expires: _____

(SEAL)

APPROVED AS TO FORM:

Fluvanna County Attorney

SCHEDULE A
LEGAL DESCRIPTION

Parcel One: Tax Map #30-(A)-14

ALL that certain tract or parcel of land lying and being situate in the Fork Union Magisterial District of Fluvanna County, Virginia, containing 52.139 acres, more or less, and shown on plat of survey made by Gregory D. Hosaflook, P.C., dated November 5, 1996, revised March 12, 1997, and recorded June 1, 2000 in the Clerk's Office of the Circuit Court of Fluvanna County, Virginia in Deed Book 354, page 569, and being further identified as Fluvanna County Tax Map Parcel No. 30-(A)-14;

LESS AND EXCEPT that certain parcel of land containing 5.445 acres, more or less, taken by the Commonwealth of Virginia, by Certificate of Take recorded in Deed Book 574, page 815 and all that certain parcel of land containing 5.00 acres, more or less, taken by the County of Fluvanna, by Certificate of Take recorded in Deed Book 695, page 85;

BEING a portion of the same property conveyed to the Grantor by deed of Jarl B. Hannum and Carol L. Hannum, dated May 26, 2000 and recorded June 1, 2000 in the aforesaid Clerk's Office in Deed Book 393, page 25.

Chapter 5.5
CONSERVATION EASEMENTS PROGRAM¹

Sec. 5.5-1. Short title.

This Chapter shall be known and may be cited as the "conservation easements program" or "the Program", as the context may require. (Ord. 06-21-06)

Sec. 5.5-2. Purpose.

The board of supervisors finds that a substantial area of rural land in the County has been converted to uses not consistent with or conducive to agriculture, forestry or other traditional rural uses; that regulatory land-use planning tools may not, in themselves, be sufficient to inhibit the conversion of farm and forest land to other uses; and that farm and forest land, clean water and airsheds, biological diversity, scenic vistas and rural character have a public value as well as a private value. Therefore, the board of supervisors has determined that it is advisable to establish a program, pursuant to Virginia Code Sec. 10.1-1700, *et seq.*, by which the County can acquire conservation easements voluntarily offered by owners to serve as one means of assuring that the County's resources are protected and efficiently used; to help in preserving open-space and the rural character of the County by (a) preserving farm and forest lands; (b) conserving and protecting water resources and environmentally sensitive lands, waters and other natural resources; (c) conserving and protecting biodiversity and wildlife and aquatic habitat; (d) improving the quality of life for the inhabitants of the county; (e) assuring availability of lands for agricultural, forestal, recreational, or open-space use; and (f) promoting tourism through the preservation of scenic resources. (Ord. 06-21-06)

Sec. 5.5-3. Applicability.

The Program shall be available for all lands in the County, except those lands under the ownership or control of the United States of America, the Commonwealth of Virginia, or an agency or instrumentality thereof. Any conservation easement acquired under the Program shall be voluntarily offered by the owner. Each such easement shall be subject to the approval of the board of supervisors to determine that the acceptance of such easement shall further the purposes of this Chapter in accordance with Sec. 5.5-6. (Ord. 06-21-06)

Sec. 5.5-4. Definitions and construction.

A. The following definitions shall apply in the interpretation and implementation of the Program:

(1) Conservation easement. The term "conservation easement" means a nonpossessory interest of the County in real property, whether easement appurtenant or in gross, acquired through gift, purchase, devise, or bequest imposing limitations or affirmative obligations, the purposes of which include retaining or protecting natural or open-space values of real property, assuring its availability for agricultural, forestal, recreational, or open-space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural or archaeological aspects of real property.

(2) Program administrator. The term "Program administrator" means the director of the department of planning and development.

(3) Parcel. The term "parcel" means a lot or tract of land, lawfully recorded in the clerk's office of the circuit court of the County, or any lawfully described portion of such lot or tract.

B. Construction. Because a conservation easement may contain one or more parcels, for purposes of the Program the term "parcel" shall include all parcels covered by, or proposed to be covered by, a particular conservation easement. (Ord. 06-21-06)

Sec. 5.5-5. Designation of Program administrator; powers and duties.

A. Designation. The director of the department of planning and development is hereby designated as the Program administrator.

B. Powers and duties. The Program administrator, or his designee, shall administer the Program and shall have the powers and duties to:

1. Establish reasonable and standard procedures and forms for the proper administration and implementation of the Program.
2. Promote the Program by providing educational materials to the public, conducting informational meetings and otherwise.
3. Investigate and pursue state, federal and other programs available to maximize private participation.
4. Evaluate all applications to determine their eligibility and make recommendations thereon to the board of supervisors.
5. Provide educational materials regarding other land protection programs to the public.
6. For each conservation easement, assure that the terms and conditions of the deed of easement are monitored and complied with by coordinating a monitoring program with each easement holder, and if the other easement holders are either unable or unwilling to do so, monitor and assure compliance with the terms and conditions of the deed of easement. (Ord. 06-21-06)

Sec. 5.5-6. Eligibility criteria.

In determining whether to accept a proposed conservation easement, the board of supervisors shall consider the following criteria:

- (i) the use of the parcel subject to the conservation easement shall be consistent with the comprehensive plan as in effect at the time of the proposed dedication; (ii) the proposed terms of the conservation deed of easement shall be consistent with the minimum terms and conditions set forth in Sec. 5.5-7; and (iii) the acceptance of the proposed conservation is consistent with the purposes of this Chapter. (Ord. 06-21-06)

Sec. 5.5-7. Easement terms and conditions.

Each conservation easement shall conform with the requirements of the Open-Space Land Act of 1966 (Virginia Code § 10.1-1700 et seq.) and of this Chapter. The deed of easement shall

be in a form approved by the county attorney, and shall contain, at a minimum, the following provisions:

A. Restriction on division. No parcel shall be divided so as to create any parcel containing less than one hundred (100) acres.

B. No buy-back option. The owner shall not have the option to reacquire any property rights relinquished under the conservation easement.

C. Other restrictions. The parcel also shall be subject to standard restrictions contained in conservation easements pertaining to uses and activities allowed on the parcel. These standard restrictions shall be delineated in the deed of easement and shall include, but not necessarily be limited to, restrictions pertaining to: (i) the accumulation of trash and junk; (ii) the display of billboards, signs and advertisements; (iii) the management of forest resources; (iv) grading, blasting or earth removal; (v) the number and size of residential outbuildings and farm buildings or structures; (vi) the conduct of industrial or commercial activities on the parcel; and (vii) monitoring of the easement. (Ord. 06-21-06)

Sec. 5.5-8. Application and evaluation procedure.

Each application for a conservation easement shall be processed as follows:

A. Application materials to be provided to owner. The application materials provided by the Program administrator to an owner shall include, at a minimum, a standard application form, a sample deed of easement, and information about the Program.

B. Application form. Each application shall be submitted on a standard form prepared by the Program administrator. The application form shall require, at a minimum, that the owner: (i) provide the name of all owners of the parcel, the address of each owner, the acreage of the parcel, the County tax map and parcel number, the zoning designation of the parcel, and permission for the Program administrator to enter the property after reasonable notice to the owner to evaluate the parcel. The application form shall also include a space for an owner to indicate whether he volunteers to have the parcel be subject to greater restrictions than those contained in the standard sample deed of easement, and to delineate those voluntary, additional restrictions.

C. Additional application information required by Program administrator. The Program administrator may require an owner to provide additional information deemed necessary to determine whether the proposed easement can be recommended for acceptance.

D. Submittal of application. Applications shall be submitted to the office of the Program administrator. An application may be submitted at any time.

E. Evaluation by Program administrator. The Program administrator shall evaluate each application received and determine within fifteen (15) days whether the application is complete. If the application is incomplete, the Program administrator shall inform the owner in writing of the information that must be submitted in order for the application to be deemed complete. When an application is deemed complete, the Program administrator shall determine whether, in his judgment, the proposed easement satisfies the eligibility criteria set forth in Sec. 5.5-6.

F. Evaluation by board of supervisors. The board of supervisors shall review the proposed easement and determine whether or not the same should be accepted. The determination as

to whether or not a particular easement should be accepted shall be in the sole discretion of the board of supervisors, and nothing in this Chapter shall obligate the board to accept a particular conservation easement.

G. Reapplication. An owner whose proposed conservation easement is not accepted may reapply at a later time.

H. Easement established. A conservation easement shall be deemed to be accepted when all the owners of the subject parcel shall have signed the deed of easement; such deed of easement shall have been approved in writing as to form by the county attorney; and the same shall have been accepted by an authorized agent of the board of supervisors on its behalf. The deed shall be recorded in the office of the clerk of the circuit court of the County at the expense of the applicant. A single conservation easement may be established for more than one parcel under the same ownership.

I. Costs. The applicant shall be solely responsible for the cost of preparing and recording each such easement, including, but not necessarily limited to, environmental site assessments, surveys, recording costs and other charges associated with closing; and shall pay to the County a fee sufficient to defray the actual and reasonable expenses of the County's review of the application and the proposed deed of easement. The amount of such fee shall be established from time to time by resolution of the board of supervisors. The County shall not pay fees incurred for independent appraisals, legal, financial, or other advice, or fees in connection with the release and subordination of liens to the easement conveyed to the County. (Ord. 06-21-06)

Sec. 5.5-9. Program non-exclusivity.

This Chapter shall not be construed in any way as a limitation upon the County's authority to acquire land for public purposes, nor shall this Chapter be construed to prohibit the holding of easements for conservation of resources by entities other than, or in conjunction with, the County. (Ord. 06-21-06)

ENDNOTES:

¹ Ordinance adopted 6-21-06 enacting Chapter 5.5, Conservation Easements Program, is effective on and after July 1, 2006.







Prepared by: **Boyle, Bain, Reback & Slayton**
420 Park Street
Charlottesville, VA 22902

Tax Map No.: **Portion of 30-(A)-14**

Exempted from recordation tax
under the Code of Virginia (1950), as amended,
Sections 58.1-811 (A) (3), 58.1-811 (D)
and from Circuit Court Clerk's fee under Section 17.1-266

THIS DEED OF GIFT OF EASEMENT (this "Easement"), made this ___ day of December, 2011, by between and among **PALMYRA ASSOCIATES, LLC**, a Virginia limited liability company, (the "Grantor"); and the **COUNTY OF FLUVANNA**, a political subdivision of the Commonwealth of Virginia, whose business address is P.O. Box 540, Palmyra, Virginia 22963 ("Grantee");

WITNESSETH:

WHEREAS, Grantor is the owner in fee simple of a parcel of real property situated on James Madison Highway (U.S. Route 15) in Fluvanna County, Virginia, near the village of Palmyra containing 25.84 acres, more or less, as further described herein (the "Property"), and desires to give and convey to Grantee a perpetual conservation and open-space easement over the Property as herein set forth; and

WHEREAS, Grantee is a political subdivision of the Commonwealth of Virginia and a "qualified organization" and "eligible donee" under §170(h)(3) of the Internal Revenue Code of 1986, as amended (and corresponding provisions of any subsequent tax laws)(IRC) and Treasury Regulation §1.170A-14(c)(1), and is willing to accept a perpetual conservation and open-space easement over the Property as herein set forth; and

WHEREAS, Chapter 461 of the Acts of 1966, codified in Chapter 17, Title 10.1, §§10.1-1700 through 10.1-1705 of the Code of Virginia (1950) as amended (the "Open-Space Land Act"), declares that the preservation of open-space land serves a public purpose by curbing urban sprawl, preventing the spread of urban blight and deterioration and encouraging more economic and desirable urban development, helping provide or preserve necessary park, recreational, historic and scenic areas, and conserving land and other natural resources, and authorizes the acquisition of interests in real property, including easements in gross, as a means of preserving open-space land; and

WHEREAS, pursuant to §§10.1-1700 and 10.1-1703 of the Open-Space Land Act, the purposes of this Easement include retaining and protecting open-space and natural resource values of the Property, and the limitation on division, residential construction and commercial and industrial uses contained in Section II ensures that the Property will remain perpetually available for agriculture, livestock production, game management, forest or open-space use, all as more particularly set forth below; and

WHEREAS, the Grantee is a public body within the definition in §10.1-1700 of the Open-Space Land Act and pursuant to the public policy of the Commonwealth to encourage preservation of open-space land, is authorized to hold real property or any estate or interest therein for the purpose of preserving the natural, scenic, historic, scientific, open-space and recreational lands of the Commonwealth; and

WHEREAS, this conservation and open-space easement in gross constitutes a restriction granted in perpetuity on the use which may be made of the Property, and is in furtherance of and pursuant to the clearly delineated governmental policies set forth below:

(i) Land conservation policies of the Commonwealth of Virginia as set forth in:

a. § 1 of Article XI of the Constitution of Virginia, which states that it is the Commonwealth's policy to protect its atmosphere, lands and waters from pollution, impairment, or destruction, for the benefit, enjoyment, and general welfare of the people of the Commonwealth;

b. The Open-Space Land Act cited above;

c. The Virginia Land Conservation Incentives Act, Chapter 3 of Title 58.1, §§58.1-510 through 58.1-513 of the Code of Virginia (1950) as amended, which supplements existing land conservation programs to further encourage the preservation and sustainability of the Commonwealth's unique natural resources, wildlife habitats, open spaces and forest resources;

d. Chapter 32, of Title 58.1, §§58.1-3230 through 58.1-3244 of the Code of Virginia (1950) as amended, which authorizes special use-value tax assessments for real estate devoted to agricultural, forestal, horticultural and open-space use;

(ii) Land use policies of the County of Fluvanna as delineated in:

a. its Comprehensive Plan 2000 adopted November 9, 2000 to which plan the restrictions set forth in this deed conform and which contains promotion goals, objectives and strategies hereinafter set out.

b. its County Code Chapter 5.5 adopted June 21, 2006 effective July 1, 2006 setting forth the County's Conservation Easement Program pursuant to which this Easement is given and accepted; and

WHEREAS, this Easement will yield significant public benefit to the citizens of Fluvanna County and the Commonwealth as set forth in Section I; and

WHEREAS, Grantor and Grantee desire to protect in perpetuity the conservation values of the Property as specified in Section I by restricting the use of the Property as set forth in Section II; and

WHEREAS, Grantee has determined that the restrictions set forth in Section II (the “Restrictions”) will preserve and protect in perpetuity the conservation values of the Property, which values are reflected in Section I; and

WHEREAS, Grantee has determined that the Restrictions will limit use of the Property to those uses consistent with, and not adversely affecting, the conservation values of the Property and the governmental conservation policies furthered by the Easement; and

WHEREAS, Grantee, by acceptance of this Easement, designates the Property as property to be retained and used in perpetuity for the preservation and provision of open-space land pursuant to the Open-Space Land Act; and

WHEREAS, the Property possesses significant scenic, natural, open-space, wildlife habitat and historic values (the “Open-Space Values”), the preservation of which will benefit the citizens of the Commonwealth; and

WHEREAS, the Property lies in the vicinity of other lands under open-space easement deeded to the Grantee and contributes to the open-space values of such other lands under easement; and

WHEREAS, the Property fronts on James Madison Highway (U.S. Route 15), a major interstate highway and contributes to the scenic views enjoyed by the public therefrom; and

WHEREAS, the Property lies immediately outside the historic Village of Palmyra, the county seat for Fluvanna County, within the viewshed of the Fluvanna Court House Historic District, an area of historic and architectural significance; the Fluvanna County Court House built in 1830 located within the Fluvanna Court House Historic District is listed in the Virginia Landmarks Register and the National Register of Historic Places; the historic Palmyra Lock and Mill Site adjoins the Property and is located along the Rivanna River in the Palmyra Village area; and

WHEREAS, the Property has approximately 2,393 feet of frontage on the west bank of the Rivanna River, designated a Virginia Scenic River pursuant to §10.1-416 of the Code of Virginia (1950) as amended and a component of the Virginia Scenic Rivers System, and contributes to the scenic views enjoyed by the public therefrom; and

WHEREAS, the Property has 1,608 feet of frontage on the north bank of Cunningham Creek, a tributary of the Rivanna River which flows into the James River and thence to the Chesapeake Bay; and

WHEREAS, the protection of water quality within the Chesapeake Bay watershed and specifically along riparian corridors of significant waterways within the watershed such as the James River, contributes to the following governmental

conservation policies: (1) the Virginia Water Quality Improvement Fund was enacted in part to meet the Commonwealth of Virginia's commitments under the Chesapeake Bay Agreement, § 10.1-2124 of the Code of Virginia (1950) as amended; (2) in the Chesapeake 2000 Agreement, the Governor of the Commonwealth of Virginia and the Administrator of the United States Environmental Protection Agency acknowledged that "future development will be sustainable only if we protect our natural and rural resource land, limit impervious surfaces and concentrate new growth in existing population centers;" and (3) a goal of the Chesapeake 2000 agreement is to "expand the use of voluntary and market-based mechanisms such as easements ... to protect and preserve natural resource lands." ; and

WHEREAS, protection of the waters of Cunningham Creek and the Rivanna River will implement the goals of the Chesapeake Bay Preservation Act; and

WHEREAS, the 2002-2003 Biennnial Report of the Virginia Land Conservation Foundation, dated January 2004, states that meeting Virginia's land preservation goals under the Chesapeake 2000 Agreement "requires the conservation of 432,535 acres by 2010 or 61,791 acres per year." ; and

WHEREAS, the protection of the Property from intensive development will contribute to the goal of the Virginia Scenic Rivers Act to "protect and preserve certain rivers or sections thereof possessing natural or pastoral beauty"; and

WHEREAS, the protection of the Property from intensive development will contribute to the goal of the 2002 Virginia Outdoors Plan to "encourage partnerships through the establishment of private/public conservation easements along designated Scenic Rivers"; and

WHEREAS, the Comprehensive Plan 2000 of Fluvanna County, Virginia, adopted by the Board of Supervisors of said County, includes Chapter 4 on the Environment which has the following goals among others:

Goal 1: Preserve and protect the natural, rural, and open-space character of Fluvanna County; and

Goal 2: Encourage agricultural and forestal operations and productivity and ensure the availability of agricultural lands for the continued production of crops, livestock and timber; and

Goal 3: Protect water resources; and

Goal 4: Protect Natural Resources, including water, soil, air, scenery, and fragile ecosystems . . . Promote the placement of conservation / scenic easements on lands within view of Rivanna [River] and seek to protect the scenic value of these lands when land use decisions and plans are made; and

WHEREAS, in the implementation of Goals 1 and 4 cited above, the Board of Supervisors of Fluvanna County “encourage(s),” “facilitate(s)” and “promote(s) . . . the donation of open-space and conservation easements on land that meets the minimum IRS criteria for easement donation”; and

WHEREAS, the Grantee has determined that the restrictions hereinafter set forth (the “Restrictions”) will preserve and protect in perpetuity the “Open-Space Values” of the Property, which values are reflected in the preceding paragraphs, the Grantee’s evaluation of the Property, and the documentation of the condition of the Property as contained in its files and records; and

WHEREAS, the conservation purpose of this easement is to preserve and protect in perpetuity the Open-Space Values of the Property; and

WHEREAS, the Grantee has determined that the Restrictions will limit the uses of the Property to those uses consistent with, and not adversely affecting the Open-Space Values of the Property, the scenic values enjoyed by the general public, and the governmental conservation policies furthered by this easement.

WHEREAS, this Easement is intended to constitute “a restriction (granted in perpetuity) on the use which may be made of real property”, which is “a qualified real property interest” under IRC § 170(h)(2)(c); and

WHEREAS, this Easement is granted “exclusively for conservation purposes” under IRC §170(h)(1)(C) because it effects “the preservation of certain open-space (including farmland and forest land).” The preservation of open-space on the Property as provided in this Easement (i) is pursuant to certain clearly delineated state and local governmental conservation policies referred to in the preceding preamble clauses that indicate the type of property identified by Grantees as worthy of preservation and (ii) will yield a significant public benefit, in that among other things it will: (1) protect the Property from inappropriate development, which existing and foreseeable trends in the vicinity of the Property indicate is increasing and which could contribute to the degradation of the scenic and natural character of the area; (2) prevent excessive development, soil disturbance, and pollution on the Property, thus enhancing water quality in Cunningham Creek, the James River and ultimately, the Chesapeake Bay; (3) is consistent with existing conservation programs in the area and augments open-space easements held by the Virginia Outdoors Foundation and the County of Fluvanna on other tracts of land in the Palmyra Magisterial District of Fluvanna County, Virginia, which also help to (a) preserve the scenic local and regional landscape in general and the historic landmarks therein, (b) attract tourism and commerce to the area, and (c) enhance the quality of life for area residents and visitors;

NOW, THEREFORE, in consideration of the premises and pursuant to Fluvanna County’s Conservation Easements Program and the mutual covenants herein and their acceptance by Grantee, Grantor does hereby give, grant and convey to Grantee a conservation and open-space easement in gross over, and the right in perpetuity to restrict

the use of, the Property, which is described in SCHEDULE "A" attached hereto and made a part hereof, and consists of 25.84 acres, more or less, located in the Fork Union Magisterial District, Fluvanna County, Virginia, near Palmyra, on James Madison Highway (U.S. Route 15) to-wit:

[SEE ATTACHED SCHEDULE A]

The Property is shown as a portion of Tax Map No. 30-(A)-14 among the land records of the County of Fluvanna, Virginia. Even if the Property consists of more than one parcel for real estate tax or any other purpose, it shall be considered one parcel for purposes of this Easement, and the restrictions and covenants of this Easement shall apply to the Property as a whole.

SECTION I - PURPOSE

The purpose of this Easement is to preserve and protect the conservation values of the Property in perpetuity by imposing the restrictions on the use of the Property set forth in Section II and providing for their enforcement in Section III. The conservation values of the Property are its open-space, scenic, and natural values and its values as land preserved for protection of water quality, and open-space.

SECTION II – RESTRICTIONS

Restrictions are hereby imposed on the use of the Property pursuant to the public policies set forth above. The acts that Grantor covenants to do and not to do upon the Property, and the restrictions that Grantee is hereby entitled to enforce, are and shall be as follows:

1. **DIVISION.** Division of the Property is prohibited. The Property shall not be sold or conveyed except as a whole.
2. **BUILDINGS AND STRUCTURES.** No buildings or structures other than the following are permitted on the Property:

Non-residential outbuildings and structures not to exceed 500 square feet in ground area unless prior written approval shall have been obtained from Grantee that a larger footprint is permitted considering the purpose of this Easement and the scale of the proposed outbuilding or structure in relation to the surrounding area;

Grantor shall give Grantee 30 days' written notice before beginning construction or land clearing prior to construction or enlargement of any structure on the Property.

To protect the scenic values of the Property, no building or structure shall be constructed within 250 feet of the west bank of the Rivanna River or the north bank of Cunningham Creek.

Private roads with permeable surfaces and utilities to serve permitted buildings, structures, and other permitted uses, such as forestry and game management may be constructed and maintained. Underground public and private utilities whose construction and maintenance will not significantly impair the Property's conservation values may be constructed and maintained.

The Property adjoins a parcel of land containing 2.48 acres on which there has been built a sewer treatment facility owned and operated by the Grantee. The existing underground easements on the Property for an Intake Line and an Effluent Outfall Line to the Rivanna River may be expanded by the Grantee and will not be deemed to be prohibited by the terms hereof.

3. **INDUSTRIAL OR COMMERCIAL ACTIVITIES.** Industrial or commercial activities other than game management and forestry are prohibited. Notwithstanding any other provision of this easement, no commercial recreational use shall be allowed on the Property.
4. **MANAGEMENT OF FOREST.** Best Management Practices, as defined by the Virginia Department of Forestry, shall be used to control erosion and protect water quality when any timber harvest is undertaken. All material timber harvest activities on the Property shall be guided by a Forest Stewardship Management Plan approved by the Virginia Department of Forestry. The objectives of the Forest Stewardship Management Plan may include, but are not limited to, forest health, timber management, wildlife habitat, and game management, water and air quality, historic and cultural resource preservation and natural area preservation, or any combination thereof.

Non-commercial *de minimis* harvest of trees for trail clearing, trees that pose an imminent hazard to human health or safety, or removal of invasive species shall not require a Forest Stewardship Management Plan.

5. **GRADING, BLASTING, MINING.** Grading, blasting or earth removal shall not materially alter the topography of the Property except for (i) wetlands or stream bank restoration pursuant to a government permit, (ii) erosion and sediment control pursuant to a government-required erosion and sediment control plan, or (iii) as required in the construction of permitted buildings, structures, roads, and utilities. Best Management Practices, in accordance with the Virginia Erosion and Sediment Control Law, shall be used to control erosion and protect water quality in such construction. Grading, blasting or earth removal in excess of one acre for the purposes set forth in subparagraphs (i) through (iii) above require 30 days' prior notice to Grantee. Generally accepted agricultural activities shall not constitute a material alteration. Surface mining, subsurface mining,

dredging on or from the Property, or drilling for oil or gas on the Property are prohibited.

6. **ACCUMULATION OF TRASH.** Accumulation or dumping of trash, refuse, junk or toxic materials is not permitted on the Property. This restriction shall not prevent generally accepted agricultural or wildlife management practices, such as creation of brush piles, composting, or the storage of farm machinery, organic matter, agricultural products or agricultural byproducts on the Property.
7. **SIGNS.** Display of billboards, signs, or other advertisements is not permitted on or over the Property except to: (i) state the name and/or address of the owners of the Property, (ii) advertise the sale or lease of the Property, (iii) advertise the sale of goods or services produced incidentally to a permitted use of the Property, (iv) provide notice necessary for the protection of the Property, (v) give directions to visitors, or (vi) recognize historic status or participation in a conservation program. Temporary political signs are allowed. No signs visible from outside the Property shall exceed nine square feet in size.
8. **RIPARIAN BUFFER.** To protect water quality, riparian buffers shall be maintained as follows:

A 250-foot buffer strip shall be maintained along the west bank of the Rivanna River and the north bank of Cunningham Creek as measured from the top of the bank.

- (i) Within the buffer strip there shall be (a) no buildings or other substantial structures constructed, (b) no storage of compost, manure, fertilizers, chemicals, machinery or equipment, (c) no removal of trees except removal of invasive or exotic species or removal of dead, diseased or dying trees, or trees posing a threat to human health or safety, and (d) no plowing, cultivation, filling, or other earth-disturbing activity.
- (ii) Notwithstanding the foregoing, permitted within the buffer strips is (a) wetland or stream bank restoration, or erosion control, pursuant to a government permit, (b) creation and maintenance of trails with unimproved surfaces, and (c) planting of non-invasive species.
- (iii) Should Cunningham Creek or the Rivanna River meander or change course naturally, the buffer strip shall remain the same width, but move relative to the movement of the river. In such event, any buildings or structures that were outside of the original buffer strip and are determined to be within the new buffer strip shall not be considered in violation of these restrictions and may be maintained at such locations.

SECTION III – ENFORCEMENT

1. **RIGHT OF INSPECTION.** Representatives of Grantee may enter the Property from time to time for purposes of inspection (including photographic documentation of the condition of the Property) and enforcement of the terms of this Easement after permission from or reasonable notice to the Grantor or the Grantor's representative, provided, however, that in the event of an emergency, entrance may be made to prevent, terminate or mitigate a potential violation of these restrictions with notice to Grantor or Grantor's representative being given at the earliest practicable time.

2. **ENFORCEMENT.** Grantee has the right to bring an action at law or in equity to enforce the Restrictions contained herein. This right specifically includes the right to require restoration of the Property to a condition of compliance with the terms of this Easement as existed on the date of the gift of the Easement, except to the extent such condition thereafter changed in a manner consistent with the Restrictions; to recover any damages arising from non-compliance; and to enjoin non-compliance by *ex parte* temporary or permanent injunction. If the court determines that Grantor failed to comply with this Easement, Grantor shall reimburse Grantee for any reasonable costs of enforcement, including costs of restoration, court costs and attorney's fees, in addition to any other payments ordered by the court. Grantee's delay shall not waive or forfeit its right to take such action as may be necessary to insure compliance with this Easement. Notwithstanding any other provision of this Easement, Grantor shall not be responsible or liable for any damage or change to the condition of the Property caused by fire, flood, storm, Act of God, governmental act or other cause outside of Grantor's control or any prudent action taken by Grantor to avoid, abate, prevent or mitigate damage or changes to the Property from such causes.

SECTION IV – DOCUMENTATION

Documentation retained in the office of Grantee including, but not limited to, the Baseline Documentation Report (“Documentation Report”), describes the condition and character of the Property at the time of the gift. The Documentation Report may be used to determine compliance with and enforcement of the terms of this Easement; however, the parties are not precluded from using other relevant evidence or information to assist in that determination. Grantor has made available to Grantee, prior to donating this Easement, documentation sufficient to establish the condition of the Property at the time of the gift. The parties hereby acknowledge that the Documentation Report contained in the files of Grantee is an accurate representation of the Property.

SECTION V – GENERAL PROVISIONS

1. **DURATION.** This Easement shall be perpetual. It is an easement in gross that runs with the land as an incorporeal interest in the Property. The covenants, terms, conditions and restrictions contained in this Easement are binding upon,

and inure to the benefit of, the parties hereto and their successors and assigns, and shall continue as a servitude running in perpetuity with the Property. Landowner's rights and obligations under this Easement terminate upon proper transfer of Landowner's interest in the Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

2. **NO PUBLIC ACCESS.** Although this Easement will benefit the public as described above, nothing herein shall be construed to convey to the public a right of access to, or use of the Property. Grantor retains the exclusive right to such access and use, subject to the terms hereof.
3. **TITLE.** Grantor covenants and warrants that Grantor has good title to the Property, that Grantor has all right and authority to grant and convey this Easement and that the Property is free and clear of all encumbrances (other than utility and access easements) including, but not limited to, any mortgages not subordinated to this Easement.
4. **ACCEPTANCE.** Acceptance of this conveyance by Grantee is authorized by Virginia Code Section 10.1-1701 and the Conservation Easements Program of Fluvanna County and is evidenced by the signature of the Chairman of the Board of Supervisors of the Grantee in accordance with a resolution of the Board of Supervisors of Fluvanna County, Virginia adopted December __, 2011. Approval of this instrument as to form is evidenced by the signature of the Fluvanna County Attorney.
5. **INTERACTION WITH OTHER LAWS.** This Easement does not permit any use of the Property which is otherwise prohibited by federal, state, or local law or regulation. Neither the Property, nor any portion of it, shall be included as part of the gross area of other property not subject to this Easement for the purposes of determining density, lot coverage or open-space requirements under otherwise applicable laws, regulations or ordinances controlling land use and building density. No development rights that have been encumbered or extinguished by this Easement shall be transferred to any other property pursuant to a transferable development rights scheme, cluster development arrangement or otherwise.
6. **CONSTRUCTION.** Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purposes of the Easement and the policy and purposes of Grantee. If any provision of this Easement is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. Notwithstanding the foregoing, lawful acts or uses not expressly prohibited by this Easement are permitted on the Property. Grantor and Grantee intend that the grant of this Easement qualify as a "qualified conservation contribution" as that term is defined in Section 170(h)(1) of the Internal Revenue Code and Treasury Regulations §1.170A-14, and the restrictions and other provisions of this

instrument shall be construed and applied in a manner that will not prevent this Easement from being a qualified conservation contribution.

7. **REFERENCE TO EASEMENT IN SUBSEQUENT DEEDS.** This Easement shall be referenced by deed book and page number, instrument number or other appropriate reference in any deed or other instrument conveying any interest in the Property.
8. **NOTICE TO GRANTEE.** Grantor agrees to notify Grantee in writing at or prior to closing on any *inter vivos* transfer, other than a deed of trust or mortgage, of all or any part of the Property.
9. **TAX MATTERS.** The parties hereto agree and understand that any value of this Easement claimed for tax purposes as a charitable gift must be fully and accurately substantiated by an appraisal from a qualified appraiser as defined in IRS regulations (see Section 1.170A-13(c)(5)), and that the appraisal is subject to review and audit by all appropriate tax authorities. Grantee makes no express or implied warranties that any tax benefits will be available to Grantor from donation of this Easement, or that any such tax benefits might be transferable, or that there will be any market for any tax benefits that might be transferable. By its execution hereof, Grantee acknowledges and confirms receipt of the Easement and further acknowledges that Grantee has not provided any goods or services to Grantor in consideration of the grant of the Easement.
10. **ASSIGNMENT BY GRANTEE.** Grantee may not transfer or convey this Easement unless Grantee conditions such transfer or conveyance on the requirement that (1) all restrictions and conservation purposes set forth in this Easement are to be continued in perpetuity and (2) the transferee then qualifies as an eligible donee as defined in Section 170(h)(3) of the IRC as amended and the applicable Treasury Regulations.
11. **GRANTEE'S PROPERTY RIGHT.** Grantor agrees that the donation of this Easement gives rise to a property right, immediately vested in Grantee, with a fair market value that is equal to the proportionate value that the perpetual conservation restriction at the time of the gift bears to the value of the Property as a whole at that time.
12. **EXTINGUISHMENT, CONVERSION, DIVERSION.** Grantor and Grantee intend that this Easement be perpetual and acknowledge that no part of the Property may be converted or diverted from its open-space use except in compliance with the provisions of Section 10.1-1704 of the Open-Space Land Act which does not permit extinguishment of open-space easements or loss of open-space. Nevertheless, should an attempt be made to extinguish this Easement, such extinguishment can be made only by judicial proceedings and only if in compliance with Section 10.1-1704. In any sale or exchange of the Property subsequent to an extinguishment, Grantee shall be entitled to a portion of the

proceeds at least equal to the proportionate value of this Easement computed as set forth in Section 12 above, but not to be less than the proportion that the value of this Easement at the time of extinguishment bears to the then value of the Property as a whole. Grantee shall use all its share of the proceeds from the sale of the Property in a manner consistent with the conservation purpose of this easement and the Open-Space Land Act.

13. **AMENDMENT.** Grantee and Grantor may amend this Easement to enhance the Property's conservation values or add to the restricted property, provided that no amendment shall affect this Easement's perpetual duration or reduce the Property's conservation values. No amendment shall be effective unless documented in a notarized writing executed by Grantee and Grantor and recorded among the land records of the County of Fluvanna, Virginia.
14. **SEVERABILITY.** If any provision of this Easement or its application to any person or circumstance is determined by a court of competent jurisdiction to be invalid, the remaining provisions of this Easement shall not be affected thereby.
15. **ENTIRE AGREEMENT.** This instrument sets forth the entire agreement of the parties with respect to this Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the easement.
16. **CONTROLLING LAW.** The interpretation and performance of this Easement shall be governed by the laws of the Commonwealth of Virginia.
17. **RECORDING.** This Easement shall be recorded in the land records in the Circuit Court Clerk's Office of the County of Fluvanna, Virginia, and Grantee may re-record it any time as may be required to preserve its rights under this Easement.

WITNESS the following signatures and seals:

[Counterpart signature pages to follow]

[Counterpart signature page 1 of 3]

Palmyra Associates, LLC

By: _____
John C. Zehler, Jr., Member

By: _____
David G. Sutton, Member

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, TO WIT:

The foregoing instrument was acknowledged before me this ___ day of _____, 2011, by John C. Zehler, Jr. on behalf of Palmyra Associates, LLC.

Notary Public

My commission expires: _____

(SEAL)

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, TO WIT:

The foregoing instrument was acknowledged before me this ___ day of _____, 2011, by David G. Sutton on behalf of Palmyra Associates, LLC.

Notary Public

My commission expires: _____

(SEAL)

[Counterpart signature page 2 of 3]

County of Fluvanna

By: _____
Chairman, Board of Supervisors

COMMONWEALTH OF VIRGINIA,
CITY/COUNTY OF _____, TO WIT:

The foregoing instrument was acknowledged before me this _____ day of
_____ 2011, by _____ as Chairman of the Board of
Supervisors and on behalf of the County of Fluvanna.

Notary Public

My commission expires: _____

(SEAL)

APPROVED AS TO FORM:

Fluvanna County Attorney

SCHEDULE A
LEGAL DESCRIPTION

Parcel One: Portion of Tax Map #30-(A)-14

ALL that certain tract or parcel of land lying and being situate on the east side of U. S. Route in the Fork Union Magisterial District of Fluvanna County, Virginia, near the village of Palmyra, containing 25.86 acres, more or less, and shown on "Plat Showing Conservation Easement" made by Shimp Engineering, P.C., dated _____, 2011, attached hereto and recorded herewith and being further identified as a portion of Fluvanna County Tax Map Parcel No. 30-(A)-14;

BEING a portion of the same property conveyed to the Grantor by deed of Jarl B. Hannum and Carol L. Hannum, dated May 26, 2000 and recorded June 1, 2000 in the aforesaid Clerk's Office in Deed Book 393, page 25.

The Board of Supervisors has three possible courses of action that are set forth by Staff.

MOTION 1: I move that the Board of Supervisors decline VDOT's award for construction funds for the roundabout project and pursue the design of the intersection improvement with the funds already allocated to the project and with the agreement with VDOT currently in place.

MOTION 2: I move that the Board of Supervisors decline the VDOT award for construction funds and dissolve the agreement with VDOT to expend the initial award of design funds.

Further, I move to release the \$285,000 set aside for this project back to the Fund Balance.

MOTION 3: I move that the Board of Supervisors enter into an agreement with Palmyra Associates as set forth in their letter dated December 13, 2011, and move forward with the Virginia Department of Transportation (VDOT) Revenue Sharing project for the design and construction of a roundabout at the Route 15 and Route 53 intersection.

I further move that the Board of Supervisors approve a budget supplement from the Fund Balance of \$285,000.

The following general ledger lines will be affected:

10000090 343100 Use of Fund Balance	\$285,000
3020008 319911 RNDBT	\$285,000

AGENDA

BOARD OF SUPERVISORS

December 21, 2011

SUBJECT: Revenue Sharing Project for Routes 15 & 53 Roundabout.

TIMING: Response to VDOT regarding this project is due immediately.

POLICY IMPLICATIONS: This project will improve overall safety performance at the intersection of two primary roads for both current and future traffic volume, and will allow for the full potential of commercial development to occur on the property east of the intersection.

FISCAL IMPLICATIONS: The state transportation department's Revenue Sharing program requires a 50% percent match from the locality plus costs incurred by VDOT for project management. The roundabout is projected to cost approximately \$1.1 million dollars. County match, with the \$20,000 VDOT project management costs, will be approximately \$570,000 with \$285,000 (specifically for this transportation improvement) to come from the Palmyra Associates development, at some point in the future corresponding with Phase II of that site's development plan. A County match of \$570,000 from a general fund appropriation will be needed to pursue the design and construction of the project. Funding at \$285,000 has already been appropriated for this project and could be allocated to the design only of the project, with no construction planned. Future Revenue Share applications could be sought once a design and specific cost estimate were in place.

DISCUSSION: The intersection at Rt. 15 and Rt. 53 is reaching a critical point in terms of the functional level of service. Traffic congestion will necessitate the need for a traffic light or roundabout in the near future. The Palmyra Associates commercial development that is proposed for this location east of Rt. 15 will further exacerbate the traffic at this intersection. As part of that development project, in a future phase of development, a traffic improvement for the intersection is necessary.

The Comprehensive Plan calls for either signalization or a roundabout at this intersection, however, the Plan also encourages roundabouts as a safer alternative. In addition to economic development issues, choosing a roundabout as a solution to the traffic congestion at this intersection affords greater safety, lower maintenance, and a decrease in fuel consumption among other attributes. Slower speeds and better traffic flow have been shown to reduce fatal and injury crashes as much as 75%. A signalized intersection typically costs around \$300,000 to install in addition to annual maintenance and electricity costs. Either the County or VDOT will have to improve this intersection with or without the Palmyra Associates development. Staff suggests this cost sharing program as an equitable means to achieve the County's goals of transportation improvement at Rt. 15 and Rt. 53, and of economic development. The County, working with VDOT, would design and/or construct the project with construction to occur in 2013 (with Motion 3) or later.

Staff recommends that, given the nature of the economy and the change in status of the agreement with Palmyra Associates, Motion 1 be given strong consideration by the Board. This would result in a significant delay in any improvement to the intersection other than a traffic signal improvement as determined by VDOT.

Staff: Darren K. Coffey, Interim County Administrator/Planning Director

- Attachments: A) Agreement letter from Palmyra Associates dated December 13, 2011
B) Site Plan Exhibit
C) History of Project

County Administrator's Use Only



Darren K. Coffey, Interim County Administrator

Mr. Darren Coffey
Interim County Administrator
Fluvanna County

December 13th, 2011

**Regarding: Palmyra Associates agreement with Fluvanna County
For the Route 15 and Route 53 Roundabout.**

Dear Mr. Coffey,

Please consider this letter an official request to bring the matter of the proposed roundabout at the Route 15 and Route 53 intersections to the Board of Supervisors at the next available meeting.

Palmyra Associates has agreed to enter in to a cost sharing agreement with Fluvanna County for the construction of a future roundabout at the intersection. The agreement is that Palmyra Associations would divide the proposed development into three phases, the first being up to 25,000 square feet of commercial space, requiring no road improvements; the second phase being up to 25,000 additional square feet, requiring a temporary signal; And the third phase being construction above the 50,000 square foot threshold. At Phase III Palmyra Associates agreed to contribute up to \$285,000 towards the construction of a roundabout, which would occur *when* the development exceeded the 50K square foot threshold. (Please refer to attached phasing plan for details).

Since the original agreement was made there has been a change in the allocation of revenue sharing funds from VDOT. In appendix A of the cost share agreement VDOT specified that the roundabout must be under construction by 2013. After receiving this information the County requested that Palmyra Associates put up the money for construction of the roundabout *before* phase I had even begun. This is clearly not consistent with the past agreements and unquestionably unfair to the developer as it is not reasonable to ask for the money for the improvements before one vehicle trip has even been created as a result of the development.

We believe VDOT requested this advanced timeline in order to accommodate existing traffic and most critically the opening of the new High School just a few miles from the intersection. While we understand VDOT's motivation to make improvements to the intersection at present it must be understood that traffic issues in 2013 will in no way be a result of traffic from the Palmyra Associates development. There has been suggestions that Palmyra Associates has changed its position on the commitment to the roundabout, please be advised that is false. The Supervisors may hear a different proposal and a request for more upfront funding for the project, but that is a result of a change in timeline from VDOT, not in a change of position from Palmyra Associates.

In recognizing that the intersection needs to be addressed sooner rather than later Palmyra Associates will agree to move up its timeline for the funding of the roundabout. As part of the approval of the site development plan for the project Palmyra Associates shall enter into a cost sharing agreement with Fluvanna County as follows:

IF the County agrees to complete its agreement with VDOT and fund the construction of the roundabout by 2013 Palmyra Associates will agree to the following conditions to be attached to a final phasing plan that will be associated with the site development plan for the property:

1. A phasing plan in general accord with the attached sketch shall be submitted to Fluvanna County and VDOT for review and approval. The plan shall show three phases, with the first phase of up to 25,000 square feet of commercial space, a second phase of an additional 25,000 square feet (50,000 square feet total) and a third phase for development beyond 50,000 square feet of commercial space on the property.
2. Prior to commencement of any additional commercial development beyond phase I (more than 25,000 square feet) Palmyra associates shall provide to the County cash or letter of credit equal to the lesser of 25% of the cost of the roundabout including engineering fees or \$285,000.

Under this arrangement the County will receive reimbursement from the Developer *prior* to what was previously agreed. The prior agreement had been funding for the Roundabout at Phase III (greater than 50K square feet).

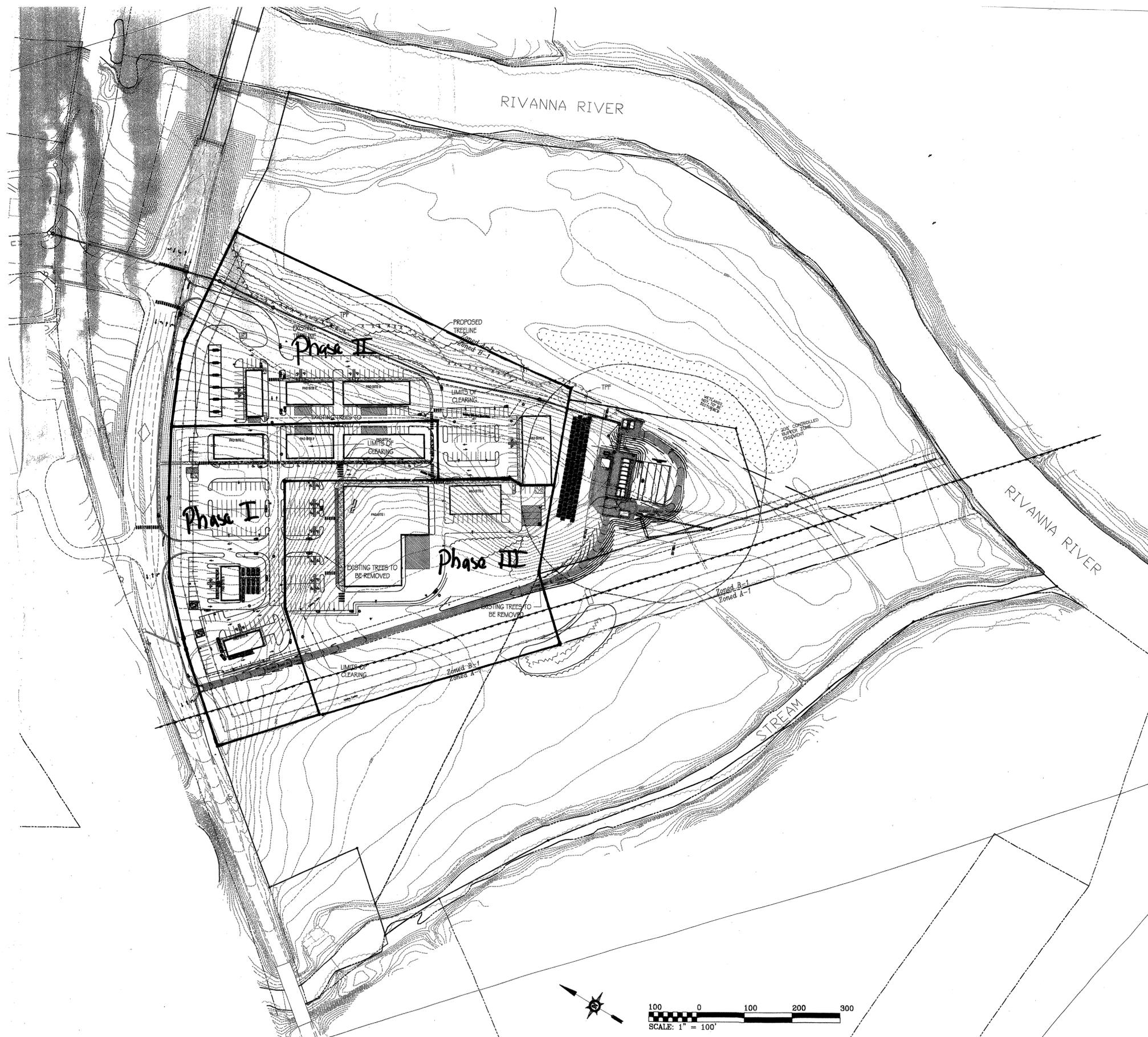
We believe it is highly pertinent to this discussion to consider that the financial contribution offered by Palmyra Associates is greatly in excess of the contribution of traffic into the intersection. Ultimately the County will pay 25% for the increased traffic from a *High School* while Palmyra Associates will be paying that same percentage for a fraction of the traffic impact. Simply put, Palmyra Associates has not backed away from its commitment but in fact increased it. This has been offered for the benefit of the County and for the benefit of all those traveling on what will be a safer intersection versus the traffic light that VDOT will force the County to pay for once the new high school opens.

Best Regards,

Palmyra Associates

**PHASING PLAN FOR
PALMYRA ASSOCIATES**

PHASING AREA TABLE	
PAD SITE	GROSS SQUARE FOOTAGE*
PHASE I:	
A	2,800 GSF
B	2,780 GSF
C	5,200 GSF
F	4,900 GSF
H	8,450 GSF
TOTAL AREA NOT TO EXCEED 25,000 GSF	
PHASE II:	
D	3,500 GSF
E	4,900 GSF
G	7,000 GSF
K	9,000 GSF
TOTAL AREA NOT TO EXCEED 25,000 GSF	
PHASE III:	
I	30,600 GSF
J	6,600 GSF
PHASE III SHALL INCLUDE ALL DEVELOPMENT IN EXCESS OF OF THE 50,000 GSF IN PHASES I & II.	
*BUILDING AREAS ARE SHOWN BASED ON CURRENT PLAN OF DEVELOPMENT AND ARE SUBJECT TO CHANGE VIA SITE PLAN AMENDMENTS AS APPROVED BY THE COUNTY.	



PRESENTATIONS:

Thomas Jefferson Planning Economic Development Update

Mr. Mike Harvey, TJPED, provided a PowerPoint presentation to the Board providing an overview of Fluvanna County and the greater Charlottesville region. In the presentation Mr. Harvey pointed out that the purpose of his presentation was to provide a better understanding of local and regional economy [the positives and negatives; employment dynamics; and who's most affected by the changes]; the revenue implications for Fluvanna County; Macro economic outlook; and recommendations and discussion. He provided a summary of the economic and demographics of unemployment changes along with issues and challenges of job growth and what impact that has on jobs and the people of the region. Mr. Harvey indicated that the TJPED recommendations were to: 1) determine target industries; 2) create a favorable environment; 3) build a strong entrepreneurial partnership with UVA; 4) identify and address existing business needs; 5) cultivate home grown businesses; 6) develop message and outreach; 7) address workforce disparities; 8) help blaze career paths; 9) connect residents to opportunities; and 10) benchmark, track and adjust.

ACTION MATTERS

Revenue Sharing Application for Routes 15 and 53 Roundabout

This project will improve overall safety performance at the intersection of two (2) primary roads for both current and future traffic volume, and will allow for the full potential of commercial development to occur on the property east of the intersection. The Comprehensive Plan calls for either signalization or a roundabout at this intersection; however, the plan also encourages roundabouts as a safety alternative. Ms. Pat Groot, Grants Administrator, addressed the Board regarding this issue. Mr. Darren Coffey, Planning Director and Mrs. Vicki Karabinus, Economic Development Coordinator were available to assist.

MOTION:

Mr. Kenney moved that the Board of Supervisors approve the application and resolution [attached hereto] to apply for Virginia Department of Transportation (VDOT) Revenue Sharing funds for the design and construction of a roundabout at the Route 15 and Route 53 intersection. Mrs. Booker seconded. The motion carried with a vote of 3-2. AYES: Booker, Chesser and Kenney. NAYS: Ott and Weaver. ABSENT: Gooch

Transfer of Animal Control

This item was pulled from the agenda.

Secure Our Schools (SOS) USDOJ Federal Grant Application

This project will create a county-wide, coordinated plan for all schools and emergency services to utilize when responding to an in-school crisis. A 50% match is required and this grant provides up to twenty-four 24 months of funding. This grant does not require the County to continue to fund any positions funded by the grant beyond the grant period.



BOARD OF SUPERVISORS

County of Fluvanna
Palmyra, Virginia

RESOLUTION

At a regular monthly meeting of the Fluvanna County Board of Supervisors held on June 16, 2010 in Palmyra, Virginia, the following action was taken:

<u>Present</u>	<u>Vote</u>
Gene F. Ott, Chairman	NAY
Shaun V. Kenney, Vice-Chairman	YEA
Donald W. Weaver	NAY
Mozell H. Booker	YEA
John Y. Gooch	ABSENT
Joe Chesser	YEA

On a motion by Mr. Chesser seconded by Mr. Kenney, and carried by a vote of 3-2, the following resolution was adopted:

**A RESOLUTION OF THE
FLUVANNA COUNTY BOARD OF SUPERVISORS
IN SUPPORT OF THE**

WHEREAS, the intersection at Rt. 15 and Rt. 53 is reaching a critical point in terms of functional level of service; and,

WHEREAS, construction of a roundabout at the Rt. 15 and Rt. 53 intersection for a cost estimated at \$1.1 million is the necessary solution for relieving anticipated traffic congestion and avoiding any adverse impact on local economic development options; and,

WHEREAS, the Fluvanna County Board of Supervisors desires to participate in the VDOT cost sharing program to fund this project as an equitable means to achieving the County's goals of economic development and transportation improvement; and,

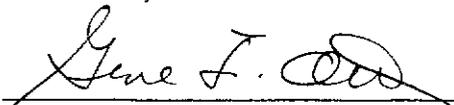
WHEREAS, the Fluvanna County Board of Supervisors desires to submit an application for an allocation of funds of up to \$550,000 through the Virginia Department of Transportation Fiscal Year 2011-12 Revenue Sharing Program, representing the Commonwealth's share of the project; and,

WHEREAS, the Fluvanna County Board of Supervisors commits to providing \$550,000 or 50% of the project cost, whichever is less, plus VDOT project management fees estimated at \$20,000; and,

NOW, THEREFORE, BE IT RESOLVED THAT: The Fluvanna County Board of Supervisors hereby supports this application for an allocation of \$550,000 through the Virginia Department of Transportation Revenue Sharing Program.

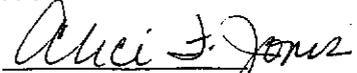
BE IT FURTHER RESOLVED THAT: the Fluvanna Board of Supervisors hereby authorizes the County Administrator, Interim County Administrator, or Assistant County Administrator to execute any agreements, certificates and other documents required on behalf of the County of Fluvanna to carry out the terms of the Project.

ADOPTED this 16th day of June,



Gene F. Ott,
Chairman of the Board of Supervisors

A COPY ATTEST:



Alice F. Jones, Clerk to the Board

MOTION: I move that the Board of Supervisors approve the application and resolution to apply for Virginia Department of Transportation (VDOT) Revenue Sharing funds for the design and construction of a roundabout at the Route 15 and Route 53 intersection.

AGENDA

BOARD OF SUPERVISORS

June 16, 2010

SUBJECT: Revenue Sharing Application for Routes 15 & 53 Roundabout.

TIMING: Application and Resolution for Revenue Sharing Program due June 18, 2010.

POLICY IMPLICATIONS: This project will improve overall safety performance at the intersection of two primary roads for both current and future traffic volume, and will allow for the full potential of commercial development to occur on the property east of the intersection.

FISCAL IMPLICATIONS: The state transportation department's Revenue Sharing program requires a 50% percent match from the locality plus costs incurred by VDOT for project management. The roundabout is projected to cost approximately \$1.1 million dollars. County match, with the \$20,000 VDOT project management costs, will be approximately \$570,000 with \$285,000 to come from the Palmyra Associates development specifically for this transportation improvement. A County match of \$285,000 from a general fund appropriation will be needed.

The exact cost of the project is unknown, but is estimated at \$1.1 million based on the intersection's size, traffic volume and capacity, and current estimates. The project's timeline to construction is 2-3 years. If approved, this should be identified and funded as a capital project in the FY12 and/or FY13 budget years. The attached draft "Revenue Sharing Detailed Designation of Funds" form is included for Board review. It is required for the application process and will be completed as part of the application. County staff and VDOT staff are working together to compile the required information.

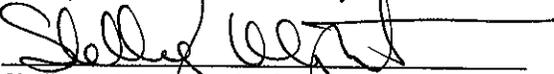
DISCUSSION: The intersection at Rt. 15 and Rt. 53 is reaching a critical point in terms of the functional level of service. Traffic congestion will necessitate the need for a traffic light or roundabout in the near future. The Palmyra Associates commercial development that is proposed for this location east of Rt. 15 will further exacerbate the traffic at this intersection. As part of that development project, a traffic improvement for the intersection is necessary. The bridge over the Rivanna River does not allow for the required left turn lanes that would be needed for the Palmyra Associates development if a traffic light is installed. Therefore, a roundabout is the necessary solution; otherwise the commercial project will be significantly limited in scope which will limit its revenue potential for the developer. A significant reduction in project scope will also impact the county negatively from an economic development standpoint.

The Comprehensive Plan calls for either signalization or a roundabout at this intersection, however, the Plan also encourages roundabouts as a safer alternative. In addition to economic development issues, choosing a roundabout as a solution to the traffic congestion at this intersection affords greater safety, lower maintenance, and a decrease in fuel consumption among other attributes. Slower speeds and better traffic flow have been shown to reduce fatal and injury crashes as much as 75%. A signalized intersection typically costs around \$300,000 to install in addition to annual maintenance and electricity costs. Either the County or VDOT will have to improve this intersection with or without the Palmyra Associates development. Staff suggests this cost sharing program as an equitable means to achieve the County's goals of transportation improvement at Rt. 15 and Rt. 53, and of economic development. VDOT would design and construct the project in a similar fashion to the Rt. 600 and Rt. 53 roundabout project currently in design, but on a more expedited timeline if at all possible.

Staff: Darren K. Coffey, Planning Director; Pat Groot, Grants Coordinator; Vicki Karabinus, Economic Development Coordinator

Attachments: A) Resolution for VDOT Revenue Sharing Funds, B) Letter of intent to participate, C) Revenue Sharing Detailed Designation of Funds Form, D) McCormick Taylor Cost Estimate, E) VDOT Roundabouts Informational Brochure, and F) Palmyra Associates Site Plan Exhibit

County Administrator's Use Only



Shelly H. Wright, Interim County Administrator



BOARD OF SUPERVISORS
County of Fluvanna
Palmyra, Virginia

ATTACHMENT A

RESOLUTION

At a regular monthly meeting of the Fluvanna County Board of Supervisors held on June 16, 2010 in Palmyra, Virginia, the following action was taken:

<u>Present</u>	<u>Vote</u>
Gene F. Ott, Chairman	
Shaun V. Kenney, Vice-Chairman	
Donald W. Weaver	
Mozell H. Booker	
John Y. Gooch	
Joe Chesser	

On a motion by Mr./Ms -----, seconded by Mr./Ms. -----, and carried by a vote of 0-0, the following resolution was adopted:

A RESOLUTION OF THE
FLUVANNA COUNTY BOARD OF SUPERVISORS
IN SUPPORT OF THE VDOT REVENUE SHARING APPLICATION

WHEREAS, the intersection at Rt. 15 and Rt. 53 is reaching a critical point in terms of functional level of service; and,

WHEREAS, construction of a roundabout at the Rt. 15 and Rt. 53 intersection for a cost estimated at \$1.1 million is the necessary solution for relieving anticipated traffic congestion and avoiding any adverse impact on local economic development options; and,

WHEREAS, the Fluvanna County Board of Supervisors desires to participate in the VDOT cost sharing program to fund this project as an equitable means to achieving the County's goals of economic development and transportation improvement; and,

WHEREAS, the Fluvanna County Board of Supervisors desires to submit an application for an allocation of funds of up to \$550,000 through the Virginia Department of Transportation Fiscal Year 2011-12 Revenue Sharing Program, representing the Commonwealth's share of the project; and,

WHEREAS, the Fluvanna County Board of Supervisors commits to providing \$550,000 or 50% of the project cost , whichever is less, plus VDOT project management fees estimated at \$20,000; and,

NOW, THEREFORE, BE IT RESOLVED THAT: The Fluvanna County Board of Supervisors hereby supports this application for an allocation of \$550,000 through the Virginia Department of Transportation Revenue Sharing Program.

BE IT FURTHER RESOLVED THAT: the Fluvanna Board of Supervisors hereby authorizes the County Administrator, Interim County Administrator, or Assistant County Administrator to execute any agreements, certificates and other documents required on behalf of the County of Fluvanna to carry out the terms of the Project .

ADOPTED this 16th day of June,

Gene F. Ott,
Chairman of the Board of Supervisors

A COPY ATTEST:

Alice F. Jones, Clerk to the Board



COUNTY OF FLUVANNA

ATTACHMENT B

"Responsive & Responsible Government"

www.co.fluvanna.va.us

BOARD OF SUPERVISORS

Gene F. Ott, Chairman
Rivanna District

Shaun V. Kenney, Vice Chair
Columbia District

Donald W. Weaver
Cunningham District

Mozell H. Booker
Fork Union District

John Y. Gooch
Palmyra District

Joe Chesser
Rivanna District

STAFF

Shelly H. Wright
Interim County Administrator
swright@co.fluvanna.va.us

Alice F. Jones
Clerk to the Board
ajones@co.fluvanna.va.us

June 16, 2010

Revenue Sharing Program
Fiscal Year 2011
County of Fluvanna County

Mr. Michael A. Estes, P.E.
Local Assistance Division
Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219

Dear Mr. Estes:

The County of Fluvanna, Virginia, indicates by this letter its official intent to participate in the "Revenue Sharing Program" for Fiscal Year 2011. The County will provide \$570,000 for this program, to be matched on a dollar-for-dollar basis from funds of the Commonwealth of Virginia. This project will be administered by the County.

The County worked with its Director of Planning and VDOT Culpeper District Transportation Planner and developed the proposed eligible project recommended to be accomplished with these funds.

Sincerely,

Gene F. Ott,
Chairman, Board of Supervisors

Attachments: Board of Supervisors Resolution
Designation of Funds Form – Detailed

cc: Karen Kilby, Culpeper District



June 7, 2010

Fluvanna County
132 Main Street
P.O. Box 540
Palmyra, VA 22963

Attention: Darren K. Coffey, AICP, CZA

Reference: Route 15 / 53 Roundabout
Conceptual Project Cost Estimate

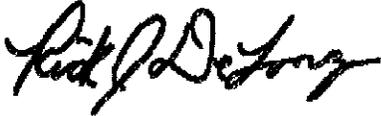
Dear Mr. Coffey:

Per our discussion, McCormick Taylor has reviewed the intersection of Routes 15 and 53 in Fluvanna County to develop conceptual project costs in an effort to assist the County in its application for VDOT Revenue Sharing funds. Attached is a spreadsheet breakdown of conceptual project costs, along with a conceptual layout overlaid on an aerial photo. Below are some assumptions that were made in preparing this estimate:

- A conceptual one-lane roundabout was developed based on aerial photo mapping to roughly establish the pavement footprint of the roundabout and approaches. No survey information was obtained and therefore construction limits for grading and exact roadway approach tie-ins could not be identified at this time.
- The roundabout has been sized based on FHWA standards for a Rural Single Lane roundabout with an inscribed diameter of 130' to accommodate a WB-67 design vehicle.
- No traffic count information was obtained and therefore no capacity analysis was performed. Right-turn slip lanes would need to be evaluated based on existing volumes, background growth and traffic by future developments in the area (if any).
- Per the County, we have assumed no right of way acquisition will be required to construct the roundabout.
- Utility impacts have been assumed to be minimal and limited to overhead utility poles. No underground utility locating has been performed and so impacts (if any) to these utilities could not be estimated.
- It was assumed that the roundabout would be illuminated, as recommended for rural roundabouts. Also, minimal landscaping was assumed.

We appreciate the County seeking our input on this project. If you have any questions, please feel free to contact me at (804) 762-5800.

Sincerely,
McCormick Taylor, Inc.



Rick J. DeLong, P.E.
Associate

Route 15/53 Roundabout - Fluvanna County
CONCEPTUAL PROJECT COST ESTIMATES - 6/7/10

Phase	Cost
Prelim. Engineering *	\$ 200,000
ROW & Utilities	\$ 25,000
Construction**	\$ 875,000
TOTAL	\$ 1,100,000

** Prelim. Engineering Costs have not been finalized. Actual PE costs will be determined when a scope and fee is developed by the engineering consultant.*

*** Includes 15% contingency*



VA ROUTE 15

VA ROUTE 53

VA ROUTE 15

POTENTIAL
FUTURE
CONNECTION

FLUVANNA COUNTY
ROUNDBOUT CONCEPT
NOT TO SCALE

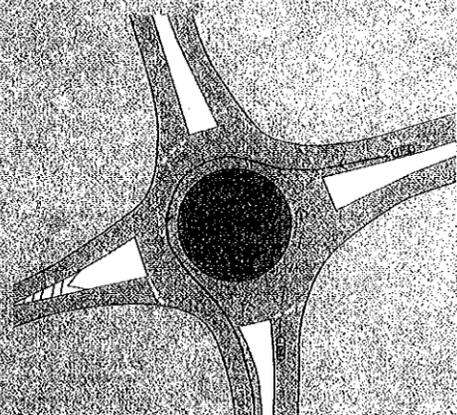
McCormick
Taylor

8

How do I drive in roundabouts (continued)

Left turn or U-turn

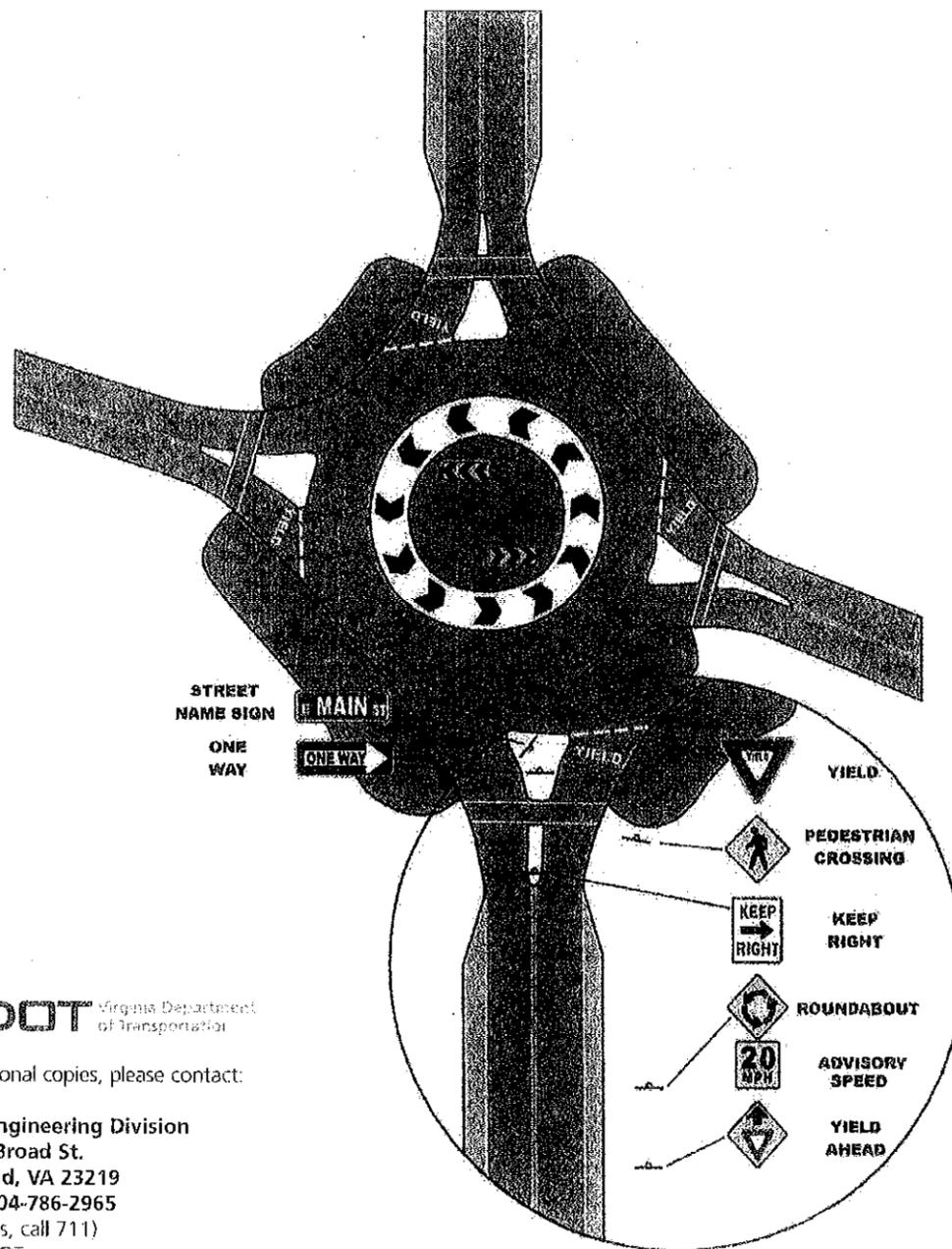
- 1) Slow down and prepare to yield as you approach the roundabout.
- 2) Enter the roundabout in the left lane (if there is a two-lane approach) and stay in that lane throughout the roundabout.
- 3) You must yield to traffic already in the roundabout.
- 4) Signal your turn just past the exit prior to your desired exit.



Remember

- 1. Always yield to pedestrians who may be crossing the road on your approach to the roundabout.
- 2. Pedestrians, bicycle riders and motorcyclists are often very hard to see, so always watch for them.
- 3. Buses and trucks may need more than one lane to enter or leave a roundabout, so keep clear of them.
- 4. Always yield to vehicles that are in the roundabout.

Sample signing and pavement marking plan for a roundabout

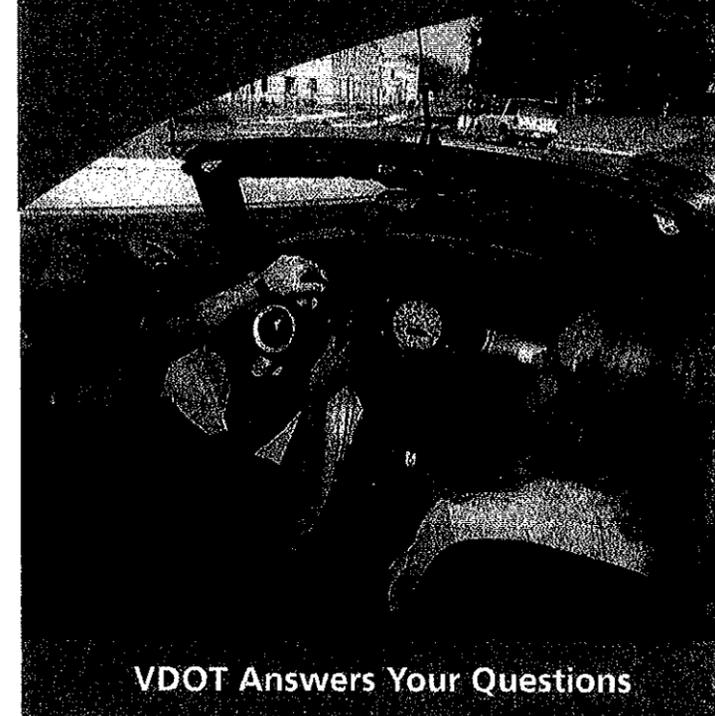


For additional copies, please contact:

Traffic Engineering Division
 1401 E. Broad St.
 Richmond, VA 23219
 Phone 804-786-2965
 (TTY users, call 711)
 VirginiaDOT.org

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VDOT Roundabouts



VDOT Answers Your Questions



Roundabouts in Virginia

The Virginia Department of Transportation has begun using roundabouts in certain situations to enhance safety and reduce delays encountered by the motoring public.

Roundabouts have been used effectively throughout the world for many years. In recent years, they have been used here in the United States to reduce crashes, traffic delays, fuel consumption, air pollution and construction as well as maintenance costs, while quite often moving more traffic and enhancing intersection beauty. They have also been used to control speed in residential neighborhoods and are accepted as one of the safest types of intersection designs.

Roundabouts differ from the old, larger traffic circles in three major areas:

- 1) A roundabout is generally smaller in diameter, requiring lower traveling speed.
- 2) At roundabouts, the entering traffic yields the right-of-way to the circulating traffic. This yield-at-entry rule keeps traffic from locking up and allows free flow movement.
- 3) The splitter and center islands of a roundabout deflect entering traffic and reinforce the yielding process.

Why use a roundabout?

- ⌘ **Safety** — Roundabouts have been shown to reduce fatal and injury crashes as much as 75 percent. The reduction in crashes is attributed to slower speeds and reduced number of conflict points.

- ⌘ **Low maintenance** — Eliminates maintenance and electricity costs associated with traffic signals, which could possibly be as much as \$5,000 per year per intersection.
- ⌘ **Reduced delay** — By yielding at the entry rather than stopping and waiting for a green light, delay is significantly reduced.
- ⌘ **Capacity** — Intersections with high volumes of left turns are often better handled by a roundabout than a multi-phased traffic signal.
- ⌘ **Environmental** — A reduction in delay corresponds to a decrease in fuel consumption and air pollution.
- ⌘ **Aesthetics** — The central island provides an opportunity to beautify the intersection with landscaping.

What do roundabout signs look like?

Roundabouts are easy to use. You simply position your vehicle correctly and indicate where you want to go.

Roundabout "Yield" signs together with "Yield" line markings are placed at the intersection of each approach road with the roundabout.

Advance Roundabout Warning Signs advise that you are approaching a roundabout.

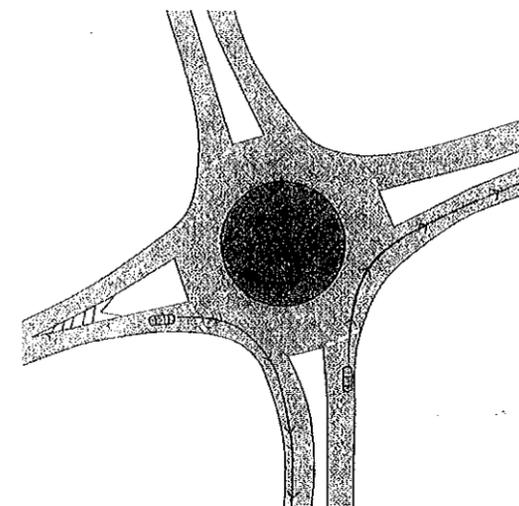
In Virginia, roundabouts will be either one lane or two lanes. Listed here are the procedures one must take to negotiate turns when approaching a roundabout.

How do I drive in roundabouts

Right turns

- 1) Slow down and prepare to yield as you approach the roundabout.
- 2) On the approach you must be in the right lane (if it is a dual lane roundabout).
- 3) You must yield to the traffic already in the roundabout.
- 4) Stay to the right as you approach your turn.
- 5) Place your right turn signal on until you have exited the roundabout.

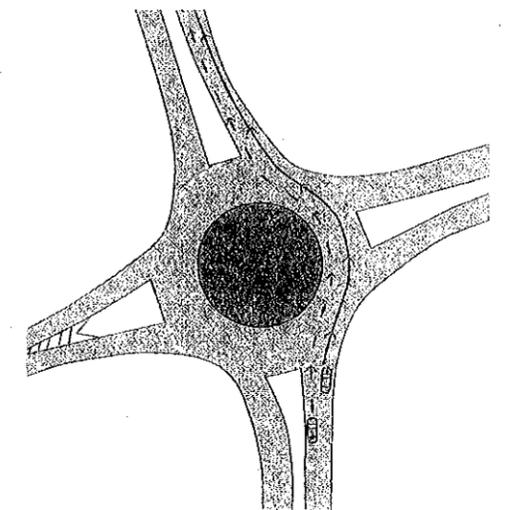
Note: Cars in the figures show the position prior to the maneuver.



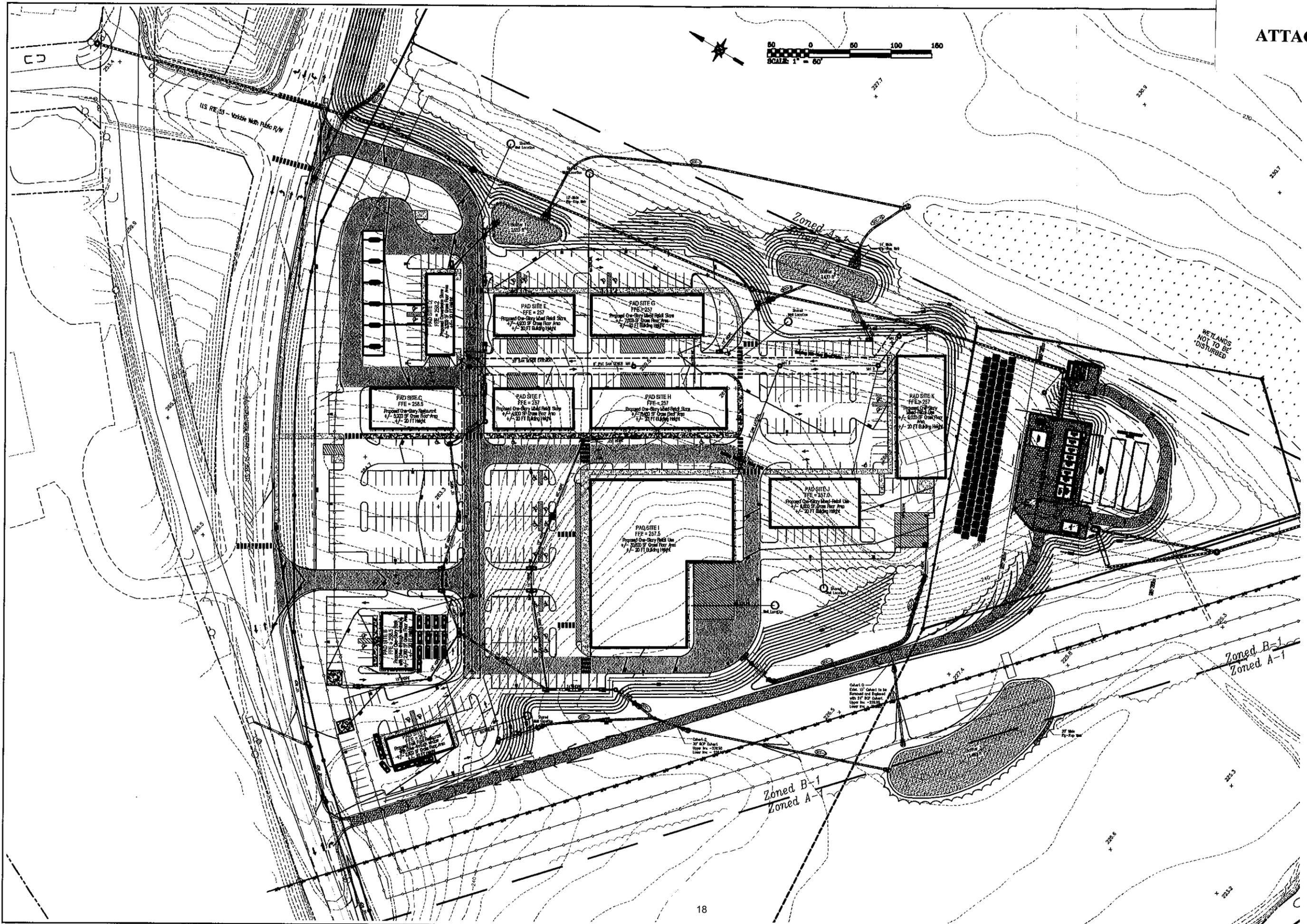
Making a right turn in a roundabout.

Straight ahead

- 1) Slow down and prepare to yield as you approach the roundabout.
- 2) Unless signs or lane markings indicate an exclusive right turn, approach in the right lane and stay in that lane through the roundabout. If this is a two-lane roundabout, and the right lane is blocked due to dense traffic or road obstruction, approach and continue through the roundabout in the left lane.
- 3) You must yield to traffic already in the roundabout.
- 4) Display your right turn indicator just past the exit prior to the one you plan to exit.



Driving straight ahead through a roundabout.



Revisions:		
NO.	DESCRIPTION	DATE

Drawing Title:		File Name:	Project No.:
Exhibit		30MAY20JMS	3119
Drawing Scale:	Drawn By:	Checked By:	Date:
As Shown	CSM	RM	

Project Title:
**MAJOR FINAL SITE PLAN FOR
 Palmyra Associates
 Fork Union District, Fluvanna County Virginia**

MOTION: I move that the Board approve staff to move forward with the development of the Heritage Farm Museum at Pleasant Grove.

AGENDA

BOARD OF SUPERVISORS

DECEMBER 21, 2011

SUBJECT: Presentation of a Heritage Farm Museum at Pleasant Grove.

RECOMMENDATION: Staff recommends the Board approve development of the Heritage Farm Museum at Pleasant Grove.

TIMING: Routine

FISCAL IMPLICATION: No county funding is being requested for this project.

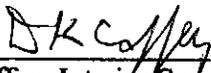
POLICY IMPLICATION: The approval process of the Heritage Farm Museum at Pleasant Grove will allow staff to pursuit grant funding for the project.

DISCUSSION: In partnership with the Old Farm Day Committee, staff has been working to develop a Heritage Farm Museum at Pleasant Grove. Mr. John May, a lifelong Fluvanna County resident would like to donate his collection of vintage farm equipment to be displayed in a museum setting to educate visitors to Pleasant Grove about the history of farming in Fluvanna from the 1800's. With the planned renovations to the Pleasant Gove Manor House, the County has the opportunity to market Pleasant Grove as a regional tourism attraction by providing visitors with a walking tour of the Heritage Farm Museum, Summer Kitchen Museum and our Heritage Trail system.

Staff: Dwight Godwin, Director of Parks and Recreation

Attachment: Power Point Presentation

County Administrator's Use Only



Darren Coffey, Interim County Administrator

Heritage Farm Museum at Pleasant Grove

Dwight Godwin

Director of Parks and Recreation

December 21, 2011

Project Discussion

- In partnership with the Old Farm Day Committee, Parks and Recreation is taking this opportunity to orient the Board of Supervisors to the proposed development of a Heritage Farm Museum at Pleasant Grove.
- John May, a lifelong Fluvanna resident, would like to donate his collection of vintage farm equipment to be displayed in a museum setting to educate visitors to Pleasant Grove about the history of farming in Fluvanna from 1800's.
- Staff accompanied members from the OFD committee on a site visit to Chippokes State Park in Surry, VA to tour their Farm and Forestry Museum that is operated by the State park.
- The site visit consisted of touring four separate buildings depicting a different aspect of the region's farming in each building. The building concept plan provided the visitor with a interpretive display of farming equipment for peanut and cotton farming, livestock, and lifestyle of the 1800's.

Project Description

- The proposed layout design for the Heritage Farm Museum consist of constructing a enclosed pole barn style structure with roller shutter doors to provide a walking tour of the displayed equipment.
- The project funding source will include grants and private foundations.
- The museum project will have a minimum impact on the County operations.

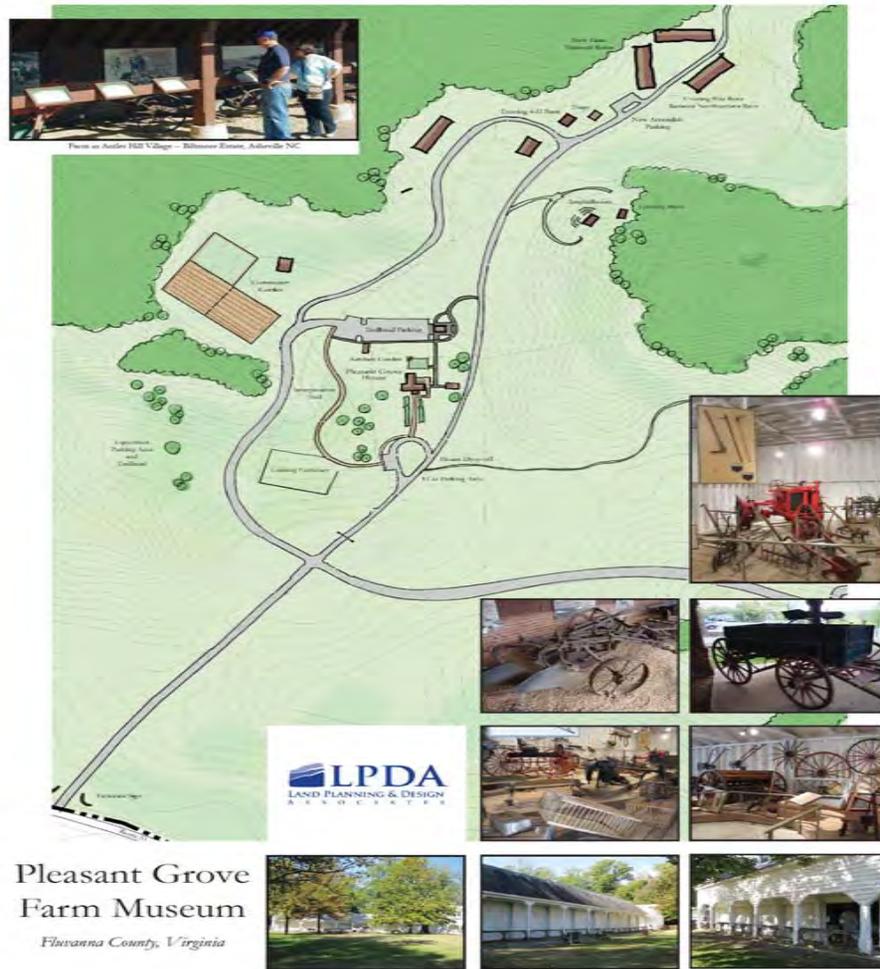
Project Benefits to Fluvanna County

- Constructing a similar museum supports the interpretive plan being developed for the historical area for Pleasant Grove.
- The proposed Heritage Farm Museum provides the County with a tourist designation at Pleasant Grove.
- The interpretive museum can be used for school class tours that meet the SOL standard requirements.
- A resource for teaching the Plantation Living - Fluvanna program which is part of the “History at Home: Expanding Student Opportunities through Community Involvement” K-5 curriculum.

Staff Recommendation

- The OFD Committee has approved the development of a Heritage Farm Museum at Pleasant Grove.
- The site location and design structure of the museum has been approved by the Pleasant Grove Project Team and the Recreation Advisory Board.

Proposed Farm Museum Layout Design



Syracuse Plow



Belt Driven Oat Crusher



Sorghum Mill



Threshing Machine



Dump Hay Rake



Treadmill Powered by Mule Wagon Beneath



Thresher



Horse Powered Sweep (100 Years Old)



-
- **Thank you for your support in the history of Fluvanna County.**



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

P.O. Box 540, Palmyra, VA 22963 · (434) 591-1910 · FAX (434) 591-1911 · www.co.fluvanna.va.us

MEMORANDUM

TO: Board of Supervisors
FROM: Renee Hoover, Finance Director
SUBJECT: Contingency Balance
DATE: December 9, 2011

The balances for the BOS and grant contingency lines for FY12 are as follows:

<u>Board of Supervisors Contingency:</u>	\$100,000.00
Minus Donation to Town of Columbia 8.3.11	3,000.00
Minus Reimbursement of Livestock Claims 9.7.11	2,540.00
Minus Legal Services from Lawsuit 10.19.11	5,598.45
Minus Create Economic Development Director 10.19.11	54,000.00
Minus Erosion and Sediment Control Plan 11.2.11	7,800.00
Minus Legal Services from Lawsuit 11.16.11	2,923.70
Minus Legal Services from Lawsuit 12.7.11	11,928.91
Minus Facilities Work at the SPCA 12.7.11	<u>10,000.00</u>
Total Board of Supervisors Contingency	<u>\$ 2,208.94</u>