

# County of Louisa, Virginia

## Comprehensive Annual Financial Report



Year Ended June 30, 2008



**County of Louisa, Virginia**

**Comprehensive Annual  
Financial Report**

**Year Ended June 30, 2008**

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**Prepared By:**

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Ernie McLeod, Deputy County Administrator



**COUNTY OF LOUISA, VIRGINIA**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008

**TABLE OF CONTENTS**

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	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i-v
Organizational Chart	vii
Directory of Principal Officials	ix
Certificate of Achievement	xi
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-10
<b><u>Basic Financial Statements:</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1    Statement of Net Assets	15
Exhibit 2    Statement of Activities	16-17
<b>Fund Financial Statements:</b>	
Exhibit 3    Balance Sheet-Governmental Funds	21
Exhibit 4    Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	22
Exhibit 5    Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Exhibit 6    Statement of Fiduciary Net Assets	24
<b>Notes to Financial Statements</b>	25-42

**COUNTY OF LOUISA, VIRGINIA**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008

**TABLE OF CONTENTS**

**(Continued)**

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	<u>Page</u>	
<b>FINANCIAL SECTION (CONTINUED)</b>		
<b><u>Required Supplementary Information:</u></b>		
Exhibit 7	Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual—General Fund	45-48
Exhibit 8	Schedule of Pension Funding Progress for the Virginia Retirement System	49
<b><u>Other Supplementary Information:</u></b>		
<b>Combining and Individual Fund Statements and Schedules:</b>		
Exhibit 9	Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual—Capital Projects Fund	55
Exhibit 10	Combining Schedule of Fiduciary Net Assets—Agency Funds	56
Exhibit 11	Combining Statement of Changes in Assets and Liabilities—Agency Funds	57
<b>Discretely Presented Component Unit-School Board:</b>		
Exhibit 12	Balance Sheet—Governmental Funds	61
Exhibit 13	Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	62
Exhibit 14	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual	63
<b>Supporting Schedule:</b>		
Schedule 1	Governmental Funds and Discretely Presented Component Unit School Board—Schedule of Revenues—Budget and Actual	67-71

**COUNTY OF LOUISA, VIRGINIA**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008

**TABLE OF CONTENTS**  
**(Continued)**

---

	<u>Page</u>
<b>STATISTICAL SECTION</b>	
<b><u>Statistical Tables:</u></b>	
Table 1 Net Assets by Component—Last Eight Fiscal Years	75
Table 2 Changes in Net Assets—Last Eight Fiscal Years	76-77
Table 3 Governmental Activities Tax Revenues by Source—Last Eight Fiscal Years	78
Table 4 Fund Balances of Governmental Funds—Last Ten Fiscal Years	79
Table 5 Changes in Fund Balances of Governmental Funds—Last Ten Fiscal Years	80
Table 6 General Governmental Tax Revenues by Source—Last Ten Fiscal Years	81
Table 7 Assessed and Estimated Actual Value of Taxable Property—Last Ten Fiscal Years	82
Table 8 Property Tax Rates – Direct and Overlapping Governments—Last Ten Fiscal Years	83
Table 9 Principal Property Taxpayers—Current and the Period Nine Years Prior	84
Table 10 Property Tax Levies and Collections—Last Ten Fiscal Years	85
Table 11 Ratios of Outstanding Debt by Type—Last Ten Fiscal Years	86
Table 12 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita—Last Ten Fiscal Years	87
Table 13 Demographic and Economic Statistics—Last Ten Fiscal Years	88
Table 14 Principal Employers—Current and the Period Nine Years Prior	89
Table 15 Full-Time Equivalent County Government Employees by Function—Last Ten Fiscal Years	90
Table 16 Operating Indicators by Function—Last Ten Fiscal Years	91
Table 17 Capital Asset Statistics by Function—Last Ten Fiscal Years	92
<b>COMPLIANCE SECTION</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	95-96
Schedule of Expenditures of Federal Awards	97-98
Notes to Schedule of Expenditures of Federal Awards	99
Schedule of Findings and Questioned Costs	100
Summary Schedule of Prior Year Audit Findings	101

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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 2008 was 4.4%, which is 1.7 above the prior year, 0.2% higher than the state unemployment rate, and 1.6% 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, 2008 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**

### **Relevant Financial Policies**

During fiscal year 2008, the County did not adopt any financial policies that had a significant impact on the current year's financial statements.

### **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 building the Moss-Nuckols Elementary School
- Continuing the process to build a the playground facility at the Intergeneration Center
- Continuing the reviews of the current Refuse Site locations for expansion along with reviewing other possible sites
- Industrial investment and new jobs to be created from the announcement of C3RS to locate a tire recycling facility in the Louisa County Air Industrial Park.
- 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***

In 2005, the departments of Planning & Zoning and Building Inspections merged to create the Community Development Department. The merger of these two departments improved the efficiency of building inspection, planning and zoning services by reducing costs. Today, the Community Development Department has become a one-stop development center. The primary services offered continue to be building inspections, planning and zoning. However, as the demand for additional services has grown, so has the Department's role. This includes providing additional services in the areas of code enforcement, mapping, erosion and sediment control, biosolid inspections, and litter control assistance. To help keep pace with the growing demand of these services the Community Development Department has focused on cross-training of employees.

Significant procedural changes were made to the Department in 2006 when the Blueprince Software was implemented. This software allows contractors to apply for permits on-line, request inspections and track their inspection results. With the assistance of wireless technology and laptop computers, inspectors can now see their scheduled inspections in the field, perform the inspections and enter their results in real-time. The outcome is a very efficient inspection process that has saved both time and money. Blueprince is being expanded as a tracking tool for other services in the Department, such as zoning and code enforcement. This helps improve internal communication in the Department, which in turn helps the customer.

The duties of the Community Development Department were expanded with the adoption of the Lake Anna Shoreline Use and Design Standards Ordinance. The ordinance creates reasonable regulations for development along the Lake Anna shoreline for the purpose of improving water quality within the North Anna River, York River and Chesapeake Bay Watersheds. Stronger working relationships with Virginia Dominion Power, the Thomas Jefferson Planning District and the Lake Anna Advisory Committee have resulted from the implementation of the new procedures needed to enforce this ordinance.

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, to reduce time at the counter and be better prepared to ask questions. The Comprehensive Plan, Zoning and Subdivision Ordinance, Development Review Committee and Planning Commission agendas and minutes are also available. Lake Anna Shoreline information and forms, Telecommunications Information, and the GIS system are also available on-line.

### ***Geographic Information System (GIS)***

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

Other features include digital Tax Map Books, in \*.PDF format, that can be purchased or viewed online via the county's web site. Up-to-date addressing including address corrections and new addresses that greatly improves accuracy and coordination with the E911 Dispatch Center. E911 Dispatch Center is moving from Eagle, a proprietary of MSAG Data Consultants, Positron. Positron will allow GIS data to be sent from our current GIS environment directly into our E911 Dispatch Center.

New 2007 aerial photography was supplied in February 2008 by the Commonwealth. This feature is one of the more popular aspects of the County's GIS. In the future, our plan is to allow display of our 2007, 2002, and 1994 aerial photography on our online GIS. This will allow citizens to see the growth and changes that have occurred in the county. 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. We will continue to work with local, state and federal agencies to provide the citizens of Louisa County with the latest GIS data available.

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 2008-2009 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$81,691,840. The approved CIP Budget is \$24,554,285. The budget kept the real estate tax rate at \$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 \$1,557,746. The daily yield for LGIP for November 3, 2008 was 3.04%.

## **AWARDS AND ACKNOWLEDGEMENTS**

**Certificate of Achievement.** The County received its sixth consecutive Certificate of Achievement on its FY 07 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 08 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,



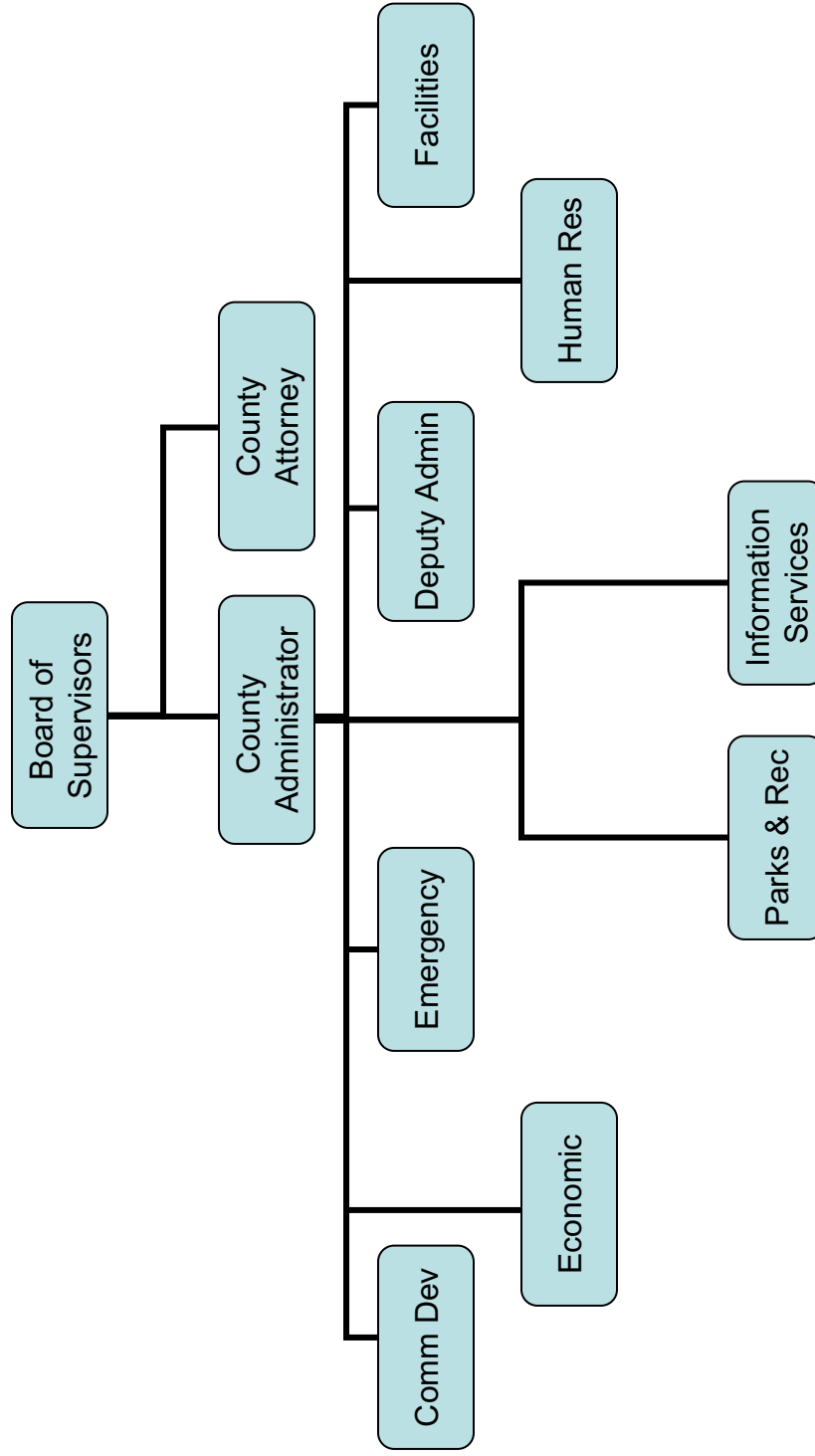
*C. Lee Lintecum*  
County Administrator



*Ernie McLeod*  
Deputy County Administrator

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# Louisa County Organization Chart



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**COUNTY OF LOUISA, VIRGINIA  
JUNE 30, 2008**

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**BOARD OF SUPERVISORS**

Willie L. Harper, Chairman  
Willie L. Gentry, Jr., Vice-Chairman

PT. Spencer  
Jackson T. Wright

Fitzgerald A. Barnes  
Richard A. Havasy

Dan Byers

**SOCIAL SERVICES BOARD**

Nancy Wheeler, Chairman  
Rebecca Disosway, Vice-Chairman

Edward Massey

Jackson T. Wright

Peggie McGhee

**COUNTY SCHOOL BOARD**

Hal A. Schaffer, Chairman  
Gregory V. Strickland, Vice-Chairman

Sherman T. Shifflett  
Brian M. Huffman

Gail O. Proffitt  
Steven C. Harris

Billy A. Seay

**OTHER OFFICIALS**

Judge of the Circuit Court.....	Timothy K. Sanner
Clerk of the Circuit Court.....	Susan R. Hopkins
Judge of the General District Court.....	Edward K. Carpenter
Commonwealth's Attorney .....	Thomas A. Garrett, Jr.
Commissioner of the Revenue .....	Nancy M. 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, 2007

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.



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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**To the Honorable Members of  
The Board of Supervisors  
County of 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, 2008, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia, as of June 30, 2008, 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 21, 2008, 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 important for assessing 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, Cox Associates*

Charlottesville, Virginia

November 21, 2008

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **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, 2008. 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 \$67,578,337 (net assets). Of this amount, \$52,132,430 (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) 2007-2008, the County's funds reported combined ending fund balances of \$53,015,450, an increase of \$12,042,151 in comparison with the prior year. Approximately seventy-eight percent of this total amount or \$41,320,911 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 2007-2008, unreserved fund balance for the general fund was \$41,320,911 or eighty-two percent of total general fund expenditures.
- The County of Louisa, Virginia's total debt increased by \$2,904,747 during FY 2007-2008.

### **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.

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

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

Other information - In addition to the basic financial 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 \$67,578,337 at the close of the most recent fiscal year.

A significant portion (23 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.

<b>County of Louisa, Virginia's, Net Assets</b>		
	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
Current and other assets	\$ 55,885,315	\$ 43,122,291
Capital assets	<u>27,485,297</u>	<u>26,809,613</u>
Total assets	\$ <u>83,370,612</u>	\$ <u>69,931,904</u>
Long-term liabilities outstanding	\$ 14,563,588	\$ 11,658,841
Current liabilities	<u>1,228,687</u>	<u>944,738</u>
Total liabilities	\$ <u>15,792,275</u>	\$ <u>12,603,579</u>
Net assets:		
Invested in capital assets, net of related debt	\$ 15,445,907	\$ 17,607,864
Unrestricted	<u>52,132,430</u>	<u>39,720,461</u>
Total net assets	\$ <u><u>67,578,337</u></u>	\$ <u><u>57,328,325</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 2007-2008, the County's net assets increased by \$10,250,012. The significant reasons for the increase in net assets are attributed to the substantial increase in the collection of property tax and the capitalization of capital project expenditures.

Governmental Activities - Governmental activities increased the County's net assets by \$10,250,012. Key elements of this increase are as follows:

<b>County of Louisa, Virginia's Changes in Net Assets</b>		
	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for services	\$ 2,028,804	\$ 2,116,158
Operating grants and contributions	5,817,630	5,742,790
Capital grants and contributions	1,210,700	633,676
<b>General revenues:</b>		
Property taxes	46,208,819	43,652,658
Other local taxes	4,303,891	4,116,326
Other	4,280,202	4,681,750
Total revenues	<u>\$ 63,850,046</u>	<u>\$ 60,943,358</u>
<b>Expenses:</b>		
General government	\$ 3,186,889	\$ 3,221,581
Judicial administration	2,064,610	1,749,661
Public safety	8,134,037	7,702,140
Public works	3,436,269	3,181,936
Health and welfare	6,595,067	5,729,666
Education	24,724,820	22,066,405
Parks, recreation and culture	1,954,021	1,346,662
Community development	2,891,452	2,186,487
Interest	612,869	548,648
Total expenses	<u>\$ 53,600,034</u>	<u>\$ 47,733,186</u>
Increase (decrease) in net assets	\$ 10,250,012	\$ 13,210,172
Net assets – beginning	<u>57,328,325</u>	<u>44,118,153</u>
Net assets - ending	<u>\$ 67,578,337</u>	<u>\$ 57,328,325</u>

- Property taxes – The significant increase (\$2,556,161) in property taxes are attributed to an increase in property assessments, the collection rate, and continued completion of new construction growth.
- Health and welfare expenses increased approximately \$900,000. The increase can be attributed to funding of additional positions and a general increase in public need.
- The local contribution to Education expenses increased approximately \$2.7 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 \$53,015,450 an increase of \$12,042,151 in comparison with the prior year. Approximately seventy-eight percent of this total amount, \$41,320,911, 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 \$41,320,911. 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 and total fund balance represents 82 percent of total general fund expenditures.

The general fund balance increased \$7,846,690 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 \$11,694,539, all of which is designated for future capital projects. The fund balance increased \$4,195,461 during the current year.

## **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$4,731,138; the increase in appropriations can be briefly summarized as follows:

- \$226,102 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.
- \$319,922 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.
- \$1,097,796 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.

## **General Fund Budgetary Highlights: (Continued)**

- \$1,350,736 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 and \$237,071 of other miscellaneous public works operations.
- \$1,182,644 increase in health and welfare expenditures are attributed to Comprehensive Services Act (CSA) for At Risk Kids and other social services programs.
- \$506,440 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.
- \$129,122 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.
- \$318,695 reduction in miscellaneous expenditures.

During the year revenues exceeded the original budget estimate by \$9,353,946 and revenues exceeded the amended budget by \$7,654,585. Expenditures were less than the original budget estimate by \$553,713 and expenditures were less than the amended budget by \$5,284,851. 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**

- \$5,015,153 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.
- \$910,891 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 or decreased slightly.
- \$29,526 over amended budget for permits and fees is due to the new charge for water and sewer connections and the lack of new building and zoning permits.
- \$653,617 over the amount budgeted for revenue from the use of money, which is attributed a more favorable rate of return on funds invested.
- \$940,840 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.

## **General Fund Budgetary Highlights: (Continued)**

### Expenditures:

- \$780,789 under budget in Public Safety is attributed to funds available for 24/7 coverage whereas the coverage had not yet started. The funds for the Regional Jail have been carried over into FY 09.
- \$1,789,838 under budget in the Landfill Enterprise Fund is attributed to landfill closure and development that has not commenced. These funds will be carried over until required.

## **Capital Asset and Debt Administration**

Capital assets - The County's investment in capital assets for its governmental funds as of June 30, 2008 amounts to \$27,485,297 (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 \$675,684.

<b>County of Louisa, Virginia's Capital Assets</b>		
	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
Land	\$ 1,488,506	\$ 1,488,506
Buildings and improvements	18,806,163	16,716,799
Equipment	5,661,985	5,124,966
Construction in progress	4,476,358	4,619,163
Tenancy in common	8,035,000	9,201,750
Total	\$ 38,468,012	\$ 37,151,184
Less: accumulated depreciation	(10,982,715)	(10,341,571)
Net capital assets	\$ <u>27,485,297</u>	\$ <u>26,809,613</u>

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

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$11,835,000. Of this amount \$11,835,000 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total debt increased by \$2,904,747.

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**

- 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 2008 was 4.4%, which is 1.7 above the prior year, 0.2% higher than the state unemployment rate, and 1.6% below the national unemployment rate.
- Commercial investment in the Zion Crossroads Region continues to expand in 2008. The Best Western Hotel opened in August 2007, Lowe's Home Supply opened in June 2008 and Wal-Mart is expected to open in July 2009 along with 15 to 20 thousand in additional retail space. In the Spring Creek Residential Development 180 homes have been constructed and another 40 to 60 will be constructed in 2009.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2009 fiscal year.

For the 2008-2009 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$81,691,840. The approved CIP Budget is \$24,554,285. The budget kept the real estate tax rate at \$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, 2008

	Primary Government		Component Units	
	Governmental Activities	Total	School Board	Louisa County Water Authority
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51,089,849	\$ 51,089,849	\$ 4,310,205	\$ 313,363
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,170,399	2,170,399	-	-
Accounts receivable	102,892	102,892	269,612	89,580
Interest receivable	-	-	-	2,365
Landfill accounts	49,513	49,513	-	-
Due from component unit	1,078,147	1,078,147	-	-
Due from other governmental units	1,379,515	1,379,515	956,604	-
Prepaid expenses	15,000	15,000	-	23,070
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	704,098
Investments (in custody of others)	-	-	-	425,280
Capital assets (net of accumulated depreciation):				
Land	1,488,506	1,488,506	866,127	913,325
Buildings and system	20,047,148	20,047,148	17,902,137	392,174
Machinery and equipment	1,473,285	1,473,285	2,663,066	51,864
Infrastructure	-	-	-	1,044,223
Construction in progress	4,476,358	4,476,358	-	-
Total assets	<u>\$ 83,370,612</u>	<u>\$ 83,370,612</u>	<u>\$ 26,967,751</u>	<u>\$ 3,959,342</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 736,206	\$ 736,206	\$ 350,265	\$ 12,191
Accrued liabilities	-	-	4,079,004	-
Amounts held for future projects	-	-	-	40,963
Customers' deposits	-	-	-	28,117
Accrued interest payable	338,644	338,644	-	-
Due to primary government	-	-	1,078,147	-
Unearned revenue	153,837	153,837	-	-
Long-term liabilities:				
Due within one year	1,285,396	1,285,396	54,606	46,686
Due in more than one year	13,278,192	13,278,192	491,456	-
Total liabilities	<u>\$ 15,792,275</u>	<u>\$ 15,792,275</u>	<u>\$ 6,053,478</u>	<u>\$ 127,957</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	\$ 15,445,907	\$ 15,445,907	\$ 21,431,330	\$ 2,401,586
Restricted for:				
Future capital expenses	-	-	-	1,100,915
Unrestricted (deficit)	52,132,430	52,132,430	(517,057)	328,884
Total net assets	<u>\$ 67,578,337</u>	<u>\$ 67,578,337</u>	<u>\$ 20,914,273</u>	<u>\$ 3,831,385</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, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 3,186,889	\$ 34,375	\$ 377,731	\$ -
Judicial administration	2,064,610	167,024	590,562	61,271
Public safety	8,134,037	939,053	1,514,660	54,148
Public works	3,436,269	485,627	-	726,000
Health and welfare	6,595,067	-	3,329,677	-
Education	24,724,820	-	-	-
Parks, recreation, and cultural	1,954,021	398,664	5,000	-
Community development	2,891,452	4,061	-	369,281
Interest on long-term debt	612,869	-	-	-
Total governmental activities	\$ <u>53,600,034</u>	\$ <u>2,028,804</u>	\$ <u>5,817,630</u>	\$ <u>1,210,700</u>
Total primary government	\$ <u>53,600,034</u>	\$ <u>2,028,804</u>	\$ <u>5,817,630</u>	\$ <u>1,210,700</u>
<b>COMPONENT UNITS:</b>				
School Board	\$ 46,872,292	\$ 811,401	\$ 21,155,610	\$ 320,747
Louisa County Water Authority	1,461,014	992,024	-	311,154
Total component units	\$ <u>48,333,306</u>	\$ <u>1,803,425</u>	\$ <u>21,155,610</u>	\$ <u>631,901</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.

<b>Net (Expense) Revenue and Changes in Net Assets</b>				
<b>Primary Government</b>		<b>Component Units</b>		
<b>Governmental Activities</b>	<b>Total</b>	<b>School Board</b>	<b>Louisa County Water Authority</b>	
\$ (2,774,783)	\$ (2,774,783)			
(1,245,753)	(1,245,753)			
(5,626,176)	(5,626,176)			
(2,224,642)	(2,224,642)			
(3,265,390)	(3,265,390)			
(24,724,820)	(24,724,820)			
(1,550,357)	(1,550,357)			
(2,518,110)	(2,518,110)			
(612,869)	(612,869)			
<u>\$ (44,542,900)</u>	<u>\$ (44,542,900)</u>			
<u>\$ (44,542,900)</u>	<u>\$ (44,542,900)</u>			
		\$ (24,584,534)	\$ -	
		-	(157,836)	
		<u>\$ (24,584,534)</u>	<u>\$ (157,836)</u>	
\$ 46,208,819	\$ 46,208,819	\$ -	\$ -	
1,723,872	1,723,872	-	-	
739,593	739,593	-	-	
587,777	587,777	-	-	
568,674	568,674	-	-	
398,901	398,901	-	-	
285,074	285,074	-	-	
2,075,246	2,075,246	7,084	74,530	
323,569	323,569	563,463	-	
-	-	24,287,411	-	
<u>1,881,387</u>	<u>1,881,387</u>	-	-	
<u>\$ 54,792,912</u>	<u>\$ 54,792,912</u>	<u>\$ 24,857,958</u>	<u>\$ 74,530</u>	
\$ 10,250,012	\$ 10,250,012	\$ 273,424	\$ (83,306)	
57,328,325	57,328,325	20,640,849	3,914,691	
<u>\$ 67,578,337</u>	<u>\$ 67,578,337</u>	<u>\$ 20,914,273</u>	<u>\$ 3,831,385</u>	

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## **Fund Financial Statements**

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Balance Sheet  
 Governmental Funds  
 June 30, 2008

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 39,231,395	\$ 11,858,454	\$ 51,089,849
Receivables (net of allowance for uncollectibles):			
Taxes receivable	2,170,399	-	2,170,399
Accounts receivable	102,892	-	102,892
Landfill accounts	49,513	-	49,513
Due from component unit	1,078,147	-	1,078,147
Due from other governmental units	1,338,830	40,685	1,379,515
Prepaid items	15,000	-	15,000
Total assets	<u>\$ 43,986,176</u>	<u>\$ 11,899,139</u>	<u>\$ 55,885,315</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 531,606	\$ 204,600	\$ 736,206
Deferred revenue	2,133,659	-	2,133,659
Total liabilities	<u>2,665,265</u>	<u>204,600</u>	<u>2,869,865</u>
Fund balances:			
Unreserved, reported in:			
General fund	\$ 41,320,911	\$ -	\$ 41,320,911
Capital projects funds:			
Designated for capital projects	-	11,694,539	11,694,539
Total fund balances	<u>\$ 41,320,911</u>	<u>\$ 11,694,539</u>	<u>\$ 53,015,450</u>
Total liabilities and fund balances	<u>\$ 43,986,176</u>	<u>\$ 11,899,139</u>	<u>\$ 55,885,315</u>

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 53,015,450

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. 27,485,297

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid. (338,644)

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. 1,979,822

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. (14,563,588)

Net assets of governmental activities \$ 67,578,337

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, 2008

	General	Capital Projects	Total
<b>REVENUES</b>			
General property taxes	\$ 45,676,153	\$ -	\$ 45,676,153
Other local taxes	4,303,891	-	4,303,891
Permits, privilege fees, and regulatory licenses	1,431,386	-	1,431,386
Fines and forfeitures	87,869	-	87,869
Revenue from the use of money and property	1,540,125	535,121	2,075,246
Charges for services	1,092,338	-	1,092,338
Miscellaneous	257,835	65,585	323,420
Recovered costs	277,414	-	277,414
Intergovernmental revenues:			
Commonwealth	6,309,882	323,741	6,633,623
Federal	1,700,094	-	1,700,094
Total revenues	<u>\$ 62,676,987</u>	<u>\$ 924,447</u>	<u>\$ 63,601,434</u>
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 2,923,524	\$ -	\$ 2,923,524
Judicial administration	1,948,552	-	1,948,552
Public safety	7,503,183	-	7,503,183
Public works	3,263,493	-	3,263,493
Health and welfare	6,814,582	-	6,814,582
Education	22,589,311	-	22,589,311
Parks, recreation, and cultural	1,857,330	-	1,857,330
Community development	1,725,372	-	1,725,372
Capital projects	-	5,254,451	5,254,451
Debt service:			
Principal retirement	1,166,750	-	1,166,750
Interest and other fiscal charges	517,125	-	517,125
Total expenditures	<u>\$ 50,309,222</u>	<u>\$ 5,254,451</u>	<u>\$ 55,563,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 12,367,765</u>	<u>\$ (4,330,004)</u>	<u>\$ 8,037,761</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 10,800	\$ 4,531,875	\$ 4,542,675
Transfers out	(4,531,875)	(10,800)	(4,542,675)
Issuance of revenue bonds	-	4,004,390	4,004,390
Total other financing sources (uses)	<u>\$ (4,521,075)</u>	<u>\$ 8,525,465</u>	<u>\$ 4,004,390</u>
Net change in fund balances	\$ 7,846,690	\$ 4,195,461	\$ 12,042,151
Fund balances - beginning	33,474,221	7,499,078	40,973,299
Fund balances - ending	<u>\$ 41,320,911</u>	<u>\$ 11,694,539</u>	<u>\$ 53,015,450</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, 2008

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

Net change in fund balances - total governmental funds \$ 12,042,151

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	\$ 2,717,635	
Depreciation expense	(1,066,573)	
Net effect on disposal of capital assets	(23,082)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>(952,294)</u>	675,686

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 532,666

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	\$ 1,065,000	
Principal retired on state literary fund loans	101,750	
Issuance of bonds payable	<u>(4,004,390)</u>	(2,837,640)

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	\$ (45,057)	
(Increase)/decrease in accrued interest	(95,744)	
(Increase)/decrease in compensated absences	<u>(22,050)</u>	(162,851)

Change in net assets of governmental activities \$ 10,250,012

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

Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 June 30, 2008

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 513,280
Total assets	\$ <u>513,280</u>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 1,730
Amounts held for projects	511,349
Amounts held for others	201
Total liabilities	\$ <u>513,280</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, 2008

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## Note 1—Summary of Significant Accounting Policies:

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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 - The County's financial report is prepared in accordance with GASB statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

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 component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. 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, 2008 (Continued)

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

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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, 2008.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2008 (Continued)

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

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#### **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, 2008 (Continued)

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

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#### 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, 2008 (Continued)

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

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#### 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, 2008 (Continued)

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

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### 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 \$807,799 at June 30, 2008 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 5<sup>th</sup> 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, equipment, and infrastructure assets, are reported in the applicable governmental 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 is included as part of the capitalized value of the assets constructed. The County reported no capitalized interest as of June 30, 2008.

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, 2008 (Continued)

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

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#### 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 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. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 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.

#### 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.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2008 (Continued)

### 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, 2008 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	\$ 29,850,889	\$ -	\$ -	\$ -	\$ -
State Non-Arbitrage Pool (SNAP)	20,774	-	-	-	-
Total	<u>\$ 29,871,663</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, 2008 (Continued)

**Note 3—Due From Other Governmental Units:**

At June 30, 2008 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:		
State Sales Taxes	\$ -	\$ 757,637
Local Sales Taxes	377,944	-
Communciation Tax	64,091	-
Recordation Tax	40,685	-
VPA Funds	73,017	-
Motor Vehicle Carriers Tax	20,944	-
Shared Expenses	189,637	-
Mobile Home Titling Tax	10,105	-
Comprehensive Services Act Reimbursement	347,680	-
Elections/Registrar	70,611	-
Other State Aid	45,654	-
Federal Government:		
School Funds	-	198,967
Law Enforcement	1,534	-
VPA Funds	127,243	-
Criminal Justice Grants	10,370	-
Total	<u>\$ 1,379,515</u>	<u>\$ 956,604</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	\$ 1,078,147	\$ -
School	<u>-</u>	<u>1,078,147</u>
Totals	<u>\$ 1,078,147</u>	<u>\$ 1,078,147</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, 2008 (Continued)

**Note 5—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2008:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008 (1)</u>
<b>Government Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,488,506	\$ -	\$ -	\$ 1,488,506
Construction in Progress	<u>4,619,163</u>	<u>1,838,120</u>	<u>1,980,925</u>	<u>4,476,358</u>
Total capital assets not being depreciated	<u>\$ 6,107,669</u>	<u>\$ 1,838,120</u>	<u>\$ 1,980,925</u>	<u>\$ 5,964,864</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 25,918,549	\$ 2,089,364	\$ 1,166,750	\$ 26,841,163
Equipment	<u>5,124,966</u>	<u>771,076</u>	<u>234,057</u>	<u>5,661,985</u>
Total capital assets being depreciated	<u>\$ 31,043,515</u>	<u>\$ 2,860,440</u>	<u>\$ 1,400,807</u>	<u>\$ 32,503,148</u>
Less accumulated depreciation for:				
Buildings	\$ 6,501,022	\$ 708,324	\$ 415,331	\$ 6,794,015
Equipment	<u>3,840,549</u>	<u>559,124</u>	<u>210,973</u>	<u>4,188,700</u>
Total accumulated depreciation	<u>\$ 10,341,571</u>	<u>\$ 1,267,448</u>	<u>\$ 626,304</u>	<u>\$ 10,982,715</u>
Total capital assets being depreciated, net	<u>\$ 20,701,944</u>	<u>\$ 1,592,992</u>	<u>\$ 774,503</u>	<u>\$ 21,520,433</u>
Governmental activities capital assets, net	<u>\$ 26,809,613</u>	<u>\$ 3,431,112</u>	<u>\$ 2,755,428</u>	<u>\$ 27,485,297</u>

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

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008 (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	\$ 33,514,614	\$ 1,794,217	\$ -	\$ 35,308,831
Equipment	<u>7,517,021</u>	<u>606,567</u>	<u>724,969</u>	<u>7,398,619</u>
Total capital assets being depreciated	<u>\$ 41,031,635</u>	<u>\$ 2,400,784</u>	<u>\$ 724,969</u>	<u>\$ 42,707,450</u>
Less accumulated depreciation for:				
Buildings	\$ 15,981,641	\$ 1,425,053	\$ -	\$ 17,406,694
Equipment	<u>4,811,407</u>	<u>592,237</u>	<u>668,091</u>	<u>4,735,553</u>
Total accumulated depreciation	<u>\$ 20,793,048</u>	<u>\$ 2,017,290</u>	<u>\$ 668,091</u>	<u>\$ 22,142,247</u>
Total capital assets being depreciated, net	<u>\$ 20,238,587</u>	<u>\$ 383,494</u>	<u>\$ 56,878</u>	<u>\$ 20,565,203</u>
School Board capital assets, net	<u>\$ 21,104,714</u>	<u>\$ 383,494</u>	<u>\$ 56,878</u>	<u>\$ 21,431,330</u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2008 (Continued)

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### Note 5—Capital Assets: (Continued)

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Capital asset activity for the School Board for the year ended June 30, 2008 was as follows:

Depreciation expense	\$	1,802,834
Disposals of assets		(668,091)
Depreciation on joint tenancy assets- transferred to School Board		<u>214,456</u>
Net increases in accumulated depreciation	\$	<u><u>1,349,199</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, 2008, is that school financed assets in the amount of \$8,035,000 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	\$	174,031
Judicial Administration		144,157
Public Safety		355,897
Public Works		120,960
Health and Welfare		32,300
Education		200,875
Parks, Recreation and Cultural		91,641
Community Development		<u>147,587</u>
Total	\$	<u><u>1,267,448</u></u>
Component Unit School Board	\$	<u><u>2,017,290</u></u>

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2008 (Continued)

**Note 6—Long-Term Obligations:**

**Primary Government:**

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2008:

	<b>Amounts Payable July 1, 2007</b>	<b>Increases</b>	<b>Decreases</b>	<b>Amounts Payable June 30, 2008</b>	<b>Amounts Due Within One Year</b>
Compensated absences payable	\$ 579,715	\$ 88,200	\$ 66,150	\$ 601,765	\$ 60,176
General obligation bonds	9,100,000	3,800,000	1,065,000	11,835,000	1,215,000
Premium on bonds payable	-	204,390	-	204,390	10,220
Literary fund loans payable	101,750	-	101,750	-	-
Landfill closure and postclosure care	<u>1,877,376</u>	<u>45,057</u>	<u>-</u>	<u>1,922,433</u>	<u>-</u>
 Total	 <u>\$ 11,658,841</u>	 <u>\$ 4,137,647</u>	 <u>\$ 1,232,900</u>	 <u>\$ 14,563,588</u>	 <u>\$ 1,285,396</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:

<b>Year Ending June 30,</b>	<b>General Obligation Bonds</b>		<b>Premium on Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2009	\$ 1,215,000	\$ 662,492	\$ 10,220	\$ -
2010	1,190,000	554,394	10,220	-
2011	1,200,000	482,818	10,220	-
2012	1,220,000	411,105	10,220	-
2013	1,225,000	339,448	10,220	-
2014	1,240,000	266,970	10,220	-
2015	420,000	219,660	10,220	-
2016	430,000	197,985	10,220	-
2017	445,000	175,673	10,220	-
2018	460,000	152,595	10,220	-
2019	470,000	128,880	10,220	-
2020	485,000	104,528	10,220	-
2021	505,000	79,283	10,220	-
2022	190,000	61,560	10,220	-
2023	190,000	52,583	10,220	-
2024	190,000	43,605	10,220	-
2025	190,000	33,915	10,220	-
2026	190,000	24,225	10,220	-
2027	190,000	14,535	10,220	-
2028	<u>190,000</u>	<u>4,845</u>	<u>10,220</u>	<u>-</u>
Total	<u>\$ 11,835,000</u>	<u>\$ 4,011,099</u>	<u>\$ 204,390</u>	<u>\$ -</u>

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2008 (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%	\$ 3,800,000	\$ 190,000
\$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%	4,965,000	830,000
\$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%	30,000	30,000
\$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>3,040,000</u>	<u>165,000</u>
Total General Obligation Bonds	\$ <u>11,835,000</u>	\$ <u>1,215,000</u>
Premium on Bonds Payable	\$ 204,390	\$ 10,220
Accrued compensated absences	\$ 601,765	\$ 60,177
Landfill closure, postclosure care and corrective action costs	\$ <u>1,922,433</u>	\$ <u>-</u>
Total Long-Term Obligations	\$ <u><u>14,563,588</u></u>	\$ <u><u>1,285,396</u></u>

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

**Component Unit School Board:**

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2008:

	<u>Amounts Payable July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable June 30, 2008</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$ <u>513,455</u>	\$ <u>130,428</u>	\$ <u>97,821</u>	\$ <u>546,062</u>	\$ <u>54,606</u>
Total	\$ <u><u>513,455</u></u>	\$ <u><u>130,428</u></u>	\$ <u><u>97,821</u></u>	\$ <u><u>546,062</u></u>	\$ <u><u>54,606</u></u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2008 (Continued)

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### Note 7—Deferred Revenue:

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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 \$2,133,659 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 \$16,362 at June 30, 2008.
- B. Primary Government—Deferred Property Taxes – Deferred revenue representing deferred property tax revenues totaled \$2,117,297 at June 30, 2008.

### Note 8—Defined Benefit Pension Plan:

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#### 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)

The County contributes to the Virginia Retirement System (VRS). All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final compensation (AFC) for each year of credited service (1.85% to sheriffs and if the employer elects, to other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/publications/2007AnnuRept.pdf> or obtained by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

#### B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% 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 Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2008 were 5.99% and 5.28% of annual covered payroll, respectively.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2008 (Continued)

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**Note 8—Defined Benefit Pension Plan: (Continued)**

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**B. Funding Policy: (Continued)**

The School Board's contributions for professional employees were \$2,394,904, \$2,023,767 and \$1,306,303, to the teacher cost-sharing pool for the fiscal years ended June 30, 2008, 2007 and 2006, respectively and these contributions represented 10.30%, 9.20% and 6.62%, respectively, of current covered payroll.

**C. Annual Pension Cost**

For fiscal year ended 2008, the County's annual pension cost of \$516,813 (does not include the portion of the employee share assumed by the County which was \$431,396) was equal to the County's required and actual contributions.

For fiscal year ended 2008, the County School Board's annual pension cost for the Board's non-professional employees was \$166,131 (does not include the portion of the employee share assumed by the School Board which was \$157,321) which was equal to Board's required and actuarial contributions.

**Three-Year Trend Information for the County and School Board**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2008	\$ 516,813	100%	\$ -
June 30, 2007	464,025	100%	-
June 30, 2006	385,027	100%	-
School Board:			
Non-			
June 30, 2008	\$ 166,131	100%	\$ -
June 30, 2007	151,436	100%	-
June 30, 2006	113,407	100%	-

(1) Employer portion only

The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at June 30, 2007 included (a) 7.50% investment rate of return, (b) projected salary increases ranging from 3.50% to 5.60% per year, and (c) 2.50% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.50%. The actuarial value of the County's and the County School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of 20 years.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2008 (Continued)

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### Note 8—Defined Benefit Pension Plan: (Continued)

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#### D. Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the County's plan was 93.21% funded. The actuarial accrued liability for benefits was \$17,968,559, and the actuarial value of assets was \$16,747,949, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,220,610. The covered payroll (annual payroll of active employees covered by the plan) was \$8,002,659, and ratio of the UAAL to the covered payroll was 15.25%.

As of June 30, 2007, the most recent actuarial valuation date, the County School Board's plan was 95.60% funded. The actuarial accrued liability for benefits was \$7,896,968, and the actuarial value of assets was \$7,549,658, resulting in an unfunded actuarial accrued liability (UAAL) of \$347,318. The covered payroll (annual payroll of active employees covered by the plan) was \$2,935,319, and ratio of UAAL to the covered payroll was 11.83%.

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

### Note 9—Contingent Liabilities:

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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:

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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 \$1,922,433 reported as landfill closure, postclosure and corrective action liability on the June 30, 2008 Statement of Net Assets is equal to 100% of expected closure and postclosure costs, based on an expected closure date of fiscal year 2012. The landfill has an estimated remaining life of 4 years and an estimated 50% capacity has been used as of June 30, 2008. 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, 2008 (Continued)

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### Note 11—Risk Management:

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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:

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At June 30, 2008, 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:

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Interfund transfers for the year ended June 30, 2008, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 10,800	\$ 4,531,875
Capital Projects Fund	<u>4,531,875</u>	<u>10,800</u>
Total	<u>\$ 4,542,675</u>	<u>\$ 4,542,675</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, 2008 (Continued)

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**Note 14—Surety Bonds:**

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	<u>Amount</u>
Fidelity Deposit Company of Maryland-Surety	
Susan R. Hopkins, Clerk of the Circuit Court	\$ 25,000
Gloria G. Layne, Treasurer	400,000
Nancy M. 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	
P.T. Spencer, Supervisor	2,000
Fitzgerald A. Barnes, Supervisor	2,000
Dan Byers, 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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 40,661,000	\$ 40,661,000	\$ 45,676,153	\$ 5,015,153
Other local taxes	3,393,000	3,393,000	4,303,891	910,891
Permits, privilege fees, and regulatory licenses	1,401,860	1,401,860	1,431,386	29,526
Fines and forfeitures	70,000	70,000	87,869	17,869
Revenue from the use of money and property	886,000	886,000	1,540,125	654,125
Charges for services	971,950	1,028,700	1,092,338	63,638
Miscellaneous	100,000	231,070	257,835	26,765
Recovered costs	75,000	85,436	277,414	191,978
Intergovernmental revenues:				
Commonwealth	4,180,911	5,369,042	6,309,882	940,840
Federal	1,583,320	1,896,294	1,700,094	(196,200)
Total revenues	\$ 53,323,041	\$ 55,022,402	\$ 62,676,987	\$ 7,654,585
<b>EXPENDITURES</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 193,849	\$ 195,740	\$ 174,763	\$ 20,977
General and financial administration:				
County administrator	\$ 517,063	\$ 622,231	\$ 457,887	\$ 164,344
County attorney	191,599	241,918	234,991	6,927
Administrative and human resources	184,245	196,966	189,268	7,698
Commissioner of revenue	372,612	373,588	346,812	26,776
Reassessment	437,666	442,086	402,985	39,101
Treasurer	439,046	478,841	439,219	39,622
Central accounting	305,615	306,592	266,591	40,001
Network administration	282,200	282,841	255,339	27,502
Total general and financial administration	\$ 2,730,046	\$ 2,945,063	\$ 2,593,092	\$ 351,971
Board of elections:				
Electoral board and officials	\$ 154,365	\$ 163,559	\$ 155,669	\$ 7,890
Total general government administration	\$ 3,078,260	\$ 3,304,362	\$ 2,923,524	\$ 380,838
Judicial administration:				
Courts:				
Circuit court	\$ 89,094	\$ 93,013	\$ 67,767	\$ 25,246
General district court	17,400	17,385	11,687	5,698
Clerk of the circuit court	456,864	532,282	457,540	74,742
Sheriff - courts	728,003	856,125	853,145	2,980
Law library	-	-	6,398	(6,398)
Total courts	\$ 1,291,361	\$ 1,498,805	\$ 1,396,537	\$ 102,268

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2008 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 453,181	\$ 565,659	\$ 552,015	\$ 13,644
Total judicial administration	\$ 1,744,542	\$ 2,064,464	\$ 1,948,552	\$ 115,912
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 2,565,140	\$ 2,798,621	\$ 2,790,431	\$ 8,190
Communications center	577,469	693,405	673,051	20,354
Emergency 911 system	228,583	232,289	199,156	33,133
Total law enforcement and traffic control	\$ 3,371,192	\$ 3,724,315	\$ 3,662,638	\$ 61,677
Fire and rescue services:				
Office of emergency services	\$ 148,408	\$ 222,475	\$ 208,681	\$ 13,794
Fire & rescue assistance	1,586,739	2,048,571	2,005,233	43,338
Revenue recovery	-	115,157	113,296	1,861
Emergency services	1,025,847	1,060,298	839,844	220,454
Total fire and rescue services	\$ 2,760,994	\$ 3,446,501	\$ 3,167,054	\$ 279,447
Correction and detention:				
Sheriff - correction and detention	\$ 420,732	\$ 437,904	\$ 104,347	\$ 333,557
Inspections:				
Board of building appeals	\$ 3,100	\$ 3,100	\$ -	\$ 3,100
Other protection:				
Animal control	\$ 155,763	\$ 178,447	\$ 181,844	\$ (3,397)
Animal shelter	189,885	190,968	137,520	53,448
Forest fire prevention & extinction	22,000	24,400	22,749	1,651
Emergency services (civil defense)	23,060	23,060	23,060	-
Transportation safety commission	2,000	2,000	1,171	829
Transportation department	237,450	253,277	202,800	50,477
Total other protection	\$ 630,158	\$ 672,152	\$ 569,144	\$ 103,008
Total public safety	\$ 7,186,176	\$ 8,283,972	\$ 7,503,183	\$ 780,789
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
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, 2008 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Public works: (Continued)				
Sanitation and waste removal:				
Scalehouse operations	\$ 94,743	\$ 97,442	\$ 86,375	\$ 11,067
Refuse collection-solid waste control	1,404,250	2,754,986	965,148	1,789,838
Litter control	45,630	45,630	14,165	31,465
Total sanitation and waste removal	\$ 1,544,623	\$ 2,898,058	\$ 1,065,688	\$ 1,832,370
Maintenance of general buildings and grounds:				
General properties	\$ 2,309,285	\$ 2,543,657	\$ 2,197,805	\$ 345,852
Total public works	\$ 3,855,415	\$ 5,443,222	\$ 3,263,493	\$ 2,179,729
Health and welfare:				
Health:				
Supplement of local health department	\$ 698,341	\$ 698,341	\$ 698,341	\$ -
Mental health and mental retardation:				
Region 10	\$ 121,000	\$ 121,000	\$ 121,000	\$ -
Welfare:				
Welfare administration & public assistance	\$ 2,956,869	\$ 3,356,532	\$ 3,284,039	\$ 72,493
At risk youth	1,155,000	1,937,981	2,017,456	(79,475)
Monticello Area Community Action Agency	36,000	36,000	36,000	-
Jefferson Area Board for Aging	252,700	252,700	252,700	-
Housing assistance	182,000	182,000	182,000	-
Social service agency donations	223,046	223,046	223,046	-
Total welfare	\$ 4,805,615	\$ 5,988,259	\$ 5,995,241	\$ (6,982)
Total health and welfare	\$ 5,624,956	\$ 6,807,600	\$ 6,814,582	\$ (6,982)
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 23,310,751	\$ 23,310,751	\$ 22,555,634	\$ 755,117
Contributions to local community college	33,677	33,677	33,677	-
Total education	\$ 23,344,428	\$ 23,344,428	\$ 22,589,311	\$ 755,117
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 942,142	\$ 1,024,301	\$ 1,018,601	\$ 5,700

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2008 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Community organizations	255,000	679,281	529,281	150,000
Total cultural enrichment	\$ 257,000	\$ 681,281	\$ 531,281	\$ 150,000
Library:				
Contribution to regional library	\$ 307,448	\$ 307,448	\$ 307,448	\$ -
Total parks, recreation, and cultural	\$ 1,506,590	\$ 2,013,030	\$ 1,857,330	\$ 155,700
Community development:				
Planning and community development:				
Planning	\$ 1,196,535	\$ 1,277,987	\$ 1,132,762	\$ 145,225
Planning District Commission	53,888	53,888	53,888	-
Industrial Development Authority	126,017	126,017	126,017	-
Economic development	154,476	156,493	135,770	20,723
Other community development	136,686	182,311	115,757	66,554
Total planning and community development	\$ 1,667,602	\$ 1,796,696	\$ 1,564,194	\$ 232,502
Environmental management:				
Soil and water conservation district	\$ 77,652	\$ 77,652	\$ 77,652	\$ -
Cooperative extension program:				
VPI extension	\$ 100,520	\$ 100,548	\$ 83,526	\$ 17,022
Total community development	\$ 1,845,774	\$ 1,974,896	\$ 1,725,372	\$ 249,524
Nondepartmental:				
Miscellaneous	\$ 380,526	\$ 61,831	\$ -	\$ 61,831
Debt service:				
Principal retirement	\$ 1,486,660	\$ 1,486,660	\$ 1,166,750	\$ 319,910
Interest and other fiscal charges	809,608	809,608	517,125	292,483
Total debt service	\$ 2,296,268	\$ 2,296,268	\$ 1,683,875	\$ 612,393
Total Expenditures	\$ 50,862,935	\$ 55,594,073	\$ 50,309,222	\$ 5,284,851
Excess (deficiency) of revenues over (under) expenditures	\$ 2,460,106	\$ (571,671)	\$ 12,367,765	\$ 12,939,436
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ 10,800	\$ 10,800	\$ -
Transfers out	(4,195,858)	(4,531,875)	(4,531,875)	-
Total other financing sources and uses	\$ (4,195,858)	\$ (4,521,075)	\$ (4,521,075)	\$ -
Net change in fund balances	\$ (1,735,752)	\$ (5,092,746)	\$ 7,846,690	\$ 12,939,436
Fund balances - beginning	1,735,752	5,092,746	33,474,221	28,381,475
Fund balances - ending	\$ -	\$ -	\$ 41,320,911	\$ 41,320,911

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)
6/30/2007	\$ 16,747,949	\$ 17,968,559	1,220,610	93.21%	\$ 8,002,659	15.25%
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%

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)
6/30/2007	\$ 7,549,650	\$ 7,896,968	347,318	95.60%	\$ 2,935,319	11.83%
6/30/2006	6,657,644	7,386,471	728,827	90.13%	2,842,181	25.64%
6/30/2005	6,156,227	6,515,619	359,392	94.48%	2,658,697	13.52%

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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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 175,000	\$ 175,000	\$ 535,121	\$ 360,121
Miscellaneous	-	25,025	65,585	40,560
Intergovernmental revenues:				
Commonwealth	205,986	355,986	323,741	(32,245)
Federal	-	160,658	-	(160,658)
Total revenues	\$ 380,986	\$ 716,669	\$ 924,447	\$ 207,778
<b>EXPENDITURES</b>				
Current:				
Economic development projects	\$ 4,890,000	\$ 9,317,053	\$ 1,094,609	\$ 8,222,444
Emergency services projects	375,000	424,355	375,000	49,355
County administration	355,000	408,641	203,077	205,564
Parks and recreation	190,750	1,491,068	1,361,782	129,286
Sheriff's department	363,000	936,841	451,333	485,508
School capital projects	10,173,094	10,493,209	1,645,440	8,847,769
Public works	230,000	598,968	123,210	475,758
Total expenditures	\$ 16,576,844	\$ 23,670,135	\$ 5,254,451	\$ 18,415,684
Excess (deficiency) of revenues over (under) expenditures	\$ (16,195,858)	\$ (22,953,466)	\$ (4,330,004)	\$ 18,623,462
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 4,195,858	\$ 4,531,875	\$ 4,531,875	\$ -
Transfers out	-	(10,800)	(10,800)	-
Issuance of revenue bonds	12,000,000	12,000,000	4,004,390	(7,995,610)
Total other financing sources and uses	\$ 16,195,858	\$ 16,521,075	\$ 8,525,465	\$ (7,995,610)
Net change in fund balances	\$ -	\$ (6,432,391)	\$ 4,195,461	\$ 10,627,852
Fund balances - beginning	-	6,432,391	7,499,078	1,066,687
Fund balances - ending	\$ -	\$ -	\$ 11,694,539	\$ 11,694,539

Combining Statement of Fiduciary Net Assets  
 Agency Funds  
 June 30, 2008

	<b>Agency Funds</b>			
	<b>Special Welfare</b>	<b>Bond Escrow Fund</b>	<b>Sheriff's Accounts</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,730	\$ 511,349	\$ 201	\$ 513,280
Total assets	<u>\$ 1,730</u>	<u>\$ 511,349</u>	<u>\$ 201</u>	<u>\$ 513,280</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 1,730	\$ -	\$ -	\$ 1,730
Amounts held for projects	-	511,349	-	511,349
Amounts held for others	-	-	201	201
Total liabilities	<u>\$ 1,730</u>	<u>\$ 511,349</u>	<u>\$ 201</u>	<u>\$ 513,280</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended June 30, 2008

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b>Special Welfare Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,667	\$ 61,601	\$ 74,538	\$ 1,730
Total assets	<u>\$ 14,667</u>	<u>\$ 61,601</u>	<u>\$ 74,538</u>	<u>\$ 1,730</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 14,667	\$ 61,601	\$ 74,538	\$ 1,730
Total liabilities	<u>\$ 14,667</u>	<u>\$ 61,601</u>	<u>\$ 74,538</u>	<u>\$ 1,730</u>
<b>Bond Escrow Account:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 688,822	\$ 96,853	\$ 274,326	\$ 511,349
Total assets	<u>\$ 688,822</u>	<u>\$ 96,853</u>	<u>\$ 274,326</u>	<u>\$ 511,349</u>
<b>LIABILITIES</b>				
Amounts held for projects	\$ 688,822	\$ 96,853	\$ 274,326	\$ 511,349
Total liabilities	<u>\$ 688,822</u>	<u>\$ 96,853</u>	<u>\$ 274,326</u>	<u>\$ 511,349</u>
<b>Sheriff's Accounts:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 128	\$ 103	\$ 30	\$ 201
Total assets	<u>\$ 128</u>	<u>\$ 103</u>	<u>\$ 30</u>	<u>\$ 201</u>
<b>LIABILITIES</b>				
Amounts held for others	\$ 128	\$ 103	\$ 30	\$ 201
Total liabilities	<u>\$ 128</u>	<u>\$ 103</u>	<u>\$ 30</u>	<u>\$ 201</u>
<b>Totals - All Agency Funds:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 703,617	\$ 158,557	\$ 348,894	\$ 513,280
Total assets	<u>\$ 703,617</u>	<u>\$ 158,557</u>	<u>\$ 348,894</u>	<u>\$ 513,280</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 14,667	\$ 61,601	\$ 74,538	\$ 1,730
Amounts held for projects	688,822	96,853	274,326	511,349
Amounts held for others	128	103	30	201
Total liabilities	<u>\$ 703,617</u>	<u>\$ 158,557</u>	<u>\$ 348,894</u>	<u>\$ 513,280</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, 2008

	<u>School Operating Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,310,205
Receivables (net of allowance for uncollectibles):	
Accounts receivable	269,612
Due from other governmental units	956,604
Total assets	<u>\$ 5,536,421</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 350,265
Accrued liabilities	4,079,004
Due to primary government	1,078,147
Total liabilities	<u>\$ 5,507,416</u>
Fund balances:	
Unreserved:	
Cafeteria fund	\$ 29,005
Total fund balances	<u>\$ 29,005</u>
Total liabilities and fund balances	<u>\$ 5,536,421</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 29,005
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,431,330
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(546,062)</u>
Net assets of governmental activities	<u>\$ 20,914,273</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2008

	<u>School Operating Fund</u>
<b>REVENUES</b>	
Revenue from the use of money and property	\$ 7,084
Charges for services	811,401
Miscellaneous	131,921
Recovered costs	917,327
Intergovernmental revenues:	
Local government	22,555,634
Commonwealth	18,593,887
Federal	2,882,470
Total revenues	<u>\$ 45,899,724</u>
<b>EXPENDITURES</b>	
Current:	
Education	\$ 45,868,049
Debt service:	
Principal retirement	51,757
Interest and other fiscal charges	503
Total expenditures	<u>\$ 45,920,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (20,585)</u>
Net change in fund balances	\$ (20,585)
Fund balances - beginning	<u>49,590</u>
Fund balances - ending	<u><u>\$ 29,005</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	\$ (20,585)
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	\$ 1,234,034
Depreciation expense	(2,017,290)
Net effect on disposal of capital assets	(56,878)
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>1,166,750</u> \$ 326,616
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.	(32,607)
Change in net assets of governmental activities	<u><u>\$ 273,424</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, 2008

	<b>School Operating Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 4,500	\$ 4,500	\$ 7,084	\$ 2,584
Charges for services	1,051,411	1,051,411	811,401	(240,010)
Miscellaneous	193,000	193,000	131,921	(61,079)
Recovered costs	475,000	597,077	917,327	320,250
Intergovernmental revenues:				
Local government	23,310,751	23,310,751	22,555,634	(755,117)
Commonwealth	19,030,577	19,052,252	18,593,887	(458,365)
Federal	2,706,913	2,869,020	2,882,470	13,450
Total revenues	<u>\$ 46,772,152</u>	<u>\$ 47,078,011</u>	<u>\$ 45,899,724</u>	<u>\$ (1,178,287)</u>
<b>EXPENDITURES</b>				
Current:				
Education:				
Instruction	\$ 33,286,605	\$ 33,362,179	\$ 32,998,556	\$ 363,623
Administration, attendance and health	1,966,004	1,966,004	1,702,588	263,416
Pupil transportation	3,727,776	3,797,776	3,647,335	150,441
Operation and maintenance services	3,879,183	3,879,183	3,627,786	251,397
Facilities	85,455	76,463	69,031	7,432
Technology	1,998,931	2,032,133	1,860,913	171,220
School food services	1,828,198	1,829,273	1,961,840	(132,567)
Debt service:				
Principal retirement	-	-	51,757	(51,757)
Interest and other fiscal charges	-	-	503	(503)
Total expenditures	<u>\$ 46,772,152</u>	<u>\$ 46,943,011</u>	<u>\$ 45,920,309</u>	<u>\$ 1,022,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ (20,585)</u>	<u>\$ (155,585)</u>
Net change in fund balances	\$ -	\$ 135,000	\$ (20,585)	\$ (155,585)
Fund balances - beginning	-	(135,000)	49,590	184,590
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,005</u>	<u>\$ 29,005</u>

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## Supporting Schedule

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Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2008

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 23,439,000	\$ 23,439,000	\$ 26,544,887	\$ 3,105,887
Real and personal public service corporation taxes	13,269,000	13,269,000	14,026,318	757,318
Personal property taxes	3,095,000	3,095,000	4,036,130	941,130
Mobile home taxes	35,000	35,000	20,527	(14,473)
Machinery and tools taxes	267,000	267,000	281,714	14,714
Other taxes	361,000	361,000	345,694	(15,306)
Penalties	135,000	135,000	289,783	154,783
Interest	60,000	60,000	131,100	71,100
Total general property taxes	<u>\$ 40,661,000</u>	<u>\$ 40,661,000</u>	<u>\$ 45,676,153</u>	<u>\$ 5,015,153</u>
Other local taxes:				
Local sales and use taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,723,872	\$ 223,872
Consumers' utility taxes	435,000	435,000	568,674	133,674
Communication taxes	300,000	300,000	398,901	98,901
Business license taxes	125,000	125,000	220,652	95,652
Utility license taxes	12,000	12,000	1,069	(10,931)
Motor vehicle licenses	600,000	600,000	587,777	(12,223)
Taxes on recordation and wills	400,000	400,000	739,593	339,593
Hotel and motel room taxes	21,000	21,000	63,353	42,353
Total other local taxes	<u>\$ 3,393,000</u>	<u>\$ 3,393,000</u>	<u>\$ 4,303,891</u>	<u>\$ 910,891</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,000	\$ 22,581	\$ 7,581
Land use application fees	1,360	1,360	1,320	(40)
Transfer fees	2,500	2,500	1,714	(786)
Building and other related permits	800,000	800,000	477,533	(322,467)
Zoning and use permits	500,000	500,000	278,863	(221,137)
Erosion and sediment control	80,000	80,000	69,665	(10,335)
Water and sewer connect fees	-	-	576,000	576,000
Permits and other licenses	3,000	3,000	3,710	710
Total permits, privilege fees, and regulatory licenses	<u>\$ 1,401,860</u>	<u>\$ 1,401,860</u>	<u>\$ 1,431,386</u>	<u>\$ 29,526</u>
Fines and forfeitures:				
Court fines and forfeitures	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 87,869</u>	<u>\$ 17,869</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 850,000	\$ 850,000	\$ 1,503,617	\$ 653,617
Revenue from use of property	36,000	36,000	36,508	508
Total revenue from use of money and property	<u>\$ 886,000</u>	<u>\$ 886,000</u>	<u>\$ 1,540,125</u>	<u>\$ 654,125</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Charges for services:				
Excess fees of clerk	\$ 120,000	\$ 120,000	\$ 103,598	\$ (16,402)
Charges for law enforcement and traffic control	1,000	1,000	4,228	3,228
Charges for courthouse maintenance	13,000	13,000	11,455	(1,545)
Treasurer's collection fees	-	-	52	52
Concealed weapons permits	1,500	1,500	1,921	421
Charges for Commonwealth's Attorney	650	650	836	186
Charges for sanitation and waste removal	465,000	465,000	485,627	20,627
Charges for parks and recreation	345,000	371,496	394,954	23,458
Other court charges	24,000	24,000	46,613	22,613
Other charges for services	1,800	32,054	40,045	7,991
Court fees law library	-	-	3,009	3,009
Total charges for services	<u>\$ 971,950</u>	<u>\$ 1,028,700</u>	<u>\$ 1,092,338</u>	<u>\$ 63,638</u>
Miscellaneous revenue:				
Miscellaneous	<u>\$ 100,000</u>	<u>\$ 231,070</u>	<u>\$ 257,835</u>	<u>\$ 26,765</u>
Recovered costs:				
Juvenile and domestic relations court costs	\$ 19,000	\$ 19,000	\$ 26,316	\$ 7,316
Other recovered costs	40,000	40,000	88,786	48,786
Expenditure refunds	-	-	108,820	108,820
Other recovered costs - welfare	16,000	26,436	53,492	27,056
Total recovered costs	<u>\$ 75,000</u>	<u>\$ 85,436</u>	<u>\$ 277,414</u>	<u>\$ 191,978</u>
Total revenue from local sources	<u>\$ 47,558,810</u>	<u>\$ 47,757,066</u>	<u>\$ 54,667,011</u>	<u>\$ 6,909,945</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	\$ 13,947	\$ 13,947	\$ -	\$ (13,947)
Wine taxes	14,619	14,619	-	(14,619)
Motor vehicle carriers' tax	45,000	45,000	20,944	(24,056)
Mobile home titling tax	50,000	50,000	56,033	6,033
Motor vehicle rental tax	1,300	1,300	3,277	1,977
Personal property tax relief funds	1,620,227	1,620,227	1,620,227	-
Total noncategorical aid	<u>\$ 1,745,093</u>	<u>\$ 1,745,093</u>	<u>\$ 1,700,481</u>	<u>\$ (44,612)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 210,886	\$ 210,886	\$ 337,553	\$ 126,667
Sheriff	922,554	922,554	1,279,824	357,270
Commissioner of revenue	101,292	101,292	145,748	44,456
Treasurer	101,292	101,292	161,372	60,080
Medical examiner	390	390	-	(390)
Registrar/electoral board	27,668	27,668	70,611	42,943
Clerk of the Circuit Court	185,412	185,412	253,009	67,597
Total shared expenses	<u>\$ 1,549,494</u>	<u>\$ 1,549,494</u>	<u>\$ 2,248,117</u>	<u>\$ 698,623</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from the Commonwealth: (Continued)				
Other categorical aid:				
Welfare administration and assistance	\$ 586,324	\$ 726,706	\$ 779,164	\$ 52,458
Wireless E-911 grant	-	-	59,266	59,266
Juvenile justice - crime control	-	13,497	13,497	-
At risk youth - comprehensive services act	300,000	738,409	924,427	186,018
Four 4 life grant	-	54,148	54,148	-
Litter control grant	-	-	9,695	9,695
Radiological preparedness grant	-	25,000	25,000	-
Fire programs fund	-	2,896	2,896	-
Victim-witness grant	-	50,827	50,474	(353)
Clerk's office equipment grant	-	63,691	61,271	(2,420)
ISTEA Grants - Trevillian Station Battlefield Found.	-	369,281	369,281	-
Other categorical aid	-	30,000	12,165	(17,835)
Total other categorical aid	<u>\$ 886,324</u>	<u>\$ 2,074,455</u>	<u>\$ 2,361,284</u>	<u>\$ 286,829</u>
Total categorical aid	<u>\$ 2,435,818</u>	<u>\$ 3,623,949</u>	<u>\$ 4,609,401</u>	<u>\$ 985,452</u>
Total revenue from the Commonwealth	<u>\$ 4,180,911</u>	<u>\$ 5,369,042</u>	<u>\$ 6,309,882</u>	<u>\$ 940,840</u>
Revenue from the federal government:				
Categorical aid:				
Welfare public assistance	\$ 1,570,297	\$ 1,821,278	\$ 1,626,086	\$ (195,192)
Alcohol open container requirements	-	24,978	28,428	3,450
Local law enforcement grant	-	1,534	1,534	-
Bulletproof vest partnership program	-	6,949	3,697	(3,252)
State domestic preparedness equipment program	-	7,500	-	(7,500)
Violence against women	13,023	34,055	22,742	(11,313)
Emergency management preparedness	-	-	17,607	17,607
Total categorical aid	<u>\$ 1,583,320</u>	<u>\$ 1,896,294</u>	<u>\$ 1,700,094</u>	<u>\$ (196,200)</u>
Total revenue from the federal government	<u>\$ 1,583,320</u>	<u>\$ 1,896,294</u>	<u>\$ 1,700,094</u>	<u>\$ (196,200)</u>
Total General Fund	<u>\$ 53,323,041</u>	<u>\$ 55,022,402</u>	<u>\$ 62,676,987</u>	<u>\$ 7,654,585</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 535,121</u>	<u>\$ 360,121</u>
Miscellaneous revenue:				
Other miscellaneous	<u>\$ -</u>	<u>\$ 25,025</u>	<u>\$ 65,585</u>	<u>\$ 40,560</u>
Total revenue from local sources	<u>\$ 175,000</u>	<u>\$ 200,025</u>	<u>\$ 600,706</u>	<u>\$ 400,681</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Capital Projects Fund: (Continued)</b>				
<b>County Capital Improvements Fund: (Continued)</b>				
Revenue from the Commonwealth:				
Categorical aid:				
School construction	\$ 105,986	\$ 105,986	\$ -	\$ (105,986)
PSAP grant	-	150,000	150,000	-
Recordation taxes	100,000	100,000	173,741	73,741
Total categorical aid	<u>\$ 205,986</u>	<u>\$ 355,986</u>	<u>\$ 323,741</u>	<u>\$ (32,245)</u>
Total revenue from the Commonwealth	<u>\$ 205,986</u>	<u>\$ 355,986</u>	<u>\$ 323,741</u>	<u>\$ (32,245)</u>
Revenue from the federal government:				
Noncategorical aid:				
Noncategorical aid	\$ -	\$ 160,658	\$ -	\$ (160,658)
Total County Capital Improvements Fund	<u>\$ 380,986</u>	<u>\$ 716,669</u>	<u>\$ 924,447</u>	<u>\$ 207,778</u>
Total Primary Government	<u>\$ 53,704,027</u>	<u>\$ 55,739,071</u>	<u>\$ 63,601,434</u>	<u>\$ 7,862,363</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>Special Revenue Funds:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,500	\$ 1,500	\$ 2,764	\$ 1,264
Revenue from the use of property	3,000	3,000	4,320	1,320
Total revenue from use of money and property	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 7,084</u>	<u>\$ 2,584</u>
Charges for services:				
Tuition	\$ 10,000	\$ 10,000	\$ 5,137	\$ (4,863)
Cafeteria sales	1,041,411	1,041,411	806,264	(235,147)
Total charges for services	<u>\$ 1,051,411</u>	<u>\$ 1,051,411</u>	<u>\$ 811,401</u>	<u>\$ (240,010)</u>
Miscellaneous revenue:				
Other miscellaneous	\$ 193,000	\$ 193,000	\$ 131,921	\$ (61,079)
Recovered costs:				
Other recovered costs	\$ 475,000	\$ 597,077	\$ 917,327	\$ 320,250
Total revenue from local sources	<u>\$ 1,723,911</u>	<u>\$ 1,845,988</u>	<u>\$ 1,867,733</u>	<u>\$ 21,745</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 23,310,751	\$ 23,310,751	\$ 22,555,634	\$ (755,117)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,689,146	\$ 4,603,735	\$ 4,380,655	\$ (223,080)
Basic school aid	8,877,964	8,947,633	8,810,270	(137,363)
Special education	1,039,695	1,039,695	1,025,729	(13,966)
Textbook payment	205,642	205,642	202,880	(2,762)
Vocational SOQ payments	211,220	211,220	208,383	(2,837)
Social security fringe benefits	488,062	488,062	481,506	(6,556)
Retirement fringe benefits	701,333	730,042	720,236	(9,806)
State lottery payments	453,180	456,707	450,754	(5,953)
At risk payments	195,367	183,931	181,446	(2,485)
Special education - regional tuition	94,646	94,646	100,769	6,123
Remediation assistance	140,555	140,747	140,747	-
Primary class size	279,372	279,668	279,668	-
Technology	180,000	180,000	180,000	-
At risk four-year olds	203,285	203,285	203,285	-
Mentor teacher program	-	-	12,039	12,039
English as a second language	13,356	17,376	17,376	-
Other state funds	1,257,754	1,269,863	1,198,144	(71,719)
Total categorical aid	<u>\$ 19,030,577</u>	<u>\$ 19,052,252</u>	<u>\$ 18,593,887</u>	<u>\$ (458,365)</u>
Total revenue from the Commonwealth	<u>\$ 19,030,577</u>	<u>\$ 19,052,252</u>	<u>\$ 18,593,887</u>	<u>\$ (458,365)</u>
Revenue from the federal government:				
Categorical aid:				
Assistive technology	\$ 9,000	\$ 9,000	\$ -	\$ (9,000)
Title II, part D: Education technology state grants	-	16,054	-	(16,054)
Title I: Grants to local educational agencies	709,554	735,681	742,343	6,662
Title VI-B: Special education grants	895,338	900,683	875,995	(24,688)
Title VI-B: Special education preschool grants	19,000	19,820	19,820	-
Vocational education	75,000	74,715	56,302	(18,413)
Safe and drug free schools and communities	15,000	21,689	21,551	(138)
Title II, part A: Improving teacher quality	197,635	290,978	157,339	(133,639)
Title VI	-	-	21,198	21,198
School lunch and breakfast program	775,000	775,000	987,604	212,604
Title V, part A: Innovative programs	11,386	23,099	-	(23,099)
Advanced placement grants	-	-	318	318
Language acquisition grant - refugee children	-	2,301	-	(2,301)
Total categorical aid	<u>\$ 2,706,913</u>	<u>\$ 2,869,020</u>	<u>\$ 2,882,470</u>	<u>\$ 13,450</u>
Total revenue from the federal government	<u>\$ 2,706,913</u>	<u>\$ 2,869,020</u>	<u>\$ 2,882,470</u>	<u>\$ 13,450</u>
Total School Operating Fund	<u>\$ 46,772,152</u>	<u>\$ 47,078,011</u>	<u>\$ 45,899,724</u>	<u>\$ (1,178,287)</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 Eight Fiscal Years  
(*accrual basis of accounting*)

	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
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	\$ 15,445,907
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	52,132,430
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	\$ 67,578,337
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	\$ 15,445,907
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	52,132,430
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	\$ 67,578,337

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

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

	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>								
Governmental activities:								
General government administration	\$ 1,641,916	\$ 2,022,383	\$ 1,973,073	\$ 2,045,811	\$ 2,471,471	\$ 3,076,968	\$ 3,221,581	\$ 3,186,889
Judicial administration	1,237,335	1,285,734	1,351,154	1,343,455	1,480,965	1,531,372	1,749,661	2,064,610
Public safety	3,868,191	4,757,527	4,862,337	5,461,400	6,140,453	6,649,580	7,702,140	8,134,037
Public works	1,277,870	2,197,711	2,069,710	2,473,378	3,154,616	3,708,322	3,181,936	3,436,269
Health and welfare	2,976,966	3,373,095	3,756,273	3,988,240	4,527,540	5,161,120	5,729,666	6,595,067
Education	21,144,061	22,087,095	18,453,714	20,102,557	19,570,379	20,837,915	22,066,405	24,724,820
Parks, recreation and cultural	693,666	906,395	975,911	1,052,946	1,297,959	1,169,334	1,346,662	1,954,021
Community development	748,588	840,588	867,176	837,947	2,447,529	2,885,848	2,186,487	2,891,452
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	612,869
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	\$ 53,600,034
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	\$ 53,600,034
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
General government administration	\$ -	\$ 810	\$ 1,490	\$ 4,805	\$ 1,370	\$ 1,360	\$ 3,609	\$ 34,375
Judicial administration	37,514	130,331	155,971	281,507	222,114	278,211	206,547	167,024
Public safety	4,042	244,827	333,484	429,177	1,030,266	1,189,764	1,032,403	939,053
Public works	14,102	18,156	24,807	-	426,551	491,862	495,604	485,627
Parks, recreation and cultural	180,347	179,196	220,727	319,453	400,793	379,622	375,683	398,664
Community development	1,014	109,414	135,318	237,727	-	-	2,312	4,061
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	5,817,630
Capital grants and contributions	407,322	1,285,884	186,078	668,721	1,264,338	537,636	633,676	1,210,700
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	\$ 9,057,134
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	\$ 9,057,134
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)	\$ (44,542,900)
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)	\$ (44,542,900)

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

	Fiscal Year							
	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Revenues and Other Changes in Net Assets</b>								
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	\$ 46,208,819
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	1,723,872
Taxes on recordation and wills	194,188	237,334	267,673	428,384	743,375	1,002,853	874,653	739,593
Motor vehicle licenses taxes	362,595	378,905	507,198	549,873	577,077	612,145	604,244	587,777
Consumer utility taxes	384,848	481,897	691,090	451,519	510,188	533,015	553,813	568,674
E-911 / Communication taxes	-	-	-	340,095	352,848	358,845	350,769	398,901
Other local taxes	178,869	202,939	114,517	117,151	157,321	188,250	289,646	285,074
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	1,881,387
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	2,075,246
Miscellaneous	449,180	151,894	110,790	250,778	267,106	180,854	665,128	323,569
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	\$ 54,792,912
Total primary government	\$ 30,210,114	\$ 30,902,380	\$ 31,062,847	\$ 34,676,424	\$ 37,531,626	\$ 43,959,167	\$ 52,450,734	\$ 54,792,912
<b>Change in Net Assets</b>								
Governmental activities	\$ (3,456,459)	\$ (3,739,961)	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	\$ 13,210,172	\$ 10,250,012
Total primary government	\$ (3,456,459)	\$ (3,739,961)	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	\$ 13,210,172	\$ 10,250,012

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 Eight Fiscal Years  
*(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
2008	\$ 46,208,819	\$ 1,723,872	\$ 568,674	\$ 587,777	\$ 739,593	\$ 398,901	\$ 285,074	\$ 50,512,710
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)*

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Unreserved	\$ 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	\$ 41,320,911
Total general fund	\$ 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	\$ 41,320,911
All other governmental funds										
Unreserved, reported in:										
Capital projects funds	\$ 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	\$ 11,694,539
Total all other governmental funds	\$ 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	\$ 11,694,539

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
General property taxes	\$ 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	\$ 45,676,153
Other local taxes	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	4,303,891
Permits, privilege fees and regulatory licenses	271,385	259,164	278,049	352,867	410,992	659,343	1,065,640	1,430,597	1,443,061	1,431,386
Fines and forfeitures	55,545	38,097	54,610	72,093	47,196	75,905	94,931	73,664	66,784	87,869
Revenue from use of money and property	1,389,973	1,929,619	2,024,292	740,504	348,730	277,038	592,146	1,143,165	2,002,022	2,075,246
Charges for services	213,423	197,891	237,019	257,774	413,609	537,421	1,053,324	1,154,448	1,085,304	1,092,338
Miscellaneous	76,023	686,879	56,949	898,721	110,790	250,778	259,572	187,074	281,824	323,420
Recovered costs	17,485	81,431	87,833	76,750	88,408	39,297	23,666	62,621	230,214	277,414
Intergovernmental:										
Commonwealth	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	6,633,623
Federal	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	1,700,094
Total revenues	\$ 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	\$ 63,601,434
<b>Expenditures</b>										
General government administration	\$ 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	\$ 2,923,524
Judicial administration	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	1,948,552
Public safety	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	7,503,183
Public works	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	3,263,493
Health and welfare	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	6,814,582
Education	10,590	13,518	18,518	16,791,474	17,206,677	17,342,380	17,920,247	18,973,024	20,236,354	22,589,311
Parks, recreation and cultural	561,086	584,920	718,362	887,763	957,026	998,226	1,105,074	1,151,481	1,330,834	1,857,330
Community development	409,711	498,568	649,794	687,866	714,962	687,992	761,774	1,374,277	1,603,502	1,725,372
Nondepartmental		44,256	61,827	53,725	73,723	-	-	-	-	-
Capital projects	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	5,254,451
Debt service:										
Principal retirement	-	-	-	1,713,650	1,698,650	1,668,650	1,446,698	1,429,801	1,178,650	1,166,750
Interest and other fiscal charges	-	-	-	1,046,422	1,015,272	913,637	733,241	656,765	576,814	517,125
Total expenditures	\$ 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	\$ 55,563,673
Excess of revenues over (under) expenditures	\$ 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	\$ 8,037,761
Other financing sources (uses)										
Transfers in	\$ 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	\$ 4,542,675
Transfers out	(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)	(4,542,675)
Bonds issued	-	-	4,000,000	-	-	-	-	-	-	4,004,390
Sale of capital assets	-	-	-	467,000	-	-	26,300	-	-	-
Total other financing sources (uses)	\$ (8,541,711)	\$ (16,734,155)	\$ (14,383,915)	\$ 467,000	\$ -	\$ -	\$ 26,300	\$ -	\$ -	\$ 4,004,390
Net change in fund balances	\$ 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	\$ 12,042,151
Debt service as a percentage of noncapital expenditures										
							5.65%	4.90%	3.91%	3.42%

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)*

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local sales and use Tax</b>	<b>Consumer Utility Tax</b>	<b>Motor Vehicle License Tax</b>	<b>Recordation and Wills Tax</b>	<b>E-911 Tax</b>	<b>Other Local Taxes</b>	<b>Total</b>
2008	\$ 45,676,153	\$ 1,723,872	\$ 568,674	\$ 587,777	\$ 739,593	\$ 398,901	\$ 285,074	\$ 49,980,044
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

**COUNTY OF LOUISA, VIRGINIA**

**Table 7**

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
2008	\$ 5,104,017,200	\$ 304,852,330	\$ 12,100,470	\$ 14,912,970	\$ 53,474,780	\$ 2,263,061,022	\$ 7,752,418,772	\$ 7,752,418,772	100.00%
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%

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
2008	0.62	1.90	0.62	1.90	0.65	0.166	0.71	0.25	0.60
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

(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 2008		Fiscal Year 1999	
		2007 Assessed Valuation	% of Total Assessed Valuation	1998 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	\$ 1,727,727,354	0.304195964	\$ 1,642,153,242	0.516586496
Old Dominion	Electric	420,662,553	0.074064841	222,314,306	0.069935354
Walmart	Retailer	82,250,035	0.014481526	N/A	N/A
Rappahannock Electric Co-op	Electric	36,773,168	0.006474545	19,500,618	0.006647484
Verizon	Telecom	28,811,649	0.005072784	21,131,384	0.00613448
Klockner Pentaplast	Manufacturing	25,072,035	0.004414361	16,797,880	0.005284256
Columbia Gas	Pipeline	18,156,168	0.003196704	8,115,136	0.002552849
CSX	Railroad	N/A	N/A	6,940,749	0.002183412
Colonial Pipeline	Pipeline	11,030,961	0.001942189	10,743,334	0.003379624
Spring Creek Land Development	Land Developer	10,928,300	0.001924114		
Central Virginia Electric Co-op	Electric	8,703,483	0.001532397	4,281,667	0.001346921
Commonwealth Gas Services	Utilities	N/A	N/A	3,819,060	0.001201395
		\$ 2,370,115,706	30.57%	\$ 1,955,797,376	59.62%

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
2008	\$ 47,708,140	\$ 46,019,832	96.46%	\$ -	\$ 46,019,832	96.46%
2007	44,451,211	43,708,382	98.33%	566,133	44,274,515	99.60%
2006	38,211,632	37,130,641	97.17%	519,219	37,649,860	98.53%
2005	32,496,675	31,957,972	98.34%	527,895	32,485,867	99.97%
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%

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				
2008	\$ 11,835,000	\$ -	\$ -	11,835,000	1187.65%	380
2007	9,100,000	101,750	9,201,750	9,201,750	1000.17%	295
2006	10,160,000	220,400	10,380,400	10,380,400	1128.29%	360
2005	11,210,000	504,050	11,714,050	11,714,050	1273.25%	407
2004	12,255,000	812,700	13,067,700	13,067,700	1567.91%	477
2003	13,615,000	1,121,350	14,736,350	14,736,350	1919.16%	548
2002	14,955,000	1,480,000	16,435,000	16,435,000	2262.50%	620
2001	16,310,000	358,650	16,668,650	16,668,650	2330.06%	650
2000	13,535,000	2,197,300	15,732,300	15,732,300	2380.64%	629
1999	14,765,000	2,555,950	17,551,270	17,551,270	2921.53%	711

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 LOUISIA, 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)
2008	\$ 11,835,000	\$ 11,835,000	0.15%	37960.68%
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%

- (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 and 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			
2008	31,177	\$ 996,507	\$ 32,100			4,538	4.30%
2007	31,226	920,014	30,632			4,439	2.90%
2006	30,020	920,014	30,632	40.0		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%

Sources: Weldon Cooper Center; Annual school report - prepared by the County School Board; [www.fedstats.gov](http://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

<b>Employer</b>	<b>Fiscal Year 2008</b>			<b>Fiscal Year 1999</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>	<b>Employers</b>	<b>Rank</b>	<b>Rank</b>
Dominion Virginia Power	963	1	13.64%	Virginia Power		1
Walmart, Inc.	779	2	11.03%	Louisa County Public Schools		2
Louisa County Public Schools	750	3	10.62%	Klockner- Pentaplast of America		3
Klockner- Pentaplast of America	531	4	7.52%	County of Louisa		4
County of Louisa	308	5	4.36%	Klearfold		5
Tri-Dim Filter Corporation	213	6	3.02%	Tri-Dim Filter Corporation		6
Mead Westvaco	140	7	1.98%	VDOT		7
Shenandoah Crossings Resort*	130	8	1.84%	Louisa Health Care Center		8
Lowes	123	9	1.74%	Food Lion		9
Louisa Health Care Center	116	10	1.64%	Chips		10
Chips	85	11	1.20%	Iron Crafters		11
Food Lion	78	12	1.10%	Piedmont Metal Fabricators		12
<b>Total County Employees</b>	<b>7,062</b>		<b>59.70%</b>			

Source: Virginia Employment Commission, Individual Companies HR Depts.

\*Seasonal

**COUNTY OF LOUISA, VIRGINIA**

**Table 15**

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	24	23	26	26	26	29	29	32	29	31
Judicial administration	12	12	13	12	15	15	15	15	15	17
Public safety	37	39	41	42	45	44	49	52	55	55
Sheriffs department	7	6	6	6	6	11	11	11	14	13
Fire & rescue	3	4	5	5	4	4	5.5	6.5	6.5	6.5
Building inspections	3	3	3	3	3	4	4	4	4	4
Animal control										
Public works										
General maintenance	1	1	1	1	2	2	2	3	11	10
Landfill	3	4	5	4	5	2	2	2	2	2
Engineering	0	0	0	0	0	0	0	1	1	1
Health and welfare										
Department of social services	25	32	35	32	32	35	35	36	35	37
Culture and recreation										
Parks and recreation	4	5	6	6	7	6	5	6	5	7
Community development										
Planning	3	3	4	4	4	4	3.5	3.5	10.5	9.5
Totals	122	132	145	141	149	156	161	172	188	193

Source: Payroll Records

**COUNTY OF LOUISA, VIRGINIA**

**Table 16**

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety										
Sheriffs department:										
Physical arrests		834	1,541	1,544	1,472	1,608	1,555	1,978	1,857	1,885
Traffic violations		727	832	975	1,031	925	1,358	1,415	1,616	2,235
Civil papers		6,072	8,974	8,450	8,770	8,978	8,552	11,189	11,090	11,292
Fire and rescue:										
Number of calls answered		8133	7951	8854	8571	9657	9859	9858	7804	7731
Building inspections:										
Permits issued	1,445	1,548	1,522	1,776	1,992	1,597	1,674	1,878	2,050	1,970
Public works										
General maintenance:										
Trucks/vehicles	7	6	5	6	3	4	10	8	9	9
Landfill:										
Refuse collected (tons/day)		42.59	64.12	68.28	79.18	85.15	79.24	75.6	82.1	87.9
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps	462		590			772	863	916	909	962
Medicaid	1,343		1,400			2,160	2,432	2,508	2,423	2,475
Temporary Asst. Needy Families	73		77			97	115	119	105	103
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued					164	177	106	97	44	48
After-school program participants					178	199	239	211	252	305
Aquatic facility participants										6065
Youth sports participants					6801	7722	10095	13167	17061	10991
Community development										
Planning:										
Zoning permits issued	821	1,044	1,010	1,020	1,275	1,455	1,350	1,655	945	961
Component Unit - School Board										
Education:										
School age population	5,424			5,519			5,657			5,881
Actual School Enrollment (March)	4,086	4,166	4,097	4,216	4,236	4,238	4,251	4,361	4,439	4,538
Number of teachers	316	322	311	334	342	346	357	358	370	378
Local expenditures per pupil	5,982	6,519	7,133	7,251	7,573	7,705	8,363	8,845	8,721	9,800

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	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government										
Administration buildings	7	7	7	8	8	9	9	9	9	9
Vehicles	4	4	4	6	7	9	6	7	10	10
Public safety										
Sheriffs department:										
Patrol units	33	35	35	40	44	40	41	44	44	44
Other vehicles	6	6	6	5	5	6	7	7	13	14
Building inspections:										
Vehicles	3	3	4	4	4	4	5			
Animal control:										
Vehicles	2	2	3	3	4	3	3	3	3	4
Emergency Services:										
Vehicles	2	2	2	2	2	2	2	2	5	7
Public works										
General maintenance:										
Trucks/vehicles	7	6	5	6	3	4	10	8	9	10
Landfill:										
Vehicles	1	2	2	2	5	5	0	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	9	9	9	9
Department of Social Services:										
Vehicles	7	7	7	7	7	9	10	10	11	10
Culture and recreation										
Parks and recreation:										
Community centers	0	1	1	2	2	2	2	2	2	2
Vehicles	2	4	4	6	6	6	5	5	5	5
Parks acreage		6.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	35.22
Community development										
Planning:										
Vehicles	1	1	1	1	1	3	2	8	9	10
Component Unit - School Board										
Education:										
Schools	5	5	5	5	5	5	5	5	5	5
School buses	73	80	88	96	99	103	104	110	110	115

Source: Insurance Renewal Schedules

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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To the Honorable Members of  
The Board of Supervisors  
County of 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, 2008, which collectively comprise the County of Louisa, Virginia's basic financial statements and have issued our report thereon dated November 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

### 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Louisa, Virginia'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 County'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 internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of 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 to be and should not be used by anyone other than these specified parties.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
November 21, 2008

# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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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, 2008. 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, 2008.

### 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 of Louisa, Virginia'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 not 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, 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, Cox Associates*  
Charlottesville, Virginia  
November 21, 2008

**COUNTY OF LOUISA, VIRGINIA**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

<b>Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)</b>	<b>Federal Catalog Number</b>	<b>Expenditures</b>
Department of Health and Human Services:		
Pass Through Payments:		
Department of Social Services:		
Promoting safe and stable families	93.556	\$ 29,257
Temporary assist for needy families	93.558	223,331
Refugee and entrant assistance - state administered programs	93.566	1,210
Low-income home energy assistance	93.568	4,761
Child care and development block grant	93.575	95,429
Child care mandatory and matching funds of the child care fund	93.596	112,024
Chafee education and training vouchers program (ETV)	93.599	1,373
Adoption incentive payments	93.603	656
Child welfare services - state grants	93.645	1,428
Foster care - Title IV-E	93.658	339,256
Adoption assistance	93.659	42,923
Social services block grant	93.667	223,495
Chafee foster care independence program	93.674	5,496
States children's insurance program	93.767	9,664
Medical assistance program	93.778	<u>230,647</u>
Total Department of Health and Human Services		\$ <u>1,320,950</u>
Department of Homeland Security:		
Pass Through Payments:		
Department of Emergency Management:		
Emergency management performance grants	97.042	\$ <u>17,607</u>
Department of Agriculture:		
Pass Through Payments:		
Department of Agriculture:		
Food distribution	10.555	\$ 129,536
Department of Education:		
School breakfast program	10.553	211,316
National school lunch program	10.555	646,752
Department of Social Services:		
State admin matching grants for special nutrition program	10.561	<u>305,136</u>
Total Department of Agriculture		\$ <u>1,292,740</u>

**COUNTY OF LOUISA, VIRGINIA**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

<u>Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)</u>	<u>Federal Catalog Number</u>	<u>Expenditures</u>
Department of Justice:		
Pass Through Payments:		
Department of Criminal Justice Service:		
Violence against women formula grants	16.588	\$ 22,742
Bulletproof vest partnership program	16.607	3,697
Local law enforcement block grant	16.592	<u>1,534</u>
Total Department of Justice		\$ <u>27,973</u>
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
Alcohol open container requirements	20.607	\$ <u>28,428</u>
Department of Education:		
Pass Through Payments:		
Department of Education:		
Title I grants to local education agencies	84.010	\$ 742,344
Special education - grants to states	84.027	875,995
Career and technical education - basic grants to states	84.048	56,303
Special education - preschool grants	84.173	19,820
Safe and drug-free schools and communities - state grants	84.186	21,551
Advanced placement program	84.330	318
Improving teacher quality state grants	84.367	157,339
State grants for innovative programs	84.298	<u>21,196</u>
Total Department of Education		\$ <u>1,894,866</u>
Total Federal Assistance		\$ <u><u>4,582,564</u></u>

**COUNTY OF LOUISA, VIRGINIA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

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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	\$ 1,700,094
Component Unit Public Schools:	
School Operating Fund	\$ <u>2,882,470</u>
Total federal expenditures per basic financial statements	\$ <u><u>4,582,564</u></u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>4,582,564</u></u>

**COUNTY OF LOUISA, VIRGINIA**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2008

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

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material 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>
84.010	Title I Grants to Local Education Agencies
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.658	Foster Care - Title IV-E

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.

**COUNTY OF LOUISA, VIRGINIA**

Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2008

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There were no findings reported for the year ended June 30, 2007.

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