COUNTY OF WASHINGTON, VIRGINIA FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2007



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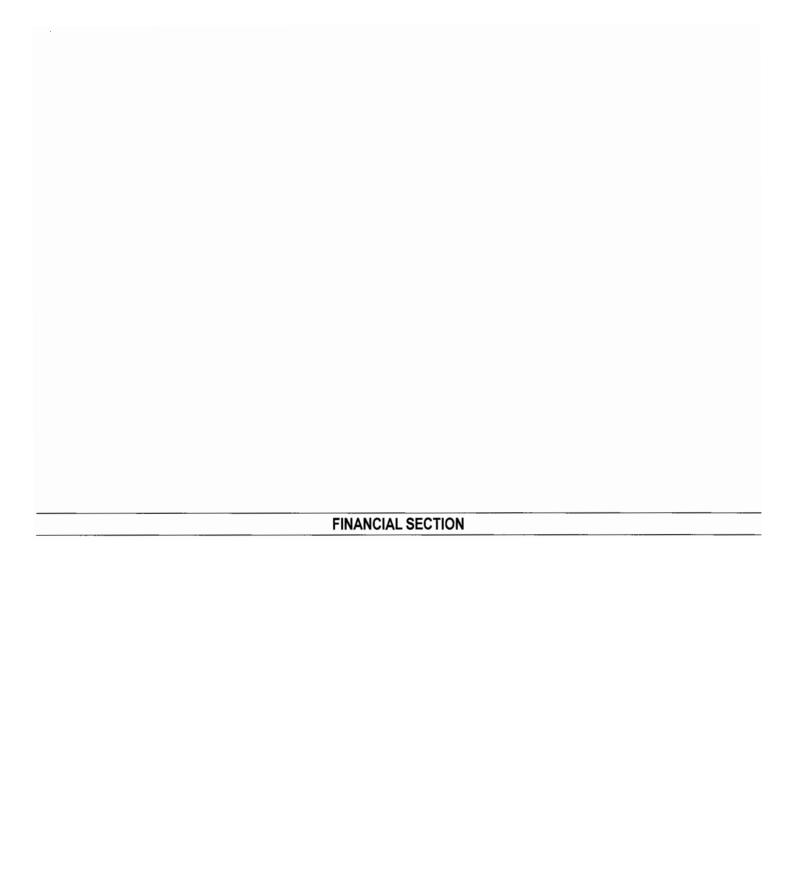
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	BOARD OF SUPERVISORS	
	Kenneth O. Reynolds, Chair	
Phillip B. McCall		Paul Price
Anthony S. Rector Dulcie M. Mumpower		Jack R. McCrady, Jr Odell Owens
Duiole W. Manipower	Mark K. Reeter, Clerk	Oden Owens
	COUNTY SCHOOL BOARD	
	Tom D. Musick, Chair	
Herschel Stevens	Tom B. Wasion, Shair	Curtis Burket
Billy W. Brooks		William B. Boone
Elizabeth P. Lowe	Maliana Caudill Clark	Dayton Owens
	Melissa Caudill, Clerk	
	SOCIAL SERVICES BOARD	
	Stephen B. Talbert, Chair	
Randall T. Blevins		Dan C. Bal
John B. Roberts Lisa D. Andis		Richard C. Buchanan Sarah Haderer
LISA D. AIIUIS		Garan nadere
	OTHER OFFICIALS	
Chief Judge of the Circuit (
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	nestic Relations Court	
		• •
	200	
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•		
County Administrator		Mark K. Reeter



ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF WASHINGTON, VIRGINIA

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, the major fund, and the aggregate remaining fund information of the County of Washington, Virginia, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Washington, Virginia's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Washington County Service Authority, the Virginia Highlands Airport Commission and the Industrial Development Authority of Washington County. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Washington County Service Authority, the Virginia Highlands Airport Commission and the Industrial Development Authority of Washington County is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, 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, the major fund, and the aggregate remaining fund information of the County of Washington, Virginia, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2007, on our consideration of the County of Washington, Virginia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison 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 inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Washington, Virginia's, basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, and other supplementary information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 Washington, Virginia. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The introductory section and other supplementary information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Christiansburg, Virginia

Robinson, Farmer, Cox associates

October 24, 2007

Management's Discussion and Analysis

As management of the County of Washington, Virginia we offer the following discussion and analysis of the County's financial performance and overview of the County's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the County's financial statements, which follow this section.

Financial Highlights For Fiscal Year 2007

- Total net assets for governmental activities were \$12.7 million at the end of FY 2007. This figure is based on assets totaling \$56.9 million and liabilities of \$44.2 million. The liabilities amount includes a non-current component for long-term debt associated with the acquisition of assets for the County and School system. The total for assets includes only the school properties with related debt. (Exhibit 1).
- During the year, the County's General Revenues, which includes property taxes and other local taxes for the primary government, were \$4.4 million more than the \$37.0 million of net primary government expenses. (Exhibit 2).
- Total general fund revenues exceeded the final budgeted amount by \$1.8 million or approximately 3.7 percent. Actual expenditures were \$6.6 million less than the final expenditure budget. (Exhibit 8)
- The County's total outstanding debt at fiscal year end decreased by \$1.0 million because the County incurred very little new debt. Since 1991, the School system has generally made several improvements to current school facilities by issuing new debt as old debt is retiring. In lieu of building new school facilities, the School system has upgraded its facilities to meet ADA requirements, to make them energy efficient and to extend their useful life.
- Component Unit net assets were \$77.5 million at the end of FY2007. Of this amount, \$66.4 million is invested in capital assets, net of related debt.
- At the end of the current fiscal year, undesignated fund balance for the general fund was approximately \$12.3 million. The Board of Supervisors has adopted a policy to keep the undesignated general fund balance at a minimum of \$3.5 million. The County needs to keep an adequate cash reserve to cover expenses until the collection of property tax revenues start.
- The Southwest Virginia Regional Jail opened in April of 2005 with Washington County making its first payment for Operations of \$156,405. A major impact on expenditures occurred during the year with the County making payments for a full year of operations and related debt service totaling \$1.3 million.

Overview of the Financial Statements

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

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

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The user of this report, however, must keep in mind that School related debt activities may distort net assets.

The *statement of activities* presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, judicial administration, public safety, health and welfare, parks and recreation, solid waste and community development. The County does not have any business-type activities.

The government-wide financial statements include the County (known as the *primary government*) as well as funds of the Washington County School Board, the Washington County Service Authority, the Virginia Highlands Airport Commission and the Washington County Industrial Development Authority (known as the *component unit*). Financial information for this component unit is reported separately from the financial information presented for the primary government.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is now on the County's most significant funds, and the fund financial statements provide more information about these funds – not the County as a whole.

The County has three kinds of funds:

Governmental funds – Most of the County's basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year end that are available for spending. Consequently, the governmental funds statements report financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship (or difference) between them.

<u>Proprietary funds</u> – When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported with the full accrual accounting method as are all activities reported in the Statement of Net Assets and Statement of Activities. Enterprise funds are a type of proprietary fund and are the same as the government-wide business-type activities; however, the fund financial statements provide more detail and additional information, such as cash flows. The County's component unit Service Authority and other component units are presented as proprietary funds.

<u>Fiduciary funds</u> – The County is the trustee, or fiduciary, for the County's agency funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

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

<u>Required supplementary information.</u> In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary comparisons and progress in funding its obligation to provide pension benefits to its employees.

Financial Analysis of the County as a Whole

A comparative analysis of government-wide information is as follows:

Summary of Net Assets:

The following table reflects the condensed Statement of Net Assets as presented in the government-wide financial statements (in millions):

	Governn Activit		Compon	ent Units
	FY2007	FY2006	FY2007	FY2006
Current and other assets	\$50.7	\$18.5	\$20.2	\$17.2
Capital assets, net	6.2	6.2	82.1	81.9
Total assets	56.9	24.7	102.3	99.1
Other liabilities	31.1	2.3	4.8	3.7
Long-term liabilities	13.1	14.1	20.0	20.2
Total liabilities	44.2	16.4	24.8	23.9
Net assets:				
Invested in capital assets,				
net of related debt	2.6	2.9	66.4	70.1
Restricted	0.7	0.6	15.6	15.4
Unrestricted	9.4	4.8	(4.5)	(10.3)
Total net assets	\$12.7	\$8.3	\$77.5	\$75.2

The County's combined net assets increased from \$8.3 million to \$12.7 million as a result of the increase in net activities of governmental activities of \$4.4 million. Unrestricted net assets, the portion of net assets that can be used to finance the day-to-day activities of the County began the fiscal year at \$4.8 million. By the end of the fiscal year, the unrestricted net assets had grown to \$9.4 million. Net assets invested in capital assets, net of related debt, represents the amount of capital assets owned by the County. Net assets are reported as restricted when constraints on asset use are externally imposed by creditors, grantors, contributors, regulators, or imposed by law through constitutional provisions or enabling legislation.

Component unit net assets increased slightly as the result of lower than budgeted expenses.

Summary of Activities:

The following table shows the revenues and expenses of the governmental activities for the year ended June 30, 2007 (in millions):

(Exhibit 2)	Govern Activ	mental vities	Compon	ent Units
	FY2007	FY2006	FY2007	FY2006
Revenues:				
Program revenues:				
Charges for Services	\$1.5	\$1.4	\$14.7	\$13.7
Operating Grants & Contributions	8.3	8.1	46.2	41.2
Capital Grants & Contributions	1.0	0.6	0.7	2.3
General Revenues				
Property Taxes	27.2	26.0	0.0	0.0
Other Taxes	10.0	9.7	0.0	0.0
Other	4.3	3.9	2.0	1.5
Payments from the County	0.0	0.0	20.5	_21.5
Total Revenues	52.3	49.7	84.1	80.2
Expenses				
General Government	2.6	2.1	0.0	0.0
Judicial Administration	1.2	1.1	0.0	0.0
Public Safety	8.6	7.8	0.0	0.0
Public Works	3.0	2.8	10.7	9.8
Health and Welfare	6.5	6.4	0.0	0.0
Education	19.5	20.8	67.8	64.3
Parks, Recreation and Cultural	2.5	2.2	0.0	0.0
Community Development	3.2	3.1	3.8	3.8
Interest on Long-Term Debt	0.6	0.7	0.0	0.0
Water	0.0	0.0	0.0	0.0
Total Expenses	47.7	47.0	82.3	77.9
Change in Net Assets	4.4	2.7	1.8	2.3
Transfers	0.0	0.0	0.0	0.0
Net Assets, Beginning of Year	8.3	5.6	75.7	72.9
Net Assets, Ending	\$12.7	\$8.3	\$77.5	\$75.2

Revenues

For the fiscal year ended June 30, 2007, revenues from governmental funds totaled \$52.2 million. Property tax revenues, the County's largest revenue source, were \$27.2 million, an increase of \$1.2 million over the prior fiscal year. Other local taxes (including sales taxes, recordation taxes, and meals taxes) were \$9.4 million, a decease of \$0.3 million over FY2006. Population growth contributed to these increases as well as an improved economy. Intergovernmental revenues, totaling \$11.3 million, included some increases in support from the Commonwealth of Virginia for Constitutional Officers and other state shared revenues.

Component unit revenues total \$84.2 million, including a \$20.5 million transfer from the general fund. Increased revenues are due to an increase in programs, resulting in additional State revenues, Federal revenues and local transfers.

Expenses / Expenditures

For the fiscal year ended June 30, 2007, expenses for governmental activities totaled \$47.8 million. Included in the expenses are increases in employee compensation, transfers for educational expenses to the School Board, and interest on long-term debt.

Education is a very high priority in the Washington County community; consequently the Board of Supervisors contributed \$18.9 million to the operation of the Washington County schools. This amount represented about 40% of the County's general fund expenses.

Financial Analysis of the County's Funds

For the fiscal year ended June 30, 2007, the governmental funds reflect a combined fund balance of \$18.6 million, an Increase of \$3.3 million from the fiscal year ended June 30, 2006. This Increase is due to higher than budgeted revenues being received, and less than budgeted expenditures being expended.

General Fund Budgetary Highlights

The following table presents revenue and expenditure for the General Fund only for FY 2007 (in millions):

renemmig tazze precente renemas		Original Budget		Final Budget	 Actual
Revenues:			'		
Taxes	\$	35.7	\$	35.7	\$ 37.0
Intergovernmental		11.0		11.3	11.3
Other		2.6		2.8	3.3
Total	\$	49.3	\$	49.8	\$ 51.6
Expenditures and Transfers:					
Expenditures	\$	50.8	\$	54.2	\$ 47.6
Transfers	_	0.9		2.9	2.9
Total		51.7		57.1	50.5
Changes in Fund Balance	\$]	(2.4)	\$	(7.3)	\$ 1.1

A discussion of the variances between the original budget and the final budget and of the variance between the final budget and the actual results is constructive.

The most significant increase in comparing original budget to final budget in the revenues is found in the "Intergovernmental" category. Some unanticipated State grant funds were budgeted and received during the fiscal year to account for \$0.5 million increase. The most significant increase in comparing final budget to actual revenues is found in the "Taxes" category. Real property and other local taxes all exceeded the final budget amount by approximately \$1.3 million.

The most significant increase in comparing original budget to final budget in expenditures is primarily due to the carryover of unexpended funds for various projects and commitments from the prior fiscal year. Also, a significant decrease can be found in comparing final budget to actual in expenditures because of unexpended funds for various fiscal year 2007 projects and commitments.

Capital Assets

The following table displays the County and Schools (Discretely Presented Component Unit) capital assets at June 30, 2007, in millions of dollars:

		imental vities	Prese Compor	retely ented nent Unit I Board
	FY2007	FY2006	FY2007	FY2006
Non-Depreciable Assets:				
Land	\$0.8	\$0.8	\$2.8	\$2.8
Construction in Progress	0.0	1.0	0.1	0.0
Other Capital Assets:				
Buildings and Systems	7.2	6.2	35.5	35.1
Machinery and Equipment	7.6	7.1	11.8	10.9
Accumulated Depreciation	(9.4)	(8.9)	(33.8)	(32.6)
Totals	\$6.2	\$6.2	\$16.4	\$16.2

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The table below shows the change in total County and Schools (Discretely Presented Component Unit) capital assets for the fiscal year ended June 30, 2007 in millions of dollars:

	Balance June 30, 2006	Net Additions/Deletions	Balance June 30, 2007
Non-Depreciable Assets:			
Land	\$3.6	\$0.0	\$3.6
Construction in Progress	1.0	(0.9)	0.1
Other Capital Assets:			
Buildings and Systems	41.3	1.4	42.7
Machinery and Equipment	18.1	1.3	19.4
Accumulated Depreciation	(41.5)	(1.7)	(43.2)
Totals	\$22.5	\$0.1	\$22.6

Additional detailed capital asset information can be found in Note 11 in the "Notes to Financial Statements" section of the report.

Long Term Debt

The following table displays the County and Schools (Discretely Presented Component Unit) Outstanding Debt at June 30, 2007, in millions of dollars:

		nmental vities	Prese Compor	retely ented nent Unit I Board
	FY2007	FY2006	FY2007	FY2006
General Obligation Bonds	\$8.1	\$8.7	\$0.0	\$0.0
Revenue Bonds	\$0.0	\$0.0	\$0.0	\$0.0
Literary Loans	4.5	4.8	0.0	0.0
Capital Leases	0.0	0.1	0.0	0.0
Landfill Closure/Post				
Closure Liability	0.1	0.1	0.0	0.0
Compensated Absences	0.5	0.5	3.1	3.4
Total	\$13.2	\$14.2	\$3.1	\$3.4

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Economic Factors

For the fiscal year ended June 30, 2007, the economic growth in Washington County, Virginia continued to keep pace with the national economy. The major increases in revenues during the fiscal year were from the reassessment of real property in the County, additional state revenues for education, and state/ federal grant awards.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Accounting Department, 205 Academy Drive, Abingdon, Virginia 24210.



County of Washington, Virginia Statement of Net Assets June 30, 2007

Activities			ary Government			Component Units		
Cash and cash equivalents \$ 18,033,126 \$ 1,835,332 \$ 2,70,590 \$ 4,414,529 Investments \$ 30,081,530 \$ 2,570,590 \$ 4,414,529 Investments \$ 30,081,530 \$ 1,110,448 \$ 66,499 Due from primary governmental units \$ 1,865,334 \$ 1,947,897 \$ 81,141 \$ 76,090 Due from other governmental units \$ 1,865,334 \$ 1,947,897 \$ 81,141 \$ 76,090 Due from other governmental units \$ 1,865,334 \$ 1,947,897 \$ 81,141 \$ 76,090 Due from other governmental units \$ 1,865,334 \$ 1,947,897 \$ 81,141 \$ 76,090 Due from other governmental units \$ 1,865,334 \$ 1,947,897 \$ 81,141 \$ 76,090 Due from other governmental units \$ 1,865,334 \$ 1,947,897 \$ 15,448 Restricted assets: \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$				s	School Board			Other
Cash in custody of others \$ 18,033,128 \$ 1,835,332 \$ 2,570,500 4,414,528 Receivables (net allowance for uncollectibles): Taxes receivable 30,061,530 - 1,110,448 66,499 Accounts receivable 30,061,530 - 1,760,353 - 1,110,448 66,499 Due from other governmental units 1,565,334 1,947,987 81,141 76,090 Due from other governmental units 1,565,334 1,947,987 81,141 76,090 Tremporarity restricted: - 2 - 2,744 63,334 Prepaid expenses - 8 - 2 5,403,140 15,448 Restricted assets: - 8 - 2 - 2,774,94 15,448 Cash and cash equivalents (in custody of others) - 8 2 424,678 - 2,744,678			Hourido	_	011001 20010	- Corrido / Latino inty		<u> </u>
Cash in custody of others - 300 2.570,599 4,414,529 Investments -	ASSETS							
Cash in custody of others - 300 2.570,599 4,414,529 Investments -	Cash and cash equivalents	\$	18,033,126	\$	1,835,332	\$ -	\$	-
Receivable 1,000	•				300	2,570,590		4,414,529
Taxas receivable	-		-		-			
Taxas receivable	Receivables (net of allowance for uncollectibles):							
Accounts receiveable			30,061,530		-	-		-
Due from primary government 1,866,384 1,947,987 81,141 76,900 1,947,987 81,141 76,900 1,947,987 81,141 76,900 1,947,987 77,94 15,448 76,900 1,947,987 77,94 15,448 76,900 1,947,987 77,94 15,448 76,900 1,947,987 77,94 15,448 76,900 1,947,987 77,94 15,448 76,900 1,947,987 77,94 15,448 76,900 1,947,987 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 15,448 77,94 16,448 77,94 16,448 77,94 16,448 77,94 16,448 16,	Accounts receivable				-	1,110,448		66,499
Due from other governmental unils inventories 1,856,384 1,947,987 81,141 76,090 Inventories - - 404,834 53,384 Prepaid expenses - - 404,834 53,384 Restricted assets: - - 5,403,140 - Cash and cash equivalents (in custody of others) - - 5,403,140 - City of assets: -	Due from primary government				1,760,353	-		
Inventories			1,856,384			81,141		76,090
Prepaid expenses 1,7,00 15,408 16,000	_				· · ·			
Restricted assets:			-		-			
Temporarilly restricted: Cash and cash equivalents (in custody of others) Cash cash cash cash cash cash cash cash c	• •					.,		,
Čash and cash equivalents (in custody of others) - 5,403,140 - Other assets: Unamortized bond issue costs - 424,678 - Capital assets (net of accumulated depreciation): 785,505 2,774,475 421,061 8,538,075 Buildings and system 3,726,758 9,759,654 8,590,316 4,150,962 Improvements other than buildings 29,071 3,688,867 1,872,904 136,126 Machinery and equipment 1,647,667 3,688,867 1,872,904 136,126 Infrastructure 1,647,667 3,688,867 1,872,904 136,126 Construction in progress 56,915,660 21,932,935 55,783,305 24,552,572 Total assets 56,915,660 314,540 \$675,487 142,687 Accruel (liabilities) 3,333,507 314,540 \$675,487 142,687 Accruel (liabilities) 1,760,253 16,546 16,646 16,646 Accruel (liabilities) 1,760,253 7,0044 1,070,050 16,646 16,646 16,646 16,646 16,646								
Other assets: Unamortized bond issue costs 424,678 424,678 Capital assets (net of accumulated depreciation): 785,505 2,774,475 421,061 8,538,075 Buildings and system 3,726,758 9,759,654 8,590,316 4,150,962 1,606,212 4,150,962 1,607,206 4,150,962 1,607,206 1,607,207 3,688,867 1,872,904 1,361,208 1,607,207 3,688,867 1,872,904 1,361,208 1,607,207 3,688,867 1,872,904 1,361,208 1,607,207 3,688,867 1,872,904 1,361,208 1,607,207 3,688,867 1,872,904 1,361,208 1,607,207 3,688,867 1,872,904 1,361,208 1,607,207 3,688,867 1,872,904 1,361,208 1,361,209 1,361,209 1,361,209 1,361,209 1,361,209 1,361,209 1,361,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 1,261,209 <td></td> <td></td> <td>_</td> <td></td> <td>-</td> <td>5.403.140</td> <td></td> <td></td>			_		-	5.403.140		
Unamortized bond issue costs Capital assets (net of accumulated depreciation): Land 785,505 2,774,475 421,061 8,538,075 Buildings and system 3,726,758 9,759,654 8,590,316 4,150,962 Improvements other than buildings 29,071 -	, , , , ,					0,100,110		
Capital assets (net of accumulated depreciation): 785,505 2,774,475 421,061 8,538,076 Land 3,726,788 9,759,654 8,590,316 4,150,962 Buildings and system 3,726,788 9,759,654 8,590,316 4,150,962 Improvements other than buildings 29,071 - - 6,643,126 Machinery and equipment 1,647,667 3,688,667 1,872,904 136,128 Infrastructure - 165,967 3,638,539 457,881 Total assets \$ 56,915,660 \$ 21,932,93 \$ 578,385 \$ 24,552,727 Chaster of propers - 165,967 3,638,539 457,881 Accounts payable 333,507 \$ 314,540 \$ 675,487 \$ 142,687 Account diabilities - - 146,154 3,088 Account diabilities - - - - - - - - - - - - - - - - - - - </td <td></td> <td></td> <td></td> <td></td> <td>-</td> <td>424,678</td> <td></td> <td></td>					-	424,678		
Part						12 1,010		
Buildings and system Improvements other than buildings Improvements other than buildings Improvements other than buildings Infrastructure 3,726,758 9,759,654 8,590,316 4,150,962 Machinery and equipment Infrastructure 1,647,567 3,688,867 1,872,904 136,128 Construction in progress 5,6915,660 165,967 3,638,593 457,881 Total assets \$56,915,660 21,932,395 5,783,385 24,552,572 EXBILITIES \$333,507 314,540 675,487 \$142,687 Accounts payable \$333,507 314,540 675,487 \$142,687 Accrued integet bapsits \$173,002 675,487 8,590,406 Accrued interest payable 173,002 65,646 6 Accrued interest payable 173,002 65,646 6 Accrued interest payable 1760,353 7 7 6 Due to component unit 1,760,353 7 7 6 6 6 Long-term liabilities 25,807,964 3,157,893 15,222,895 803,986 803,986 10,786,506 10,786,50			785 505		2 774 475	421 061		8 538 075
Improvements other than buildings								
Machinery and equipment Infrastructure 1,647,567 3,688,867 1,872,904 136,128 Construction in progress Total assets - 165,967 33,835 457,881 Total assets \$ 56,915,660 \$ 21,932,935 \$ 55,783,385 \$ 24,552,572 LABILITIES Accounts payable \$ 333,507 \$ 314,540 \$ 675,487 \$ 142,667 Accrued liabilities - - - 146,154 3,088 Accrued wages -					0,7 00,00-7	-		
Infrastructure					3 688 867	1 872 904		
Construction in progress Total assets 6 65,915,660 21,932,935 3,638,539 457,881 LABILITIES Second 15,932,935 314,540 56,75,487 142,687 Accounts payable 333,507 314,540 675,487 142,687 Accrued liabilities 2 3,393,800 675,487 142,687 Accrued wages 3,393,800 675,487 8,590 Customers' deposits 173,002 65,646 65,646 Accrued interest payable 173,002 65,646 66,646 Due to component unit 1,760,353 65,646 66,646 Due to more than one year 933,085 7 700,044 119,725 Due within one year 933,085 7 700,044 119,725 Due in more than one year 933,085 15,78,933 15,222,895 803,960 NET ASSETS 2 4,421,822 16,888,963 15,810,225 10,908,355 Restricted for: 2 2644,75 16,888,963 30,985,908 19,008,355 Restric	• • •		1,047,007		3,000,007			100,120
Total assets \$ 56,915,660 \$ 21,932,935 \$ 55,783,385 \$ 24,552,572			_		165 067			457 881
CLABILITIES	· -	•	56 015 660	¢			¢	
Accounts payable \$ 333,507 \$ 314,540 \$ 675,487 \$ 142,687 Accrued liabilities	Total assets	_Ψ	30,313,000	Ψ	21,002,000	Ψ 30,703,000	Ψ	24,002,012
Accounts payable \$ 333,507 \$ 314,540 \$ 675,487 \$ 142,687 Accrued liabilities	LIABILITIES							
Accrued fiabilities - - 146,154 3,088 Accrued wages - 3,393,800 - 8,590 Customers' deposits -	Accounts payable	\$	333,507	\$	314,540	\$ 675,487	\$	142,687
Accrued wages - 3,393,800 - 8,590 Customers' deposits - <td>• •</td> <td></td> <td>-</td> <td></td> <td>-</td> <td>146,154</td> <td></td> <td>3,088</td>	• •		-		-	146,154		3,088
Customers' deposits -			-		3,393,800			
Accrued interest payable 173,002 - 65,646 - Due to component unit 1,760,353 - - - Deferred revenue 28,807,964 - - - Long-term liabilities: - - 700,044 119,725 Due within one year 933,085 - 700,044 119,725 Due in more than one year 12,204,911 3,157,893 15,222,895 803,960 NET ASSETS Invested in capital assets, net of related debt \$ 2,644,757 \$ 16,388,963 30,985,908 \$ 19,008,355 Restricted for: 250,000 - 15,638,670 - - Debt service 250,000 - 15,638,670 - - E-911 - - - - - - Law Library 3,836 - - - - - Forfeited Assets 93,283 - - - - Road Improvements 103,416 - - <td></td> <td></td> <td>-</td> <td></td> <td>, , , <u>-</u></td> <td>-</td> <td></td> <td>· <u>-</u></td>			-		, , , <u>-</u>	-		· <u>-</u>
Due to component unit 1,760,353 -			173,002		-	65,646		_
Deferred revenue 28,807,964					_			-
Due within one year 933,085 700,044 119,725 15,222,895 803,960 15,222,895 15,222,895 803,960 15,222,895 15,222,89	•				_	-		-
Due within one year 933,085 - 700,044 119,725 Due in more than one year 12,204,911 3,157,893 15,222,895 803,960 Total liabilities 44,212,822 6,866,233 16,810,226 1,078,050 NET ASSETS Invested in capital assets, net of related debt 2,644,757 16,388,963 30,985,908 19,008,355 Restricted for: Debt service 250,000 - 15,638,670 - E-911 - - - - - Law Library 3,836 - - - - Forfeited Assets 93,283 - - - Road Improvements 139,504 - - - Utilities 103,416 - - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167								
Due in more than one year 12,204,911 3,157,893 15,222,895 803,960 Total liabilities \$ 44,212,822 \$ 6,866,233 \$ 16,810,226 \$ 1,078,050 NET ASSETS Invested in capital assets, net of related debt \$ 2,644,757 \$ 16,388,963 \$ 30,985,908 \$ 19,008,355 Restricted for: Debt service 250,000 - 15,638,670 - E-911 - - - - - Law Library 3,836 - - - - Forfeited Assets 93,283 - - - - Road Improvements 139,504 - - - - Utilities 103,416 - - - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167			933.085		-	700.044		119.725
Total liabilities \$ 44,212,822 \$ 6,866,233 \$ 16,810,226 \$ 1,078,050	•				3.157.893			
NET ASSETS Invested in capital assets, net of related debt \$ 2,644,757 \$ 16,388,963 \$ 30,985,908 \$ 19,008,355 Restricted for: Debt service 250,000 - 15,638,670		\$	44.040.000	\$	0.000.000	40.040.000	\$	
Invested in capital assets, net of related debt \$ 2,644,757 \$ 16,388,963 \$ 30,985,908 \$ 19,008,355 Restricted for:			,,	<u> </u>	0,000,200	*************************************	<u> </u>	1,010,000
Restricted for: Debt service 250,000 - 15,638,670 - E-911 - - - - Law Library 3,836 - - - - Forfeited Assets 93,283 - - - - Road Improvements 139,504 - - - - Utilities 103,416 - - - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167	NET ASSETS							
Debt service 250,000 - 15,638,670 - E-911 - - - - Law Library 3,836 - - - - Forfeited Assets 93,283 - - - - Road Improvements 139,504 - - - - Utilities 103,416 - - - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167	Invested in capital assets, net of related debt	\$	2,644,757	\$	16,388,963	\$ 30,985,908	\$	19,008,355
E-911 - <td>Restricted for:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Restricted for:							
E-911 - <td>Debt service</td> <td></td> <td>250,000</td> <td></td> <td>-</td> <td>15,638,670</td> <td></td> <td>-</td>	Debt service		250,000		-	15,638,670		-
Law Library 3,836 - - - Forfeited Assets 93,283 - - - Road Improvements 139,504 - - - - Utilities 103,416 - - - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167	E-911				-			-
Forfeited Assets 93,283 - - - - Road Improvements 139,504 - - - - Utilities 103,416 - - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167			3,836		-	-		-
Road Improvements 139,504 - - - Utilities 103,416 - - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167					-	-		-
Utilities 103,416 - - - Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167					_			
Unrestricted (deficit) 9,397,601 (1,322,261) (7,651,419) 4,466,167					-	-		-
					(1,322,261)	(7.651.419)		4,466,167
		\$		\$			\$	

County of Washington, Virginia Statement of Activities For the Year Ended June 30, 2007

Net (Expense) Revenue and

	•	٩	Program Revenues					Changes	Changes in Net Assets		
			Operating	Capital	Prij	Primary Government			Component Unit	it	
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	O	Governmental Activities	S	School Board	Service Authority	Other Component Units	int Units
PRIMARY GOVERNMENT: Governmental activities:											
General government administration	\$ 2,615,012 \$	36,711	\$ 728,962	· •	↔	(1,849,339)	49	,		€9	
Judicial administration	1,207,193	773,400	660,495	•		226,702		•			٠
Public safety	8,618,032	233,281	2,702,906	•		(5,681,845)					•
Public works	2,981,230	386,152	•	•		(2,595,078)		•			
Health and welfare	6,507,588	•	3,975,371	•		(2,532,217)					•
Education	19,514,072	•	•	•		(19,514,072)		•			•
Parks, recreation, and cultural	2,523,061	68,405	203,688	'		(2,250,968)		•			•
Community development	3,164,305	6,356	•	950,924		(2,207,025)		•			
Nondepartmental	74,973	•	•	•		(74,973)		•			
Total primary government	\$ 47.782.699 \$	1.504.305	\$ 8.271.422	\$ 950.924	es.	(37.056.048)	€.				
					•	(010,000,10)	•			-	·
COMPONENT UNIT:											
School Board	\$ 67,819,858 \$	2,658,248	\$ 45,600,906	\$ 199,410	↔	•	€9-	(19,361,294) \$		€	
Service Authority	10,741,249	10,343,968	191,626	•		•		•	(205,655)		
Other Component Units	3,791,948	1,689,702				'					(1,183,466)
Total component unit	\$ 82,353,055 \$	14,691,918	\$ 46,192,532	\$ 718,190	s	,	S	(19,361,294) \$	(205,655)	\$ (9	(1,183,466)
	General revenues:										
	General property taxes				¥	27 165 000	6	•		•	
	Other local taxes:				•	666,001,17	9	,		e> '	
	Local sales and use taxes	axes				5 475 727		٠			,
	Consumers' utility taxes	es es				1.461.886					
	E-911 telephone taxes	y.				162,850		,			•
	Local consumption taxes	xex				514 446					•
	Franchise license taxes	S. S.				244 888					
	Utility license taxes	}				120 001		' '			• •
	Motor vehicle licenses	s				770.553		•			
	Bank stock taxes					29,391					,
	Taxes on recordation and wills	and wills				552,929		•			•
	Hotel and motel room taxes	r faxes				42,482					•
	Restaurant food taxes	s				614,040					
	Unrestricted revenues from use of money and property	from use of money	and property			962,314		48,317	260,164	•	108,524
	Miscellaneous					290,841		1,621,249	•		
	Payments from Washington County					•		18,901,206			1,555,950
	Grants and contributions not restricted t	s not restricted	to specific programs			3,076,887					•
	Total general revenues				€9	41,469,790	ક્ક	20,629,238 \$	260,164	\$	1,664,474
	Change in net assets	,			↔	4,413,742	4	1,267,944 \$		\$	481,008
	Net assets - beginning - as adjusted	as adjusted				8,289,096		13,798,758	38,918,650		22,993,514
	Net assets - ending				တ	12,702,838	s	15,066,702 \$	38,973,159	မှာ	23,474,522
											ı

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

County of Washington, Virginia Balance Sheet Governmental Funds June 30, 2007

		<u>General</u>		County Capital Improvements		Other Governmental <u>Funds</u>		<u>Total</u>
ASSETS								
Cash and cash equivalents Receivables (net of allowance	\$	12,282,245	\$	5,680,440	\$	70,441	\$	18,033,126
for uncollectibles):		20.004.520						20 064 520
Taxes receivable		30,061,530		-		-		30,061,530
Other local taxes receivable		400,599		404 705		-		400,599
Other receivables		253,395		121,725		-		375,120
Due from other governmental units	_	1,856,384	•	F 000 40F	Φ.	70 444	•	1,856,384
Total assets	\$	44,854,153	<u>\$</u>	5,802,165	<u></u>	70,441	\$	50,726,759
LIABILITIES AND FUND BALANCES Liabilities:								
Accounts payable	\$	210,221	\$	123,286	\$	-	\$	333,507
Due to component unit		1,760,353		-		-		1,760,353
Deferred revenue		30,039,635		-		-		30,039,635
Total liabilities	\$	32,010,209	\$	123,286	\$		\$	32,133,495
Fund balances: Reserved for:								
Economic Development	\$	250,000	\$	-	\$	-	\$	250,000
Construction		-		-		70,441		70,441
Law Library		3,836		-				3,836
Forfeited Assets		93,283		-		-		93,283
Road Improvements		139,504		-		-		139,504
Utilities		103,416		-		-		103,416
Unreserved, reported in:								,
General fund		12,253,905				-		12,253,905
Capital projects funds		-,,		5,678,879		-		5,678,879
Total fund balances	\$	12,843,944	\$	5,678,879	\$	70,441	\$	18,593,264
Total liabilities and fund balances	-	44,854,153	\$	5,802,165	\$	70,441	\$	50,726,759

County of Washington, Virginia Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Assets June 30, 2007

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 18,593,264
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	6,188,901
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,231,671
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(13,310,998)
Net assets of governmental activities	\$ 12,702,838

County of Washington, Virginia Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the Year Ended June 30, 2007

		General	<u>lm</u>	County Capital provements		Other Governmental <u>Funds</u>		<u>Total</u>
REVENUES	¢	27.046.502	œ		¢		¢	27.046.502
General property taxes	\$	27,046,503	\$	-	\$	•	\$	27,046,503 9,989,193
Other local taxes		9,989,193		-		•		9,909,193
Permits, privilege fees,		205 520						205,520
and regulatory licenses Fines and forfeitures		205,520		-		•		641,383
		641,383		-		-		041,303
Revenue from the use of		052.400				9,905		062 244
money and property		952,409		•		9,905		962,314
Charges for services		657,402		-		•		657,402
Miscellaneous		290,841		-		•		290,841
Recovered costs		508,789		-		-		508,789
Intergovernmental revenues:		0.704.040						0.704.040
Commonwealth		8,784,618		-		-		8,784,618
Federal	_	2,563,691		950,924	_		•	3,514,615
Total revenues		51,640,349	\$	950,924	\$	9,905	\$	52,601,178
EXPENDITURES Current:								
General government administration	\$	2,634,968	\$	-	\$	-	\$	2,634,968
Judicial administration		1,202,363		_		-		1,202,363
Public safety		8,937,458		-		-		8,937,458
Public works		2,838,179		332,601		-		3,170,780
Health and welfare		6,677,452		-		_		6,677,452
Education		18,956,088		-		487,823		19,443,911
Parks, recreation, and cultural		2,379,074		_		•		2,379,074
Community development		2,258,385		908,044		-		3,166,429
Nondepartmental		74,973		-		-		74,973
Debt service:		,						, , ,
Principal retirement		1,016,567		-		-		1,016,567
Interest and other fiscal charges		617,865		-		-		617,865
Total expenditures	\$	47,593,372	\$	1,240,645	\$	487,823	\$	49,321,840
Excess (deficiency) of revenues over	•	4.040.077	•	(000 704)	•	(477.040)	•	0.070.000
(under) expenditures	\$	4,046,977	\$	(289,721)	\$	(477,918)	\$	3,279,338
OTHER FINANCING SOURCES (USES)								
Transfers in	\$	_	\$	2,618,029	\$	261,400	\$	2,879,429
Transfers out	Ψ	(2,879,429)	Ψ	2,010,020	Ψ	201,400	Ψ	(2,879,429)
Total other financing sources (uses)	\$	(2,879,429)	\$	2,618,029	\$	261,400	\$	-
Net change in fund balances	\$	1,167,548	\$	2,328,308	\$	(216,518)	\$	3,279,338
Fund balances - beginning		11,676,396		3,350,571		286,959		15,313,926
Fund balances - ending	\$	12,843,944	\$	5,678,879	\$	70,441	\$	18,593,264

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

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

Net change in fund balances - total governmental funds

\$ 3,279,338

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

(56,280)

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

119,496

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

1,018,325

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.

52,863

Change in net assets of governmental activities

\$ 4,413,742

County of Washington, Virginia Statement of Fiduciary Net Assets Fiduciary Funds June 30, 2007

	Agency <u>Funds</u>				
ASSETS					
Cash and cash equivalents	\$	249,797			
Total assets	\$	249,797			
LIABILITIES					
Amounts held for social services clients	\$	202,387			
Amounts held for County employee fringe benefits		47,410			
Total liabilities	\$	249,797			

Notes to Financial Statements June 30, 2007

Note 1-Summary of Significant Accounting Policies:

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

A. Reporting Entity

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

Blended component units - None

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

The Washington County School Board operates the elementary and secondary public schools in the County. School Board members are elected. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type.

The Washington County Service Authority was created by the Board of Supervisors of the County to acquire, finance, and operate water and sewer systems throughout the County. The Board of Directors of the Service Authority is appointed by the County Board of Supervisors and there currently exists a financial benefit/burden relationship between the Service Authority and the County. A complete financial report of the Authority can be obtained by contacting the Authority.

The Virginia Highlands Airport Commission was created by the County of Washington to operate a regional airport. Washington County Board of Supervisors appoints the members of the Airport Commission. The County contributes a significant amount to the Commission's operations and there exists a financial benefit/burden relationship. A complete financial report of the Commission can be obtained by contacting the Commission.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE, 30, 2007

Note 1-Summary of Significant Accounting Policies: (continued)

A. Reporting Entity (continued)

The Industrial Development Authority of Washington County is authorized to acquire, own, lease, and dispose of properties to the end that such activities may promote industry and develop trade by inducing enterprises to locate and remain in Washington County. Washington County Board of Supervisors appoints the members of the Board of Directors of the Industrial Development Authority. There exists a financial benefit/burden relationship between the County and the Industrial Development Authority. A complete financial report of the Authority can be obtained by contacting the Authority.

Related Organizations - The County Board appoints board members to outside organizations, but the County's accountability for these organizations do not extend beyond making the appointments.

Jointly Governed Organizations - None

B. Government-wide and fund financial statements

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

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

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

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

Notes to Financial Statements (Continued) June. 30, 2007

Note 1-Summary of Significant Accounting Policies: (continued)

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

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

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

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

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

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds. The general fund includes the activities of the Forfeited Asset, Law Library, Road Improvement, E-911 project, County Library, Virginia Public Assistance, Comprehensive Service, Title IV-E Rev Max, Prebook Tax and Trigon Reserve Funds.

The County Capital Improvements Fund is reported as a major *capital projects fund*. The fund accounts for financial resources to be used for the acquisition and construction of major capital projects of the County.

The County reports the following non-major governmental fund:

The School Capital Projects fund is reported as a non-major *capital projects fund*. The fund accounts for financial resources to be used for the acquisition and construction of major capital projects of the School Board.

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

Note 1-Summary of Significant Accounting Policies: (continued)

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

Additionally, the County reports the following fund types:

Fiduciary funds account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Agency funds include the Special Welfare, Fringe Benefits, and FICA Sick Pay funds.

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, liabilities, and net assets or equity

Deposits and investments

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

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

Note 1-Summary of Significant Accounting Policies: (continued)

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

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

3. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are payable on December 20th. Personal property taxes are due and collectible annually on December 20th. The County bills and collects its own property taxes.

4. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$345,839 at June 30, 2007 and is composed solely of property taxes.

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June, 30, 2007

Note 1-Summary of Significant Accounting Policies: (continued)

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

6. Capital assets (continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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:

Assets	Years
Buildings	50
Building improvements	50
Structures, lines, and accessories	20-40
Machinery and equipment	4-30
Land improvements	10

Compensated Absences

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

8. Long-term obligations

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

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

Note 1-Summary of Significant Accounting Policies: (continued)

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

8. Long-term obligations (continued)

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

9. Fund equity

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

10. Net Assets

Net assets is 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.

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets-governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The details of these \$(13,310,998) and \$(3,157,893) differences for the primary government and discretely presented component unit, respectively, are as follows:

		Primary		Component
	_	Government	_	Unit
Literary loans	\$	(4,463,280)	\$	-
Bonds, bond premium and note		(8,134,875)		-
Capital lease		(17,404)		-
Accrued interest payable		(173,002)		-
Landfill accrued post-closure monitoring costs		(48,270)		-
Compensated absences	_	(474,167)	_	(3,157,893)
Net adjustment to reduce fund balance-total governmental funds				
to arrive at net assets-governmental activities	\$_	(13,310,998)	\$_	(3,157,893)

Notes to Financial Statements (Continued) June. 30, 2007

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of these \$(56,280) and \$201,419 differences for the primary government and discretely presented component unit, respectively, are as follows:

	_	Primary Government	_	Component Unit
Capital outlays	\$	836,345	\$	1,650,390
Depreciation expenses		(877,181)		(1,448,971)
Assets deleted		(395,564)		(217,837)
Accumulated depreciation deleted	_	380,120	-	217,837
Net adjustment to increase (decrease) net changes in fund balances - total governmental funds to arrive at changes in				
net assets of governmental activities	\$_	(56,280)	\$_	201,419

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

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

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

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$1,018,325 difference in the primary government, is as follows:

		Primary		
	_	Government		
Debt Issued or Incurred:				
Landfill post-closure care costs	\$	(1,360)		
Principal Payments:				
Literary loans		385,565		
Bonds and note		601,483		
Premium amortization		3,118		
Capital lease	_	29,519		
Net adjustment to increase (decrease) net changes in fund balances - total governmental funds to arrive at changes in net				
assets of governmental activities	\$_	1,018,325		

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

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

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

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of these \$52,863 and \$245,837 differences for the primary government and discretely presented component unit, respectively, are as follows:

	Primary Government		-	Component Unit
(Increase) decrease in compensated absences (Increase) decrease in accrued interest	\$	15,350 37,513	\$	245,837
Net adjustment to increase (decrease) net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities	\$_	52,863	\$_	245,837

Note 3-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

- Prior to April 1st, 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. All non-fiduciary funds have legally adopted budgets.
- 2. Public hearings are conducted to obtain citizen comments.
- 3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- 4. The Appropriations Resolution places legal restrictions on expenditures at the function level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

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

Note 3-Stewardship, Compliance, and Accountability: (continued)

A. Budgetary information (continued)

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

For fiscal year 2007, there were no excess of expenditures over appropriations.

C. Deficit fund equity

At June 30, 2007, there were no funds with deficit fund equity.

Note 4-Deposits and Investments:

Deposits:

All cash of the County of Washington, Virginia and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool), 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 local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE, 30, 2007

Note 4-Deposits and Investments: (Continued)

Custodial Credit Risk (Investments)

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County and its discretely presented component units have an investment policy for custodial credit risk included within the County investment policy. The County's investments at June 30, 2007 were held in the County's name by the County's custodial bank; except, \$49,906 of U.S. Agencies Bonds and \$681,631 of U.S Government money market funds where the underlying securities were uninsured and held by the investment's counterparty's trust department or agent but not in the name of the County. The Local Government Investment (LGIP) and State Non-Arbitrage (SNAP) Pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2007 were rated by Standard and Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard and Poor's rating scale for LGIP and SNAP investments and Moody's rating scale for commercial paper.

Rated Debt Investments	 Fair Quality Ratings							
	AAAm		AAm	P-1				
LGIP	\$ 10,133,921	\$	-	\$	-			
SNAP	-		62,949		-			

Concentration of Credit Risk

At June 30, 2007, the County did not have any investments meeting the GASB 40 definition requiring concentration of credit risk disclosures that exceeded 5% of total investments.

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

Note 4-Deposits and Investments: (Continued)

Interest Rate Risk			
		Maturity	Call
Investment Type	Fair Value	Date	Options
Government Notes:			
FNMA	49,906	12/27/2007	None

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

Note 5-Due from Other Governmental Units:

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

		Primary Government		Component Unit-
				School Board
Commonwealth of Virginia:				
Local sales tax	\$	973,440	\$	-
State sales tax		-		1,084,427
Categorical aid-shared expenses		269,175		-
Categorical aid-other		277,205		249,266
Non-categorical aid		162,937		-
Categorical aid-VPA funds		-		-
Other state aid		25,195		-
Federal Government:				
Categorical aid-VPA funds		141,534		-
Categorical aid-other		6,898		614,294
Totals	\$	1,856,384	\$_	1,947,987

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

Note 6-Interfund/Component-Unit Obligations:

Fund		Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
Primary Government: General Fund	\$ __	1,760,353	\$ _
Component Unit - School Board: School Fund	\$_		\$ 1,760,353

Note 7-Long-Term Debt:

Primary Government - Governmental Activity Indebtedness:

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

Year Ending		Litera	ry Lo	ans		GO Bon	ds ar	nd Note
June 30,		Principal	_	Interest	_	Principal	_	Interest
2008	\$	316,023	\$	130,718	\$	596,540	\$	469,808
2009		310,487		124,418		609,223		434,910
2010		310,487		115,103		627,584		399,117
2011		310,487		105,788		647,016		362,015
2012		302,660		96,474		667,349		324,175
2013-2017		1,410,115		352,363		3,004,753		1,066,174
2018-2022		1,359,397		140,929		1,816,670		264,109
2023-2025	_	143,624		7,746	_	112,730	_	5,777
Totals	\$	4,463,280	\$_	1,073,539	\$	8,081,865	\$_	3,326,085

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

Note 7-Long-Term Debt: (continued)

Primary Government - Governmental Activity Indebtedness: (continued)

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2007.

		Balance						Balance
		July 1, 2006		Issuances	_	Retirements		June 30, 2007
GO bonds	\$	8,683,348	\$	-	\$	(601,483)	\$	8,081,865
GO bond premium		56,128		-		(3,118)		53,010
Literary loans		4,848,845		-		(385,565)		4,463,280
Capital lease		46,923		-		(29,519)		17,404
Landfill post-closure								
liability		46,910		1,360		-		48,270
Compensated absences	_	489,517	_		_	(15,350)		474,167
			_		_		•	
Total	\$_	14,171,671	\$_	1,360	\$_	(1,035,035)	\$_	13,137,996

Details of long-term indebtedness:

•	Interest Rates	Issue Date	Final Maturity Date	C	nount of Original Issue	Balance Govemmental Activities		Amount Due Within One Year	
General Obligation Bonds and Note:									
GO bond	6.1-6.4%	5/19/1992	2012	\$	305,000	\$	75,000	\$	15,000
GO bond	4.85-6.6%	1/15/1992	2012		801,818		261,907		47,963
GO bond	6.1-6.6%	11/22/1994	2015		585,000		225,000		30,000
GO bond	6.1-6.6%	11/22/1994	2015		143,947		69,438		7,523
GO Bond	5.4-5.975%	5/18/1995	2016	1	,260,000		545,000		65,000
GO Bond	5.1-6.1%	12/21/1995	2016	2	2,086,692		1,077,703		107,029
GO Bond	4.1-5.225%	5/13/1999	2020	1	,400,000		910,000		70,000
GO Bond	3.1-5.35%	11/15/2001	2022	1	,217,614		937,624		56,630
GO Bond	3.1-5.35%	12/23/2003	2024		972,237		844,377		43,934
Early retirement refunding note	6.771%	7/15/2001	2021	3	3,889,483		3,135,816		153,461
Total GO Bonds and Note						\$	8,081,865	\$	596,540

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

Note 7-Long-Term Debt: (continued)

Primary Government - Governmental Activity Indebtedness: (continued)

Details of long-term indebtedness: (continued)

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	G	Balance overnmental Activities	D	Amount ue Within One Year
Literary Loans:								
State Literary Fund Loan	3%	12/15/1987	2008	478,676		24,000		24,000
State Literary Fund Loan	3%	4/15/1988	2008	191,535		10,000		10,000
State Literary Fund Loan	3%	7/15/1991	2012	188,959		36,959		-
State Literary Fund Loan	3%	7/15/1991	2012	293,214		53,214		-
State Literary Fund Loan	3%	7/15/1991	2012	79,280		15,856		-
State Literary Fund Loan	3%	12/15/2000	2021	957,237		669,237		48,000
State Literary Fund Loan	3%	10/1/2001	2022	1,001,149		750,864		50,057
State Literary Fund Loan	3%	10/1/2001	2022	1,172,618		879,468		58,630
State Literary Fund Loan	3%	10/1/2001	2022	530,000		397,500		26,500
State Literary Fund Loan	3%	10/1/2001	2022	661,338		496,008		33,066
State Literary Fund Loan	3%	7/15/1991	2012	164,300		123,225		8,215
State Literary Fund Loan	3%	3/15/2004	2024	302,206		256,876		15,110
State Literary Fund Loan	3%	3/15/2004	2024	279,506		237,581		13,975
State Literary Fund Loan	3%	5/1/2005	2025	439,616		395,656		21,980
State Literary Fund Loan	3%	5/1/2005	2025	129,816		116,836		6,490
Total Literary Loans					\$	4,463,280	\$	316,023
Lease Purchase Agreements:								
Capital Lease	3.71%	12/30/2004	2008	\$ 91,293	\$	17,404	\$	17,404
Other Obligations:								
Landfill Post-closure								
Monitoring Costs	n/a	n/a	n/a	n/a	\$	48,270	\$	
Premium on \$972,237 GO bond	n/a	n/a	n/a	n/a		53,010		3,118
Compensated Absences	n/a	n/a	n/a	n/a		474,167	_	<u> </u>
Total Other Obligations					\$	575,447	\$	3,118
Total Long-term debt					\$	13,137,996	\$	933,085

COUNTY OF WASHINGTON,	VIRGINIA					
Notes to Financial Stat June, 30, 2007	EMENTS (CONTINUED)					
Note 8-Long-term Debt-	Component Unit Sc	hool Board:				
Discretely Presented Con	nponent Unit-School	Board-Indebte	edness:			
The following is a summa June 30, 2007.	ry of long-term debt t	ransactions o	f the Compo	nent-Unit Schoo	ol Board for the ye	ear ended
	Balance			Bal	ance	
	July 1, 2006	Issuances	Retirem	ents June 3	0, 2007	
Compensated absences	\$3,403,730_\$	-	\$(245	,837) \$3,	157,893	
Details of long-term indeb	tedness:					
			Final	Amount of	Baiance	Amount
	Interest	Issue	Maturity	Original	Governmental	Due Within
Other Obligations:	Rates	Date	Date	lssue	Activities	One Year
Compensated Absences	n/a	n/a	n/a	n/a \$	3,157,893_\$	

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

Note 9-Employee Retirement System and Pension Plans:

A. Plan Description

Name of Plan:

Virginia Retirement System (VRS)

Identification of Plan:

Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Administering Entity:

Virginia Retirement System (System)

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

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from the System's web site at http://www.varetire.org/Pdf/2006AnnuRept.pdf or obtained by writing to the System at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Primary Government:

Plan members are required by Title 51.1 of the <u>Code of Virginia</u> (1950), as amended, to contribute 5% of their annual reported compensation to the VRS. This 5% member contribution may be assumed by the employer. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2007 was 4.89% (excluding the 5% member contribution) of annual covered payroll

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

Plan members are required by Title 51.1 of the <u>Code of Virginia</u> (1950), as amended, to contribute 5% of their annual reported compensation to the VRS. This 5% member contribution may be assumed by the employer. In addition, the School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2007 was 8.75% (excluding the 5% member contribution) of the annual covered payroll.

NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE, 30, 2007

Note 9-Employee Retirement System and Pension Plans: (continued)

C. Annual Pension Cost

		Discretely
	Primary	Presented
	Government	Component Unit
		School Board
	County	Non-Professional
	Retirement Plan	Retirement Plan
Contribution rates for fiscal year ended 6/30/07:		
Employer	4.89%	12.75%
Plan members ¹	5.00%	5.00%
Annual pension cost	\$519,989	\$315,889
Contributions made	\$519,989	\$315,889
Actuarial valuation date	6/30/2006	6/30/2006
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent, Open	Level Percent, Open
Payroll growth rate	3.00%	3.00%
Remaining amortization period	21 Years	21 Years
Asset valuation method	Modified Market	Modified Market
Actuarial assumptions:		
Investment rate of return ²	7.50%	7.50%
Projected salary increases ²		
Non-LEO employees	3.75% to 6.20%	3.75% to 6.20%
LEO employees	3.50% to 4.75%	3.50% to 4.75%
Cost-of-living adjustments	2.50%	2.50%

¹ This member contribution has been assumed by the employer.

² Includes inflation at 2.50%.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE, 30, 2007

Note 9-Employee Retirement System and Pension Plans: (continued)

C. Annual Pension Cost (continued)

	Three-Year Trend	Information		
	Fiscal	Annual	Percentage	Net
	Year	Pension	of APC	Pension
	Ending	Cost (APC) 1	Contributed	Obligation
Primary Government:				
County	6/30/2005	287,374	100.00%	-
	6/30/2006	285,213	100.00%	-
	6/30/2007	519,989	100.00%	-
Discretely Presented-Component Unit:				
School Board Non-Professional	6/30/2005	196,884	100.00%	-
	6/30/2006	211,694	100.00%	-
	6/30/2007	315,889	100.00%	-

Discretely Presented Component Unit School Board

PROFESSIONAL EMPLOYEES:

A. Plan Description

The Washington County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. That report may be downloading from the System's web site at http://www.varetire.org/Pdf/2006AnnuRept.pdf or obtained by writing to the System at P. O. Box 2500, Richmond, Virginia 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the <u>Code of Virginia</u> (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 School Board is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The School Board's contribution to the statewide cost sharing pool for professional employees was \$2,885,726, \$1,901,599, and \$1,602,485 for the fiscal years ended 2007, 2006, and 2005 respectively. Employer contributions represented 9.20%, 6.62%, and 6.03% of covered payroll for the fiscal years ended 2007, 2006, and 2005, respectively.

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

Note 10—Capital Leases:

Primary Government:

The County has entered into a lease agreement as lessee for financing the acquisition of a server for the Information Systems department with no down payment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

Fiscal	_lr	Information Systems			
Year Ended		Server			
2008	\$	17,404			
Total minimum lease payments	\$	17,404			
Present value of minimum lease payments	\$	17,404			

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE, 30, 2007

Note 11-Capital Assets:

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

Primary Government:

Timery Coroninions		Beginning Balance Increases				Decreases		Ending Balance	
Governmental Activities:	_						_		
Capital assets, not being depreciated:									
Land	\$	785,505	\$	-	\$	-	\$	785,505	
Construction in progress	_	1,006,410	_	-	_	(1,006,410)	_		
Total capital assets not being depreciated	\$_	1,791,915	\$_	-	\$_	(1,006,410)	\$_	785,505	
Capital assets, being depreciated:									
Buildings	\$	6,118,589	\$	1,013,410	\$	-	\$	7,131,999	
Improvements other than buildings		98,777		-		-		98,777	
Machinery and equipment		7,175,938		829,345		(395,564)		7,609,719	
Total capital assets being depreciated	\$_	13,393,304	\$_	1,842,755	\$_	(395,564)	\$_	14,840,495	
Less: accumulated depreciation for:									
Buildings	\$	(3,260,999)	\$	(144,242)	\$	-	\$	(3,405,241)	
Improvements other than buildings		(60,330)		(9,376)				(69,706)	
Machinery and equipment		(5,618,709)		(723,563)		380,120		(5,962,152)	
Total accumulated depreciation	\$_	(8,940,038)	\$	(877,181)	\$	380,120	\$_	(9,437,099)	
Total capital assets being depreciated, net	\$_	4,453,266	\$_	965,574	\$_	(15,444)	\$_	5,403,396	
Governmental activities capital assets, net	\$_	6,245,181	\$_	965,574	\$_	(1,021,854)	\$_	6,188,901	

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NOTES TO FINANCIAL STATEMENTS (CONTINUED) JUNE, 30, 2007

Note 11-Capital Assets: (continued)

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

Governmental activities:	
General government	\$ 174,309
Judicial administration	3,967
Public safety	318,737
Public works	119,910
Health and welfare	27,409
Education	70,162
Parks, recreation, and culture	 162,687
Total depreciation expense-primary government	\$ 877,181

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

Discretely Presented Component Unit:

Dississing 1 resemble compension contains		Beginning				Doorsoos		Ending
0	-	Balance	-	Increases	_	Decreases	_	Balance
Governmental Activities:								
Capital assets, not being depreciated:								
Land	\$	2,774,475	\$	-	\$	-	\$	2,774,475
Construction in progress		-		165,967				165,967
Total capital assets not being depreciated	\$_	2,774,475	\$_	165,967	\$_		\$_	2,940,442
Capital assets, being depreciated:								
Buildings	\$	35,084,815	\$	388,286	\$	-	\$	35,473,101
Machinery and equipment		10,903,963		1,096,137		(217,837)		11,782,263
Total capital assets being depreciated	\$	45,988,778	\$_	1,484,423	\$_	(217,837)	\$	47,255,364
Less: accumulated depreciation for:								
Buildings	\$	(24,998,177)	\$	(715,270)	\$	-	\$	(25,713,447)
Machinery and equipment		(7,577,532)		(733,701)		217,837		(8,093,396)
Total accumulated depreciation	\$	(32,575,709)	\$_	(1,448,971)	\$_	217,837	\$_	(33,806,843)
Total capital assets being depreciated, net	\$_	13,413,069	\$_	35,452	\$_	-	\$_	13,448,521
Governmental activities capital assets, net	\$_	16,187,544	\$_	201,419	\$_	-	\$_	16,388,963

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

Note 12-Risk Management:

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

Note 13-Contingent Liabilities:

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

Note 14-Surety Bonds:

Primary Government:

Fidelity & Deposit Company of Maryland-Surety:		
Kathy P. Crane, Clerk of the Circuit Court	- \$	330,000
Fred W. Parker, Treasurer		750,000
G. Melvin Ritchie, Commissioner of the Revenue		3,000
Fred P. Newman, Sheriff		30,000
All constitutional officers: blanket bond		50,000
Virginia Association of Counties		
All Social Services employees: blanket bond	\$	250,000
All County employees-blanket bond		250,000
Component Unit - School Board:		
Fidelity & Deposit Company of Maryland-Surety:		
All School Board employees: blanket bond	\$	100,000

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

Note 14-Surety Bonds: (continued)

Component Unit - School Board:

Fidelity &	Deposit	Company	of Mar	yland-Surety:
------------	---------	---------	--------	---------------

All School Board employees: blanket bond	\$	100,000
--	----	---------

Travelers-Surety:

Melissa W. Caudill, Clerk of the School Board	\$	10,000
---	----	--------

United States Fidelity and Guaranty Company-Surety:

\$ 10,000
10,000
10,000
\$

Note 15-Reserved Fund Balance/Restricted Net Assets:

Primary Government:

Reserved for School construction projects	\$ 70,441
Reserved for law library	3,836
Reserved forforfeited assets	93,283
Reserved for road improvements	139,504
Reserved for utilities	103,416
Reserved for economic development	 250,000
Total Primary Government	\$ 660,480

The reserved fund balance amounts presented above are also restricted net assets excluding School construction which is offset by outstanding debt.

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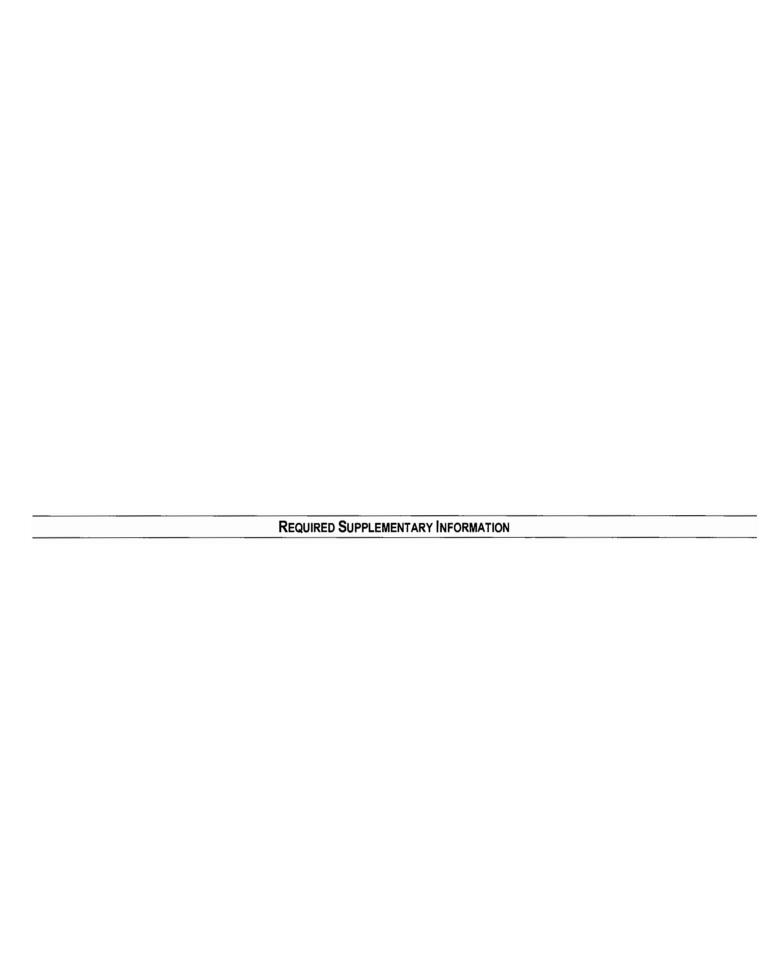
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE, 30, 2007

Note 16-Landfill Liability:

State and federal laws and regulations required the County to place a final cover on its landfill site which was closed on March 20, 1995, and to perform certain maintenance and monitoring functions at the site for ten years after closure. While the County has completed its required 10 year monitoring period, its landfill has not been released from (Department of Environmental Quality) DEQ monitoring requirements. The \$48,270 liability is the total estimated post-closure care liability at June 30, 2007 and represents what it would cost to perform all post-closure care in 2007. Actual costs for post-closure monitoring may change due to inflation, deflation, changes in technology or changes in regulations. The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the DEQ's assurance requirements for landfill post-closure costs.

Note 17—School Board Early Retirement Incentive Program:

SunTrust administers an early retirement incentive program for the Component Unit – School Board employees. Early retirement is available to those contracted employees who are members of the Virginia Retirement System (VRS) and are eligible to retire with the VRS. The employee must have been employed with Washington County School System for 10 consecutive years, immediately preceding retirement and must not be eligible for disability retirement benefits from the VRS and/or Social Security. Finally, participants must be approved by the School Board and must have a bonafide separation from service of at least 30 days. The program allows for several different methods of payment depending upon the number of months the participant wishes to be paid. The School Board reserves the right to amend or terminate the program.



County of Washington, Virginia General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2007

		Budgeted Amounts						Variance with Final Budget - Positive (Negative)	
	<u>Original</u> <u>Final</u>					Actual Amounts			
REVENUES	•	00 000 504	•	00 004 077	•	07.040.500	•	750 400	
General property taxes	\$	26,293,501	ф	26,294,377	Ф	27,046,503 9,989,193	Ф	752,126 612,193	
Other local taxes		9,377,000		9,377,000		205,520		28,020	
Permits, privilege fees, and regulatory licenses		177,500		177,500		,		,	
Fines and forfeitures		643,500		643,500		641,383		(2,117)	
Revenue from the use of money and property		537,900		537,900		952,409		414,509	
Charges for services		520,750		543,099		657,402		114,303	
Miscellaneous		207,198		224,028		290,841		66,813	
Recovered costs		542,530		690,458		508,789		(181,669)	
Intergovernmental revenues:				. 744		0 =0 1 0 1 0		10.000	
Commonwealth		8,606,301		8,741,938		8,784,618		42,680	
Federal	_	2,377,599	_	2,577,244	_	2,563,691		(13,553)	
Total revenues	\$	49,283,779	\$	49,807,044	\$	51,640,349	\$	1,833,305	
EXPENDITURES									
Current:									
General government administration	\$	2,895,547	\$	3,131,725	\$	2,634,968	\$	496,757	
Judicial administration	·	1,241,801		1,302,665		1,202,363		100,302	
Public safety		9,062,240		9,847,302		8,937,458		909,844	
Public works		3,145,205		3,374,580		2,838,179		536,401	
Health and welfare		6,975,863		6,983,537		6,677,452		306,085	
Education		20,576,053		22,228,796		18,956,088		3,272,708	
Parks, recreation, and cultural		2,319,600		2,488,788		2,379,074		109,714	
Community development		2,638,670		2,683,857		2,258,385		425,472	
Nondepartmental		298,329		248,997		74,973		174,024	
Debt service:		•		,		•		, –	
Principal retirement		969,601		969,601		1,016,567		(46,966)	
Interest and other fiscal charges		695,870		945,870		617,865		328,005	
Total expenditures	\$	50,818,779	\$		\$	47,593,372	\$	6,612,346	
Excess (deficiency) of revenues over (under)									
expenditures	\$	(1,535,000)	\$	(4,398,674)	\$	4,046,977	\$	8,445,651	
OTHER THANKS OF THE CONTROL (1970)									
OTHER FINANCING SOURCES (USES)	•	(000,000)	•	(0.070.400)	٠	(0.070.400)	•		
Transfers out	\$	(920,000)		(2,879,429)		(2,879,429)		•	
Total other financing sources and uses	\$	(920,000)	Þ	(2,879,429)	Ъ	(2,879,429)	Þ		
Net change in fund balances	\$	(2,455,000)	\$	(7,278,103)	\$	1,167,548	\$	8,445,651	
Fund balances - beginning		2,455,000		7,278,103		11,676,396		4,398,293	
Fund balances - ending	\$		\$		\$	12,843,944	\$	12,843,944	

County of Washington, Virginia Required Supplementary Information

Schedule of Funding Progress Defined Benefit Plan For the Year Ended June 30, 2007

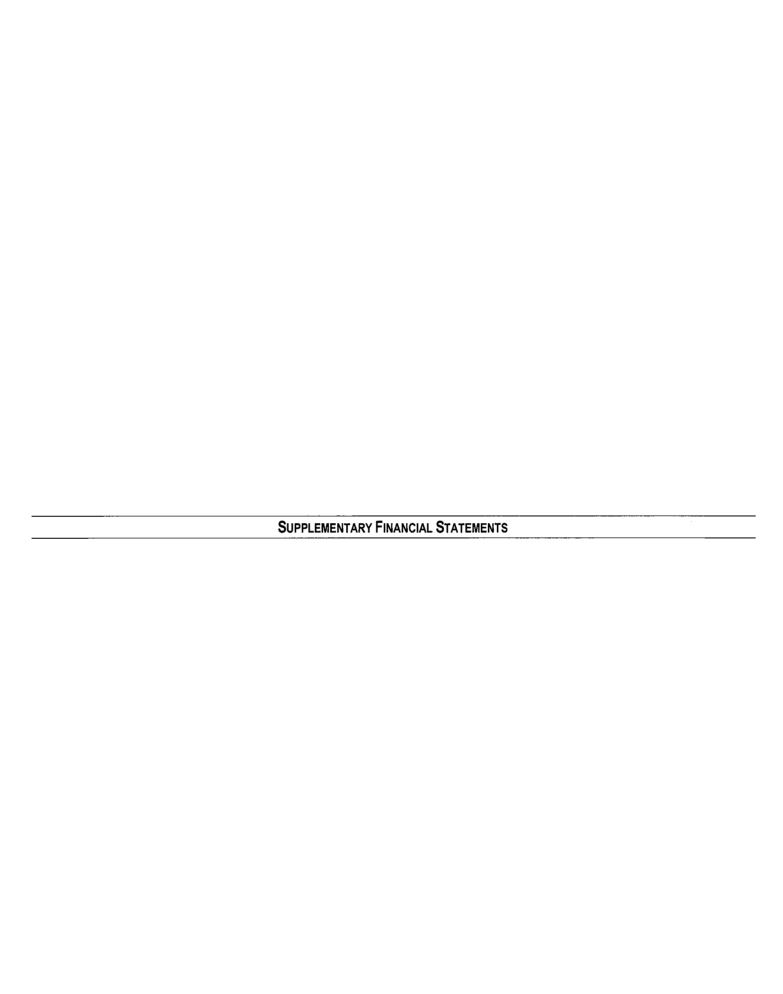
Primary Government: County Retirement Plan

Valuation as of (1)	 Actuarial Value of Assets	<u>Li</u>	Actuarial Accrued Liability (AAL) (3)		Unfunded AL (UAAL) (3) - (2) (4)	Funded Ratio Assets as % of AAL (2)/(3) (5)		Annual Covered Payroll (6)		UAAL as a % of Covered Payroll (4)/(6) (7)	
June 30, 2006	\$ 22,939,894	\$	24,385,537	\$	1,445,643	9	94.07%	\$	7,244,651		19.95%
June 30, 2005	21,715,816		24,214,860		2,499,044		89.68%		6,771,810		36.90%
June 30, 2004	21,394,998		21,948,057		553,059		97.48%		7,020,234		7.88%
June 30, 2003	21,082,336		20,416,855		(665,481)	1	03.26%		6,219,193		-10.70%
June 30, 2002	20,884,766		19,360,051		(1,524,715)	1	07.88%		6,719,365		-22.69%

Discretely Presented Component Unit:

School Board Non-Professional Retirement Plan

Valuation as of	Actuarial Value of Assets	Li	Actuarial Accrued ability (AAL)	Unfunded AL (UAAL) (3) - (2)	Funded Assets of AAL	as %	Annual Covered Payroll	% of	AL as a Covered oll (4)/(6)
(1)	(2)		(3)	 (4)	(5	5)	(6)		(7)
June 30, 2006	\$ 9,379,022	\$	11,669,435	\$ 2,290,413	{	30.37%	\$ 2,421,001		94.61%
June 30, 2005	9,009,803		11,612,137	2,602,334	7	77.59%	2,338,124		111.30%
June 30, 2004	8,953,488		10,310,352	1,356,864	8	36.84%	2,275,775		59.62%
June 30, 2003	9,001,705		9,855,955	854,250	9	91.33%	2,179,825		39.19%
June 30, 2002	9.033.787		9.118.861	85.074	9	99.07%	2,353,927		3.61%



County of Washington, Virginia

Capital Projects Fund Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2007

			Co	unty Capital II	npr	ovements Fun	<u></u>				
		Budgeted		Actual	-	ariance with					
		Original		Final		Actual Amounts		Positive (Negative)			
REVENUES		<u> </u>						1			
Intergovernmental revenues:											
Federal	\$	725,000	\$	1,008,599	\$	950,924	\$	(57,675)			
EXPENDITURES											
Current:											
Public works	\$	322,000	\$	1,033,735	\$	332,601	\$	701,134			
Community development		725,000		1,008,599		908,044		100,555			
Capital projects		3,701,566		4,981,983				4,981,983			
Total expenditures		4,748,566	\$	7,024,317	\$	1,240,645	\$	5,783,672			
Excess (deficiency) of revenues over (under)											
expenditures	_\$_	(4,023,566)	\$	(6,015,718)	\$	(289,721)	\$_	5,725,997			
OTHER FINANCING SOURCES (USES)											
Transfers in	\$	700,000	\$	2,618,029	\$	2,618,029	\$	-			
Net change in fund balances	\$	(3,323,566)	\$	(3,397,689)	\$	2,328,308	\$	5,725,997			
Fund balances - beginning	•	3,323,566	*	3,397,689	*	3,350,571	•	(47,118)			
Fund balances - ending	\$		\$		\$	5,678,879	\$	5,678,879			

County of Washington, Virginia Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Nonmajor Capital Projects Fund For the Year Ended June 30, 2007

		s	chool Capital Im	prov	rements Fund					
	 Budgeted Amounts Original Final Actual									
REVENUES										
Revenue from the use of money and property	\$ -	\$		\$	9,905	\$	9,905			
EXPENDITURES Current: Education	\$ 220,000	\$	548,360	\$	487,823	\$	60,537			
Excess (deficiency) of revenues over (under) expenditures	\$ (220,000)	\$	(548,360)	\$	(477,918)	\$	70,442			
OTHER FINANCING SOURCES (USES) Transfers in Total other financing sources and uses	\$ 220,000 220,000	\$	261,400 261,400	\$	261,400 261,400	_	<u>-</u>			
Net change in fund balances Fund balances - beginning Fund balances - ending	\$ -	\$	(286,960) 286,960	\$	(216,518) 286,959 70,441	\$	70,442 (1) 70,441			

FIDUCIARY FUNDS

<u>Special Welfare</u> – The Special Welfare fund accounts for those funds belonging to individuals entrusted to the local social services agency, such as foster care children.

<u>Fringe Benefits</u> – The Fringe Benefits fund accounts for those funds belonging to County employees.

County of Washington, Virginia Combining Statement of Fiduciary Net Assets Fiduciary Funds June 30, 2007

		Agency			
	_	Fringe Benefits	•	<u>Total</u>	
ASSETS					
Cash and cash equivalents	\$	202,387	\$ 47,410	\$	249,797
Total assets	\$	202,387	\$ 47,410	\$	249,797
LIABILITIES					
Amounts held for social services clients	\$	202,387	\$ -	\$	202,387
Amounts held for County employee fringe benefits		-	47,410		47,410
Total liabilities	\$	202,387	\$ 47,410	\$	249,797

DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

MAJOR GOVERNMENTAL FUNDS

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

County of Washington, Virginia Balance Sheet Discretely Presented Component Unit - School Board June 30, 2007

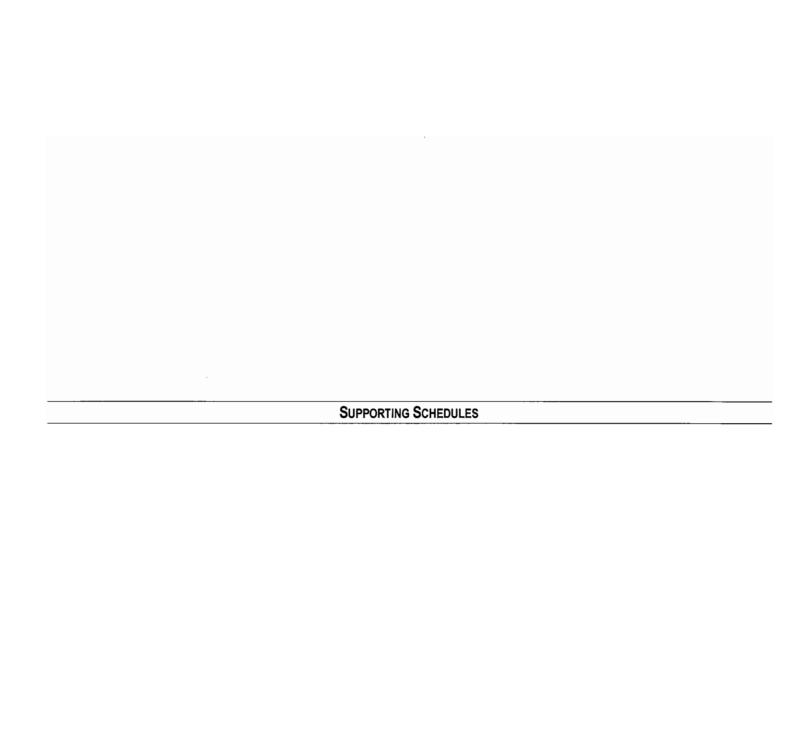
		School Operating <u>Fund</u>
ASSETS		
Cash and cash equivalents	\$	1,835,332
Cash in custody of others		300
Due from primary government		1,760,353
Due from other governmental units	\$	1,947,987 5,543,972
Total assets	<u> </u>	5,545,972
LIABILITIES AND FUND BALANCES Liabilities:		
Accounts payable	\$	314,540
Contracts payable	Ψ	3,393,800
Total liabilities	\$	3,708,340
Total napintos	<u> </u>	0,700,040
Fund balances: Unreserved:		
Designated for other	\$	1,835,632
Total fund balances	\$	1,835,632
Total liabilities and fund balances	\$	5,543,972
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	1	
Total fund balances per above	\$	1,835,632
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		16,388,963
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		(3,157,893)
Net assets of governmental activities	\$	15,066,702

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

Revenue from the use of money and property Charges for services Miscellaneous Recovered costs Intergovernmental revenues: Local government Commonwealth	\$	48,317 2,658,248 1,621,249
Charges for services Miscellaneous Recovered costs Intergovernmental revenues: Local government Commonwealth	Ψ	2,658,248 1,621,249
Miscellaneous Recovered costs Intergovernmental revenues: Local government Commonwealth		1,621,249
Recovered costs Intergovernmental revenues: Local government Commonwealth		
Intergovernmental revenues: Local government Commonwealth		58,466
Local government Commonwealth		00,.00
Commonwealth		18,831,045
		39,555,792
Federal		6,244,524
Total revenues	\$	69,017,641
EXPENDITURES Current: Education	\$	68,196,953
Excess (deficiency) of revenues over (under) expenditures	\$	820,688
Fund balances - beginning	Ψ	1,014,944
Fund balances - ending	\$	1,835,632
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different becomes the change in fund balances - total governmental funds - per above	ause:	820,688
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded		
depreciation in the current period. Some expenses reported in the statement of activities do not require the use of current		201,419
financial resources and, therefore are not reported as expenditures in governmental funds.		245,837
Change in net assets of governmental activities	\$	1,267,944

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

		Budgeted Original		ariance with Final Budget Positive (Negative)		
REVENUES						
Revenue from the use of money and property	\$	12,300	\$ 12,300	\$ 48,317	\$	36,017
Charges for services		3,702,973	3,809,973	2,658,248		(1,151,725)
Miscellaneous		1,003,681	1,003,681	1,621,249		617,568
Recovered costs		45,300	45,300	58,466		13,166
Intergovernmental revenues:						
Local government		20,451,010	22,103,753	18,831,045		(3,272,708)
Commonwealth		38,858,883	38,787,954	39,555,792		767,838
Federal		5,724,747	5,688,676	6,244,524		555,848
Total revenues	\$	69,798,894	\$ 71,451,637	\$ 69,017,641	\$	(2,433,996)
EXPENDITURES						
Current:						
Education	\$	70,684,354	\$ 72,337,097	\$ 68,196,953	\$	4,140,144
Excess (deficiency) of revenues over (under)						
expenditures	_\$	(885,460)	\$ (885,460)	\$ 820,688	\$	1,706,148
Net change in fund balances	\$	(885,460)	\$ (885,460)	\$ 820,688	\$	1,706,148
Fund balances - beginning, as restated		885,460	885,460	1,014,944		129,484
Fund balances - ending	\$	•	\$ -	\$ 1,835,632	\$	1,835,632



1 of the real	Ellaca dalle do	2001						
Fund, Major and Minor Revenue Source		Original Budget		Final <u>Budget</u>		<u>Actual</u>	Fi	ariance with nal Budget - Positive (Negative)
General Fund:								
Revenue from local sources:								
General property taxes:								
Real property taxes	\$	17,436,000	\$	17,436,000	\$	17,935,560	\$	499,560
Real and personal public service corporation taxes		1,353,000		1,353,876		1,165,132		(188,744)
Personal property taxes		3,524,000		3,524,000		3,773,880		249,880
Mobile home taxes		110,501		110,501		103,833		(6,668)
Machinery and tools taxes		3,500,000		3,500,000		3,625,919		125,919
Penalties		210,000		210,000		262,010		52,010
Interest		160,000		160,000		180,169		20,169
Total general property taxes	\$	26,293,501	\$	26,294,377	\$	27,046,503	\$	752,126
Other local taxes:								
Local sales and use taxes	\$	5,200,000	\$	5,200,000	\$	5,475,727	\$	275,727
Consumers' utility taxes		1,300,000		1,300,000		1,461,886		161,886
E-911 telephone taxes		315,000		315,000		162,850		(152,150)
Communications sales taxes		775,000		775,000		514,446		(260,554)
Franchise license taxes		100,000		100,000		244,888		144,888
Utility license taxes		155,000		155,000		120,001		(34,999)
Motor vehicle licenses		765,000		765,000		770,553		5,553
Bank stock taxes		25,000		25,000		29,391		4,391
Taxes on recordation and wills		382,000		382,000		552,929		170,929
Hotel and motel room taxes		35,000		35,000		42,482		7,482
Mobile telecommunications taxes		325,000		325,000		614,040		289,040
Total other local taxes	\$	9,377,000	\$	9,377,000	\$	9,989,193	\$	612,193
Permits, privilege fees, and regulatory licenses:								
Animal licenses and other animal related fees	\$	34,500	\$	34,500	\$	41,885	\$	7,385
Zoning, subdivision plat and soil erosion permits		5,000		5,000		6,356		1,356
Transfer and public hearing fees		1,500		1,500		1,000		(500)
Building permits		120,000		120,000		146,279		26,279
Waste hauling fees		16,500		16,500		10,000		(6,500)
Total permits, privilege fees, and regulatory licenses	\$	177,500	\$	177,500	\$	205,520	\$	28,020
Fines and forfeitures:								
Court fines, forfeitures and interest	\$	642,000	\$	642,000	\$	641,383	\$	(617)
Dog violation fines		1,500	_	1,500	_		_	(1,500)
Total fines and forfeitures	\$	643,500	\$	643,500	\$	641,383	\$_	(2,117)
Revenue from use of money and property:	^	F00 000	•	F00 000	•	047.440	¢	447.440
Revenue from use of money	\$	500,000	Ф	500,000	Þ	917,446	Þ	417,446
Revenue from use of property		37,900	•	37,900	•	34,963	Φ.	(2,937)
Total revenue from use of money and property	_\$_	537,900	Þ	537,900	\$	952,409	\$	414,509
Charges for services: Excess fees of clerk	¢	35,000	¢	35,000	¢	122,832	¢	87,832
Charges for law enforcement and traffic control	\$	5,250	Ф	5,250	Φ	4,872	Φ	(378)
		5,250		5,250 801		4,672 39,245		38,444
Charges for copies		14,000		14,000		7,470		(6,530)
Charges for copies Law library fees		8,000		8,000		7,470		(761)
Charges for Commonwealth's Attorney		1,200		1,200		1,946		746
Charges for highways and streets		2,500		2,500		2,939		439
Charges for highways and streets		2,500		2,000		2,000		400

Fund, Major and Minor Revenue Source		Original Budget		Final Budget		Actual		ariance with inal Budget - Positive (Negative)
General Fund: (Continued)								
Revenue from local sources: (Continued)								
Charges for services: (Continued)		0.000		04.040		00.044		4.000
Commission fees	\$	2,800	\$	24,348	\$	29,241	\$	4,893
Charges for sanitation and waste removal and other related fees		391,500		391,500		373,213		(18,287)
Charges for parks and recreation Charges for library		30,000 30,500		30,000 30,500		36,400 32,005		6,400
Total charges for services	\$	520,750	\$	543,099	\$	657,402	¢	1,505 114,303
Total charges for services	Ψ_	320,730	Ψ	343,099	φ_	007,402	φ	114,303
Miscellaneous revenue:								
Miscellaneous	\$	126,498	\$	143,328	\$	159,467	\$	16,139
Bristol, Tennpayment in lieu of taxes		700		700		812		112
Bristol, VA utilities board		50,000		50,000		97,342		47,342
Tennessee Valley Authority-payment in lieu of taxes		30,000		30,000		33,220		3,220
Total miscellaneous revenue	_\$_	207,198	\$	224,028	\$	290,841	\$	66,813
Descripted easts:								
Recovered costs: Insurance recoveries	¢		œ	110 607	œ	440.607	•	
E911 related cost recoveries	\$	410,000	\$	119,607 410,000	Ф	119,607 223,872	Ф	(186,128)
Facility management CS building		95,000		95,000		122,974		27,974
Other recovered costs		37,530		65,851		42,336		(23,515)
Total recovered costs	\$	542,530	\$	690,458	\$	508,789	\$	(181,669)
	<u> </u>				<u>, </u>	000,100	<u> </u>	(10.11000)
Total revenue from local sources	\$	38,299,879	\$	38,487,862	\$	40,292,040	\$	1,804,178
Intergovernmental revenues:								
Revenue from the Commonwealth:								
Noncategorical aid:								
ABC profits	\$	23,862	\$	23,862	\$	23,862	\$	-
Wine taxes		25,000		25,000		25,011		11
Motor vehicle carriers' tax		37,500		37,500		35,938		(1,562)
Mobile home titling tax		80,000		80,000		139,267		59,267
Mining rent and royalties		-		-		2,369		2,369
Grantors tax		190,000		190,000		234,634		44,634
State recordation tax		0.550.000				5,348		5,348
Personal property tax relief funds	•	2,559,286	•	2,559,286	•	2,587,612	•	28,326
Total noncategorical aid	\$	2,915,648	Ф	2,915,648	\$	3,054,041	\$	138,393
Categorical aid:								
Shared expenses:								
Commonwealth's attorney	\$	315,000	\$	372,987	\$	389,297	\$	16,310
Sheriff		2,150,000		2,150,000		2,175,318		25,318
Commissioner of revenue		165,000		165,000		173,339		8,339
Treasurer		170,000		170,000		183,077		13,077
Medical examiner		1,500		1,500		60		(1,440)
Registrar/electoral board		132,500		133,435		59,532		(73,903)
Clerk of the Circuit Court		270,000		270,000		271,198		1,198
Emergency services	_	6,400	_	6,400	_			(6,400)
Total shared expenses	\$	3,210,400	\$	3,269,322	\$	3,251,821	\$_	(17,501)

Fund, Major and Minor Revenue Source		Original <u>Budget</u>		Final <u>Budget</u>		<u>Actual</u>	Fi	ariance with nal Budget - Positive (Negative)
General Fund: (Continued)								
Intergovernmental revenues:								
Other categorical aid:			_					
Virginia Public Assistance	\$	1,461,096	\$	1,461,096	\$	1,504,986	\$	43,890
Comprehensive services		593,890		593,890		509,743		(84,147)
Victim witness grant		50,783		50,783		28,236		(22,547)
Litter control grant		11,500		11,500				(11,500)
EMS grant-Two for life		45,000		45,000		40,499		(4,501)
Fire programs		100,000		100,000		98,727		(1,273)
Dog and cat sterilization grant		800		800		-		(800)
E-911 wireless grant		25,000		25,000		35,086		10,086
Library state aid		187,184		198,241		198,438		197
Asset forfeiture funds				32,291		57,791		25,500
Arts grant		5,000		5,000		5,250		250
DCJS-Edward Byrne IT grant		-		3,630		-		(3,630)
DMV/DUI Mini grant	-	2 400 052	•	29,737	•	0.470.750	¢	(29,737)
Total other categorical aid	\$	2,480,253	\$	2,556,968	\$	2,478,756	\$	(78,212)
Total categorical aid	\$	5,690,653	\$	5,826,290	\$	5,730,577	\$	(95,713)
Total revenue from the Commonwealth	\$	8,606,301	\$	8,741,938	\$	8,784,618	\$	42,680
Revenue from the federal government:								
Payments in lieu of taxes	\$	23,500	\$	23,500	\$	22,846	\$	(654)
Categorical aid:								(4.64=)
Virginia Public Assistance	\$	2,285,303	\$	2,285,303	\$	2,273,656	\$	(11,647)
Local law enforcement block grant		-		77,620		58,215		(19,405)
Violence against women		25,000		25,000		25,295		295
Emergency management preparedness grant		40.700		440.004		2,191		2,191
State homeland security grant		43,796		148,821		148,661		(160)
State and community highway safety funds		-		47 000		9,164		9,164
Alcohol safety	•	2 254 000	•	17,000	·	23,663	•	6,663
Total categorical aid	\$	2,354,099	\$	2,553,744	\$	2,540,845	Ф	(12,899)
Total revenue from the federal government	\$	2,377,599	\$	2,577,244	\$	2,563,691	\$	(13,553)
Total General Fund	\$	49,283,779	\$	49,807,044	\$	51,640,349	\$	1,833,305

Fund, Major and Minor Revenue Source		Original Budget		Final Budget		Actual	Fi	ariance with nal Budget - Positive (Negative)
Capital Projects Fund:								
County Capital Improvements Fund: Intergovernmental revenues:								
Revenue from the federal government:								
Categorical aid:								
CDBG	\$	725,000	\$	1,008,599	\$	950,924	\$	(57,675)
Total revenue from the federal government	\$	725,000	\$	1,008,599	\$	950,924	\$	(57,675)
Total County Capital Improvements Fund	\$	725,000	\$	1,008,599	\$	950,924	\$_	(57,675)
Nonmajor Capital Projects Funds: School Capital Improvements Fund: Revenue from local sources:								
Revenue from use of money and property:	¢		\$		œ	9,905	æ	9,905
Revenue from the use of money		-	Φ_		\$	9,905	<u> </u>	9,905
Total School Capital Improvements Fund	\$		\$	-	\$	9,905	\$	9,905
Total Primary Government	\$	50,008,779	\$	50,815,643	\$	52,601,178	\$	1,785,535
Discretely Presented Component Unit - School Board: Special Revenue Funds: School Operating Fund: Revenue from local sources:								
Revenue from use of money and property:		7.000	•	7.000	•	40.005	•	00.005
Revenue from the use of money	\$	7,300 5,000	\$	7,300 5,000	\$	46,635 1,682	\$	39,335
Revenue from the use of property Total revenue from use of money and property	\$	12,300	\$	12,300	\$	48,317	\$	(3,318) 36,017
rotal total as not associated and property		12,000	<u> </u>	12,000	<u> </u>		<u> </u>	00,011
Charges for services: Charges for education Governor's School Transportation of pupils	\$	406,000 270,000 50,000	\$	406,000 377,000 50,000	\$	441,124 360,902 50,254	\$	35,124 (16,098) 254
Cafeteria sales Total charges for services	\$	2,976,973 3,702,973	\$	2,976,973 3,809,973	\$	1,805,968 2,658,248	\$	(1,171,005) (1,151,725)
Total dialysis for solvious		0,1 02,010	Ψ_	0,000,010	Ψ_	2,000,240	Ψ	(1,101,120)
Miscellaneous revenue:								
Other miscellaneous	_\$_	1,003,681	\$	1,003,681	\$	1,621,249	\$_	617,568
Recovered costs:								
Other recovered costs	_\$	45,300	\$	45,300	\$	58,466	\$	13,166
Total revenue from local access	•							
Total revenue from local sources	_\$_	4,764,254	Φ	4,871,254	Þ	4,386,280	Φ	(484,974)

Fund, Major and Minor Revenue Source		Original <u>Budget</u>	Final <u>Budget</u>			Actual	Fii	Variance with Final Budget - Positive (Negative)		
Discretely Presented Component Unit - School Board: (Continued) Special Revenue Funds: (Continued) School Operating Fund: (Continued) Intergovernmental revenues:										
Revenues from local governments:										
Contribution from County of Washington, Virginia	\$	20,451,010	\$	22,103,753	\$	18,831,045	\$	(3,272,708)		
Revenue from the Commonwealth:										
Categorical aid:										
Share of state sales tax	\$	7,310,758	\$	7,310,758	\$	6,543,016	\$	(767,742)		
Basic school aid		20,212,058		20,212,058		20,621,526		409,468		
GED funding		23,576		23,576		23,576		-		
Summer remedial		128,477		128,477		129,573		1,096		
Regular foster care		183,868		183,868		79,788		(104,080)		
Adult high school courses		4,200		4,200		-		(4,200)		
Gifted and talented		197,463		197,463		197,834		371		
Remedial education		471,985		471,985		472,870		885		
Hold harmless sales		-		-		239,469		239,469		
Compensation supplement		414,191		414,191		516,297		102,106		
Special education		1,743,454		1,743,454		1,746,725		3,271		
Textbook payment		490,334		490,334		483,872		(6,462)		
Vocational education		635,734		635,734		636,927		1,193		
Vocational adult education		78,535		78,535		64,376		(14,159)		
Vocational equipment		-		-		16,583		16,583		
Vocational educational occupational tech ed		-		-		101,393		101,393		
Social security fringe benefits		1,098,087		1,098,087		1,100,147		2,060		
Retirement fringe benefits		1,401,505		1,401,505		1,394,485		(7,020)		
Life insurance fringe benefits		72,243		72,243		62,728		(9,515)		
State lottery payments		1,121,349		1,121,349		1,118,531		(2,818)		
Early reading intervention		32,863		32,863		27,386		(5,477)		
Governors school		726,554		655,625		688,753		33,128		
Jobs for Virginia graduates-lottery proceeds		. 20,007		-		25,000		25,000		
Adult literacy		49,607		49,607		159,220		109,613		
Homebound		20,767		20,767		68,967		48,200		
School food		20,101		20,101		51,436		51,436		
Regional programs		144,898		144,898		147,206		2,308		
Career and tech		111,000		144,000		32,511		32,511		
Special education - foster care		_		_		208,066		208,066		
Electronic classroom		_		_		3,450		3,450		
At risk payments		485,372		485,372		484,064		(1,308)		
At risk four year olds		294,418		294,418		310,774		16,356		
Tobacco settlement		204,410		204,410		3,274		3,274		
Mentor teacher program		_		_		3,871		3,871		
Primary class size		683,878		683,878		706,723		22,845		
Technology		518,000		518,000		492,000		(26,000)		
Project graduation		010,000		310,000		209,400		209,400		
Special ed jail program		26,309		26,309		1,659		(24,650)		
School construction		199,334		199,334		199,410		, ,		
SOL algebra readiness								76 (2.654)		
English as a second language		71,072		71,072		67,421		(3,651)		
GED testing		17,994		17,994		22,314		4,320		
ਰਵਰ testing Total categorical aid	•	20 050 002	•	20 707 054	¢.	93,171	Ď.	93,171		
i otal categorical alti	Φ_	38,858,883	\$	38,787,954	\$	39,555,792	φ	767,838		

Fund, Major and Minor Revenue Source		Original <u>Budget</u>		Final <u>Budget</u>		<u>Actual</u>		Variance with Final Budget - Positive (Negative)	
Discretely Presented Component Unit - School Board: (Continued) Special Revenue Funds: (Continued)									
School Operating Fund: (Continued)									
Intergovernmental revenues: (Continued)									
Revenue from the Commonwealth: (Continued)									
Total revenue from the Commonwealth	_\$_	38,858,883	\$	38,787,954	\$	39,555,792	\$	767,838	
Revenue from the federal government:									
Categorical aid:									
Forest reserve fund	\$	11,000	\$	11,000	\$	12,438	\$	1,438	
Adult basic education	,	400,000	•	400,000	•	422,987	·	22,987	
Title I		1,476,623		1,476,623		1,636,452		159,829	
Title VI-B, special education flow-through		1,264,929		1,264,929		1,429,114		164,185	
Title VI-B, special education preschool		-		47,722		75,053		27,331	
Vocational education		-		136,517		235,574		99,057	
Title II Part A		379,430		379,430		401,246		21,816	
Drug free schools		42,389		42,389		29,162		(13,227)	
Smiles VI grant fund		175,000		175,000		183,546		8,546	
Literacy challenge grant		-		-		41,740		41,740	
School breakfast program		-		-		334,809		334,809	
School lunch program		-		-		1,051,757		1,051,757	
Reading first		-		348,957		369,352		20,395	
Learn and serve america		-		29,520		-		(29,520)	
Education technology formula grant		-		-		3,522		3,522	
Title V		38,092		38,092		17,772		(20,320)	
Other federal funds		1,937,284		1,338,497				(1,338,497)	
Total categorical aid	_\$_	5,724,747	\$	5,688,676	\$	6,244,524	\$	555,848	
Total revenue from the federal government	\$	5,724,747	\$	5,688,676	\$	6,244,524	\$	555,848	
Total Discretely Presented Component Unit - School Board	\$	69,798,894	\$	71,451,637	\$	69,017,641	\$	(2,433,996)	

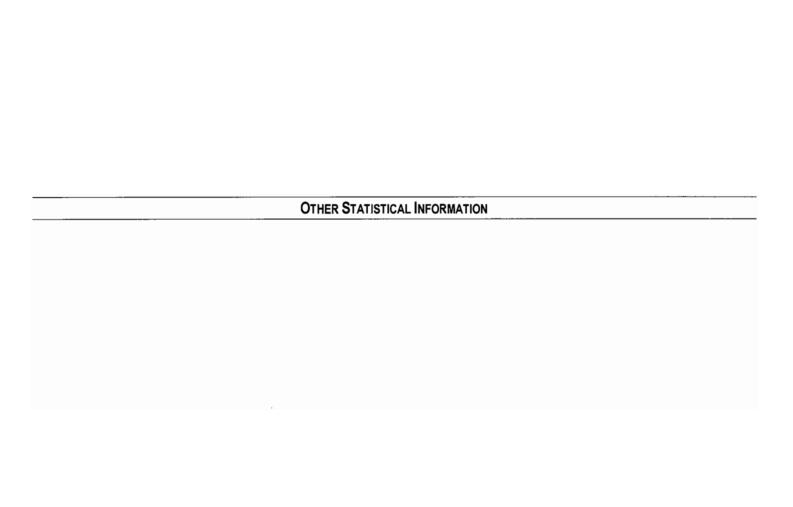
Fund, Function, Activity and Element		Original Budget		Final Budget		Actual		/ariance with inal Budget - Positive (Negative)
General Fund: General government administration:								
Legislative:								
Board of supervisors	\$	141,180	\$	141,680	\$	133,073	\$	8,607
General and financial administration:								
County administrator	\$	169,994	\$	177,494	\$	167,756	\$	9,738
Legal services	Ψ	313,150	Ψ	455,650	Ψ	388,619	Ψ	67,031
Commissioner of revenue		495,860		495,860		465,952		29,908
		523,845		548,940		516,650		32,290
Treasurer		237,217				238,332		6,385
Central accounting and purchasing				244,717		•		
Information technology		605,681		639,329		492,390		146,939
Assessor		100,000		100,000		28,140		71,860
Auditor	_	34,000	_	52,500	_	35,692	_	16,808
Total general and financial administration	_\$_	2,479,747	\$	2,714,490	\$	2,333,531	\$	380,959
Board of elections:								
Registrar	\$	118,181	\$	119,116	\$	115,395	\$	3,721
Electoral board		156,439		156,439		52,969		103,470
Total board of elections	\$	274,620	\$	275,555	\$	168,364	\$	107,191
Total general government administration	_\$_	2,895,547	\$	3,131,725	\$	2,634,968	\$	496,757
Judicial administration:								
Courts:	•	00 500	•	00.475	•	CE 000	œ	2 205
Circuit court	\$	66,500	Ф	69,175	Ф	65,880	Ф	3,295
General district court		21,100		21,870		16,931		4,939
Juvenile and domestic relations court		20,500		20,500		14,874		5,626
Special magistrates		5,800		5,800		4,853		947
Clerk of the circuit court		533,227		533,227		474,176		59,051
Law library	_	8,000		14,432		9,929	_	4,503
Total courts	_\$	655,127	\$	665,004	\$	586,643	\$	78,361
Commonwealth's attorney:	•	E00 074	¢	627.664	ø	C4F 700	œ	24.044
Commonwealth's attorney	\$	586,674	Þ	637,661	\$	615,720	Þ	21,941
Total judicial administration	\$	1,241,801	\$	1,302,665	\$	1,202,363	\$	100,302
Public safety:								
Law enforcement and traffic control:								
Sheriff	\$	3,797,567	\$	3,995,839	\$	3,860,858	\$	134,981
Victim witness assistance	•	-	•	51,083	•	48,852	•	2,231
Animal control		246,826		259,202		233,651		25,551
Interstate enforcement		400,000		502,641		165,263		337,378
Other Sheriff grants		247,817		519,630		395,325		124,305
Total law enforcement and traffic control	\$	4,692,210	\$	5,328,395	\$	4,703,949	\$	624,446
Fire and rescue services:								
Volunteer fire departments	\$	1,051,329	\$	1,051,329	\$	1,046,117	\$	5,212
Volunteer emergency operations	•	562,421	,	564,421		557,920	-	6,501
E-911		858,621		1,002,550		742,701		259,849
Other fire and rescue services		139,300		142,248		142,248		
Total fire and rescue services	\$	2,611,671	\$	2,760,548	\$	2,488,986	\$	271,562
Total IIIO alla 1000ao ool 11000	Ψ	2,011,011	<u> </u>	2,1 00,0 10	*	2, 100,000	-	2. 1,002

Fund, Function, Activity and Element		Original Budget		Final Budget		Actual		/ariance with inal Budget - Positive (Negative)
General Fund: (Continued)								
Public safety: (Continued)								
Correction and detention:	•	4 005 400	•	4 005 400	•	4 205 400	•	
Regional jail payments	\$	1,305,106	Ф	1,305,106	Þ	1,305,106	Ф	-
Juvenile probation and detention Total correction and detention	\$	132,500 1,437,606	\$	132,500 1,437,606	\$	132,500 1,437,606	¢	
lotal correction and detention		1,437,000	Ψ	1,437,000	Φ_	1,437,000	Ψ	
Inspections:								
Building	\$	199,798	\$	199,798	\$	188,935	\$	10,863
Other protection:								
Medical examiner	\$	2,500	\$	2,500	\$	1,000	\$	1,500
Homeland security grants		43,796		43,796		43,796		
Emergency services		74,659		74,659		73,186		1,473
Total other protection	\$	120,955	\$	120,955	\$_	117,982	\$	2,973
Total public safety	\$	9,062,240	\$	9,847,302	\$	8,937,458	\$	909,844
Public works:								
Maintenance of highways, streets, bridges and sidewalks:								
Highways, streets, bridges and sidewalks	\$	4,400	\$	4,400	\$	3,876	\$	524
Road improvements	*	75,000	•	272,987	*	126,010	*	146,977
Total maintenance of highways, streets, bridges & sidewalks	\$	79,400	\$	277,387	\$	129,886	\$	147,501
Sanitation and waste removal:	•	0.000.047	•	0.000.000	•	4 040 047	•	407.445
Refuse collection and disposal	\$	2,020,217	Þ	2,028,262	Þ	1,840,847	Ф	187,415
Recycling program Total sanitation and waste removal	\$	111,739 2,131,956	\$	111,739 2,140,001	\$	87,764 1,928,611	\$	23,975 211,390
Total Samtation and waste removal	Ψ	2,131,930	Ψ	2,140,001	Ψ_	1,920,011	Φ	211,390
Maintenance of general buildings and grounds:								
General properties	\$	933,849	\$	957,192	\$	779,682	\$	177,510
Total public works	\$	3,145,205	\$	3,374,580	\$	2,838,179	\$	536,401
, , , , , , , , , , , , , , , , , , , 	<u> </u>	0,110,200	<u></u>	5,57 1,555	<u> </u>	2,000,	<u> </u>	
Health and welfare:								
Health: Supplement of local health department	¢	40E E4E	œ	40E E4E	¢	495,545	¢	
Supplement of local nealth department		495,545	Ψ	495,545	\$	450,040	Φ	
Mental health and mental retardation:								
Community services board	\$	346,679	\$	346,679	\$	346,679	\$	
Welfare:								
Virginia public assistance	\$	4,765,609	\$	4,765,609	\$	4,567,042	\$	198,567
Speech and hearing		16,000		16,000		16,000		-
Parent aide services grant		5,383		5,383		-		5,383
State and local hospitalization		16,160		16,734		16,734		-
Area agency on aging		42,761		46,061		46,061		-
Senior services		145,610		145,610		130,610		15,000
Community action agency		146,285		146,285		146,285		-
Community services		989,131		989,131		904,996		84,135

Part	For the Year	Engea June 30	, 2007						
Melara: (Confirment)	Fund, Function, Activity and Element						<u>Actual</u>		inal Budget - Positive
Melara: (Confirment)	General Fund: (Continued)								
Indigent care									
Total welfare \$ 6,133,639 \$ 6,141,313 \$ 5,835,228 \$ 300,085 Total health and welfare \$ 6,975,863 \$ 6,983,537 \$ 6,677,452 \$ 300,085 Education:		\$	6,700	\$	10.500	\$	7.500	\$	3.000
Education: Chier instructional costs: Contributions to community college \$73,881 \$73,8		\$						_	
Chier instructional coadsts:	Total health and welfare	\$	6,975,863	\$	6,983,537	\$	6,677,452	\$	306,085
Chier instructional coasts:	Education:								
Contibutions to community college \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,861 \$73,2708 \$72,2708 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
Chier educational contributions 20,451,012 21,137,53 18,831,045 3,272,708 10,1612 10,1613		\$	73.881	\$	73.881	\$	73.881	\$	_
Contribution to County School Board Total education \$2,0451,011 \$2,103,753 \$18,831 \$45 \$3,272,708 \$3,027,708	• •	•		•		•	-	*	_
Parks, recreation, and cultural: Parks and recreation. Parks Parks and recreation. Parks P	Contribution to County School Board		•				,		3.272.708
Parks and recreation: \$ 78,289 \$ 84,289 \$ 66,874 \$ 17,415 Recreation 122,449 127,449 114,812 12,637 Washington County Park Authority 98,000 92,740 5,260 Community centers 202,430 229,930 229,930 - 2,500 Town recreation programs 94,000 94,000 94,000 2,500 Affiletic group activities 85,195 90,395 90,395 - 5,351 Total parks and recreation 860,363 724,063 \$ 680,751 \$ 35,312 Cultural enrichment \$ 339,800 \$ 354,300 \$ 354,300 \$ 364,00 \$ 36,902 \$ 35,312 Library: Washington County library \$ 1,113,103 \$ 1,224,091 \$ 1,154,179 \$ 69,912 Branch libraries \$ 1,863,34 186,334 181,844 4,490 Total parks, recreation, and cultural \$ 2,399,437 \$ 1,410,425 \$ 1,336,023 \$ 74,402 Community development: Planning and community development:	•	\$		\$		\$		\$	
Parks and recreation: \$ 78,289 \$ 84,289 \$ 66,874 \$ 17,415 Recreation 122,449 127,449 114,812 12,637 Washington County Park Authority 98,000 92,740 5,260 Community centers 202,430 229,930 229,930 - Town recreation programs 94,000 94,000 94,000 - Affiletic group activities 85,195 90,395 90,395 - Total parks and recreation 869,363 724,063 868,751 \$ 35,312 Cultural enrichment \$ 339,800 \$ 354,300 \$ 354,300 \$ 364,300 \$ 36,300 \$ 36,302 \$ 35,312 Library: Washington County library \$ 1,113,103 \$ 1,224,091 \$ 1,154,179 \$ 69,912 Branch libraries \$ 1,863,34 186,334 186,344 181,844 4,490 Total parks, recreation, and cultural \$ 2,399,600 \$ 2,488,788 \$ 2,379,074 \$ 109,714 Community development: Plan	Parks recreation and cultural:								
Parks \$ 78,289 \$ 84,289 \$ 66,874 \$ 17,415 Recreation 122,449 127,449 114,812 12,637 Washington County Park Authority 98,000 98,000 92,000 5,260 Community centers 202,430 229,930 229,930 5,26 Town recreation programs 94,000 90,000 90,000 94,000 96,906 96,912 96,912	·								
Recreation 122,449 127,449 114,812 12,837 Washington County Park Authority 98,000 98,000 92,740 5,260 Community centers 202,430 229,930 229,930 29,930 2,760 Town recreation programs 94,000 94,000 94,000 9,0395 6,036 1,036 9,0395 9,0395 9,0395 1,036 1,036 1,036 1,036 9,0395		\$	78 289	\$	84 289	\$	66 874	\$	17 /115
Washington County Park Authority 98,000 98,000 92,740 5,260 Community centers 202,430 229,330 229,330 229,330 3 Town recreation programs 94,000 94,000 90,395 90,395 90,395 5 Athletic group activities 85,195 90,395 90,395 35,312 Cultural enrichment: Cultural enrichment \$339,800 \$354,300 \$354,300 \$680,312 \$35,312 Library: Washington County library \$1,113,103 \$1,224,091 \$1,154,179 \$69,912 Branch libraries 186,334 186,334 181,844 4,490 Total parks, recreation, and cultural \$2,319,600 \$2,488,788 \$2,379,074 \$109,714 Community development: Planning and community development: Planning and community development \$8,0605 \$8,280 \$24,137 \$34,143 Rejonal planning \$8,0605 \$6,888 \$6,888 \$2,2379,074 \$109,714<		Ψ		Ψ		Ψ		Ψ,	
Community centers 202,430 229,930 229,930 3 Town recreation programs 94,000 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
Town recreation programs									0,200
Athletic group activities 85,195 90,395 90,395 35,312 Cultural enrichment: Cultural enrichment Cultural enrichment \$339,800 \$354,300 \$354,300 \$354,300 \$0.00 Library: Washington County library \$1,113,103 \$1,224,091 \$1,154,179 \$69,912 Branch libraries 186,334 186,334 181,844 4,400 Total parks, recreation, and cultural \$2,319,600 \$2,488,788 \$2,379,074 \$10,971 Community development: Planning and community development: Planning commission \$80,605 \$58,280 \$24,137 \$34,143 Regional planning \$80,605 \$58,280 \$24,137 \$34,143 Regional planning commission \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357 \$25,357									_
Total parks and recreation \$ 680,363 \$ 724,063 \$ 688,751 \$ 35,312									_
Cultural enrichment \$ 339,800 \$ 354,300 \$ 354,300 \$ - Library: Washington County library \$ 1,113,103 \$ 1,224,091 \$ 1,154,179 \$ 69,912 Branch libraries 186,334 186,334 181,844 4,490 Total parks, recreation, and cultural \$ 2,319,600 \$ 2,488,788 \$ 2,379,074 \$ 109,714 Community development: Planning and community development: Planning commission \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143 Regional planning \$ 35,638 35,638 35,638 3,289 Zoning \$ 167,889 167,889 167,889 167,889 164,346 13,543 Economic development \$ 167,889 167,889 167,889 167,889 167,889 167,849 167,889 167,889 167,849 167,849 167,889 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849<		\$		\$		\$		\$	35,312
Cultural enrichment \$ 339,800 \$ 354,300 \$ 354,300 \$ - Library: Washington County library \$ 1,113,103 \$ 1,224,091 \$ 1,154,179 \$ 69,912 Branch libraries 186,334 186,334 181,844 4,490 Total parks, recreation, and cultural \$ 2,319,600 \$ 2,488,788 \$ 2,379,074 \$ 109,714 Community development: Planning and community development: Planning commission \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143 Regional planning \$ 35,638 35,638 35,638 3,289 Zoning \$ 167,889 167,889 167,889 167,889 164,346 13,543 Economic development \$ 167,889 167,889 167,889 167,889 167,889 167,849 167,889 167,889 167,849 167,849 167,889 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849 167,849<	Cultural enrichment								
Library: Washington County library \$ 1,113,103 \$ 1,224,091 \$ 1,154,179 \$ 69,912 Branch libraries 186,334 186,334 181,844 4,490 Total library \$ 1,299,437 \$ 1,410,425 1,336,023 \$ 74,402 Total parks, recreation, and cultural \$ 2,319,600 \$ 2,488,768 \$ 2,379,074 \$ 109,714 Community development: Planning and community development: Planning spand community development: Planning commission \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143		\$	339,800	\$	354,300	\$	354,300	\$	
Washington County library Branch libraries \$ 1,113,103 \$ 1,224,091 \$ 1,154,179 \$ 69,912 Branch libraries 186,334 186,334 181,844 4,490 Total library \$ 1,299,437 \$ 1,410,425 \$ 1,336,023 \$ 74,402 Total parks, recreation, and cultural \$ 2,319,600 \$ 2,488,788 \$ 2,379,074 \$ 109,714 Community development: Planning and community development: Planning and community development: Planning commission \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143 Regional planning \$ 35,638 \$ 35,638 \$ 35,638 \$ 35,638 \$ 3,289 Planning commission 25,357 25,357 22,068 \$ 3,289 Zoning 121,976 102,505 19,471 Community development 167,889 167,889 154,346 13,543 Economic development 212,900 212,200 212,200 22,208 3,243 Contribution to Virginia Highlands Airport 212,200 212,200 212,200	Liberton								
Branch libraries 186,334 186,334 181,844 4,490 Total library \$ 1,299,437 \$ 1,410,425 \$ 1,336,023 \$ 74,402 Total parks, recreation, and cultural \$ 2,319,600 \$ 2,488,788 \$ 2,379,074 \$ 109,714 Community development: Planning and community development: Planning Segional planning \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143 Regional planning commission \$ 25,357 25,357 22,068 3,289 Planning commission \$ 25,357 25,357 22,068 3,289 Zoning 121,976 121,976 102,505 19,471 Community development 167,889 167,889 154,346 13,543 Economic development 212,200 212,200 212,200 22,200 2 Contribution to Virginia Highlands Airport 212,200 212,200 212,200 2 Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County		•	4 440 400	٠	4 004 004	•	4.454.470	•	20.040
Total library \$ 1,299,437 \$ 1,410,425 \$ 1,336,023 \$ 74,402 Total parks, recreation, and cultural \$ 2,319,600 \$ 2,488,788 \$ 2,379,074 \$ 109,714 Community development: Planning and community development: Planning \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143 Regional planning 35,638 35,638 35,638 35,638 9 100,714 Planning acommission 25,357 25,357 22,068 3,289 20,119 20,119 20,119 20,100 10,200 10,200 10,000 10,		\$		\$		\$		\$	
Total parks, recreation, and cultural \$ 2,319,600 \$ 2,488,788 \$ 2,379,074 \$ 109,714				Φ.		•		•	
Planning and community development: Planning \$80,605 \$58,280 \$24,137 \$34,143 Regional planning 35,638 35,638 35,638 35,638 35,638 Planning commission 25,357 25,357 22,068 3,289 Zoning 121,976 121,976 102,505 19,471 Community development 167,889 167,889 154,346 13,543 Economic development 159,103 159,103 159,103 - Contribution to Virginia Highlands Airport 212,200 212,200 212,200 - Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$2,503,798 \$2,548,985 \$2,125,123 \$423,862 Environmental management:	rotal library	<u> </u>	1,299,437	\$	1,410,425	<u>\$</u>	1,336,023	\$	74,402
Planning and community development: Planning \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143 Regional planning 35,638 35,638 35,638 - Planning commission 25,357 25,357 22,068 3,289 Zoning 121,976 121,976 102,505 19,471 Community development 167,889 167,889 154,346 13,543 Economic development 159,103 159,103 159,103 - Contribution to Virginia Highlands Airport 212,200 212,200 212,200 - Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$ 2,503,798 2,548,985 2,125,123 <td< td=""><td>Total parks, recreation, and cultural</td><td>_\$_</td><td>2,319,600</td><td>\$</td><td>2,488,788</td><td>\$</td><td>2,379,074</td><td>\$</td><td>109,714</td></td<>	Total parks, recreation, and cultural	_\$_	2,319,600	\$	2,488,788	\$	2,379,074	\$	109,714
Planning \$ 80,605 \$ 58,280 \$ 24,137 \$ 34,143 Regional planning 35,638 35,638 35,638 - Planning commission 25,357 25,357 22,068 3,289 Zoning 121,976 121,976 102,505 19,471 Community development 167,889 167,889 154,346 13,543 Economic development 159,103 159,103 159,103 - Contribution to Virginia Highlands Airport 212,200 212,200 212,200 - Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$2,503,798 2,548,985 2,125,123 423,862	Community development:								
Regional planning 35,638 35,638 35,638 - Planning commission 25,357 25,357 22,068 3,289 Zoning 121,976 121,976 102,505 19,471 Community development 167,889 167,889 154,346 13,543 Economic development 159,103 159,103 159,103 - Contribution to Virginia Highlands Airport 212,200 212,200 212,200 - Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$2,503,798 2,548,985 2,125,123 423,862									
Planning commission 25,357 25,357 22,068 3,289 Zoning 121,976 121,976 102,505 19,471 Community development 167,889 167,889 154,346 13,543 Economic development 159,103 159,103 159,103 - Contribution to Virginia Highlands Airport 212,200 212,200 212,200 - Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$2,503,798 2,548,985 2,125,123 423,862 Environmental management:		\$		\$	58,280	\$	24,137	\$	34,143
Zoning 121,976 121,976 102,505 19,471									-
Community development 167,889 154,346 13,543 Economic development 159,103 159,103 159,103 - Contribution to Virginia Highlands Airport 212,200 212,200 212,200 - Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$ 2,503,798 2,548,985 2,125,123 423,862									
Economic development 159,103 1									
Contribution to Virginia Highlands Airport 212,200 212,200 2 212,200 2 212,200 2 212,200 2 2 2,200									13,543
Contribution to Smyth/Washington Industrial Facility 96,030 96,906 96,906 - Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$ 2,503,798 \$ 2,548,985 \$ 2,125,123 \$ 423,862 Environmental management:									-
Contribution to Washington County Public Service Authority 1,420,000 1,420,000 1,170,000 250,000 Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$ 2,503,798 \$ 2,548,985 \$ 2,125,123 \$ 423,862 Environmental management:									-
Contribution to Economic development 85,000 151,636 48,220 103,416 Contribution to Industrial Development Authority 100,000 100,000 100,000 - Total planning and community development \$ 2,503,798 \$ 2,548,985 \$ 2,125,123 \$ 423,862 Environmental management:									050.000
Contribution to Industrial Development Authority Total planning and community development Environmental management: 100,000 100,000 2,548,985 2,548,985 2,125,123 423,862									
Total planning and community development \$ 2,503,798 \$ 2,548,985 \$ 2,125,123 \$ 423,862 Environmental management:									103,410
Environmental management:		\$		\$		\$		\$	433 863
	rotal planning and community development		2,000,100	Ψ	2,040,303	Ψ	2, 120, 120	Ψ	423,002
Contribution to soil and water district \$ 33,700 \$ 33,700 \$ -			00 -00		A A A B A B B B B B B B B B B				
	Contribution to soil and water district	\$	33,700	\$	33,700	\$	33,700	\$	-

For the Year En	ueu Julie 30,	2001					
Fund, Function, Activity and Element		Original Budget	Final <u>Budget</u>		<u>Actual</u>	Fi	riance with nal Budget - Positive Negative)
General Fund: (Continued) Community development: (Continued) Cooperative extension program:							
Extension office	_\$	101,172	\$ 101,172	\$_	99,562	\$	1,610
Total community development	\$	2,638,670	\$ 2,683,857	\$	2,258,385	\$	425,472
Nondepartmental: Revenue refunds	\$	-	\$ -	\$	54,638	\$	(54,638)
Other non departmental		298,329	248,997		20,335		228,662
Total nondepartmental	\$	298,329	\$ 248,997	\$	74,973	\$	174,024
Debt service: Principal retirement Interest and other fiscal charges	\$	969,601 695,870	969,601 945,870		1,016,567 617,865		(46,966) 328,005
Total debt service	\$	1,665,471	\$ 1,915,471	\$	1,634,432	Þ	281,039
Total General Fund		50,818,779	\$ 54,205,718	\$	47,593,372	\$	6,612,346
Capital Projects Fund: County Capital Improvements Fund: Public works:							
Sanitation and waste removal: Capital improvements	\$	322,000	\$ 1,033,735	\$	332,601	\$	701,134
Total public works	_\$_	322,000	\$ 1,033,735	\$	332,601	\$	701,134
Community development: Planning and community development:							
Old mill road project	\$	-	\$ 283,599	\$	212,544	\$	71,055
Medowview comm facility		725,000	 725,000		695,500		29,500
Total planning and community development	\$	725,000	\$ 1,008,599	\$_	908,044	\$	100,555
Capital projects expenditures: Contingencies	\$	3,701,566	\$ 4,981,983	\$	_	\$	4,981,983
Total Capital Projects Fund	\$	4,748,566	7,024,317		1,240,645		5,783,672
School Capital Improvements Fund: Education:							
Operating costs: Facilities	\$	220,000	\$ 548,360	\$	487,823	\$	60,537
Total Primary Government	\$	55,787,345	\$ 61,778,395		49,321,840		12,456,555
-		***					

Fund, Function, Activity and Element Discretely Presented Component Unit - School Board Special revenue funds: School Operating Fund:	Original <u>Budget</u>	Final Budget	<u>Actual</u>	ariance with nal Budget - Positive (Negative)
Education:				
Administration, attendance and health	\$ 3,181,805	\$ 2,866,044	\$ 2,475,394	\$ 390,650
Instruction Instructional technology Total instruction costs	\$ 51,516,975 1,674,135 53,191,110	\$ 51,909,393 1,794,273 53,703,666	\$ 50,007,838 1,763,361 51,771,199	\$ 1,901,555 30,912 1,932,467
Discretely Presented Component Unit - School Board (Continued) Special revenue funds: (Continued) School Operating Fund: (Continued) Education: (Continued) Operating costs: Pupil transportation Operation and maintenance of school plant School food services Other operating costs Total operating costs	\$ 4,560,070 6,133,436 3,617,933 - 14,311,439	\$ 4,568,045 6,436,225 3,617,933 1,145,184 15,767,387	\$ 4,378,681 6,357,044 2,995,566 219,069 13,950,360	\$ 189,364 79,181 622,367 926,115 1,817,027
Total Discretely Presented Component Unit - School Board	\$ 70,684,354	\$ 72,337,097	\$ 68,196,953	\$ 4,140,144



County of Washington, Virginia Government-Wide Expenses by Function Last Ten Fiscal Years (1)

Total	47,798,143 46,993,461 42,475,765 40,966,883 40,740,870
Interest on Long- Term Debt	606,752 \$ 722,722 695,607 731,995
Non- departmental	74,973 \$ 36,915
Community Development	3,150,805 \$ 3,138,763 2,398,560 1,911,480 2,203,361
Parks, Recreation, and Cultural	2,523,061 \$ 2,230,629 1,826,571 1,945,075 1,767,870
Education	19,514,072 \$ 20,769,223 18,710,982 18,128,858
Health and Welfare	6,507,588 \$ 6,356,765 6,033,168 5,944,374 5,660,015
Public Works	2,980,655 \$ 2,768,015 2,773,862 2,901,134 2,636,127
Public Safety	8,618,032 \$ 7,807,347 6,504,777 6,014,035 6,199,608
Judicial ministration	1,207,193 \$ 1,076,485 955,655 964,271 907,096
General Government Administration Adr	2,615,012 \$ 2,086,597 2,576,583 2,425,661 1,965,513
Fiscal Year	2006-07 \$ 2005-06 2004-05 2003-04

(1) Information has only been available for 5 years.

County of Washington, Virginia Government-Wide Revenues Last Ten Fiscal Years (1)

	ā	PROGRAM REVENUES	"			GE	GENERAL REVENUES	ES				
Fiscal	Charges	Operating Grants and	Capital Grants and		General	Other Local	Unrestricted			Gran Contri Not Re to Sp	Grants and Contributions Not Restricted to Specific	
Year	Services	Contributions	Contributions		Taxes	Taxes	Earnings	Σ	Aiscellaneous	Proc	Programs	Total
2006-07 \$	1,504,305	69	\$ 950,924	⇔	27,165,999 \$	9,989,193	\$ 962,314	69	290,841	↔	\$ 288,920	52,211,885
2005-06	1,430,988		558,988		26,006,562	9,658,574	677,984		228,164		,,984,389	49,691,449
2004-05	1,103,253		106,713		22,923,994	8,818,508	304,800	_	283,502		,,781,514	43,935,893
2003-04	864,568	8,031,632	113,694		21,794,488	8,109,926	149,444		310,098		3,054,045	42,427,895
2002-03	1,009,977		•		21,394,709	7,857,865	160,768		265,955		,810,066	41,303,713

(1) Information has only been available for 5 years.

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

79,927,651 75,884,014 74,970,766 74,523,079 69,742,862 64,574,307 60,843,520 92,748,388 86,372,724 97,447,103 Total 1,791,288 1,731,564 1,664,198 1,702,725 1,502,666 1,532,211 1,378,573 1,583,980 2,001,991 1,634,432 Service Debt **↔** 2,423,183 2,154,008 1,263,930 1,241,848 1,553,224 113,181 Capital Projects 74,973 36,915 departmental 2,373,141 1,653,248 1,640,176 1,051,687 761,856 642,993 829,800 859,788 2,574,454 Development Community 4 2,027,826 1,855,139 1,967,825 1,812,792 1,690,285 1,584,677 1,429,880 1,272,929 1,169,864 2,379,074 and Cultural Recreation, Parks, G 65,171,654 60,747,665 55,503,567 52,941,775 51,901,352 50,902,417 48,361,851 44,958,386 41,774,156 68,809,819 Education (2) w 6,516,858 6,516,858 6,054,137 5,955,399 5,655,059 5,655,000 5,243,083 4,574,200 5,385,486 5,159,122 Health and Welfare တ 2,699,574 2,839,772 3,204,556 2,775,497 2,759,583 2,485,969 2,778,609 2,387,785 2,660,547 2,838,179 Public Works G 7,132,070 6,391,711 6,490,676 6,273,257 5,930,692 4,805,894 8,610,710 5,320,931 Public Safety 4 1,202,363 1,074,231 945,152 979,086 891,155 961,544 976,013 777,107 592,760 515,225 Administration Judicial 2,634,968 2,244,878 2,694,084 2,494,880 1,974,159 2,004,168 2,011,749 1,724,383 Government Administration General 2004-05 2003-04 2002-03 2001-02 2000-01 1999-00 1998-99 1997-98 Fiscal 2005-06 Year

(1) Includes General, Special Revenue funds of the Primary Government and its Discretely Presented Component Units. (Excludes County Capital Improvements Fund) (2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

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

Total	101,836,850 94,562,913 86,176,918 80,568,059 76,549,930 74,866,052 72,722,050 68,896,926 66,909,003
Inter- governmental (2)	57,148,625 \$ 51,939,383 48,641,733 45,220,337 42,853,981 42,519,287 42,364,479 38,837,886 37,780,721 34,545,624
Recovered Costs	567,255 \$ 793,956 875,276 796,201 601,200 229,100 2201,054 155,087 112,351
Viscellaneous	1,912,090 \$ 1,563,953 1,260,837 1,401,782 910,321 669,185 592,411 455,381 304,865
Charges for Services Mis	3,315,650 \$ 3,142,978 2,888,994 2,930,174 3,005,906 3,089,810 2,594,751 2,717,227 2,421,563
Revenue from the Use of Money and Property	1,010,631 \$ 707,243 320,188 156,575 169,320 313,267 859,229 932,442 809,864 1,482,518
Fines and N	641,383 \$ 511,401 203,629 52,500 38,101 46,270 35,350 19,237 19,138
Permits, rivilege Fees, Regulatory Licenses	205,520 \$ 190,732 189,395 163,692 159,722 190,769 223,139 222,059 170,192
Other P Local Taxes	9,989,193 \$ 9,658,574 8,818,508 8,109,926 7,857,865 7,440,430 7,286,725 7,176,753 7,049,230 6,458,798
General Property Taxes	27,046,503 \$ 26,054,693 22,978,358 21,736,872 20,954,014 20,367,934 18,597,253 18,379,774 18,189,212 17,555,601
Fiscal Year	2006-07 \$ 2005-06 2004-05 2003-04 2002-03 2001-02 2000-01 1999-00 1998-99

(1) Includes General, Special Revenue funds of the Primary Government and its Discretely Presented Component Units. (Excludes County Capital Improvements Fund) (2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

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

Percent of Delinquent Taxes to Tax Levy	2.66%	2.49%	2.74%	3.09%	3.10%	2.50%	2.63%	3.63%	3.70%	3.99%
Outstanding Delinquent Taxes (1,3,4)	777,927	707,620	684,019	736,482	715,056	561,003	519,036	691,388	660,062	690,118
Percent of Total Tax Collections to Tax Levy	99.84% \$	%80'66	99.73%	99.81%	99.25%	99.59%	100.13%	99.48%	100.45%	%96.66
Total Tax Collections	29,191,936	28,145,351	24,909,597	23,801,223	22,908,378	22,318,990	19,752,547	18,938,962	17,940,058	17,276,278
Delinquent Tax Sollections (1)	613,503 \$	589,755	575,192	658,030	489,539	455,267	423,687	279,594	390,363	315,009
Percent of Levy Collected	↔	97.01%	97.43%	92.05%	97.13%	94.26%	%86'.26	98.01%	98.27%	98.13%
Current Tax Collections (1)	28,578,433	27,555,596	24,334,405	23,143,193	22,418,839	21,863,723	19,328,860	18,659,368	17,549,695	16,961,269
Total Tax Levy (1,2)	29,237,381 \$	28,406,115	24,976,439	23,847,667	23,080,947	22,411,076	19,727,486	19,038,648	17,858,977	17,283,712
Fiscal Year	2006-07 \$	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98

(1) Exclusive of penalties and interest.
(2) 1999-00 was the first year for personal property tax relief by the Commonwealth of Virginia.
(3) Includes current year taxes receivable only.
(4) Excludes bills totalling \$128,957 that are before the tax commissioner and are not considered

County of Washington, Virginia Assessed Value of Taxable Property (1) Last Ten Fiscal Years

Total	4,045,012,169 3,968,718,705 3,288,127,294 3,244,581,100 3,169,017,493 3,059,661,386 2,376,454,220 2,292,634,881 2,185,948,123 2,185,948,123
Public Utility (2) Real Estate and Personal Property	\$ 203,630,931 \$ 216,983,390
Machinery and Tools	229,222,785 229,320,270 196,611,365 190,009,524 171,601,551 192,089,250 157,207,670 165,459,215 144,286,376
Personal Property and Mobile Homes (3)	436,066,753 \$ 410,332,545 376,789,058 377,647,003 365,583,026 344,937,707 305,794,713 274,206,455 256,318,223
Real Estate	3,176,091,700 \$ 3,112,082,500 2,529,993,382 2,464,931,423 2,415,334,275 2,376,123,800 1,776,693,700 1,725,506,800 1,618,015,800
Fiscal Year	2006-07 2005-06 2004-05 2003-04 2002-03 2001-02 2000-01 1999-00 1999-98

Assessed at 100% of fair market value.
 Assessed values are established by the State Corporation Commission.
 Includes Volunteer and Air Tax assessments.

Fiscal Real Personal Year Estate County of Washington, Virginia Property Tax Rates (1) Last Ten Fiscal Years 1.55 \$ 2006-07 \$ 0.57 \$ 1.55 \$ 2004-05 0.60 0.57 1.55 2003-04 0.57 0.57 1.55 2000-01 0.66 1.55 1999-00 0.66 1.55 1998-99 0.66 1.55 1997-98 0.68 1.55 (1) Per \$100 of assessed value.	roperty Tax Rates (1) -ast Ten Fiscal Years Personal Property 0.57 \$ 1.55 \$ 0.57 1.55 0.57 1.55 0.57 1.55 0.57 1.55 0.66 1.55 0.66 1.55 0.66 1.55 0.66 1.55	Table 7		Mochingary	and and	Tools	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	
Property Tax Rate Person Property Tax Rate	Fiscal Real Person Property Tax Rate Property Tax Rate Person Person Property Tax Rate Person Property Tax Rate Person Person		n, Virginia es (1) ears			perty		1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	
Fiscal Re Year Est 2006-07 \$ 2005-06 2004-05 2003-04 2002-03 2001-02 2000-01 1999-00 1998-99 1997-98 (1) Per \$100 of assessed	Fiscal Re Year Est 2006-07 \$ 2005-06 2004-05 2001-02 2001-02 2000-01 1999-00 1997-98 (1) Per \$100 of assessed		County of Washingtor Property Tax Rate Last Ten Fiscal Y					0.57	09:0	0.57	0.57	0.57	99.0	99.0	99.0	0.68	value.
Fiscal Year 2006-07 2005-06 2004-06 2003-04 20001-05 2001-05 2001-05 1999-06 1997-98 (1) Per \$1	Fiscal Year 2006-07 2005-06 2004-06 2004-06 20004-06 20004-06 20004-06 1999-06 1999-96 1997-98 (1) Per \$1					Est				_	~	01	_	-	•	~	00 of assessed
					Fiscal	Year	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-96	1997-98	(1) Per \$1

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

Net Bonded Debt per Capita	245	265	285	304	305	306	207	192	188	159
Ratio of Net Bonded Debt to Assessed Value	0.31% \$	0.34%	0.44%	0.48%	0.49%	0.51%	0.44%	0.39%	0.40%	0.35%
Net Bonded Debt	12,545,145	13,532,193	14,549,075	15,520,021	15,582,385	15,656,012	10,573,661	8,829,559	8,645,165	7,318,788
Gross Bonded Debt (3)	12,545,145 \$	13,532,193	14,549,075	15,520,021	15,582,385	15,656,012	10,573,661	8,829,559	8,645,165	7,318,788
Assessed Value (in thousands) (2)	4,045,012 \$	3,968,719	3,288,127	3,244,581	3,169,017	3,059,661	2,376,454	2,292,635	2,185,948	2,114,131
Population (1)	51,103 \$	51,103	51,103	51,103	51,103	51,103	51,103	45,887	45,887	45,887
Fiscal Year	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98

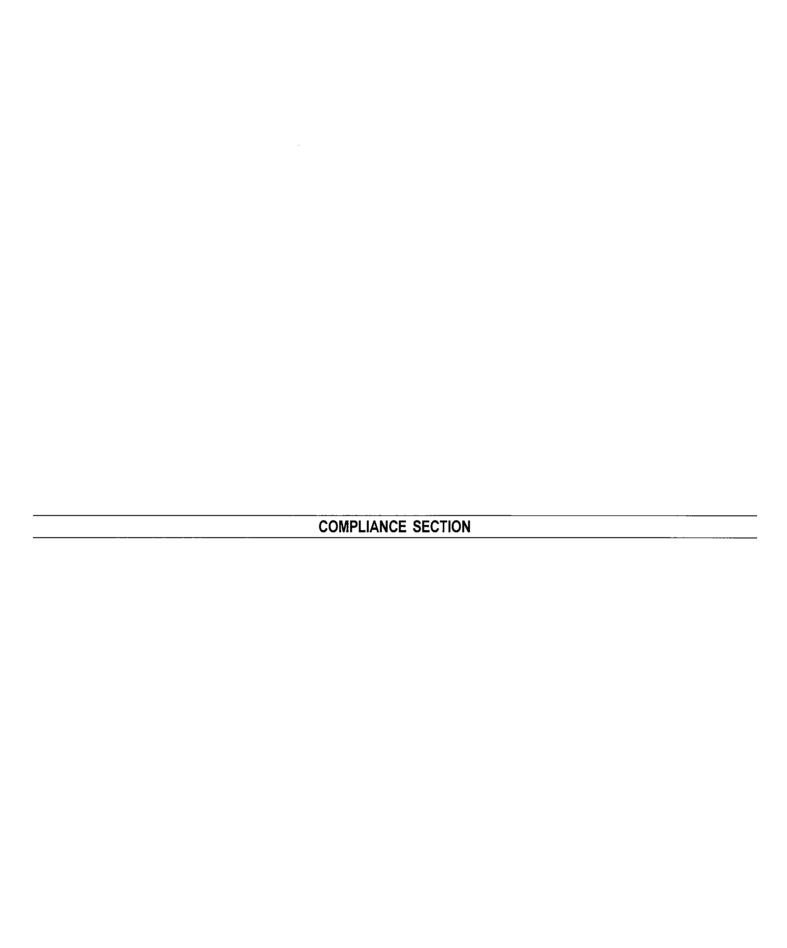
Bureau of the Census
 Assessed at 100% of fair market value.
 Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.

Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

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

Ratio of Debt Service to General Governmental Expenditures	1.68% 1.93% 2.00% 2.08% 2.24%	2.04% 1.85% 2.27% 3.10% 2.74%
Total General Governmental Expenditures	97,444,103 92,748,388 86,372,724 79,927,651 75,884,014	74,970,766 74,523,079 69,742,862 64,574,307 60,843,520
	↔	
Total Debt Service (2)	1,634,432 1,791,288 1,731,564 1,664,198 1,702,725	1,532,211 1,378,573 1,583,980 2,001,991 1,669,121
	⇔	
Interest	617,865 744,547 735,877 729,816 762,533	883,042
	↔	
Principal	1,016,567 1,046,741 995,687 934,382 940,192	619,624
	↔	
Fiscal Year	2006-07 2005-06 2004-05 2003-04 2002-03	2001-02 2000-01 1999-00 1998-99

⁽¹⁾ Includes General fund of the Primary Government and Special Revenue fund of the Discretely Presented Component Unit - School Board.(2) Detail unavailable prior to fiscal year 2002



ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO THE BOARD OF SUPERVISORS COUNTY OF WASHINGTON, VIRGINIA

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Washington, Virginia, as of and for the year ended June 30, 2007, which collectively comprise the County of Washington, Virginia's basic financial statements and have issued our report thereon dated October 24, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the County of Washington, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of the County'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 entity'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 Washington'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, County's Board and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Rohinson, Factor, Ox Associates Christiansburg, Virginia

October 24, 2007

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO THE HONORABLE MEMBERS OF THE BOARD OF SUPERVISORS COUNTY OF WASHINGTON, VIRGINIA

COMPLIANCE

We have audited the compliance of the County of Washington, Virginia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County of Washington, 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 Washington, Virginia's management. Our responsibility is to express an opinion on the County of Washington, 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 Washington, 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 on the County of Washington, Virginia's compliance with those requirements.

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

INTERNAL CONTROL OVER COMPLIANCE

The management of the County of Washington, Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Washington, Virginia's internal control over compliance with 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 Washington, Virginia internal control over compliance.

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

compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of the 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Christiansburg, Virginia

Roberson, Farmer, & Associates

October 24, 2007

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

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Federal Awards
Department of Health and Human Services:		
Pass Through Payments:		
Department of Social Services:		
Promoting Safe and Stable Families	93.556	\$ 60,133
Temporary Assistance to Needy Families (TANF)	93.558	389,183
Refugee and Entrant Assistance - Discretionary Grants	93.566	332
Low Income Home Energy Assistance	93.568	41,263
Child Care Cluster-Payments to States for Child Care Assistance	93.575	168,472
Child Care Cluster-Child Care and Development Fund	93.596	193,758
Foster Care - Title IV-E	93.658	372,998
Adoption Assistance	93.659	40,151
Social Services Block Grant	93.667	414,225
Independent Living	93.674	3,510
Medical Assistance Program (Title XIX)	93.778	276,617
Total Department Health and Human Services	-	\$ 1,960,642
Department of Agriculture:		
Pass Through Payments:		
Department of Agriculture:		
Child Nutrition Cluster-Food Distribution (Note 2)	10.555	\$ 162,770
Department of Education:		
Child Nutrition Cluster-National school breakfast program	10.553	334,809
Child Nutrition Cluster-National school lunch program	10.555	1,051,757
Schools and Roads Cluster-Schools and RoadsGrants to States	10.665	12,438
Department of Social Services:		
State Admin Matching Grants for Food Stamp Program	10.561	313,014
Total Department of Agriculture	-	\$ 1,874,788
Department of Justice:		
Pass Through Payments:		
Department of Criminal Justice Service:		
Domestic Violence Grant	16.588	\$ 25,295
Drug control and system improvement grant	16.879	58,215
Total Department of Criminal Justice Service	-	\$ 83,510
Total Department of Justice	_	\$ 83,510
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
Alcohol Safety	20.601	\$ 17,334
Highway Safety Cluster-State and Community Highway Safety (Section 402)	20.600	9,164
Open container	20.607	6,329
		\$ 32,827

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

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	 Federal Awards
Department of Education:		
Pass Through Payments:		
Department of Education:		
Adult Basic Education	84.002	\$ 422,987
Title I: Educationally deprived children	84.010	1,636,452
Special Education Cluster-Title VI-B: Handicapped state grants	84.027	1,429,114
Vocational Education: Basic grants to states	84.048	235,574
Special Education Cluster-Title VI-B: Handicapped preschool incentive grant	84.173	75,053
Drug free schools and communities	84.186	29,162
Title VI: Innovative Education Program Strategies	84.298	183,546
Comprehensive School Reform Demonstration	84.332	17,772
Reading First	84.357	369,352
Title II-Part A	84.367	401,246
State Assessments and Related Activities	84.369	3,522
Literacy Challenge Grant	84.318	41,740
Total Department of Education		\$ 4,845,520
Appalachian Regional Commission:		
Pass Through Payments:		
Department of Housing and Community Development:		
Community development block grant	14.228	\$ 950,924
Department of Homeland Security:		
Pass Through Payments:		
Department of Emergency Services:		
Emergency Management Preparedness Grant	97.042	\$ 2,191
State Homeland Security Grant Program	97.004	 148,661
Total Department of Homeland Security		\$ 150,852
Total Federal Assistance		\$ 9,899,063

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

Note 1 -- Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Washington County, Virginia and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profits Organizations. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 -- Food Distribution

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

Note 3 -- Relationship to the Financial Statements:

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:		
General Fund	\$	2,563,691
Less: Payment in lieu of taxes		(22,846)
County Capital Improvements Fund		950,924
Total primary government:	\$	3,491,769
Component Unit Schools:		
School Operating Fund	\$	6,244,524
Non-cash expenditures - value of donated commodities	_\$	162,770
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	9,899,063

COUNTY OF WASHINGTON, VIRGINIA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: <u>unqualified</u>

Internal control over financial reporting:

Material weakness(es) identified?

Significant deficiencies identified not considered

to be material weakness(es)?

Noncompliance material to financial statements noted?

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COUNTY OF WASHINGTON, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2007

Federal Awards	
Internal control over major programs: Material weaknesses identified?	Name namento d
	None reported
Significant deficiencies identified not	Name non-ordered
considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance	
for major programs:	Unqualified
Any findings disclosed that are required to be	
reported in accordance with section 310(a) of	
Circular A-133	No
Identification of major programs:	
CFDA Numbers	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster
84.010	Title I
93.575/93.596	Child Care Cluster
Dollar threshold used to distinguish between type A	
and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Xno
Section II – Financial Statement Findings	
None	
Section III – Federal Award Findings and Questioned Costs	
None	