

County of Louisa, Virginia

Comprehensive Annual Financial Report



Year Ended June 30, 2007

County of Louisa, Virginia

**Comprehensive Annual
Financial Report**

Year Ended June 30, 2007

Prepared By:

Ernie McLeod, Deputy County Administrator

COUNTY OF LOUISA, VIRGINIA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007

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COUNTY OF LOUISA

November 6, 2007

**To the Honorable Members of the Board of Supervisors
To the Citizens of Louisa County
County of Louisa, Virginia**

The Commonwealth of Virginia require local governments to publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts. Pursuant to that requirement, we are pleased to present the Comprehensive Annual Financial Report of the County of Louisa, Virginia, (the "County"), for the fiscal year ended June 30, 2007.

This report was prepared by the County's Department of Finance. 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.

Robinson, Farmer, Cox Associates, Certified Public Accountants have issued an unqualified opinion on the County's financial statements for the year ended June 30, 2007. The independent auditor's report is located at the front of the financial section of this report.

In addition to the general financial statement audit 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 Governments 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 the compliance section of this report.

Reporting standards requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which can be located immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF LOUISA COUNTY

Louisa County is located in Central Virginia, equidistant between Richmond, Charlottesville and Fredericksburg. The county encompasses a land area of 514 square miles. I-64 and U. S. Routes 15, 33 and 522 are the primary routes with Routes 22 and 208 being the state routes traversing the County. Louisa has a diversified economy with manufacturing, services, commercial and agricultural sectors. Manufacturing activities include: plastic tubing, wood products, industrial filters, machinery parts, industrial controls, rigid PVC, plastic packaging and mining. Major service industries include: nuclear and gas power generation, distribution, financial, air transportation, telecommunications, health care, education and government. Agriculture remains an important, but reducing factor in Louisa's economy, with beef cattle the principal livestock and hay, corn and soybeans the major cash crops. Grape vineyards and wines are showing growth in the agriculture sector. In addition major regional commercial development is occurring in the Zion Crossroads area of the county.

Based on available economic data, trends for the local economy have improved equal to or greater than the state as a whole. The local unemployment rate for September 2007 was 2.7%, which is 0.3 below the prior year, 0.1% lower than the state unemployment rate, and 1.8% below the national unemployment rate.

Reporting Entity

The County of Louisa report includes all funds 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. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, "The Financial Reporting Entity," the County has identified two discretely presented component units. 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 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 and the Louisa County Water Authority are 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 of the Louisa County Industrial Development Authority are not included in the County report. This organization is administered by a Board separate from and independent of the Board of Supervisors.

Budgetary Controls. In addition to the internal accounting controls noted above, the County also maintains budgetary controls. 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.

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2007 has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

The County adopts an annual budget by July 1 of each year as required by 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds.

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.

FINANCIAL AND ECONOMIC CONDITION INFORMATION

Major Initiatives

Following the goals and objectives established by the County of Louisa Board of Supervisors, and with the assistance and guidance of the County's Administrator, County staff and agencies implemented and continued a number of specific programs designed to provide County residents with cost efficient government while enhancing their home and employment environment.

Major initiatives begun, continued, or completed during the fiscal year are:

- Continuing the discussions with Fluvanna for water from the James River
- Continuing the process to build an elementary school
- Continuing the process to build an Aquatic Facility at the Intergeneration Center
- Began reviews of the current Refuse Site locations for expansion along with reviewing other possible sites
- Business development and new jobs to be created from the Wal-Mart and Lowes announcement to locate a store in the County of Louisa
- Continue marketing and development of Zion Crossroads Commercial area
- Expand the Louisa Regional Wastewater Treatment Plant
- Expand the Zion Crossroads Wastewater Treatment Plant

Community Development Improvements

The Community Development Department acts as the County's one-stop development center for planning, zoning, mapping, inspections, and permitting. The department was combined in 2005 to make the development process more efficient and centralized.

Since then the County's permit system has evolved to allow for builders and contractors to request inspections and track inspection results on-line. The same technology allows the building inspectors to enter their results from the field saving both administration and inspection time, and increasing the number of inspections that can be performed.

The department has decreased unnecessary travel time by staff, eliminated redundancy, and improved internal communications among inspectors, administrative staff, and with customers.

The department has continued to maintain their website to make it easier to use and have more information available for customers. Almost all forms available at the customer service window are available on-line for the customer's convenience and information. Customers may now come to the department with their forms already filled out, and be better prepared to ask questions.

Geographic Information System (GIS)

The County's GIS work is performed in-house, although Timmons Group hosts the GIS website. The County continually adds new parcels, corrects existing parcels and parcel data, and performs other land use updates such as zoning, assessment information, and maintenance of all of the various layers of information.

Other features include digital Tax Map Books (*.PDF) that can be purchased or viewed online via the county's web site in *.PDF format. Up-to-date addressing including address corrections and new addresses that greatly improves accuracy and coordination with the E911 Dispatch Center.

New aerial photography will be available in early 2008 by the Commonwealth. This feature is one of the more popular aspects of the County's GIS. Other layers that are commonly used by citizens, developers, and staff alike include the Agricultural & Forestal Districts (AFD), soils, voting districts, hydrology, growth areas, and of course the parcel and zoning data.

Our goal is to continue to work with local, state and federal agencies to provide the citizens of Louisa County with the [latest](#) GIS data available.

Prospects for the Future. For the 2007-2008 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$74,324,336. The approved CIP Budget is \$16,576,844. The budget decreased the real estate tax rate to \$0.62 per \$100 of assessed value.

Risk Management. The County of Louisa has a risk management program which is committed to the logical, systematic and continuous identification of loss exposures for and to the County, 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 for all liability risk.

Cash Management. Cash temporarily idle during the year was primarily invested in the State Treasurer's Local Government Investment Pool (LGIP) and numerous certificates of deposits. The amount of interest received was \$1,473,718. The daily yield for LGIP for November 6, 2007 was 4.97%.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement. The County received its fifth consecutive Certificate of Achievement on its FY 06 Comprehensive Annual Financial Report that was submitted to the Government Finance Officers Association of the United States and Canada (GFOA), Certificate for Excellence in Financial Reporting Program. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 plan to submit the FY 07 Comprehensive Annual Financial Report to GFOA to determine its eligibility for the certificate.

Acknowledgments. The preparation of this report on a timely basis could not have been accomplished without the dedicated services of the entire Department of Finance, Treasurer's Office, and the office of the Commissioner of the Revenue. We would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operation of the County in a responsible and progressive manner.

Respectfully submitted,



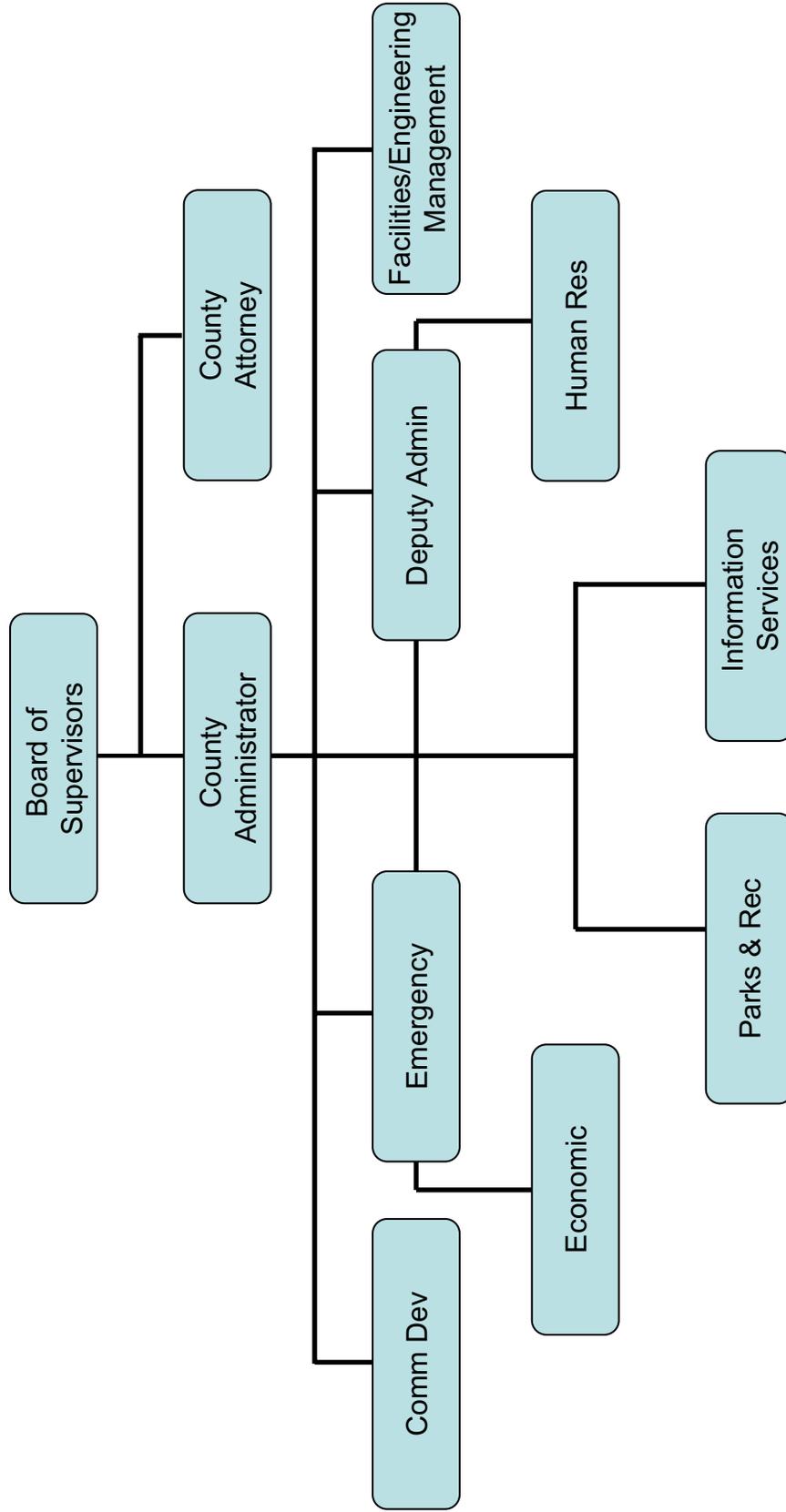
C. Lee Lintecum
County Administrator



Ernie McLeod
Deputy County Administrator

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Louisa County Organization Chart



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**COUNTY OF LOUISA, VIRGINIA
JUNE 30, 2007**

BOARD OF SUPERVISORS

Jackson T. Wright, Chairman
Willie L. Harper, Vice-Chairman

Allen B. Jennings
Eric F. Purcell

Fitzgerald A. Barnes
Richard A. Havasy

Willie L. Gentry, Jr.

SOCIAL SERVICES BOARD

Nancy Wheeler
Rebecca Disoway

Edward Massey

Jackson T. Wright

Peggie McGhee

COUNTY SCHOOL BOARD

Robin L. Horne, Chairman
Hal A. Schaffer, Vice-Chairman

Sherman T. Shifflett
Brian Huffman

Gail O. Proffitt
Vyvyan P. Rundgren

Gregory V. Strickland

OTHER OFFICIALS

Judge of the Circuit Court.....	Timothy Sanner
Clerk of the Circuit Court.....	Susan Hopkins
Judge of the General District Court.....	Edward K. Carpenter
Commonwealth's Attorney	R. Don Short
Commissioner of the Revenue	Nancy Pleasants
Treasurer.....	Gloria G. Layne
Sheriff.....	Ashland D. Fortune
Superintendent of Schools	Deborah Pettit
Clerk of the School Board	Rebecca A. Fisher
Director of Department of Social Service/Superintendent of Welfare	Paul Oswell
County Administrator.....	C. Lee Lintecum
Parks & Recreation Director.....	Jane Shelhorse

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Louisa
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County of Louisa, Virginia's management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia, as of June 30, 2007, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2007 on our consideration of the County of Louisa, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Louisa, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the County of Louisa, Virginia. The combining and individual fund financial statements, supporting schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Farmer, & Associates

Charlottesville, Virginia

November 5, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

**To the Honorable Members of the Board of Supervisors
To the Citizens of Louisa County
County of Louisa, Virginia**

As management of the County of Louisa, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page i to v of this report.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$57,328,325 (net assets). Of this amount, \$39,720,461 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of fiscal year (FY) 2006-2007, the County's funds reported combined ending fund balances of \$40,973,299, an increase of \$8,642,295 in comparison with the prior year. Approximately eighty-two percent of this total amount or \$33,474,221 is available for spending at the County's discretion (unreserved and undesignated fund balance). The County has a higher fund balance due to the higher reliance upon one company.
- At the end of FY 2006-2007, unreserved fund balance for the general fund was \$33,474,221 or seventy-four percent of total general fund expenditures.
- The County of Louisa, Virginia's total debt decreased by \$1,056,952 during FY 2006-2007.

Overview of the Financial Statements

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

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

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

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

Overview of the Financial Statements: (Continued)

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

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

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

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

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

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

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

The County maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects fund, both of which are considered to be major funds.

The County adopts an annual appropriated budget for its Governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

Overview of the Financial Statements: (Continued)

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$57,328,325 at the close of the most recent fiscal year.

A significant portion (31 percent) of the County's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Louisa, Virginia's, Net Assets		
	Governmental Activities	
	2007	2006
Current and other assets	\$ 43,122,291	\$ 33,968,970
Capital assets	<u>26,809,613</u>	<u>23,881,380</u>
Total assets	\$ <u>69,931,904</u>	\$ <u>57,850,350</u>
Long-term liabilities outstanding	\$ 11,658,841	\$ 11,487,428
Current liabilities	<u>944,738</u>	<u>2,244,769</u>
Total liabilities	\$ <u>12,603,579</u>	\$ <u>13,732,197</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 17,607,864	\$ 13,500,980
Unrestricted	<u>39,720,461</u>	<u>30,617,173</u>
Total net assets	\$ <u><u>57,328,325</u></u>	\$ <u><u>44,118,153</u></u>

Government-wide Financial Analysis

At the end of the current fiscal year, the County is able to report positive balances in all categories of net assets.

During the FY 2006-2007, the County's net assets increased by \$13,210,172. The significant reasons for the increase in net assets is attributed to the substantial increase in the collection of property tax, capitalization of capital expenditures and an overall increase in general revenues.

Governmental Activities - Governmental activities increased the County's net assets by \$13,210,172. Key elements of this increase are as follows:

County of Louisa, Virginia's Changes in Net Assets		
	Governmental Activities	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	\$ 2,116,158	\$ 2,340,819
Operating grants and contributions	5,742,790	4,970,503
Capital grants and contributions	633,676	537,636
General revenues:		
Property taxes	43,652,658	36,262,298
Other local taxes	4,116,326	4,280,855
Other	4,681,750	3,416,014
Total revenues	<u>\$ 60,943,358</u>	<u>\$ 51,808,125</u>
Expenses:		
General government	\$ 3,221,581	\$ 3,076,968
Judicial administration	1,749,661	1,531,372
Public safety	7,702,140	6,649,580
Public works	3,181,936	3,708,322
Health and welfare	5,729,666	5,161,120
Education	22,066,405	20,837,915
Parks, recreation and culture	1,346,662	1,169,334
Community development	2,186,487	2,885,848
Interest	548,648	614,494
Total expenses	<u>\$ 47,733,186</u>	<u>\$ 45,634,953</u>
Increase (decrease) in net assets	\$ 13,210,172	\$ 6,173,172
Net assets – beginning	<u>44,118,153</u>	<u>37,944,981</u>
Net assets - ending	<u>\$ 57,328,325</u>	<u>\$ 44,118,153</u>

Government-wide Financial Analysis: (Continued)

- Property taxes – The significant increase (\$7,390,360) in property taxes are attributed to an increase in property assessments, the collection rate, and continued completion of new construction growth.
- Other local revenues increased approximately \$1.25 million due to an increase in revenue from use of money and a contribution in the amount of \$377,700 recorded from the Louisa County IDA for the donation of land. Revenue from use of money increased due to a favorable rate of return for fiscal year 2007 and increased funds invested.
- Public safety expenses increased approximately \$1.0 million. The increase can be attributed to funding of additional positions, equipment purchases through various grant programs and increased depreciation expense.
- Education expense increased approximately \$1.2 million.

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$40,973,299 an increase of \$8,642,295 in comparison with the prior year. Approximately eighty two percent of this total amount, \$33,474,221, constitutes unreserved and undesignated fund balance, which is available for spending at the County's discretion. The remainder of fund balance is designated to indicate that it is not available for new spending because it has already been committed for:

- Future capital improvement expenditures

The general fund is the operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$33,474,221. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 58 percent of total general fund expenditures, while total fund balance represents 77 percent of that same amount.

The general fund balance increased \$9,045,141 during the current fiscal year. Significant factors in this change in fund balance is the substantial increase in the collection of property taxes and practically all other revenues as well as the dedication of the Board of Supervisors and County's management to control expenditures and be fiscally responsible.

The capital projects fund has a total fund balance of \$7,499,078, all of which is designated for future capital projects. The fund balance decreased \$402,846 during the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$2,256,937; the increase in appropriations can be briefly summarized as follows:

- \$52,450 increase in general government expenditures results from a multiple of issues such as notifying citizens for pending zoning changes in by-right issues, reimbursement of education classes, workers compensation that is budgeted in the non-departmental budget, higher cost of bid packages, and additional cost to rent voting areas.
- \$165,087 increase in judicial administration expenditures are the results of the Technology Funds from the Compensation Board and funds received from the Victim Witness and the VSTOP Assistant Attorney grants.
- \$488,914 increase in public safety expenditures results from workers compensation that is budgeted in the non-departmental budget and several grants from State Fire Programs, Four for Life, and Homeland Security.
- \$1,122,189 increase in the Landfill Enterprise Fund is the result of transferring funds previously approved from the Capital Improvement Fund for landfill closure costs and new landfill development to the new Landfill Enterprise Fund.
- \$242,376 increase in health and welfare expenditures are attributed to Comprehensive Services Act (CSA) for At Risk Kids.
- \$219,102 increase in parks and recreation expenditures results from workers compensation that is budgeted in the non-departmental budget and the success of several programs within the department.
- \$129,904 increase in community development expenditures results from additional funds to build another hanger at the airport, creation of a Tourism department, and the cost for a master plan for telecommunication towers.

During the year revenues exceeded the original budget estimate by \$8,724,326 and revenues exceeded the amended budget by \$7,781,787. Expenditures were more than the original budget estimate by \$1,442,856 and expenditures were less than the amended budget by \$3,699,796. The expenditures were significantly under appropriated amounts due to the large accounting adjustments made to the transfer to the school fund. Accounting adjustments were necessary to reclassify debt service expenditures from the school fund and appropriately report in the primary government.

Significant variances between the final amended budget and actual revenue and expenditures are as follows:

Revenue

- \$4,073,133 of actual revenue excess of amended budget in general property taxes is attributed to the increase and growth of real and personal property assessments and the increased rate of collection of those funds including public service corporation assessments.
- \$1,379,326 over amended budget in other local taxes is attributed to the increase in the sales tax and the amount of funds received from recordation and wills. Overall all other local taxes increased slightly.
- \$73,761 over amended budget for permits and fees is due to the new charge for water and sewer connections and building and zoning permits

General Fund Budgetary Highlights: (Continued)

- \$951,888 over the amount budgeted for revenue from the use of money, which is attributed a more favorable rate of return on funds invested.
- \$1,168,854 excess over amended budget for revenue received from the Commonwealth of Virginia is attributed greater than budgeted amounts for the Comprehensive Services Act program and increase in shared expenses for constitutional officers and their offices.

Expenditures:

- \$94,676 overrun in general government expenditures are due to contingent legal fees associated with the lawsuit Historic Green Springs, Inc. et al. v. Virginia Western Land Company, LLC, et al. This case has challenged the use of ground water wells to serve water customers in the Zions Crossroads designated growth area. The case involved several complex issues including aquifer recharge, monitoring programs to determine whether nearby wells would be damaged by use of County wells, and the effects, if any, of small quantities of uranium found in the aquifer. Several expert witnesses were required to present the County's case in a six day trial. And depositions were taken of all witnesses who were anticipated to testify. The county prevailed at trial and was successful in opposing the plaintiffs' petition for an appeal to the State Supreme Court.
- \$1,460,275 under budget from the Landfill Enterprise Fund is attributed to the landfill closure and development that was budgeted for in fiscal year 2007 and never commenced.
- \$249,624 overrun in the Facilities Department is attributed to the following: Upgrading the generator at the Administration Building, greater number of residents creating more waste removal, and contractual services.
- \$303,818 over budget in the health and welfare appropriation is attributed to the Comprehensive Services Act (CSA) for At Risk Kids

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental funds as of June 30, 2007 amounts to \$26,809,613 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total increase in the County's investment in capital assets for the current fiscal year was \$2,928,233.

County of Louisa, Virginia's Capital Assets			
	Governmental Activities		
	2007	2006	
Land	\$ 2,432,607	\$ 2,054,907	
Buildings and improvements	15,772,698	15,772,697	
Equipment	5,124,966	4,482,643	
Construction in progress	4,619,163	882,128	
Tenancy in common	9,201,750	10,380,400	
Total	<u>\$ 37,151,184</u>	<u>\$ 33,572,775</u>	
Less: accumulated depreciation	<u>(10,341,571)</u>	<u>(9,691,395)</u>	
Net capital assets	<u><u>\$ 26,809,613</u></u>	<u><u>\$ 23,881,380</u></u>	

Additional information on the County's capital assets can be found in Note 5.

Capital Asset and Debt Administration: (Continued)

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$9,201,750. Of this amount \$9,100,000 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total debt decreased by \$1,056,952.

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

Economic Factors and Next Year's Budgets and Rates

- The local unemployment rate for September 2007 was 2.7%, which is 0.3% lower than the prior year and is lower than the Virginia rate of 2.8% by 0.1%. Additionally, the local unemployment rate continues to remain below the national rate of 4.5%.
- Commercial investment in the Zion Crossroads Region continues to expand in 2007. The Best Western Hotel opened in August, Lowe's Home Supply began construction in November and Wal-Mart will begin construction in spring, 2008. In addition, a medical office building, second hotel and a third restaurant should begin construction in 2008. In the Spring Creek Residential Development 134 homes have been constructed and another 116 will be constructed in 2008.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2008 fiscal year.

For the 2007-2008 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$74,324,336. The approved CIP Budget is \$16,576,844. The plan decreased the real estate tax rate to \$0.62 per \$100 of assessed value. No reserve funds were used to balance the general fund budget.

Requests for Information

This financial report is designed to provide a general overview of the County of Louisa, 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 Deputy County Administrator, 1 Woolfolk Ave, Louisa, Virginia 23093.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets
June 30, 2007

	Primary Government		Component Units	
	Governmental Activities	Total	School Board	Louisa County Water Authority
ASSETS				
Cash and cash equivalents	\$ 38,998,311	\$ 38,998,311	\$ 3,876,604	\$ 728,073
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,646,888	1,646,888	-	-
Accounts receivable	67,211	67,211	265,466	99,302
Interest receivable	-	-	-	4,464
Landfill accounts	50,923	50,923	-	-
Due from component unit	1,081,522	1,081,522	-	-
Due from other governmental units	1,277,436	1,277,436	1,057,977	-
Prepaid expenses	-	-	-	20,138
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	640,924
Investments (in custody of others)	-	-	-	410,329
Capital assets (net of accumulated depreciation):				
Land	2,432,607	2,432,607	866,127	913,325
Buildings and system	18,473,426	18,473,426	17,532,973	23,476
Machinery and equipment	1,284,417	1,284,417	2,705,614	46,065
Infrastructure	-	-	-	1,138,725
Construction in progress	4,619,163	4,619,163	-	-
Total assets	<u>\$ 69,931,904</u>	<u>\$ 69,931,904</u>	<u>\$ 26,304,761</u>	<u>\$ 4,024,821</u>
LIABILITIES				
Accounts payable	\$ 618,081	\$ 618,081	\$ 254,907	\$ 10,539
Accrued liabilities	-	-	3,814,028	-
Amounts held for future projects	-	-	-	40,963
Customers' deposits	-	-	-	18,844
Accrued interest payable	242,900	242,900	-	-
Due to primary government	-	-	1,081,522	-
Unearned revenue	83,757	83,757	-	-
Long-term liabilities:				
Due within one year	1,224,722	1,224,722	51,346	39,784
Due in more than one year	10,434,119	10,434,119	462,109	-
Total liabilities	<u>\$ 12,603,579</u>	<u>\$ 12,603,579</u>	<u>\$ 5,663,912</u>	<u>\$ 110,130</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 17,607,864	\$ 17,607,864	\$ 21,104,714	\$ 2,121,591
Restricted for:				
Future capital expenses	-	-	-	1,079,715
Unrestricted (deficit)	39,720,461	39,720,461	(463,865)	713,385
Total net assets	<u>\$ 57,328,325</u>	<u>\$ 57,328,325</u>	<u>\$ 20,640,849</u>	<u>\$ 3,914,691</u>

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

COUNTY OF LOUISA, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,221,581	\$ 3,609	\$ 348,531	\$ -
Judicial administration	1,749,661	206,547	503,445	-
Public safety	7,702,140	1,032,403	1,724,252	27,611
Public works	3,181,936	495,604	-	464,000
Health and welfare	5,729,666	-	3,166,562	-
Education	22,066,405	-	-	140,127
Parks, recreation, and cultural	1,346,662	375,683	-	-
Community development	2,186,487	2,312	-	1,938
Interest on long-term debt	548,648	-	-	-
Total government activities	<u>\$ 47,733,186</u>	<u>\$ 2,116,158</u>	<u>\$ 5,742,790</u>	<u>\$ 633,676</u>
Total primary government	<u>\$ 47,733,186</u>	<u>\$ 2,116,158</u>	<u>\$ 5,742,790</u>	<u>\$ 633,676</u>
COMPONENT UNITS:				
School Board	\$ 44,002,661	\$ 789,317	\$ 20,742,991	\$ 180,000
Louisa County Water Authority	1,395,466	840,700	-	396,794
Total component units	<u>\$ 45,398,127</u>	<u>\$ 1,630,017</u>	<u>\$ 20,742,991</u>	<u>\$ 576,794</u>

General revenues:
 General property taxes
 Local sales and use taxes
 Taxes on recordation and wills
 Motor vehicle licenses taxes
 Consumers' utility taxes
 E-911 / communication taxes
 Other local taxes
 Unrestricted revenues from use of money and property
 Miscellaneous
 Payment from primary government
 Grants and contributions not restricted to specific programs
 Total general revenues
 Change in net assets
 Net assets - beginning
 Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government		Component Units	
Governmental Activities	Total	School Board	Louisa County Water Authority
\$ (2,869,441)	\$ (2,869,441)		
(1,039,669)	(1,039,669)		
(4,917,874)	(4,917,874)		
(2,222,332)	(2,222,332)		
(2,563,104)	(2,563,104)		
(21,926,278)	(21,926,278)		
(970,979)	(970,979)		
(2,182,237)	(2,182,237)		
(548,648)	(548,648)		
<u>\$ (39,240,562)</u>	<u>\$ (39,240,562)</u>		
<u>\$ (39,240,562)</u>	<u>\$ (39,240,562)</u>		
		\$ (22,290,353)	\$ -
		-	(157,972)
		<u>\$ (22,290,353)</u>	<u>\$ (157,972)</u>
\$ 43,652,658	\$ 43,652,658	\$ -	\$ -
1,443,201	1,443,201	-	-
874,653	874,653	-	-
604,244	604,244	-	-
553,813	553,813	-	-
350,769	350,769	-	-
289,646	289,646	-	-
2,002,022	2,002,022	6,435	68,083
665,128	665,128	598,153	-
-	-	21,805,603	-
<u>2,014,600</u>	<u>2,014,600</u>	-	-
<u>\$ 52,450,734</u>	<u>\$ 52,450,734</u>	<u>\$ 22,410,191</u>	<u>\$ 68,083</u>
\$ 13,210,172	\$ 13,210,172	\$ 119,838	\$ (89,889)
44,118,153	44,118,153	20,521,011	4,004,580
<u>\$ 57,328,325</u>	<u>\$ 57,328,325</u>	<u>\$ 20,640,849</u>	<u>\$ 3,914,691</u>

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Fund Financial Statements

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Balance Sheet
 Governmental Funds
 June 30, 2007

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 31,503,293	\$ 7,495,018	\$ 38,998,311
Receivables (net of allowance for uncollectibles):			
Taxes receivable	1,646,888	-	1,646,888
Accounts receivable	67,211	-	67,211
Landfill accounts	50,923	-	50,923
Due from component unit	1,081,522	-	1,081,522
Due from other governmental units	1,235,632	41,804	1,277,436
Total assets	<u>\$ 35,585,469</u>	<u>\$ 7,536,822</u>	<u>\$ 43,122,291</u>

LIABILITIES AND FUND BALANCES

Liabilities:			
Accounts payable	\$ 580,337	\$ 37,744	\$ 618,081
Deferred revenue	1,530,911	-	1,530,911
Total liabilities	<u>2,111,248</u>	<u>37,744</u>	<u>2,148,992</u>
Fund balances:			
Unreserved, reported in:			
General fund	\$ 33,474,221	\$ -	\$ 33,474,221
Capital projects funds:			
Designated for capital projects	-	7,499,078	7,499,078
Total fund balances	<u>\$ 33,474,221</u>	<u>\$ 7,499,078</u>	<u>\$ 40,973,299</u>
Total liabilities and fund balances	<u>\$ 35,585,469</u>	<u>\$ 7,536,822</u>	<u>\$ 43,122,291</u>

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 40,973,299

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

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 locality as a whole. 26,809,613

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid. (242,900)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets are offset by deferred revenues in the governmental funds and thus are not included in the fund balance. 1,447,154

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. All liabilities--both current and long-term--are reported in the Statement of Net Assets. (11,658,841)

Net assets of governmental activities \$ 57,328,325

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2007

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
REVENUES			
General property taxes	\$ 43,098,133	\$ -	\$ 43,098,133
Other local taxes	4,116,326	-	4,116,326
Permits, privilege fees, and regulatory licenses	1,443,061	-	1,443,061
Fines and forfeitures	66,784	-	66,784
Revenue from the use of money and property	1,507,888	494,134	2,002,022
Charges for services	1,085,304	-	1,085,304
Miscellaneous	89,560	192,264	281,824
Recovered costs	230,214	-	230,214
Intergovernmental revenues:			
Commonwealth	5,647,483	426,186	6,073,669
Federal	1,853,397	-	1,853,397
Total revenues	<u>\$ 59,138,150</u>	<u>\$ 1,112,584</u>	<u>\$ 60,250,734</u>
EXPENDITURES			
Current:			
General government administration	\$ 3,039,497	\$ -	\$ 3,039,497
Judicial administration	1,625,348	-	1,625,348
Public safety	6,933,865	-	6,933,865
Public works	2,993,707	-	2,993,707
Health and welfare	5,889,447	-	5,889,447
Education	20,236,354	-	20,236,354
Parks, recreation, and cultural	1,330,834	-	1,330,834
Community development	1,603,502	-	1,603,502
Capital projects	-	6,200,421	6,200,421
Debt service:			
Principal retirement	1,178,650	-	1,178,650
Interest and other fiscal charges	576,814	-	576,814
Total expenditures	<u>\$ 45,408,018</u>	<u>\$ 6,200,421</u>	<u>\$ 51,608,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 13,730,132</u>	<u>\$ (5,087,837)</u>	<u>\$ 8,642,295</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 1,149,911	\$ 5,834,902	\$ 6,984,813
Transfers out	<u>(5,834,902)</u>	<u>(1,149,911)</u>	<u>(6,984,813)</u>
Total other financing sources (uses)	<u>\$ (4,684,991)</u>	<u>\$ 4,684,991</u>	<u>\$ -</u>
Net change in fund balances	\$ 9,045,141	\$ (402,846)	\$ 8,642,295
Fund balances - beginning	24,429,080	7,901,924	32,331,004
Fund balances - ending	<u>\$ 33,474,221</u>	<u>\$ 7,499,078</u>	<u>\$ 40,973,299</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2007

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

Net change in fund balances - total governmental funds \$ 8,642,295

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. Details supporting this adjustment are as follows:

Capital outlay	\$ 4,926,346	
Depreciation expense	(984,266)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>(1,013,846)</u>	2,928,234

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 554,525

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Details supporting this adjustment are as follows:

Principal retired on general obligation bonds	\$ 1,060,000	
Principal retired on state literary fund loans	<u>118,650</u>	1,178,650

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. Details supporting this adjustment are as follows:

(Increase)/decrease in landfill closure, postclosure liability	\$ (39,134)	
(Increase)/decrease in accrued interest	28,166	
(Increase)/decrease in compensated absences	<u>(82,564)</u>	(93,532)

Change in net assets of governmental activities \$ 13,210,172

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

Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 703,617
Total assets	\$ <u>703,617</u>
LIABILITIES	
Amounts held for social services clients	\$ 14,667
Amounts held for projects	688,822
Amounts held for others	128
Total liabilities	\$ <u>703,617</u>

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007

Note 1—Summary of Significant Accounting Policies:

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

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

Financial Statement Presentation

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

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government and its components units. For the most part, effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County does not report any business-type activities. 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 the financial position of the primary government and its discretely presented component units. Governments will report all capital assets, in the government-wide Statement of Net Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

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

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*.

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current 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, the ability of the primary government to impose its will on the organization and whether 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 Louisa, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize they are legally separate from the government.

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units - The School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2007.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

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

B. Individual Component Unit Disclosures: (Continued)

The Louisa County Water Authority was formed by the Louisa County Board of Supervisors who appoint all Board members of the Authority. The Authority provides water and sewer services to County residents. The Board of Supervisors cannot impose its will on the Authority, but since there is a potential financial benefit or burden in the relationship, as evidenced by the large capital contributions from the County to the Authority, the Board of Supervisors is financially accountable for the Authority. Accordingly, the Authority is considered a component unit of the County and is included as a discrete presentation in the County's financial report. Financial statements for the Authority can be obtained from their Administrative Offices in Louisa, Virginia.

Other Related Organizations - Included in the County's Comprehensive Annual Financial Report

None

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 government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.).

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

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

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

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 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. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes which are collected by the state or utilities and subsequently remitted to the County are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

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

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

b. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) accounts for all financial resources used for the acquisition or construction of major capital facilities.

Additionally, the government reports the following fund types:

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. Trust and Agency funds use the accrual basis of accounting to recognize receivables and payables. Fiduciary funds are not included in the government-wide financial statements. Agency funds include the Special Welfare Fund, Bond Escrow Fund and the Sheriff's accounts.

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 department level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Fund, and the Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several supplemental appropriations were necessary during the year and at year-end.
8. All budget data presented in the accompanying financial statements is the original, and the 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.

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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

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

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.

G. Receivables and payables

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

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 \$666,888 at June 30, 2007 and is composed solely of property taxes.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable December 5th and if necessary are prorated during the year. The County bills and collects its own property taxes.

H. 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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. The County reported no capitalized interest as of June 30, 2007.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20-40
Vehicles	5
Office and Computer Equipment	5
Buses	12

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

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

I. Compensated Absences

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

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

K. Fund Equity

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

L. Retirement Plan

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

M. 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.

N. Net Assets

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

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

O. 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.

Note 2—Deposits and Investments:

Deposits

All cash of the County and its discretely presented component units are maintained in accounts collateralized in accordance with Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments.

Investments

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

The County has not adopted a formal investment policy to address the various types of risks associated with investments.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2007 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

<u>Rated Debt Investments</u>	<u>Locality's Rated Debt Investments' Values</u>				
	<u>Fair Quality Ratings</u>				
	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>A1</u>	<u>Unrated</u>
Local Government Investment Pool	\$ <u>17,183,569</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total	\$ <u>17,183,569</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

External Investment Pools:

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 3—Due From Other Governmental Units:

At June 30, 2007 the County and School Board had receivables from other governments as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Unit School Board</u>
Commonwealth of Virginia:		
ABC Profits	\$ 13,947	\$ -
Wine Tax	14,619	-
State Sales Taxes	-	715,656
Local Sales Taxes	273,928	-
Communciation Tax	60,414	-
Recordation Tax	41,804	-
VPA Funds	60,548	-
Motor Vehicle Carriers Tax	46,373	-
Shared Expenses	164,659	-
Mobile Home Titling Tax	16,488	-
Comprehensive Services Act Reimbursement	416,293	-
Other State Aid	43,683	-
Federal Government:		
School Funds	-	342,321
Homeland Security Grants	755	-
VPA Funds	117,739	-
Criminal Justice Grants	6,186	-
Total	<u>\$ 1,277,436</u>	<u>\$ 1,057,977</u>

Note 4—Due To/From Primary Government/Component Units:

<u>Fund</u>	<u>Due From Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 1,081,522	\$ -
School	-	1,081,522
Totals	<u>\$ 1,081,522</u>	<u>\$ 1,081,522</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 LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2007:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007 (1)</u>
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,054,907	\$ 377,700	\$ -	\$ 2,432,607
Construction in Progress	<u>882,128</u>	<u>3,879,743</u>	<u>142,708</u>	<u>4,619,163</u>
Total capital assets not being depreciated	<u>\$ 2,937,035</u>	<u>\$ 4,257,443</u>	<u>\$ 142,708</u>	<u>\$ 7,051,770</u>
Capital assets being depreciated:				
Buildings	\$ 26,153,098	\$ -	\$ 1,178,650	\$ 24,974,448
Equipment	<u>4,482,642</u>	<u>811,610</u>	<u>169,286</u>	<u>5,124,966</u>
Total capital assets being depreciated	<u>\$ 30,635,740</u>	<u>\$ 811,610</u>	<u>\$ 1,347,936</u>	<u>\$ 30,099,414</u>
Less accumulated depreciation for:				
Buildings	\$ 6,187,102	\$ 706,318	\$ 392,398	\$ 6,501,022
Equipment	<u>3,504,293</u>	<u>505,542</u>	<u>169,286</u>	<u>3,840,549</u>
Total accumulated depreciation	<u>\$ 9,691,395</u>	<u>\$ 1,211,860</u>	<u>\$ 561,684</u>	<u>\$ 10,341,571</u>
Total capital assets being depreciated, net	<u>\$ 20,944,345</u>	<u>\$ (400,250)</u>	<u>\$ 786,252</u>	<u>\$ 19,757,843</u>
Governmental activities capital assets, net	<u><u>\$ 23,881,380</u></u>	<u><u>\$ 3,857,193</u></u>	<u><u>\$ 928,960</u></u>	<u><u>\$ 26,809,613</u></u>

The following is a summary of changes in School Board capital assets during the year:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007 (1)</u>
Capital assets, not being depreciated:				
Land	\$ 866,127	\$ -	\$ -	\$ 866,127
Total capital assets not being depreciated	<u>\$ 866,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 866,127</u>
Capital assets being depreciated:				
Buildings	\$ 32,214,979	\$ 1,299,635	\$ -	\$ 33,514,614
Equipment	<u>6,753,656</u>	<u>763,365</u>	<u>-</u>	<u>7,517,021</u>
Total capital assets being depreciated	<u>\$ 38,968,635</u>	<u>\$ 2,063,000</u>	<u>\$ -</u>	<u>\$ 41,031,635</u>
Less accumulated depreciation for:				
Buildings	\$ 14,634,566	\$ 1,347,075	\$ -	\$ 15,981,641
Equipment	<u>4,248,781</u>	<u>562,626</u>	<u>-</u>	<u>4,811,407</u>
Total accumulated depreciation	<u>\$ 18,883,347</u>	<u>\$ 1,909,701</u>	<u>\$ -</u>	<u>\$ 20,793,048</u>
Total capital assets being depreciated, net	<u>\$ 20,085,288</u>	<u>\$ 153,299</u>	<u>\$ -</u>	<u>\$ 20,238,587</u>
School Board capital assets, net	<u><u>\$ 20,951,415</u></u>	<u><u>\$ 153,299</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,104,714</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 5—Capital Assets: (Continued)

Capital asset activity for the School Board for the year ended June 30, 2007 was as follows:

Depreciation expense	\$	1,744,897
Depreciation on joint tenancy assets- transferred to School Board		<u>164,804</u>
Net increases in accumulated depreciation	\$	<u><u>1,909,701</u></u>

(1) Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Louisa, Virginia for the year ended June 30, 2007, is that school financed assets in the amount of \$9,201,750 are reported in the Primary Government for financial reporting purposes.

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

Governmental activities:		
General Government	\$	179,331
Judicial Administration		144,157
Public Safety		338,743
Public Works		143,781
Health and Welfare		30,600
Education		227,594
Parks, Recreation and Cultural		11,079
Community Development		<u>136,575</u>
Total	\$	<u><u>1,211,860</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 6—Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2007:

	Amounts Payable July 1, 2006	Increases	Decreases	Amounts Payable June 30, 2007	Amounts Due Within One Year
Compensated absences payable	\$ 497,151	\$ 123,107	\$ 40,543	\$ 579,715	\$ 57,972
General obligation bonds	10,160,000	-	1,060,000	9,100,000	1,065,000
Literary fund loans payable	220,400	-	118,650	101,750	101,750
Landfill closure and postclosure care	<u>1,838,242</u>	<u>53,309</u>	<u>14,175</u>	<u>1,877,376</u>	<u>-</u>
 Total	 <u>\$ 12,715,793</u>	 <u>\$ 176,416</u>	 <u>\$ 1,233,368</u>	 <u>\$ 11,658,841</u>	 <u>\$ 1,224,722</u>

The general fund revenues are used to liquidate compensated absences and the liability for landfill closure and postclosure care and corrective action costs.

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

Year Ending June 30,	General Obligation Bonds		Literary Fund Loans	
	Principal	Interest	Principal	Interest
2008	\$ 1,065,000	\$ 503,570	\$ 101,750	\$ 3,053
2009	1,025,000	439,159	-	-
2010	1,000,000	376,554	-	-
2011	1,010,000	314,668	-	-
2012	1,030,000	252,645	-	-
2013	1,035,000	190,678	-	-
2014	1,050,000	127,890	-	-
2015	230,000	90,270	-	-
2016	240,000	78,285	-	-
2017	255,000	65,663	-	-
2018	270,000	52,275	-	-
2019	280,000	38,250	-	-
2020	295,000	23,588	-	-
2021	<u>315,000</u>	<u>8,033</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$ 9,100,000</u>	 <u>\$ 2,561,528</u>	 <u>\$ 101,750</u>	 <u>\$ 3,053</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations

General Obligation Bonds:

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
\$16,110,000 Series 1994A issued May 5, 1994 in annual installments ranging from \$690,000 to \$830,000 beginning July 15, 1994 through July 15, 2013, interest ranging from 6.10% to 6.30%	\$ 5,790,000	\$ 825,000
\$2,520,000 Series 1994A issued May 5 1994, due in annual installments ranging from \$30,000 to \$200,000 beginning December 15, 1994 through December 15, 2008, interest ranging from 7.09% to 7.90%	110,000	80,000
\$4,000,000 Series 2000A issued November 16, 2000, due in annual installments ranging from \$120,000 to \$315,000 beginning July 15, 2001 through July 15, 2020, interest ranging from 4.975% to 5.85%	<u>3,200,000</u>	<u>160,000</u>
Total General Obligation Bonds	\$ <u>9,100,000</u>	\$ <u>1,065,000</u>
State Literary Fund Loans:		
\$1,960,000, issued April 1, 1988, due in annual installments of \$98,000 through April 1, 2008, interest payable annually at 3%	\$ 98,000	\$ 98,000
\$75,000, issued June 1, 1988, due in annual installments of \$3,750 through June 1, 2008, interest payable annually at 3%	<u>3,750</u>	<u>3,750</u>
Total State Literary Fund Loans	\$ 101,750	\$ 101,750
Accrued compensated absences	579,715	57,972
Landfill closure, postclosure care and corrective action costs	<u>1,877,376</u>	<u>-</u>
Total Long-Term Obligations	\$ <u>11,658,841</u>	\$ <u>1,224,722</u>

General obligation bonds are direct obligations and pledge the full faith and credit of the County.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 6—Long-Term Obligations: (Continued)

Component Unit School Board:

The following is a summary of changes in long-term obligations for the fiscal year ending June 30, 2007:

	<u>Amounts Payable</u>			<u>Amounts Payable</u>	<u>Amounts Due Within One Year</u>
	<u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2007</u>	
Compensated absences payable	\$ 500,163	\$ 130,299	\$ 117,007	\$ 513,455	\$ 51,346
Total	\$ 500,163	\$ 130,299	\$ 117,007	\$ 513,455	\$ 51,346

Note 7—Deferred Revenue:

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 \$1,530,911 is comprised of the following:

- A. Primary Government—Deferred Parks & Recreation Revenue: Deferred revenue representing amounts collected prior to June 30 not available for funding of current expenditures totaled \$453 at June 30, 2007.
- B. Primary Government—Deferred Property Taxes – Deferred revenue representing deferred property tax revenues totaled \$1,530,458 at June 30, 2007.

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 employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating law enforcement officers and firefighters) and at age 50 with 30 years of service for participating employees (age 50 with 25 years for participating law enforcement officers and firefighters) payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Participating law enforcement officers and firefighters may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% 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 participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The County and School Board non-professional employee contribution rates for the fiscal year ended 2007 were 5.99% and 5.28% of annual covered payroll, respectively.

The School Board's professional employees contributed \$2,023,767, \$1,306,303 and \$1,116,449 to the teacher cost-sharing pool for the fiscal years ended June 30, 2007, 2006 and 2005 respectively and these contributions represented 9.2%, 6.62%, and 6.03% respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year ended 2007, the County's annual pension cost of \$464,025 (does not include the portion of the employee share assumed by the County which was \$387,333) was equal to the County's required and actual contributions. The required contributions were determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method.

For fiscal year ended 2007, the County School Board's annual pension cost for the Board's non-professional employees was \$151,436 (does not include the portion of the employee share assumed by the School Board which was \$143,405) which was equal to Board's required and actuarial contributions. The required contributions were determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method.

	<u>County</u>	<u>Non-Professional School Board</u>
Valuation Date	June 30, 2006	June 30, 2006
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level percent, open	Level percent, open
Payroll Growth Rate	2.50%	2.50%
Remaining Amortization Period	20 Years	20 Years
Asset Valuation Method	Modified market	Modified market
Actuarial Assumptions:		
Investment Rate of Return ¹	7.50%	7.50%
Projected Salary Increases ¹		
Non LEO Employees	3.75% to 5.60%	3.75% to 5.60%
LEO Employees	3.50% to 4.75%	3.50% to 4.75%
Cost-Living Adjustments	2.50%	2.50%

¹ Includes inflation at 2.50%

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost

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, 2007	\$ 464,025	100%	\$ -
June 30, 2006	385,027	100%	-
June 30, 2005	357,418	100%	-
School Board:			
Non-Professional:			
June 30, 2007	\$ 151,436	100%	\$ -
June 30, 2006	113,407	100%	-
June 30, 2005	108,050	100%	-

(1) Employer portion only

Note 9—Contingent Liabilities:

Federal programs in which the County and its component units 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 provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 10—Landfill Closure and Postclosure Care Cost:

The County of Louisa, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The liability in the amount of \$1,877,376 reported as landfill closure, postclosure and corrective action liability on the June 30, 2007 Statement of Net Assets is \$718,409 less than the \$2,595,784 reported on the required financial assurance due to costs paid for landfill closure in prior fiscal years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County does not expect complete closure on the landfill for another 1-2 years after mandated closing in 2012. The County has demonstrated financial assurance requirements for closure, 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. Also, the County intends to fund these costs from funds accumulated for this purpose in the General Fund.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 11—Risk Management:

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

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

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

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

Note 12—Litigation:

At June 30, 2007, 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 such entities.

Note 13—Interfund Transfers:

Interfund transfers for the year ended June 30, 2007, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 1,149,911	\$ 5,834,902
Capital Projects Fund	<u>5,834,902</u>	<u>1,149,911</u>
Total	<u>\$ 6,984,813</u>	<u>\$ 6,984,813</u>

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2007 (Continued)

Note 14—Surety Bonds:

	<u>Amount</u>
Fidelity Deposit Company of Maryland-Surety	
Susan Hopkins, Clerk of the Circuit Court	\$ 25,000
Gloria G. Layne, Treasurer	400,000
Nancy Pleasants, Commissioner of the Revenue	3,000
Ashland D. Fortune, Sheriff	30,000
The above constitutional officer's employees-blanket bond	50,000
Insurance Company of North American-Surety	
Rebecca A. Fisher, Clerk of the School Board	10,000
Fidelity and Deposit Company of Maryland-Surety	
Allen B. Jennings, Supervisor	2,000
Fitzgerald A. Barnes, Supervisor	2,000
Eric F. Purcell, Supervisor	2,000
Jackson T. Wright, Supervisor	2,000
Richard A. Havasy, Supervisor	2,000
Willie L. Gentry, Jr., Supervisor	2,000
Willie L. Harper, Supervisor	2,000
C. Lee Lintecum, County Administrator	3,000

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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General Fund

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

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 39,025,000	\$ 39,025,000	\$ 43,098,133	\$ 4,073,133
Other local taxes	2,737,000	2,737,000	4,116,326	1,379,326
Permits, privilege fees, and regulatory licenses	1,120,300	1,369,300	1,443,061	73,761
Fines and forfeitures	70,000	70,000	66,784	(3,216)
Revenue from the use of money and property	556,000	556,000	1,507,888	951,888
Charges for services	995,450	997,732	1,085,304	87,572
Miscellaneous	100,000	112,491	89,560	(22,931)
Recovered costs	59,000	68,870	230,214	161,344
Intergovernmental revenues:				
Commonwealth	4,169,346	4,515,608	5,647,483	1,131,875
Federal	1,581,728	1,904,362	1,853,397	(50,965)
Total revenues	\$ 50,413,824	\$ 51,356,363	\$ 59,138,150	\$ 7,781,787
EXPENDITURES				
General government administration:				
Legislative:				
Board of supervisors	\$ 183,615	\$ 189,654	\$ 166,814	\$ 22,840
General and financial administration:				
County administrator	\$ 512,063	\$ 519,265	\$ 390,931	\$ 128,334
County attorney	203,407	203,529	607,360	(403,831)
Administrative and human resources	172,450	186,568	168,600	17,968
Commissioner of revenue	350,231	350,231	327,544	22,687
Reassessment	408,754	415,483	380,523	34,960
Treasurer	363,107	368,126	377,599	(9,473)
Central accounting	288,407	293,407	258,780	34,627
Network administration	271,284	267,784	231,467	36,317
Total general and financial administration	\$ 2,569,703	\$ 2,604,393	\$ 2,742,804	\$ (138,411)
Board of elections:				
Electoral board and officials	\$ 139,053	\$ 150,774	\$ 129,879	\$ 20,895
Total board of elections	\$ 139,053	\$ 150,774	\$ 129,879	\$ 20,895
Total general government administration	\$ 2,892,371	\$ 2,944,821	\$ 3,039,497	\$ (94,676)
Judicial administration:				
Courts:				
Circuit court	\$ 88,904	\$ 88,904	\$ 63,709	\$ 25,195
General district court	22,000	22,000	13,486	8,514
Clerk of the circuit court	464,869	510,095	459,371	50,724
Sheriff - courts	536,140	550,510	634,028	(83,518)
Law library	-	-	11,942	(11,942)
Total courts	\$ 1,111,913	\$ 1,171,509	\$ 1,182,536	\$ (11,027)

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2007 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 385,365	\$ 490,856	\$ 442,812	\$ 48,044
Total commonwealth's attorney	\$ 385,365	\$ 490,856	\$ 442,812	\$ 48,044
Total judicial administration	\$ 1,497,278	\$ 1,662,365	\$ 1,625,348	\$ 37,017
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 2,482,685	\$ 2,668,999	\$ 2,800,657	\$ (131,658)
Communications center	555,688	573,922	593,883	(19,961)
Emergency 911 system	210,608	210,608	229,176	(18,568)
Total law enforcement and traffic control	\$ 3,248,981	\$ 3,453,529	\$ 3,623,716	\$ (170,187)
Fire and rescue services:				
Office of emergency services	\$ 144,748	\$ 254,000	\$ 212,420	\$ 41,580
Fire & rescue assistance	1,548,718	1,693,228	1,672,829	20,399
Emergency services	977,345	977,345	715,272	262,073
Total fire and rescue services	\$ 2,670,811	\$ 2,924,573	\$ 2,600,521	\$ 324,052
Correction and detention:				
Sheriff - correction and detention	\$ 193,107	\$ 206,950	\$ 220,754	\$ (13,804)
Total correction and detention	\$ 193,107	\$ 206,950	\$ 220,754	\$ (13,804)
Inspections:				
Board of building appeals	\$ 3,100	\$ 3,100	\$ -	\$ 3,100
Total inspections	\$ 3,100	\$ 3,100	\$ -	\$ 3,100
Other protection:				
Animal control	\$ 153,633	\$ 153,867	\$ 160,446	\$ (6,579)
Animal shelter	169,669	169,669	141,397	28,272
Forest fire prevention & extinction	22,000	25,025	20,726	4,299
Emergency services (civil defense)	23,060	23,060	23,060	-
Transportation safety commission	2,200	2,200	1,023	1,177
Transportation department	149,150	162,652	142,222	20,430
Total other protection	\$ 519,712	\$ 536,473	\$ 488,874	\$ 47,599
Total public safety	\$ 6,635,711	\$ 7,124,625	\$ 6,933,865	\$ 190,760
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Road administration	\$ 1,507	\$ 1,507	\$ -	\$ 1,507
Total road administration	\$ 1,507	\$ 1,507	\$ -	\$ 1,507

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2007 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES: (Continued)				
Public works: (Continued)				
Sanitation and waste removal:				
Scalehouse operations	\$ 95,879	\$ 95,879	\$ 90,168	\$ 5,711
Refuse collection-solid waste control	1,316,083	2,310,994	894,581	1,416,413
Litter control	44,998	44,998	6,847	38,151
Total sanitation and waste removal	\$ 1,456,960	\$ 2,451,871	\$ 991,596	\$ 1,460,275
Maintenance of general buildings and grounds:				
General properties	\$ 1,962,526	\$ 2,089,804	\$ 2,002,111	\$ 87,693
Total maintenance of general buildings and grounds	\$ 1,962,526	\$ 2,089,804	\$ 2,002,111	\$ 87,693
Total public works	\$ 3,420,993	\$ 4,543,182	\$ 2,993,707	\$ 1,549,475
Health and welfare:				
Health:				
Supplement of local health department	\$ 690,743	\$ 690,743	\$ 690,743	\$ -
Total health	\$ 690,743	\$ 690,743	\$ 690,743	\$ -
Mental health and mental retardation:				
Region 10	\$ 119,031	\$ 119,031	\$ 119,031	\$ -
Total mental health and mental retardation	\$ 119,031	\$ 119,031	\$ 119,031	\$ -
Welfare:				
Welfare administration & public assistance	\$ 2,841,352	\$ 3,083,728	\$ 3,107,879	\$ (24,151)
At risk youth	1,055,000	1,055,000	1,331,867	(276,867)
Monticello Area Community Action Agency	34,311	34,311	34,311	-
Jefferson Area Board for Aging	240,478	240,478	240,478	-
Housing assistance	172,626	172,626	172,626	-
Social service agency donations	189,712	189,712	192,512	(2,800)
Total welfare	\$ 4,533,479	\$ 4,775,855	\$ 5,079,673	\$ (303,818)
Total health and welfare	5,343,253	5,585,629	5,889,447	(303,818)
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 21,869,666	\$ 21,889,666	\$ 20,203,146	\$ 1,686,520
Contributions to local community college	33,208	33,208	33,208	-
Total education	\$ 21,902,874	\$ 21,922,874	\$ 20,236,354	\$ 1,686,520
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 940,717	\$ 1,002,881	\$ 916,247	\$ 86,634
Total parks and recreation	\$ 940,717	\$ 1,002,881	\$ 916,247	\$ 86,634

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2007 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Community organizations	15,000	171,938	121,938	50,000
Total cultural enrichment	\$ 17,000	\$ 173,938	\$ 123,938	\$ 50,000
Library:				
Contribution to regional library	\$ 290,649	\$ 290,649	\$ 290,649	\$ -
Total library	\$ 290,649	\$ 290,649	\$ 290,649	\$ -
Total parks, recreation, and cultural	\$ 1,248,366	\$ 1,467,468	\$ 1,330,834	\$ 136,634
Community development:				
Planning and community development:				
Planning	\$ 1,003,703	\$ 1,088,869	\$ 1,035,501	\$ 53,368
Planning District Commission	52,810	52,810	52,810	-
Industrial Development Authority	146,432	171,432	171,432	-
Economic development	157,791	175,247	131,050	44,197
Other community development	79,930	82,212	51,340	30,872
Total planning and community development	\$ 1,440,666	\$ 1,570,570	\$ 1,442,133	\$ 128,437
Environmental management:				
Soil and water conservation district	\$ 75,695	\$ 75,695	\$ 75,694	\$ 1
Total environmental management	\$ 75,695	\$ 75,695	\$ 75,694	\$ 1
Cooperative extension program:				
VPI extension	\$ 99,843	\$ 99,843	\$ 85,675	\$ 14,168
Total cooperative extension program	\$ 99,843	\$ 99,843	\$ 85,675	\$ 14,168
Total community development	\$ 1,616,204	\$ 1,746,108	\$ 1,603,502	\$ 142,606
Debt service:				
Principal retirement	\$ 1,178,708	\$ 1,178,650	\$ 1,178,650	\$ -
Interest and other fiscal charges	600,217	600,275	576,814	23,461
Total debt service	\$ 1,778,925	\$ 1,778,925	\$ 1,755,464	\$ 23,461
Total Expenditures	\$ 46,850,874	\$ 49,127,811	\$ 45,408,018	\$ 3,719,793
Excess (deficiency) of revenues over (under) expenditures	\$ 3,562,950	\$ 2,228,552	\$ 13,730,132	\$ 11,501,580
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 1,149,911	\$ 1,149,911	\$ -
Transfers out	(5,388,024)	(5,794,095)	(5,834,902)	(40,807)
Total other financing sources and uses	\$ (5,388,024)	\$ (4,644,184)	\$ (4,684,991)	\$ (40,807)
Net change in fund balances	\$ (1,825,074)	\$ (2,415,632)	\$ 9,045,141	\$ 11,460,773
Fund balances - beginning	1,825,074	2,415,632	24,429,080	22,013,448
Fund balances - ending	\$ -	\$ -	\$ 33,474,221	\$ 33,474,221

Virginia Retirement System
 Schedule of Pension Funding Progress
 Last Three Fiscal Years

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)
6/30/2006	\$ 14,696,904	\$ 15,167,150	470,246	96.90%	\$ 7,082,229	6.64%
6/30/2005	13,543,323	14,525,576	982,253	93.24%	6,038,538	16.27%
6/30/2004	12,953,520	13,182,677	229,157	98.26%	5,718,646	4.01%

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)
6/30/2006	\$ 6,657,644	\$ 7,196,892	539,248	92.51%	\$ 2,842,181	18.97%
6/30/2005	6,156,227	6,515,619	359,392	94.48%	2,658,697	13.52%
6/30/2004	5,934,693	5,843,999	(90,694)	101.55%	2,566,422	-3.53%

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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
 For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 175,000	\$ 175,000	\$ 494,134	\$ 319,134
Miscellaneous	-	164,794	192,264	27,470
Intergovernmental revenues:				
Commonwealth	205,986	293,881	426,186	132,305
Total revenues	<u>\$ 380,986</u>	<u>\$ 633,675</u>	<u>\$ 1,112,584</u>	<u>\$ 478,909</u>
EXPENDITURES				
Current:				
Economic development projects	\$ 2,815,000	\$ 5,180,480	\$ 453,373	\$ 4,727,107
Emergency services projects	575,000	642,576	593,220	49,356
County administration	-	95,000	94,593	407
Parks and recreation	800,000	1,726,588	448,667	1,277,921
Sheriffs department	335,000	391,246	341,705	49,541
School capital projects	8,933,010	9,787,428	4,166,813	5,620,615
Public works	311,000	502,441	102,050	400,391
Miscellaneous capital projects	-	25,000	-	25,000
Total expenditures	<u>\$ 13,769,010</u>	<u>\$ 18,350,759</u>	<u>\$ 6,200,421</u>	<u>\$ 12,150,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (13,388,024)</u>	<u>\$ (17,717,084)</u>	<u>\$ (5,087,837)</u>	<u>\$ 12,629,247</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 5,388,024	\$ 5,814,095	\$ 5,834,902	\$ 20,807
Transfers out	-	(1,149,911)	(1,149,911)	-
Total other financing sources and uses	<u>\$ 5,388,024</u>	<u>\$ 4,664,184</u>	<u>\$ 4,684,991</u>	<u>\$ 20,807</u>
Net change in fund balances	\$ (8,000,000)	\$ (13,052,900)	\$ (402,846)	\$ 12,650,054
Fund balances - beginning	8,000,000	13,052,900	7,901,924	(5,150,976)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,499,078</u>	<u>\$ 7,499,078</u>

Combining Statement of Fiduciary Net Assets
 Agency Funds
 June 30, 2007

	Agency Funds			
	Special Welfare	Bond Escrow Fund	Sheriff's Accounts	Total
ASSETS				
Cash and cash equivalents	\$ 14,667	\$ 688,822	\$ 128	\$ 703,617
Total assets	<u>\$ 14,667</u>	<u>\$ 688,822</u>	<u>\$ 128</u>	<u>\$ 703,617</u>
LIABILITIES				
Amounts held for social services clients	\$ 14,667	\$ -	\$ -	\$ 14,667
Amounts held for projects	-	688,822	-	688,822
Amounts held for others	-	-	128	128
Total liabilities	<u>\$ 14,667</u>	<u>\$ 688,822</u>	<u>\$ 128</u>	<u>\$ 703,617</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2007

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 3,661	\$ 43,655	\$ 32,649	\$ 14,667
Total assets	<u>\$ 3,661</u>	<u>\$ 43,655</u>	<u>\$ 32,649</u>	<u>\$ 14,667</u>
LIABILITIES				
Amounts held for social services clients	\$ 3,661	\$ 43,655	\$ 32,649	\$ 14,667
Total liabilities	<u>\$ 3,661</u>	<u>\$ 43,655</u>	<u>\$ 32,649</u>	<u>\$ 14,667</u>
Bond Escrow Account:				
ASSETS				
Cash and cash equivalents	\$ 581,314	\$ 204,032	\$ 96,524	\$ 688,822
Total assets	<u>\$ 581,314</u>	<u>\$ 204,032</u>	<u>\$ 96,524</u>	<u>\$ 688,822</u>
LIABILITIES				
Amounts held for projects	\$ 581,314	\$ 204,032	\$ 96,524	\$ 688,822
Total liabilities	<u>\$ 581,314</u>	<u>\$ 204,032</u>	<u>\$ 96,524</u>	<u>\$ 688,822</u>
Sheriff's Accounts				
ASSETS				
Cash and cash equivalents	\$ 148	\$ -	\$ 20	\$ 128
Total assets	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 128</u>
LIABILITIES				
Amounts held for others	\$ 148	\$ -	\$ 20	\$ 128
Total liabilities	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 128</u>
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 585,123	\$ 247,687	\$ 129,193	\$ 703,617
Total assets	<u>\$ 585,123</u>	<u>\$ 247,687</u>	<u>\$ 129,193</u>	<u>\$ 703,617</u>
LIABILITIES				
Amounts held for social services clients	\$ 3,661	\$ 43,655	\$ 32,649	\$ 14,667
Amounts held for projects	581,314	204,032	96,524	688,822
Amounts held for others	148	-	20	128
Total liabilities	<u>\$ 585,123</u>	<u>\$ 247,687</u>	<u>\$ 129,193</u>	<u>\$ 703,617</u>

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Discretely Presented Component Unit-School Board

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Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2007

	<u>School Operating Fund</u>
ASSETS	
Cash and cash equivalents	\$ 3,876,604
Receivables (net of allowance for uncollectibles):	
Accounts receivable	265,466
Due from other governmental units	<u>1,057,977</u>
Total assets	<u>\$ 5,200,047</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 254,907
Accrued liabilities	3,814,028
Due to primary government	<u>1,081,522</u>
Total liabilities	<u>\$ 5,150,457</u>
Fund balances:	
Unreserved:	
Cafeteria fund	\$ <u>49,590</u>
Total fund balances	\$ 49,590
Total liabilities and fund balances	<u>\$ 5,200,047</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 49,590
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,104,714
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(513,455)</u>
Net assets of governmental activities	<u>\$ 20,640,849</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2007

	<u>School Operating Fund</u>
REVENUES	
Revenue from the use of money and property	\$ 6,435
Charges for services	789,317
Miscellaneous	96,726
Recovered costs	830,395
Intergovernmental revenues:	
Local government	20,203,146
Commonwealth	17,860,995
Federal	3,061,996
Total revenues	<u>\$ 42,849,010</u>
EXPENDITURES	
Current:	
Education	\$ 42,869,179
Total expenditures	<u>\$ 42,869,179</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(20,169)</u>
Net change in fund balances	\$ (20,169)
Fund balances - beginning	<u>69,759</u>
Fund balances - ending	<u><u>\$ 49,590</u></u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:	
Net change in fund balances - total governmental funds - per above	\$ (20,169)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. Details supporting this adjustment are as follows:	
Capital outlay	\$ 884,350
Depreciation expense	(1,744,897)
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>1,013,846</u> \$ 153,299
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.	(13,292)
Change in net assets of governmental activities	<u><u>\$ 119,838</u></u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2007

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 4,000	\$ 4,000	\$ 6,435	\$ 2,435
Charges for services	1,015,206	1,015,206	789,317	(225,889)
Miscellaneous	90,500	94,000	96,726	2,726
Recovered costs	424,111	502,781	830,395	327,614
Intergovernmental revenues:				
Local government	22,208,872	21,743,349	20,203,146	(1,540,203)
Commonwealth	17,343,624	18,327,187	17,860,995	(466,192)
Federal	2,866,771	2,928,915	3,061,996	133,081
Total revenues	<u>\$ 43,953,084</u>	<u>\$ 44,615,438</u>	<u>\$ 42,849,010</u>	<u>\$ (1,766,428)</u>
EXPENDITURES				
Current:				
Education:				
Instruction	\$ 31,055,900	\$ 31,466,966	\$ 30,650,563	\$ 816,403
Administration, attendance and health	1,860,600	1,851,206	1,682,361	168,845
Pupil transportation	3,188,197	3,188,197	3,061,582	126,615
Operation and maintenance services	4,182,031	4,178,081	3,631,015	547,066
Facilities	143,270	417,373	396,097	21,276
Technology	1,778,007	1,713,536	1,713,491	45
School food services	1,745,079	1,745,079	1,734,070	11,009
Total expenditures	<u>\$ 43,953,084</u>	<u>\$ 44,560,438</u>	<u>\$ 42,869,179</u>	<u>\$ 1,691,259</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 55,000	\$ (20,169)	\$ (75,169)
Net change in fund balances	\$ -	\$ 55,000	\$ (20,169)	\$ (75,169)
Fund balances - beginning	-	(55,000)	69,759	124,759
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,590</u>	<u>\$ 49,590</u>

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Supporting Schedules

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Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2007

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 21,792,000	\$ 21,792,000	\$ 24,208,022	\$ 2,416,022
Real and personal public service corporation taxes	13,930,000	13,930,000	14,239,265	309,265
Personal property taxes	2,500,000	2,500,000	3,601,733	1,101,733
Mobile home taxes	67,000	67,000	23,533	(43,467)
Machinery and tools taxes	257,000	257,000	275,613	18,613
Other taxes	284,000	284,000	385,153	101,153
Penalties	135,000	135,000	251,866	116,866
Interest	60,000	60,000	112,948	52,948
Total general property taxes	<u>\$ 39,025,000</u>	<u>\$ 39,025,000</u>	<u>\$ 43,098,133</u>	<u>\$ 4,073,133</u>
Other local taxes:				
Local sales and use taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,443,201	\$ 243,201
Consumers' utility taxes	435,000	435,000	553,813	118,813
E-911 telephone taxes	300,000	300,000	179,715	(120,285)
Communication taxes	-	-	171,054	171,054
Business license taxes	90,000	90,000	236,651	146,651
Utility license taxes	12,000	12,000	19,779	7,779
Motor vehicle licenses	400,000	400,000	604,244	204,244
Taxes on recordation and wills	300,000	300,000	874,653	574,653
Hotel and motel room taxes	-	-	33,216	33,216
Total other local taxes	<u>\$ 2,737,000</u>	<u>\$ 2,737,000</u>	<u>\$ 4,116,326</u>	<u>\$ 1,379,326</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,000	\$ 12,990	\$ (2,010)
Land use application fees	1,000	1,000	1,420	420
Transfer fees	1,300	1,300	1,989	689
Building and other related permits	800,000	800,000	506,217	(293,783)
Zoning and use permits	220,000	220,000	408,827	188,827
Erosion and sediment control	80,000	80,000	44,993	(35,007)
Water and sewer connect fees	-	249,000	464,000	215,000
Permits and other licenses	3,000	3,000	2,625	(375)
Total permits, privilege fees, and regulatory licenses	<u>\$ 1,120,300</u>	<u>\$ 1,369,300</u>	<u>\$ 1,443,061</u>	<u>\$ 73,761</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 70,000	\$ 70,000	\$ 66,784	\$ (3,216)
Total fines and forfeitures	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 66,784</u>	<u>\$ (3,216)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 520,000	\$ 520,000	\$ 1,469,629	\$ 949,629
Revenue from use of property	36,000	36,000	38,259	2,259
Total revenue from use of money and property	<u>\$ 556,000</u>	<u>\$ 556,000</u>	<u>\$ 1,507,888</u>	<u>\$ 951,888</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2006 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Charges for services:				
Excess fees of clerk	\$ 120,000	\$ 120,000	\$ 158,492	\$ 38,492
Charges for law enforcement and traffic control	1,000	1,000	3,907	2,907
Charges for courthouse maintenance	13,000	13,000	13,066	66
Treasurer's collection fees	-	-	(5)	(5)
Concealed weapons permits	1,500	1,500	1,959	459
Charges for Commonwealth's Attorney	650	650	768	118
Charges for sanitation and waste removal	465,000	465,000	495,604	30,604
Charges for parks and recreation	368,500	368,500	373,058	4,558
Other court charges	24,000	24,000	30,175	6,175
Other charges for services	1,800	4,082	5,506	1,424
Court fees law library	-	-	2,774	2,774
Total charges for services	<u>\$ 995,450</u>	<u>\$ 997,732</u>	<u>\$ 1,085,304</u>	<u>\$ 87,572</u>
Miscellaneous revenue:				
Miscellaneous	\$ 100,000	\$ 112,491	\$ 89,560	\$ (22,931)
Total miscellaneous revenue	<u>\$ 100,000</u>	<u>\$ 112,491</u>	<u>\$ 89,560</u>	<u>\$ (22,931)</u>
Recovered costs:				
Juvenile and domestic relations court costs	\$ 19,000	\$ 19,000	\$ 25,076	\$ 6,076
Other recovered costs	40,000	40,000	77,729	37,729
Expenditure refunds	-	-	100,824	100,824
Other recovered costs - welfare	-	9,870	26,585	16,715
Total recovered costs	<u>\$ 59,000</u>	<u>\$ 68,870</u>	<u>\$ 230,214</u>	<u>\$ 161,344</u>
Total revenue from local sources	<u>\$ 44,662,750</u>	<u>\$ 44,936,393</u>	<u>\$ 51,637,270</u>	<u>\$ 6,700,877</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 13,947	\$ 13,947	\$ 13,947	-
Wine taxes	14,619	14,619	14,620	1
Motor vehicle carriers' tax	45,000	45,000	50,507	5,507
Mobile home titling tax	50,000	50,000	67,223	17,223
Motor vehicle rental tax	1,300	1,300	5,990	4,690
Personal property tax relief funds	1,620,227	1,620,227	1,642,403	22,176
Total noncategorical aid	<u>\$ 1,745,093</u>	<u>\$ 1,745,093</u>	<u>\$ 1,794,690</u>	<u>\$ 49,597</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 210,886	\$ 210,886	\$ 276,701	\$ 65,815
Sheriff	922,554	927,953	1,211,315	283,362
Commissioner of revenue	101,292	101,292	139,521	38,229
Treasurer	101,292	101,292	144,372	43,080
Medical examiner	390	390	-	(390)
Registrar/electoral board	27,668	27,668	57,979	30,311
Clerk of the Circuit Court	185,412	185,412	226,744	41,332
Total shared expenses	<u>\$ 1,549,494</u>	<u>\$ 1,554,893</u>	<u>\$ 2,056,632</u>	<u>\$ 501,739</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2007 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid:				
Welfare administration and assistance	\$ 574,759	\$ 668,985	\$ 632,748	\$ (36,237)
Wireless E-911 grant	-	-	54,625	54,625
Juvenile justice - crime control	-	13,843	13,843	-
At risk youth - comprehensive services act	300,000	300,000	856,957	556,957
Four 4 life grant	-	27,611	27,611	-
Litter control grant	-	-	7,746	7,746
Radiological preparedness grant	-	42,750	40,750	(2,000)
Fire programs fund	-	111,606	111,606	-
Victim-witness grant	-	50,827	47,849	(2,978)
Other categorical aid	-	-	2,426	2,426
Total other categorical aid	<u>\$ 874,759</u>	<u>\$ 1,215,622</u>	<u>\$ 1,796,161</u>	<u>\$ 580,539</u>
Total categorical aid	<u>\$ 2,424,253</u>	<u>\$ 2,770,515</u>	<u>\$ 3,852,793</u>	<u>\$ 1,082,278</u>
Total revenue from the Commonwealth	<u>\$ 4,169,346</u>	<u>\$ 4,515,608</u>	<u>\$ 5,647,483</u>	<u>\$ 1,131,875</u>
Revenue from the federal government:				
Categorical aid:				
Welfare public assistance	\$ 1,568,705	\$ 1,711,855	\$ 1,676,857	\$ (34,998)
Alcohol open container requirements	-	20,000	14,327	(5,673)
Local law enforcement grant	-	1,287	1,287	-
Bulletproof vest partnership program	-	8,382	8,108	(274)
Edward Byrne memorial justice assistance grant	-	59,895	59,895	-
Community development block grant	-	1,938	1,938	-
Help america vote act requirements	-	5,660	5,660	-
State domestic preparedness equipment program	-	57,578	51,778	(5,800)
Violence against women	13,023	37,767	24,744	(13,023)
Emergency management preparedness	-	-	8,803	8,803
Total categorical aid	<u>\$ 1,581,728</u>	<u>\$ 1,904,362</u>	<u>\$ 1,853,397</u>	<u>\$ (50,965)</u>
Total revenue from the federal government	<u>\$ 1,581,728</u>	<u>\$ 1,904,362</u>	<u>\$ 1,853,397</u>	<u>\$ (50,965)</u>
Total General Fund	<u>\$ 50,413,824</u>	<u>\$ 51,356,363</u>	<u>\$ 59,138,150</u>	<u>\$ 7,781,787</u>
Capital Projects Fund:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 175,000	\$ 175,000	\$ 494,134	\$ 319,134
Total revenue from use of money and property	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 494,134</u>	<u>\$ 319,134</u>
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ 164,794	\$ 192,264	\$ 27,470
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ 164,794</u>	<u>\$ 192,264</u>	<u>\$ 27,470</u>
Total revenue from local sources	<u>\$ 175,000</u>	<u>\$ 339,794</u>	<u>\$ 686,398</u>	<u>\$ 346,604</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2007 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund: (Continued)				
County Capital Improvements Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
OEMS consolidated grant	\$ -	\$ 67,576	\$ 67,576	\$ -
School construction	105,986	126,305	140,127	13,822
Recordation taxes	100,000	100,000	218,483	118,483
Total categorical aid	<u>\$ 205,986</u>	<u>\$ 293,881</u>	<u>\$ 426,186</u>	<u>\$ 132,305</u>
Total revenue from the Commonwealth	<u>\$ 205,986</u>	<u>\$ 293,881</u>	<u>\$ 426,186</u>	<u>\$ 132,305</u>
Total County Capital Improvements Fund	<u>\$ 380,986</u>	<u>\$ 633,675</u>	<u>\$ 1,112,584</u>	<u>\$ 478,909</u>
Total Primary Government	<u>\$ 50,794,810</u>	<u>\$ 51,990,038</u>	<u>\$ 60,250,734</u>	<u>\$ 8,260,696</u>
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,000	\$ 1,000	\$ 6,435	\$ 5,435
Revenue from the use of property	3,000	3,000	-	(3,000)
Total revenue from use of money and property	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 6,435</u>	<u>\$ 2,435</u>
Charges for services:				
Tuition	\$ 10,000	\$ 10,000	\$ 10,249	\$ 249
Cafeteria sales	1,005,206	1,005,206	779,068	(226,138)
Total charges for services	<u>\$ 1,015,206</u>	<u>\$ 1,015,206</u>	<u>\$ 789,317</u>	<u>\$ (225,889)</u>
Miscellaneous revenue:				
Other miscellaneous	\$ 90,500	\$ 94,000	\$ 96,726	\$ 2,726
Total miscellaneous revenue	<u>\$ 90,500</u>	<u>\$ 94,000</u>	<u>\$ 96,726</u>	<u>\$ 2,726</u>
Recovered costs:				
Other recovered costs	\$ 424,111	\$ 502,781	\$ 830,395	\$ 327,614
Total recovered costs	<u>\$ 424,111</u>	<u>\$ 502,781</u>	<u>\$ 830,395</u>	<u>\$ 327,614</u>
Total revenue from local sources	<u>\$ 1,533,817</u>	<u>\$ 1,615,987</u>	<u>\$ 1,722,873</u>	<u>\$ 106,886</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 22,208,872	\$ 21,743,349	\$ 20,203,146	\$ (1,540,203)
Total revenues from local governments	<u>\$ 22,208,872</u>	<u>\$ 21,743,349</u>	<u>\$ 20,203,146</u>	<u>\$ (1,540,203)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2007 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,400,000	\$ 4,674,168	\$ 4,579,356	\$ (94,812)
Basic school aid	8,536,031	8,708,586	8,577,530	(131,056)
Special education	1,015,702	1,015,702	1,005,202	(10,500)
Textbook payment	203,560	200,501	198,428	(2,073)
Vocational SOQ payments	205,940	205,940	203,957	(1,983)
Social security fringe benefits	475,860	475,860	470,941	(4,919)
Retirement fringe benefits	607,822	603,823	597,581	(6,242)
State lottery payments	-	465,523	439,895	(25,628)
At risk payments	191,327	190,467	188,522	(1,945)
Special education - regional tuition	235,671	235,671	65,266	(170,405)
Primary class size	262,246	261,674	271,983	10,309
Technology	180,000	180,000	180,000	-
At risk four-year olds	190,178	200,744	200,744	-
English as a second language	16,559	16,623	12,586	(4,037)
Other state funds	822,728	891,905	869,004	(22,901)
Total categorical aid	<u>\$ 17,343,624</u>	<u>\$ 18,327,187</u>	<u>\$ 17,860,995</u>	<u>\$ (466,192)</u>
Total revenue from the Commonwealth	<u>\$ 17,343,624</u>	<u>\$ 18,327,187</u>	<u>\$ 17,860,995</u>	<u>\$ (466,192)</u>
Revenue from the federal government:				
Categorical aid:				
Title II, part D: Education technology state grants	\$ -	\$ -	\$ 16,155	\$ 16,155
Title I: Grants to local educational agencies	846,000	864,070	938,455	74,385
Title VI-B: Special education grants	875,000	884,436	876,671	(7,765)
Title VI-B: Special education preschool grants	20,117	20,117	19,780	(337)
Vocational education	76,000	74,034	72,888	(1,146)
Safe and drug free schools and communities	25,000	35,785	23,627	(12,158)
Title II, part A: Improving teacher quality	202,723	278,542	243,393	(35,149)
School lunch and breakfast program	710,000	710,000	837,933	127,933
Title V, part A: Innovative programs	22,775	22,775	23,219	444
Reading first	-	-	9,355	9,355
Advanced placement grants	-	-	520	520
Class size reduction	50,000	-	-	-
Other federal categorical	39,156	39,156	-	(39,156)
Total categorical aid	<u>\$ 2,866,771</u>	<u>\$ 2,928,915</u>	<u>\$ 3,061,996</u>	<u>\$ 133,081</u>
Total revenue from the federal government	<u>\$ 2,866,771</u>	<u>\$ 2,928,915</u>	<u>\$ 3,061,996</u>	<u>\$ 133,081</u>
Total School Operating Fund	<u>\$ 43,953,084</u>	<u>\$ 44,615,438</u>	<u>\$ 42,849,010</u>	<u>\$ (1,766,428)</u>

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Statistical Section

<u>Contents</u>	<u>Tables</u>
Financial Trends These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.	1 - 6
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.	7 - 10
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.	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.	12
Operating Information These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.	13-17

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 2001; schedules presenting government-wide information include information beginning in that year.

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COUNTY OF LOUISA, VIRGINIA

Table 1

Net Assets by Component Last Seven Fiscal Years <i>(accrual basis of accounting)</i>	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
Governmental activities							
Invested in capital assets, net of related debt	\$ 14,229,014	\$ 12,730,161	\$ 12,317,304	\$ 12,252,158	\$ 12,522,789	\$ 13,500,980	\$ 17,607,864
Restricted	-	10,470,908	7,593,099	9,962,572	-	-	-
Unrestricted	9,886,806	11,544,488	11,642,956	11,991,601	25,422,192	30,617,173	39,720,461
Total governmental activities net assets	\$ 24,115,820	\$ 34,745,557	\$ 31,553,359	\$ 34,206,331	\$ 37,944,981	\$ 44,118,153	\$ 57,328,325
Primary government							
Invested in capital assets, net of related debt	\$ 14,229,014	\$ 12,730,161	\$ 12,317,304	\$ 12,252,158	\$ 12,522,789	\$ 13,500,980	\$ 17,607,864
Restricted	-	10,470,908	7,593,099	9,962,572	-	-	-
Unrestricted	9,886,806	11,544,488	11,642,956	11,991,601	25,422,192	30,617,173	39,720,461
Total primary government net assets	\$ 24,115,820	\$ 34,745,557	\$ 31,553,359	\$ 34,206,331	\$ 37,944,981	\$ 44,118,153	\$ 57,328,325

Note: Accrual-basis financial information is available back to fiscal year 2001 when the County implemented GASB 34

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

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
Expenses							
Governmental activities:							
General government	\$ 1,641,916	\$ 2,022,383	\$ 1,973,073	\$ 2,045,811	\$ 2,471,471	\$ 3,076,968	\$ 3,221,581
Judicial administration	1,237,335	1,285,734	1,351,154	1,343,455	1,480,965	1,531,372	1,749,661
Public safety	3,868,191	4,757,527	4,862,337	5,461,400	6,140,453	6,649,580	7,702,140
Public works	1,277,870	2,197,711	2,069,710	2,473,378	3,154,616	3,708,322	3,181,936
Health and welfare	2,976,966	3,373,095	3,756,273	3,988,240	4,527,540	5,161,120	5,729,666
Education	21,144,061	22,087,095	18,453,714	20,102,557	19,570,379	20,837,915	22,066,405
Parks, recreation and cultural	693,666	906,395	975,911	1,052,946	1,297,959	1,169,334	1,346,662
Community development	748,588	840,588	867,176	837,947	2,447,529	2,885,848	2,186,487
Capital Outlays	3,257,356	2,800,393	4,709,403	-	-	-	-
Nondepartmental	61,827	53,725	73,723	-	-	-	-
Interest on long-term debt	1,008,971	981,732	996,895	882,656	713,040	614,494	548,648
Total governmental activities expenses	\$ 37,916,747	\$ 41,306,378	\$ 40,089,369	\$ 38,188,390	\$ 41,803,952	\$ 45,634,953	\$ 47,733,186
Total primary government expenses	\$ 37,916,747	\$ 41,306,378	\$ 40,089,369	\$ 38,188,390	\$ 41,803,952	\$ 45,634,953	\$ 47,733,186
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ -	\$ 810	\$ 1,490	\$ 4,805	\$ 1,370	\$ 1,360	\$ 3,609
Judicial administration	37,514	130,331	155,971	281,507	222,114	278,211	206,547
Public safety	4,042	244,827	333,484	429,177	1,030,266	1,189,764	1,032,403
Public works	14,102	18,156	24,807	-	426,551	491,862	495,604
Parks, recreation and cultural	180,347	179,196	220,727	319,453	400,793	379,622	375,683
Community development	1,014	109,414	135,318	237,727	-	-	2,312
Operating grants and contributions	3,605,833	4,695,419	4,776,449	4,223,549	4,665,544	4,970,503	5,742,790
Capital grants and contributions	407,322	1,285,884	186,078	668,721	1,264,338	537,636	633,676
Total governmental activities program revenues	\$ 4,250,174	\$ 6,664,037	\$ 5,834,324	\$ 6,164,939	\$ 8,010,976	\$ 7,848,958	\$ 8,492,624
Total primary government program revenues	\$ 4,250,174	\$ 6,664,037	\$ 5,834,324	\$ 6,164,939	\$ 8,010,976	\$ 7,848,958	\$ 8,492,624
Net (expense) / revenue							
Governmental activities	\$ (33,666,573)	\$ (34,642,341)	\$ (34,255,045)	\$ (32,023,451)	\$ (33,792,976)	\$ (37,785,995)	\$ (39,240,562)
Total primary government net expense	\$ (33,666,573)	\$ (34,642,341)	\$ (34,255,045)	\$ (32,023,451)	\$ (33,792,976)	\$ (37,785,995)	\$ (39,240,562)

Changes in Net Assets
Last Seven Fiscal Years

(*accrual basis of accounting*)

	Fiscal Year						
	2001	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 24,363,743	\$ 26,443,823	\$ 26,265,791	\$ 29,298,169	\$ 31,105,758	\$ 36,262,298	43,652,658
Local sales and use taxes	1,036,494	1,052,132	1,094,904	1,143,756	1,381,918	1,585,747	1,443,201
Taxes on recordation and wills	194,188	237,334	267,673	428,384	743,375	1,002,853	874,653
Motor vehicle licenses taxes	362,595	378,905	507,198	549,873	577,077	612,145	604,244
Consumer utility taxes	384,848	481,897	691,090	451,519	510,188	533,015	553,813
E-911 / Communication taxes	-	-	-	340,095	352,848	358,845	350,769
Other local taxes	178,869	202,939	114,517	117,151	157,321	188,250	289,646
Unrestricted grants and contributions	1,194,552	1,615,108	1,751,388	1,819,661	1,817,589	2,104,711	2,014,600
Unrestricted revenues from use of money and property	2,024,292	400,193	259,496	277,038	618,446	1,143,165	2,002,022
Miscellaneous	449,180	151,894	110,790	250,778	267,106	180,854	665,128
Gain/Loss Sale of Assets	21,353	(61,845)	-	-	-	(12,716)	-
Total governmental activities	\$ 30,210,114	\$ 30,902,380	\$ 31,062,847	\$ 34,676,424	\$ 37,531,626	\$ 43,959,167	52,450,734
Total primary government	\$ 30,210,114	\$ 30,902,380	\$ 31,062,847	\$ 34,676,424	\$ 37,531,626	\$ 43,959,167	52,450,734
Change in Net Assets							
Governmental activities	\$ (3,456,459)	\$ (3,739,961)	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	13,210,172
Total primary government	\$ (3,456,459)	\$ (3,739,961)	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	13,210,172

Note: Accrual-basis financial information is available back to fiscal year 2001 when the County implemented GASB 34.

Beginning in 2004, capital outlay expenditures were included as functional expenses. Prior to fiscal year 2004, E-911 taxes were reported with consumer utility taxes.

COUNTY OF LOUISA, VIRGINIA

Table 3

Governmental Activities Tax Revenues by Source
 Last Seven Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Record-ation and Wills Tax	E-911 Tax	Other Local Taxes	Total
2007	\$ 43,652,658	\$ 1,443,201	\$ 553,813	\$ 604,244	\$ 874,653	\$ 350,769	\$ 289,646	\$ 47,768,984
2006	36,262,298	1,585,747	533,015	612,145	1,002,853	358,845	188,250	40,543,153
2005	31,105,758	1,381,918	510,188	577,077	743,375	352,848	157,321	34,828,485
2004	29,298,169	1,143,756	451,519	549,873	428,384	340,095	357,538	32,569,334
2003	26,265,791	1,094,904	691,090	507,198	267,673	-	114,517	28,941,173
2002	26,443,823	1,052,132	481,897	378,905	237,334	-	202,939	28,797,030
2001	24,363,743	1,036,494	384,848	362,595	194,188	-	178,869	28,677,731

Note: Accrual-basis financial information is available back to fiscal year 2001 when the County implemented GASB 34.

COUNTY OF LOUISA, VIRGINIA

Table 4

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General fund										
Unreserved	\$ 15,153,628	\$ 20,253,822	\$ 18,740,765	\$ 17,401,886	\$ 15,615,243	\$ 14,288,447	\$ 15,405,399	\$ 18,747,639	\$ 24,429,080	\$ 33,474,221
Total general fund	\$ 15,153,628	\$ 20,253,822	\$ 18,740,765	\$ 17,401,886	\$ 15,615,243	\$ 14,288,447	\$ 15,405,399	\$ 18,747,639	\$ 24,429,080	\$ 33,474,221
All other governmental funds										
Unreserved, reported in:										
Capital projects funds	\$ 7,026,402	\$ 10,412,245	\$ 12,330,101	\$ 12,774,078	\$ 8,969,668	\$ 6,928,693	\$ 8,461,332	\$ 8,779,680	\$ 7,901,923	\$ 7,499,078
Total all other governmental funds	\$ 7,026,402	\$ 10,412,245	\$ 12,330,101	\$ 12,774,078	\$ 8,969,668	\$ 6,928,693	\$ 8,461,332	\$ 8,779,680	\$ 7,901,923	\$ 7,499,078

COUNTY OF LOUISIA, VIRGINIA

Table 5

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
General property taxes	\$ 24,141,313	\$ 24,094,105	\$ 24,770,698	\$ 24,343,887	\$ 25,861,613	\$ 26,098,535	\$ 29,213,678	\$ 31,123,057	\$ 36,186,328	\$ 43,098,133
Other local taxes	2,023,188	1,933,564	2,057,952	2,156,994	2,353,207	2,675,382	3,030,778	3,722,727	4,280,855	4,116,326
Permits, privilege fees and regulatory licenses	225,495	271,385	259,164	278,049	352,867	410,992	659,343	1,065,640	1,430,597	1,443,061
Fines and forfeitures	67,359	55,545	38,097	54,610	72,093	47,196	75,905	94,931	73,664	66,784
Revenue from use of money and property	1,191,965	1,389,973	1,929,619	2,024,292	740,504	348,730	277,038	592,146	1,143,165	2,002,022
Charges for services	158,464	213,423	197,891	237,019	257,774	413,609	537,421	1,053,324	1,154,448	1,085,304
Miscellaneous	93,474	76,023	686,879	56,949	898,721	110,790	250,778	259,572	187,074	281,824
Recovered costs	60,527	17,485	81,431	87,833	76,750	88,408	39,297	23,666	62,621	230,214
Intergovernmental:										
Commonwealth	2,199,634	2,883,363	3,776,497	4,130,706	4,752,004	4,928,395	5,149,195	5,064,224	5,437,185	6,073,669
Federal	867,292	850,076	898,002	1,077,001	1,757,269	1,696,286	1,562,736	2,558,047	1,878,665	1,853,397
Total revenues	\$ 31,028,711	\$ 31,784,942	\$ 34,696,230	\$ 34,447,340	\$ 37,122,802	\$ 36,818,323	\$ 40,796,169	\$ 45,557,334	\$ 51,834,602	\$ 60,250,734
Expenditures										
General government administration	\$ 1,197,111	\$ 1,325,500	\$ 1,501,245	\$ 1,687,981	\$ 1,865,498	\$ 1,821,130	\$ 1,920,932	\$ 2,339,456	\$ 2,978,779	\$ 3,039,497
Judicial administration	809,785	857,389	919,730	1,087,489	1,166,311	1,238,134	1,225,047	1,364,770	1,418,898	1,625,348
Public safety	2,739,710	3,015,539	3,549,409	3,881,719	4,595,674	4,702,373	5,002,698	5,645,879	6,062,010	6,933,865
Public works	993,235	1,022,453	1,197,332	1,312,828	1,604,566	1,929,005	2,313,505	2,759,444	2,998,909	2,993,707
Health and welfare	2,376,982	2,510,533	2,809,861	2,941,455	3,376,090	3,832,662	3,906,505	4,466,526	5,158,623	5,889,447
Education	7,412	10,590	13,518	18,518	16,791,474	17,206,677	17,342,380	17,920,247	18,973,024	20,236,354
Parks, recreation and cultural	497,504	561,086	584,920	718,382	887,763	957,026	998,226	1,105,074	1,151,481	1,330,834
Community development	388,929	409,711	498,568	649,794	687,866	714,962	687,992	761,774	1,374,277	1,603,502
Nondepartmental										
Capital projects	2,583,234	5,044,393	6,438,437	8,598,355	9,391,816	4,996,480	2,167,006	3,379,938	4,828,350	6,200,421
Debt service										
Principal					1,713,650	1,698,650	1,668,650	1,446,698	1,429,801	1,178,650
Interest and other fiscal charges					1,046,422	1,015,272	913,637	733,241	656,765	576,814
Total expenditures	\$ 11,593,902	\$ 14,757,194	\$ 17,557,276	\$ 20,958,328	\$ 43,180,855	\$ 40,186,094	\$ 38,146,578	\$ 41,923,047	\$ 47,030,917	\$ 51,608,439
Excess of revenues over (under) expenditures	\$ 19,434,809	\$ 17,027,748	\$ 17,138,954	\$ 13,489,012	\$ (6,058,053)	\$ (3,367,771)	\$ 2,649,591	\$ 3,634,287	\$ 4,803,685	\$ 8,642,295
Other financing sources (uses)										
Transfers in	\$ 2,904,182	\$ 335,159	\$ 6,593,077	\$ 3,826,246	\$ 4,987,068	\$ 2,118,671	\$ 2,828,363	\$ 3,177,077	\$ 3,306,757	\$ 6,984,813
Transfers out	(18,859,816)	(8,876,870)	(23,327,232)	(22,210,161)	(4,987,068)	(2,118,671)	(2,828,363)	(3,177,077)	(3,306,757)	(6,984,813)
Bonds issued				4,000,000						
Sale of capital assets					467,000			26,300		
Total other financing sources (uses)	\$ (15,955,634)	\$ (8,541,711)	\$ (16,734,155)	\$ (14,383,915)	\$ 467,000	\$ -	\$ -	\$ 26,300	\$ -	\$ -
Net change in fund balances	\$ 3,479,175	\$ 8,486,037	\$ 404,799	\$ (894,903)	\$ (5,591,053)	\$ (3,367,771)	\$ 2,649,591	\$ 3,660,587	\$ 4,803,685	\$ 8,642,295
Debt service as a percentage of noncapital expenditures					5.65%				4.90%	3.91%

Note: Beginning in fiscal year 2001 debt service incurred on behalf of the component-unit school board was reported as an expenditure of the primary government due to the implementation of GASB statement 34.

COUNTY OF LOUISA, VIRGINIA

Table 6

General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	E-911 Tax	Other Local Taxes	Total
2007	\$ 43,098,133	\$ 1,443,201	\$ 553,813	\$ 604,244	\$ 874,653	\$ 350,769	\$ 289,646	\$ 47,214,459
2006	36,186,328	1,585,747	533,015	612,145	1,002,853	358,845	188,250	40,467,183
2005	31,123,057	1,094,904	510,188	510,188	267,673	352,848	157,321	34,016,178
2004	29,213,678	1,381,918	451,519	577,077	743,375	340,095	117,151	32,824,813
2003	26,098,535	1,143,756	456,418	549,873	428,384	-	114,517	28,791,483
2002	25,861,613	1,052,132	481,897	378,905	237,334	-	202,939	28,214,819
2001	24,343,887	847,702	331,363	362,595	176,300	-	178,869	26,240,728
2000	24,770,698	989,335	347,405	344,675	200,584	-	175,953	26,828,650
1999	24,094,105	918,638	N/A	334,347	143,358	-	537,221	26,027,669
1998	24,141,313	901,759	N/A	320,957	123,867	-	676,605	26,164,501

COUNTY OF LOUISA, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007	\$ 4,435,126,200	\$ 271,383,455	\$ 12,298,720	\$ 14,546,860	\$ 58,433,510	\$ 2,225,453,118	\$ 7,017,241,863	\$ 7,017,241,863	100.00%
2006	3,204,133,600	252,002,180	12,183,020	13,956,660	55,918,785	2,141,458,204	5,679,652,449	5,679,652,449	100.00%
2005	2,045,482,200	212,330,838	12,335,330	13,573,630	43,627,113	1,936,761,556	4,264,110,667	4,264,110,667	100.00%
2004	1,928,156,100	199,295,255	13,033,225	12,860,670	13,284,885	2,003,669,764	4,170,299,899	4,170,299,899	100.00%
2003	1,595,108,700	198,215,290	13,243,365	12,294,980	12,561,210	1,917,421,673	3,748,845,218	3,748,845,218	100.00%
2002	1,466,490,400	183,104,705	13,407,800	27,850,620	11,687,250	1,961,443,618	3,663,984,393	3,663,984,393	100.00%
2001	1,364,159,200	167,668,130	14,744,160	27,345,685	11,753,420	1,886,544,105	3,472,214,700	3,472,214,700	100.00%
2000	1,304,064,712	150,168,010	14,472,770	25,426,900	10,455,970	1,976,020,430	3,480,608,792	3,480,608,792	100.00%
1999	1,144,232,700	139,105,880	15,809,500	24,628,930	10,309,530	1,946,585,514	3,280,672,054	3,280,672,054	100.00%
1998	1,109,835,100	126,301,080	14,725,320	24,255,730	11,509,630	2,011,469,854	3,298,096,714	3,298,096,714	100.00%

Note: Estimated Actual Taxable Value is the same as Total Taxable Assessed Value. Total Taxable Assessed Value is reported at Fair Market Value.

Source: Commissioner of Revenue

COUNTY OF LOUISA, VIRGINIA

Table 8

Property Tax Rates (1)
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Years	Direct Rates				Overlapping Rates Town of Louisa		Overlapping Rates Town of Mineral		
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Real Estate	Personal Property	Real Estate	Personal Property
2007	0.64	1.90	0.64	1.90	0.65	0.195	0.71	0.25	0.44
2006	0.66	1.90	0.64	1.90	0.65	0.21	0.71	0.25	0.44
2005	0.70	1.90	0.70	1.90	0.65	0.21	0.71	0.25	0.44
2004	0.67	1.90	0.67	1.90	0.65	0.21	0.71	0.25	0.44
2003	0.67	1.90	0.67	1.90	0.65	0.21	0.71	0.25	0.44
2002	0.67	1.70	0.67	1.70	0.65	0.21	0.71	0.25	0.44
2001	0.67	1.70	0.67	1.70	0.65	0.21	0.71	0.25	0.44
2000	0.67	1.70	0.67	1.70	0.65	0.21	0.71	0.25	0.44
1999	0.67	1.70	0.67	1.70	0.65	0.21	0.71	0.25	0.44
1998	0.67	1.70	0.67	1.70	0.65	0.21	0.71	0.2	0.44

(1) Per \$100 of assessed value

COUNTY OF LOUISA, VIRGINIA

Table 9

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2007		Fiscal Year 1998	
		2006 Assessed Valuation	% of Total Assessed Valuation	1997 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	\$ 1,708,325,854	0.243446911	\$ 1,695,024,673	0.533218724
Old Dominion	Electric	399,886,131	0.056986226	228,425,647	0.071857852
Walmart	Retailer	83,672,290	0.011923814	N/A	N/A
Rappahannock Electric Co-op	Electric	34,096,832	0.004859008	18,824,904.00	0.00674284
Verizon	Telecom	26,719,599	0.003807707	21,434,507	0.005921915
Klockner Pentaplast	Manufacturing	23,750,355	0.003384571	15,844,795	0.004984436
Columbia Gas	Pipeline	11,277,725	0.001607145	8,173,284	0.002571141
Colonial Pipeline	Pipeline	11,007,953	0.001568701	7,090,135	0.002230406
CSX	Railroad	11,217,208	0.001598521	10,815,367	0.003402285
Central Virginia Electric Co-op	Electric	7,708,560	0.001098517	3,866,918	0.00121645
Gordonsville Energy	Electric	N/A	N/A	22,572,325	0.007100774
		\$ 2,317,662,507	33.03%	\$ 2,032,072,555	63.92%

Source: Commissioner of Revenue

COUNTY OF LOUISA, VIRGINIA

Table 10

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax (1) Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (1,4)		Collections in Subsequent Years (1, 2)	Total Collections to Date Amount	Percentage of Levy
		Amount	Percentage of Levy			
2007	\$ 44,451,211	\$ 43,708,382	98.33%	\$ -	43,708,382	98.33%
2006	38,211,632	37,130,641	97.17%	512,577	37,643,218	98.51%
2005	32,496,675	31,957,972	98.34%	468,977	32,426,949	99.79%
2004	30,545,736	29,883,718	97.83%	542,788	30,426,506	99.61%
2003	27,693,525	26,924,320	97.22%	404,083	27,328,403	98.68%
2002	26,728,281	26,432,315	98.89%	613,755	27,046,070	101.19%
2001	25,261,795	24,622,158	97.47%	404,775	25,026,933	99.07%
2000	25,118,298	24,643,275	98.11%	365,174	25,008,449	99.56%
1999	23,657,121	23,618,704	99.84%	310,364	23,929,068	101.15%
1998	23,664,182	23,208,123	98.07%	330,966	23,539,089	99.47%

Source: Commissioner of Revenue, County Treasurer's office

- (1) Exclusive of penalties & interest.
- (2) Does not include land redemptions.
- (3) Includes 3 years taxes.
- (4) Includes revenue from the Commonwealth for Personal Property Tax Relief Act.

COUNTY OF LOUISA, VIRGINIA

Table 11

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Literary Fund Loans				
2007	\$ 9,100,000	\$ 101,750	\$	9,201,750	1000.17%	295
2006	10,160,000	220,400		10,380,400	1128.29%	360
2005	11,210,000	504,050		11,714,050	1273.25%	407
2004	12,255,000	812,700		13,067,700	1567.91%	477
2003	13,615,000	1,121,350		14,736,350	1919.16%	548
2002	14,955,000	1,480,000		16,435,000	2262.50%	620
2001	16,310,000	358,650		16,668,650	2330.06%	650
2000	13,535,000	2,197,300		15,732,300	2380.64%	629
1999	14,765,000	2,555,950		17,551,270	2921.53%	711
1998	15,985,000	2,914,600		18,899,600	3383.70%	792

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 13

COUNTY OF LOUISA, VIRGINIA

Table 12

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net	
			General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2007	\$ 9,201,750	\$ 9,201,750	0.13%	29468.23%
2006	10,380,400	10,380,400	0.18%	36040.55%
2005	11,714,050	11,714,050	0.27%	40670.96%
2004	13,067,700	13,067,700	0.31%	47692.34%
2003	14,736,350	14,736,350	0.39%	54781.97%
2002	16,435,000	16,435,000	0.45%	62018.87%
2001	16,668,650	16,668,650	0.48%	65043.31%
2000	15,732,300	15,732,300	0.45%	62856.29%
1999	17,320,950	17,320,950	0.53%	70196.35%
1998	18,899,600	18,899,600	0.57%	79160.63%

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 13
 (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7
 (3) Includes all long-term general obligation bonded debt, Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.

COUNTY OF LOUISA, VIRGINIA

Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita		Median Age	School Enrollment	Unemployment Rate
			Personal Income	Personal Income			
2007	31,226	\$ 920,014	\$ 30,632		40.0	4,439	2.90%
2006	30,020	920,014	30,632			4,361	3.05%
2005	28,802	920,014	30,632			4,251	3.60%
2004	27,400	833,449	28,942			4,238	5.20%
2003	26,900	767,853	27,415			4,236	5.30%
2002	26,500	726,408	26,800			4,216	4.50%
2001	25,627	715,373	27,178			4,097	3.10%
2000	25,029	660,843	25,657	38.8		4,166	3.50%
1999	24,675	600,756	23,787			4,086	4.70%
1998	23,875	558,548	22,638			4,006	7.50%

Source: Weidon Cooper Center, Annual school report - prepared by the county, www.fedstats.gov
Virginia Employment Commission

Median Age at the County level is not data that is updated annually, only with decennial census (2000).

Note: Personal Income and per capita personal income data is not available after 2004. The 2004 data has been used for subsequent years.

COUNTY OF LOUISA, VIRGINIA

Table 14

Principal Employers
Current Year and the Period Nine Years Prior

Employer	Fiscal Year 2007			Fiscal Year 1998		
	Employees	Rank	% of Total County Employment	Employees	Rank	Rank
Dominion Virginia Power	1,002	1	23.25%	Virginia Power		1
Walmart, Inc.	860	2	19.95%	Louisa County Public Schools		2
Louisa County Public Schools	730	3	16.94%	Klockner- Pentaplast of America		3
Klockner- Pentaplast of America	560	4	12.99%	County of Louisa		4
County of Louisa	308	5	7.15%	Klearfold		5
Tri-Dim Filter Corporation	201	6	4.66%	Tri-Dim Filter Corporation		6
Shenandoah Crossings Resort*	157	7	3.64%	VDOT		7
Mead Westvaco	146	8	3.39%	Louisa Health Care Center		8
Louisa Health Care Center	112	9	2.60%	Tradewinds of Virginia LTD		9
Advance Concrete Foundation	87	10	2.02%	Chips		10
Virginia Community Bank	87	11	2.02%	Piedmont Metal Fabricators		11
Food Lion	60	12	1.39%	Food Lion		12
Totals	4,310		100.00%			

Source: Virginia Employment Commission, Individual Companies HR Depts.

*Seasonal

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	21	24	23	26	26	26	29	29	32	29
Judicial administration	10	12	12	13	12	15	15	15	15	15
Public safety										
Sheriffs department	31	37	39	41	42	45	44	49	52	55
Fire & rescue	2	7	6	6	6	6	11	11	11	14
Building inspections	3	3	4	5	5	4	4	5.5	6.5	6.5
Animal control	3	3	3	3	3	3	4	4	4	4
Public works										
General maintenance	0	1	1	1	1	2	2	2	3	11
Landfill	4	3	4	5	4	5	2	2	2	2
Engineering	0	0	0	0	0	0	0	0	1	1
Health and welfare										
Department of social services	26	25	32	35	32	32	35	35	36	35
Culture and recreation										
Parks and recreation	6	4	5	6	6	7	6	5	6	5
Community development										
Planning	3	3	3	4	4	4	4	3.5	3.5	10.5
Totals	109	122	132	145	141	149	156	161	172	188

Source: Payroll Records

Operating Indicators by Function
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public safety										
Sheriffs department:										
Physical arrests			834	1,541	1,544	1,472	1,608	1,555	1,978	1,857
Traffic violations			727	832	975	1,031	925	1,358	1,415	1,616
Civil papers			6,072	8,974	8,450	8,770	8,978	8,552	11,189	11,090
Fire and rescue:										
Number of calls answered			8133	7951	8854	8571	9657	9859	9858	7804
Building inspections:										
Permits issued	1,233	1,445	1,548	1,522	1,776	1,992	1,597	1,674	1,878	2,050
Public works										
General maintenance:										
Trucks/vehicles	4	7	6	5	6	3	4	10	8	9
Landfill:										
Refuse collected (tons/day)			42.59	64.12	68.28	79.18	85.15	79.24	75.6	82.1
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps		462		590			772	863	916	909
Medicaid		1,343		1,400			2,160	2,432	2,508	2,423
Temporary Asst. Needy Families		73		77			97	115	119	105
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued						164	177	106	97	44
After-school program participants						178	199	239	211	252
Youth sports participants						6801	7722	10095	13167	17061
Community development										
Planning:										
Zoning permits issued	716	821	1,044	1,010	1,020	1,275	1,455	1,350	1,655	945
Component Unit - School Board										
Education:										
School age population		5,424			5,519					
Actual School Enrollment (March)	4,006	4,086	4,166	4,097	4,216	4,236	4,238	4,251	4,361	4,439
Number of teachers	304	316	322	311	334	342	346	357	358	370
Local expenditures per pupil	5,582	5,982	6,519	7,133	7,251	7,573	7,705	8,363	8,845	8,721

Source: Individual County departments

NOTE: School Age Population Based on Actual School Census performed every three years.

COUNTY OF LOUISA, VIRGINIA

Table 17

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Administration buildings	7	7	7	7	8	8	9	9	9	9
Vehicles	3	4	4	4	6	7	9	6	7	10
Public safety										
Sheriffs department:										
Patrol units	34	33	35	35	40	44	40	41	44	44
Other vehicles	6	6	6	6	5	5	6	7	7	13
Building inspections:										
Vehicles	4	3	3	4	4	4	4	5		
Animal control:										
Vehicles	2	2	2	3	3	4	3	3	3	3
Emergency Services										
Vehicles	1	2	2	2	2	2	2	2	2	5
Public works										
General maintenance:										
Trucks/vehicles	4	7	6	5	6	3	4	10	8	9
Landfill:										
Vehicles	1	1	2	2	2	5	5	0	0	0
Sites	1	1	1	1	1	1	1	1	1	1
Refuse & Recycling Sites										
Health and welfare	8	8	8	8	8	8	8	9	9	9
Department of Social Services:										
Vehicles	4	7	7	7	7	7	9	10	10	11
Culture and recreation										
Parks and recreation:										
Community centers	0	0	1	1	2	2	2	2	2	2
Vehicles	1	2	4	4	6	6	6	5	5	5
Parks acreage			6.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22
Community development										
Planning:										
Vehicles	0	1	1	1	1	1	3	2	8	9
Component Unit - School Board										
Education:										
Schools	5	5	5	5	5	5	5	5	5	5
School buses	66	73	80	88	96	99	103	104	110	110

Source: Insurance Renewal Schedules

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia as of and for the year ended June 30, 2007, which collectively comprise the County of Louisa, Virginia's basic financial statements and have issued our report thereon dated November 5, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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

Our consideration of the 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.

However, we noted other matters involving the internal control and its operation that we have reported to management of the County of Louisa, Virginia in a separate letter dated November 5, 2007.

Compliance and Other Matters

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

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

Robinson, Farmer, Co. Associates

Charlottesville, Virginia
November 5, 2007

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

Compliance

We have audited the compliance of the County of Louisa, Virginia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County of Louisa, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Louisa, Virginia's management. Our responsibility is to express an opinion on the County of Louisa, 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 Louisa, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Louisa, Virginia's compliance with those requirements.

In our opinion, the County of Louisa, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

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

Internal Control Over Compliance: (Continued)

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will be prevented or detected by the County's internal control.

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

This report is intended solely for the information and use of management, the Board of Supervisors 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.

Robinson, Farmer, Co. Associates

Charlottesville, Virginia

November 5, 2007

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Health and Human Services:		
Pass Through Payments:		
Department of Social Services:		
Promoting safe and stable families	93.556	\$ 27,055
Temporary assist for needy families (TANF)	93.558	232,750
Refugee and entrant assistance - state administered program	93.566	282
Low income home energy assistance	93.568	20,030
Child care and development block grant	93.575	80,637
Child care mandatory and matching funds of the child care fund	93.596	163,742
Chafee education and training vouchers program	93.599	297
Child welfare Services - state grants	93.645	70
Foster care - Title IV-E	93.658	371,565
Adoption assistance	93.659	34,046
Social services block grant	93.667	180,276
Chafee foster care independence program	93.674	4,157
Americorps	94.006	2,421
Adoption opportunities	93.652	36,979
States children's insurance program	93.767	475
Medical assistance program (Title XIX)	93.778	236,545
Fraud free administration	93.000	<u>16,842</u>
Total Department Health & Human Services-pass through		\$ <u>1,408,169</u>
Total Department Health and Human Services		\$ <u>1,408,169</u>
Election Assistance Commission:		
Pass Through Payments:		
State Board of Elections:		
Help America vote act requirements	90.401	\$ <u>5,660</u>
Total Election Assistance Commission		\$ <u>5,660</u>
Department of Homeland Security:		
Pass Through Payments:		
Department of Emergency Management:		
State domestic preparedness equipment support grant	97.004	\$ 51,778
Emergency management performance grant	97.042	<u>8,803</u>
Total Department of Homeland Security		\$ <u>60,581</u>
Department of Agriculture:		
Pass Through Payments:		
Department of Agriculture:		
Food distribution	10.555	\$ 91,234

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
 For the Year Ended June 30, 2007

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Agriculture: (Continued)		
Department of Education:		
National school breakfast program	10.553	202,992
National school lunch program	10.555	634,941
Department of Social Services:		
State admin matching grants for food stamp program	10.561	<u>268,688</u>
Total Department of Agriculture - pass-through payments		\$ <u>1,197,855</u>
Total Department of Agriculture		\$ <u>1,197,855</u>
Department of Justice:		
Pass Through Payments:		
Department of Criminal Justice Service:		
Violence against women formula grant	16.588	24,744
Edward Byrne memorial justice assistance grant program	16.738	59,895
Bulletproof vest partnership program	16.607	8,108
Local law enforcement block grant	16.592	<u>1,287</u>
Total Department of Justice - pass-through		\$ <u>94,034</u>
Total Department of Justice		\$ <u>94,034</u>
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
State and community highway safety program	20.607	\$ <u>14,327</u>
Total Department of Transportation		\$ <u>14,327</u>
U.S. Department of Housing and Urban Development		
Pass Through Payments:		
Department of Housing and Community Development:		
Community Development Block Grant-State Grant	14.228	\$ <u>1,938</u>
Department of Education:		
Pass Through Payments:		
Department of Education:		
Title I: Grants to local education agencies	84.010	\$ 938,455
Title VI-B: Special education grants to states	84.027	876,671
Vocational Education: Basic grants to states	84.048	72,888
Title VI-B: Special education preschool grants	84.173	19,780
Safe and drug free schools and communities	84.186	23,627
Advanced placement program	84.330	520
Reading first state grants	84.357	9,355
Title II, part A: Improving teacher quality	84.367	243,393
Education technology state grants	84.318	16,155
Title V, part A: Innovative programs	84.298	<u>23,219</u>
Total Department of Education		\$ <u>2,224,063</u>
Total Federal Assistance		\$ <u><u>5,006,627</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Note 1 - General

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

Note 2 - Basis of Accounting

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

Note 3 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund	\$ <u>1,853,397</u>
Total primary government	\$ <u>1,853,397</u>
Component Unit Public Schools:	
School Operating Fund	\$ <u>3,061,996</u>
Total component unit public schools	\$ <u>3,061,996</u>
Total federal expenditures per basic financial statements	\$ <u>4,915,393</u>
Non-cash expenditures - value of donated commodities	\$ <u>91,234</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>5,006,627</u></u>

COUNTY OF LOUISA, VIRGINIA

Schedule of Findings and Questioned Costs
 Year Ended June 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
	Special education cluster:
84.027	Title VI-B: Special education grants to states
84.173	Title VI-B: Special education preschool grants
	School nutrition cluster:
10.553	National school breakfast program
10.555	National school lunch program
10.555	Food distribution - surplus commodities

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.