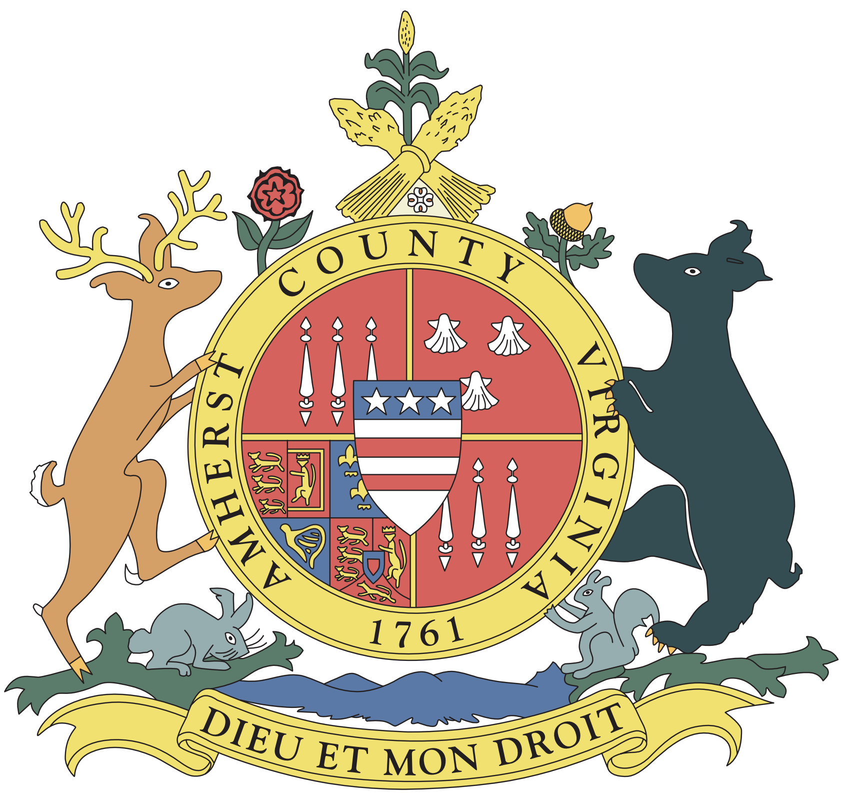
County of Amherst, Virginia
Financial Report

Year Ended June 30, 2008



County of Amherst, Virginia

Comprehensive Annual Financial Report
Year Ended June 30, 2008

COUNTY OF AMHERST, VIRGINIA

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

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COUNTY OF AMHERST, VIRGINIA

BOARD OF SUPERVISORS

Vernon L. Wood, Chairman

Christopher R. Adams	Leon J. Parrish, Vice-Chairman
Donald W. Kidd	S. Ray Vandall

COUNTY SCHOOL BOARD

Jones Standly, Chairman

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COUNTY LIBRARY BOARD

Jean Higginbotham, President

Stephen Witham, Vice President	Larry A. Langhans
James B. Young	William E. Hathaway

OTHER OFFICIALS

Judge of the Circuit Court	J. Michael Gamble
Clerk of the Circuit Court	Roy C. Mayo, III
Judge of the General District Court	Joseph M. Serkes
Judge of the Juvenile and Domestic Relations Court	Michael Garrett
Commonwealth's Attorney	Stephanie S. Maddox
Commissioner of the Revenue	Linda M. Byers
Treasurer	Donald T. Wood
Sheriff	L.J. Ayers, III
Superintendent of Schools	Brian Ratliff
Clerk of the School Board	Teresa Crouch
Director of Social Services	Glenn W. Sullivan
Librarian	Steve Preston
County Administrator	Rodney E. Taylor

ROBINSON, FARMER, COX ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS A PROFESSIONAL LIMITED LIABLITY COMPANY

Independent Auditors' Report

To the Honorable Board of Supervisors
County of Amherst
Amherst, Virginia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Amherst, Virginia, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County of Amherst, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Amherst, Virginia, as of June 30, 2008, 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 December 29, 2008, on our consideration of the County of Amherst, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Amherst, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements, supporting schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 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 Amherst, Virginia. The combining and individual nonmajor fund financial statements, supporting schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 29, 2008

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

As management of the County of Amherst, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2008.

Financial Highlights

Government-wide Financial Statements

The assets of the County exceeded its liabilities at the close of the most recent fiscal year by $15,112,367 (net assets). The County's business type activities assets exceeded its liabilities by $15,866,560.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues of $37,260,964 and bond proceeds of $13,861,716 for a total of $51,122,680. Total expenditures were $43,107,655. As of the close of the current fiscal year; the County's funds reported ending fund balances of $23,434,911 (Exhibit 4), an overall increase of $8,015,025 in comparison with the prior year.

Overview of the Financial Statements

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

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

The Government-wide financial statements can be found on page 9-11 of this report.

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

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has one major governmental fund – the General Fund.

Proprietary funds – Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting, similar to private sector business.

The Amherst County Service Authority is a component unit of the County of Amherst. The Authority's financial statements are shown as an enterprise fund in the County's fund statements. The Service Authority provides a centralized source for water and sewer services to County residents.

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

Overview of the Financial Statements (Continued)

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by $ 15,112,367 at the close of the most recent fiscal year.

County of Amherst's, Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
Current and other assets	$ 33,690,129	$ 24,056,128	$ 6,891,946	$ 6,797,457	$ 40,582,075	$ 30,853,585
Capital assets	29,131,022	26,298,222	16,266,114	13,861,378	45,397,136	40,159,600
Total assets	$ 62,821,151	$ 50,354,350	$ 23,158,060	$ 20,658,835	$ 85,979,211	$ 71,013,185
Long-term liabilities outstanding	$ 33,895,785	$ 23,057,767	$ 6,669,117	$ 6,079,417	$ 40,564,902	$ 29,137,184
Current liabilities	13,812,999	12,071,355	622,383	569,193	14,435,382	12,640,548
Total liabilities	$ 47,708,784	$ 35,129,122	$ 7,291,500	$ 6,648,610	$ 55,000,284	$ 41,777,732
Net assets:						
Invested in capital assets, net of related debt	$ 4,233,585	$ 3,614,389	$ 12,396,114	$ 9,911,378	$ 16,629,699	$ 13,525,767
Restricted	-	-	1,316,667	1,317,700	1,316,667	1,317,700
Unrestricted	10,878,782	11,610,839	2,153,779	2,781,147	13,032,561	14,391,986
Total net assets	$ 15,112,367	$ 15,225,228	$ 15,866,560	$ 14,010,225	$ 30,978,927	$ 29,235,453

At the end of the current fiscal year, the County's investment in capital assets net of related debt used to acquire those assets that is still outstanding represents approximately 54% of total net assets. The County uses these capital assets to provide services to citizens therefore; these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis (Continued)

Restricted net assets represent resources that are subject to external restrictions on how they may be used. The majority of these nets assets are to be used only for County and Schools capital improvements.

Governmental Activities - Governmental activities decreased the County's net assets by $112,861. Key elements of this increase are as follows:

County of Amherst, Virginia's Changes in Net Assets
For theYears Ended June 30, 2008 and 2007

	Governmental Activities		Business-type Activities		Totals	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
Revenues:						
Program revenues:						
Charges for services	$ 1,975,513	$ 1,750,665	$ 2,652,256	$ 2,628,869	$ 4,627,769	$ 4,379,534
Operating grants and contributions	7,117,806	7,412,723	-	-	7,117,806	7,412,723
Capital grants and contributions	484,764	814,344	1,931,588	499,130	2,416,352	1,313,474
General revenues:						
General property taxes	16,564,067	15,763,407	-	-	16,564,067	15,763,407
Other local taxes	7,159,264	6,777,047	-	-	7,159,264	6,777,047
Use of money and property	999,385	1,203,030	177,613	121,957	1,176,998	1,324,987
C/VA non-categorical aid	2,435,830	2,454,744	-	-	2,435,830	2,454,744
Other general revenues	316,706	243,311	39,004	37,803	355,710	281,114
Total revenues	$ 37,053,335	$ 36,419,271	$ 4,800,461	$ 3,287,759	$ 41,853,796	$ 39,707,030
Expenses:						
General government administration	$ 1,926,555	$ 1,753,718	$ -	$ -	$ 1,926,555	$ 1,753,718
Judicial administration	1,320,578	1,444,904	-	-	1,320,578	1,444,904
Public safety	9,415,252	8,081,177	-	-	9,415,252	8,081,177
Public works	2,620,346	2,145,719	-	-	2,620,346	2,145,719
Health and welfare	4,194,455	4,191,694	-	-	4,194,455	4,191,694
Education	13,869,415	11,591,180	-	-	13,869,415	11,591,180
Parks, recreation, and cultural	1,236,661	1,206,591	-	-	1,236,661	1,206,591
Community development	925,484	1,683,352	-	-	925,484	1,683,352
Interest and other fiscal charges	1,657,450	1,348,301	-	-	1,657,450	1,348,301
Water and sewer	-	-	2,944,126	2,874,288	2,944,126	2,874,288
Total expenses	$ 37,166,196	$ 33,446,636	$ 2,944,126	$ 2,874,288	$ 40,110,322	$ 36,320,924
Change in net assets	$ -112,861	$ 2,972,635	$ 1,856,335	$ 413,471	$ 1,743,474	$ 3,386,106
Net assets, beginning	15,225,228	12,252,593	14,010,225	13,596,754	29,235,453	25,849,347
Net assets, ending	$ 15,112,367	$ 15,225,228	$ 15,866,560	$ 14,010,225	$ 30,978,927	$ 29,235,453

Government-wide Financial Analysis (Continued)

Property taxes increased by $800,660 during the year. Most of this increase is the product of general growth in assessments as well as an increase of four cents in the tax rate. Personal Property Tax Relief Act (PPTRA) revenue is included in this analysis. The Commonwealth of Virginia no longer reimburses at 70%, rather a ceiling was established and the County is eligible to receive $2,199,000 per budget year. For the FY2008 budget year, the Board of Supervisors established a vehicle threshold of $20,000 and approved a PPRTA rate of 48.9%.

Operating grants for governmental activities continues to be a sufficient source of funding for the County. The majority of the grants are recurring grant funds on the State level. Grants funds help to support activities and programs of three County functions: public safety, social services, sheriff and recreation.

For the most part, increases in expenditures were a result of growth in the demand for services.

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of $23,434,911 an overall increase of $8,015,025 in comparison with the prior year, *reference exhibit 10.* The increase is derived from the issuance of long-term debt for capital project, as well as an overall increase in revenues. It is prudent to point out total revenues did exceed expectation for the 2007-2008 year, however, due to a decrease in State revenues, the completion of the County's reassessment activities, an increase in demand for services in the area of public safety, as well as Health and Welfare, the realized increase is hinged upon proceeds for capital projects. The remainder of fund balance is reserved to indicate that is not available for new spending because it has already been committed.

Proprietary funds

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

General Fund Budgetary Highlights

- Difference between the original budget and the final amended budget was an overall increase of $5,389,309. Increases in expenditures include the following:

- $2,070,522 in increases for Public Works
- $1,636,604 in increases for Public Safety
- $621,466 in increases for Health and Welfare
- $982,259 in increases for Community Development
- $353,223 in increases for General Government Administration

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets totals $29,131,022, the School Board's totals $19,613,533 and the Service Authority's totals $16,266,114 (net of accumulated depreciation), reference Note 6. This investment in capital assets includes infrastructure, buildings and improvements, and machinery and equipment. Most of the major capital asset events during the current fiscal year are construction in progress and were completed by the close of the fiscal year.

Additional information on the County's capital assets can be found in note 6.

Long-term debt - At the end of the current fiscal year, the County had total obligations outstanding of $37,155,146. Of this amount $9,433,000 represents bonds secured solely by specified revenue sources (i.e. revenue bonds). The remainder is comprises of debt backed by the full faith and credit of the County. The County's total long-term obligations increased during the current fiscal year by $10,796,266.

Additional information on the County of Amherst, Virginia's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the United States, reported in October 2008 was 6.1%, the unemployment rate for the Commonwealth of Virginia during the same period is 4.29%, and for Lynchburg, the unemployment was reported as 4.3%. The unemployment rate for October 2008 in Amherst County is 4.2%.

- Inflationary trends as measured by the United States Bureau of Labor Statistics in its Consumer Price Index (Southern Urban) had an overall increase of 3.8% during 2007 and 2008. As many of us are aware the increase in fuel and heating cost, as well as other things had a significant hand in steering inflation.

- Residential growth decreased however, due to overall economic conditions, locally provided services such as emergency services, social services, and law enforcement, seem to be areas of increased demand. For FY2008, 89 building permits were issued for single family dwellings in Amherst County.

Requests for Information

This financial report is designed to provide a general overview of the County of Amherst, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Administrator, P. O. Box 390, 153 Washington Street, Amherst, Virginia 24521.

Basic Financial Statements

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Government-wide Financial Statements

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Statement of Net Assets
At June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	School Board
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 31,203,794	$ 2,803,464	$ 34,007,258	$ 3,192,039
Restricted assets	-	316,667	316,667	-
Receivables (net of allowance for uncollectibles):				
Property taxes	544,524	-	544,524	-
Accounts receivable	264,831	200,690	465,521	-
Inventory	-	267,504	267,504	-
Due from primary government	-	-	-	3,227,514
Due from other governmental units	1,676,980	-	1,676,980	1,296,116
Total Current Assets	$ 33,690,129	$ 3,588,325	$ 37,278,454	$ 7,715,669
Noncurrent Assets:				
Restricted assets	$ -	$ 1,000,000	$ 1,000,000	$ -
Capital assets (net of accumulated depreciation):				
Land	2,130,563	619,290	2,749,853	309,826
Buildings	10,444,591	13,068,990	23,513,581	8,464,801
Equipment	1,054,647	-	1,054,647	1,953,964
Joint tenancy	11,443,381	-	11,443,381	8,859,693
Construction in progress	4,057,840	2,577,834	6,635,674	25,249
Other assets	-	2,303,621	2,303,621	-
Total Noncurrent Assets	$ 29,131,022	$ 19,569,735	$ 48,700,757	$ 19,613,533
Total Assets	$ 62,821,151	$ 23,158,060	$ 85,979,211	$ 27,329,202
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	$ 857,600	$ 380,810	$ 1,238,410	$ 4,724,821
Unearned revenue	5,746,556	-	5,746,556	-
Due to component unit	3,227,514	-	3,227,514	-
Accrued interest payable	721,968	-	721,968	-
Current portion of long-term obligations	3,259,361	241,573	3,500,934	110,114
Total Current Liabilities	$ 13,812,999	$ 622,383	$ 14,435,382	$ 4,834,935
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations	33,895,785	6,669,117	40,564,902	414,672
Total Liabilities	$ 47,708,784	$ 7,291,500	$ 55,000,284	$ 5,249,607
NET ASSETS				
Invested in capital assets, net of related debt	$ 4,233,585	$ 12,396,114	$ 16,629,699	$ 19,466,578
Restricted	-	1,316,667	1,316,667	-
Unrestricted assets	10,878,782	2,153,779	13,032,561	2,613,017
Total Net Assets	$ 15,112,367	$ 15,866,560	$ 30,978,927	$ 22,079,595
Total Liabilities and Net Assets	$ 62,821,151	$ 23,158,060	$ 85,979,211	$ 27,329,202

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

COUNTY OF AMHERST, VIRGINIA

Statement of Activities
Year Ended June 30, 2008

Functions/Programs		Expenses		Program Revenues: Charges for Services		Program Revenues: Operating Grants and Contributions		Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	$	1,926,555	$	-	$	348,828	$	-
Judicial administration		1,320,578		225,019		703,290		-
Public safety		8,858,705		993,788		2,877,159		-
Public works		2,620,346		345,098		11,188		-
Health and welfare		4,194,455		-		2,897,707		-
Education		13,869,415		-		-		-
Parks, recreation, and cultural		1,236,661		411,608		279,634		-
Community development		1,482,031		-		-		484,764
Interest on long-term debt		1,657,450		-		-		-
Total governmental activities	$	37,166,196	$	1,975,513	$	7,117,806	$	484,764
Business type activities:								
Water and sewer	$	2,944,126	$	2,652,256	$	-	$	1,931,588
Total primary government	$	40,110,322	$	4,627,769	$	7,117,806	$	2,416,352
COMPONENT UNITS:								
School Board	$	47,942,017	$	1,504,417	$	32,102,142	$	-

General revenues:
- General property taxes
- Local sales and use taxes
- Consumers' utility taxes
- Business license taxes
- Motor vehicle license taxes
- Meals tax
- Other local taxes
- Unrestricted revenues from use of money and property
- Commonwealth of Virginia non-categorical aid
- County contribution to School Board
- Miscellaneous

Total general revenues
Change in net assets
Net assets - beginning, as restated
Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities (Primary Government)	Business Type Activities (Primary Government)	Total (Primary Government)	Component Unit School Board
$ (1,577,727)	$ -	$ (1,577,727)	$ -
(392,269)	-	(392,269)	-
(4,987,758)	-	(4,987,758)	-
(2,264,060)	-	(2,264,060)	-
(1,296,748)	-	(1,296,748)	-
(13,869,415)	-	(13,869,415)	-
(545,419)	-	(545,419)	-
(997,267)	-	(997,267)	-
(1,657,450)	-	(1,657,450)	-
$ (27,588,113)	$ -	$ (27,588,113)	$ -
$ -	$ 1,639,718	$ 1,639,718	$ -
$ -	$ 1,639,718	$ (25,948,395)	$ -
$ -	$ -	$ -	$ (14,335,458)
$ 16,564,067	$ -	$ 16,564,067	$ -
2,463,061	-	2,463,061	-
834,536	-	834,536	-
478,221	-	478,221	-
680,977	-	680,977	-
865,217	-	865,217	-
1,837,252	-	1,837,252	-
999,385	177,613	1,176,998	139,018
2,435,830	-	2,435,830	-
-	-	-	15,558,439
316,706	39,004	355,710	470,333
$ 27,475,252	$ 216,617	$ 27,691,869	$ 16,167,790
$ (112,861)	$ 1,856,335	$ 1,743,474	$ 1,832,332
15,225,228	14,010,225	29,235,453	20,247,263
$ 15,112,367	$ 15,866,560	$ 30,978,927	$ 22,079,595

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Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2008

		Governmental Fund Types
ASSETS		
Cash and cash equivalents	$	31,203,794
Receivables (Net of allowance for uncollectibles):		
Taxes, including penalties		544,524
Accounts receivable		264,831
Due from other governmental units		1,676,980
Total	$	33,690,129
LIABILITIES		
Accounts payable	$	857,600
Deferred revenue		6,170,104
Due to component unit		3,227,514
Total liabilities	$	10,255,218
FUND BALANCES		
Unreserved:		
Designated for construction projects	$	9,097,338
Designated for subsequent expenditures		4,003,049
Undesignated		10,334,524
Total fund balances	$	23,434,911
Detailed explanation of adjustments from fund statements to government-wide statement of net assets:		
When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the locality as a whole.		29,131,022
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(721,968)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance.		423,548
Long-term liabilities applicable to the locality's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long term--are reported in the statement of net assets.		(37,155,146)
Net assets of general government activities	$	15,112,367

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

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2008

		Governmental Fund Types
Revenues:		
General property taxes	$	16,521,907
Other local taxes		7,159,264
Permits, privilege fees and regulatory licenses		256,913
Fines and forfeitures		167,703
Revenue from use of money and property		999,385
Charges for services		1,550,897
Miscellaneous		316,706
Recovered costs		249,789
Intergovernmental:		
Commonwealth		8,382,177
Federal		1,656,223
Total revenues	$	37,260,964
Expenditures:		
Current:		
General government administration	$	2,004,482
Judicial administration		1,231,603
Public safety		8,855,110
Public works		4,957,059
Health and welfare		4,205,499
Education		14,551,205
Parks, recreation, and cultural		1,202,770
Community development		1,475,917
Debt service:		
Principal retirement		3,173,140
Interest and other fiscal charges		1,450,870
Total expenditures	$	43,107,655
Excess (deficiency) of revenues over (under) expenditures	$	(5,846,691)
Other financing sources (uses):		
Long-term debt issued	$	13,861,716
Total other financing sources (uses)	$	13,861,716
Net change in fund balances	$	8,015,025
Fund balances at beginning of year		15,419,886
Fund balances at end of year	$	23,434,911

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

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Funds
Year Ended June 30, 2008

		Primary Government Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds		$ 8,015,025
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. The following details support this adjustment.		
Capital outlay	$ 2,839,928	
Depreciation expense	(1,194,188)	1,645,740
Transfer of joint tenancy assets from Primary Government to the Component Unit		1,187,059
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of deferred taxes.		42,160
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 the treatment of long-term debt and related items. A summary of items supporting this adjustment is as follows:		
Principal retired on notes payable	$ 175,771	
Principal retired on County general obligation bonds	567,500	
Principal retired on County capital leases	264,360	
Principal retired on County revenue bonds	500,000	
Principal retired on School general obligation bonds	1,365,509	
Principal retired on School literary fund loans	300,000	
Long-term debt issued	(13,861,716)	(10,688,576)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Decrease in interest payable	$ (206,579)	
Decrease in accrued leave	(107,690)	(314,269)
Change in net assets of governmental activities		$ (112,861)

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

Statement of Net Assets - Proprietary Fund
At June 30, 2008

		Business-Type Activities
ASSETS		
Current assets:		
Cash and cash equivalents	$	2,803,464
Restricted assets		316,667
Accounts receivable		200,690
Inventory		267,504
Total current assets	$	3,588,325
Noncurrent assets:		
Restricted assets	$	1,000,000
Capital Assets:		
Land		619,290
Construction in progress		2,577,834
Buildings and equipment, net of depreciation		13,068,990
Other Assets		2,303,621
Total noncurrent assets	$	19,569,735
Total Assets		23,158,060
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	$	380,810
Current portion of long-term obligations		241,573
Total current liabilities	$	622,383
Noncurrent liabilities:		
Noncurrent portion of long-term obligations	$	6,669,117
Total Liabilities		7,291,500
Net Assets		
Invested in capital assets, net of related debt	$	12,396,114
Restricted for debt service		1,316,667
Unrestricted assets		2,153,779
Total Net Assets	$	15,866,560
Total Liabilities and Net Assets	$	23,158,060

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

Statement of Revenues, Expenses and Changes in Net Assets --
Proprietary Fund
Year Ended June 30, 2008

		Proprietary Fund
		Enterprise
Operating revenues:		
Water	$	1,953,328
Sewer		590,935
Other		107,993
Total operating revenues	$	2,652,256
Operating expenses:		
Source of supply	$	169,703
Water treatment		369,006
Water distribution		211,485
Sewer line		21,457
Sewage pumping		58,520
Sewage treatment		152,523
Customer accounting		208,194
Administrative and general		645,728
Depreciation and amortization		494,391
Total operating expenses	$	2,331,007
Operating income (loss)	$	321,249
Non-operating revenues (expenses)		
Interest income	$	177,613
Connection and availability charges		251,088
Capital contributions		1,229,305
Line extension and other fees		451,195
Interest expense		(237,089)
Capacity payment - City of Lynchburg		(201,355)
Miscellaneous outlays and connection expenses		(174,675)
Other nonoperating revenues		39,004
Total nonoperating revenues (expenses)	$	1,535,086
Net income (loss)	$	1,856,335
Net assets at beginning of year		14,010,225
Net assets at end of year	$	15,866,560

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

Statement of Cash Flows -
Proprietary Fund
Year Ended June 30, 2008

		Proprietary Fund
		Enterprise
Cash flows from operating activities:		
Receipts from customers and users	$	2,687,516
Payments to suppliers		(1,121,236)
Payments to employees		(759,323)
Net cash provided by operating activities	$	806,957
Cash flows from capital and related financing activities:		
Additions to utility plant	$	(1,662,813)
Proceeds from bonds issued		825,000
Retirement of debt		(80,000)
Interest paid on debt		(237,089)
Connection and availability fees		251,088
Line extension and other fees		451,195
Capacity payments - City of Lynchburg		(201,355)
Other nonoperating income		39,004
Miscellaneous connection expenses		(174,675)
Net cash (used in) capital and related financing activities	$	(789,645)
Cash flows from investing activities:		
Interest earned	$	177,613
Net cash provided by investing activities	$	177,613
Increase in cash and cash equivalents	$	194,925
Cash and cash equivalents at beginning of year (including restricted assets)		3,925,206
Cash and cash equivalents at end of year (including restricted assets)	$	4,120,131
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating (loss)	$	321,249
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization		494,391
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable		35,260
Inventory		(90,656)
(Decrease) increase in:		
Accounts payable and accrued expenses		46,713
Net cash provided by operating activities	$	806,957

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

Statement of Fiduciary Net Assets
At June 30, 2008

		Agency Funds
ASSETS		
Cash and cash equivalents	$	131,152
Total assets	$	131,152
LIABILITIES		
Amounts held for others	$	131,152

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

Note 1–Summary of Significant Accounting Policies:

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

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

Financial Statement Presentation

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

A. Financial Reporting Entity

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

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

B. Individual Component Unit Disclosures

Blended Component Units

Blended Component Unit - Amherst County Service Authority
The Amherst County Service Authority serves all the citizens of the government and is governed by a board comprised of the government's elected supervisors. The rates for user charges and bond issuance authorizations are approved by the government's board. The Authority operates on a calendar year which ends December 31. The Authority's December 31, 2007 financial report is presented as an enterprise fund in the County's financial statements.

Discretely Presented Component Units - Amherst County School Board
The School Board members are appointed by the County's Board of Supervisors and are responsible for the operations of the County's school system within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its County budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2008.

Other Related Organizations Not Included in the County Financial Report
Amherst Industrial Development Authority

The Industrial Development Authority is excluded because the County exercises no oversight responsibilities nor has accountability for the fiscal affairs of the Authority. The County nominates members for the board however final appointment of board members rest with The Town of Amherst. The County is also not liable for any obligations of the authority.

Other Related Organizations

Included in the County's Comprehensive Annual Financial Report

None

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

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

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

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

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

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

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

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

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

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

1. Governmental Funds

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

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

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

1. Governmental Funds: (continued)

   a. General Fund

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

Proprietary Fund

Account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. The Proprietary Fund consists of Enterprise Fund.

Enterprise Fund

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The County reports the following major enterprise fund:

Amherst County Service Authority - This fund is used to account for a sewage treatment plant, sewage pumping stations and collection systems as well as the water distribution system.

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

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

D. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the line item level. The appropriation for each department can be revised only by the Board of Supervisors. However, the School Board is authorized to transfer budgeted amounts within the School system's categories.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
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.
8. All budget data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

E. Cash and Cash Equivalents

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

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

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

F. Investments

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

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

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $100,890 at June 30, 2008 is comprised of $91,583 in property taxes and $9,307 in utility accounts.

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

H. Inventory

Inventory is reported at cost.

I. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest attributable to capitalized assets as of June 30, 2008.

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

Assets	Years
Buildings	40
Building Improvements	20-40
Infrastructure	20-40
Vehicles	5
Office and computer equipment	5
Buses	12

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

J. Compensated Absences

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

K. Long-term Obligations

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

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

L. 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.

M. Retirement Plan

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

N. Use of Estimates

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

O. Net Assets

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

Note 2—Deposits and Investments:

Deposits

All cash of the primary government and its discretely presented component unit 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 the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments)

The County's investments at June 30, 2008 were held by the County or in the County's name by the County's custodial banks.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2008 were rated by Standard and Poor's and the ratings are presented below using Standard and Poor's rating scale.

Amherst County's Rate Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings AAAm
SNAP	$ 9,547,827

Note 2—Deposits and Investments: (Continued)

External Investment Pools

The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) are the same as the value of the pool shares. As these pools are not SEC registered, regulatory oversight of the pools rests with the Virginia State Treasury.

Deposits—Amherst County Service Authority

The Authority's rated debt investments as of December 31, 2007 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's Rating Scale.

Authority's Rated Debt Investments' Values

Related Debt Investments	Fair Quality Rating	
	AAAm	AAA
Repurchase Agreements Underlying		
Federal Home Loan Bank	$ -	$ 1,672,875
STI Classic Institutional Municipal Money Market Fund	316,667	-
Total	$ 316,667	$ 1,672,875

Interest Rate Risk

The Authority does not have a policy related to credit risk of debt securities.

Investment Maturities (in years)

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
Repurchase Agreements	$ 1,672,875	$ 1,281,375	$ -	$ 391,500	$ -

Note 3—Property Taxes Receivable:

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on June 5 and December 5. The County bills and collects its own property taxes.

Note 4—Due from Other Governmental Units:

	Primary Government	Component Unit
Commonwealth of Virginia:		
Local sales tax	$ 441,336	$ -
Public assistance and welfare administration	56,884	-
Motor vehicle carriers tax	64,081	-
Commonwealth Attorney	37,928	-
Sheriff	198,127	-
Commissioner of Revenue	10,817	-
Treasurer	11,391	-
Clerk	25,515	-
Comprehensive Services Act	511,230	-
Miscellaneous grants	109,749	
State sales tax	-	703,817
Federal Government:		
School Grants	-	592,299
Public assistance and welfare administration	94,377	-
Amherst greenway project	114,400	-
Miscellaneous grants	1,145	-
Total	$ 1,676,980	$ 1,296,116

Note 5–Due To/From Primary Government/Component Units:

Fund	Due to Component Unit	Due From Primary Government
General	$ 3,227,514	$ -
School	-	3,227,514
Totals	$ 3,227,514	$ 3,227,514

Note 6—Capital Assets:

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

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Primary Government:				
Capital assets, not being depreciated:				
Land	$ 2,130,563	$ -	$ -	$ 2,130,563
Construction in progress	197,491	2,420,847	249,855	2,368,483
Construction in progress - jointly owned assets	744,634	2,209,723	1,265,000	1,689,357
Total capital assets not being depreciated	$ 3,072,688	$ 4,630,570	$ 1,514,855	$ 6,188,403
Capital assets being depreciated:				
Buildings	$ 15,060,174	$ 249,855	$ -	$ 15,310,029
Equipment	4,196,049	419,082	-	4,615,131
Jointly owned assets	16,725,933	1,483,716	1,871,181	16,338,468
Total capital assets being depreciated	$ 35,982,156	$ 2,152,653	$ 1,871,181	$ 36,263,628
Less accumulated depreciation for:				
Buildings	$ 4,483,567	$ 381,871	$ -	$ 4,865,438
Equipment	3,253,436	307,048	-	3,560,484
Jointly owned assets	5,019,619	505,269	629,801	4,895,087
Total accumulated depreciation	$ 12,756,622	$ 1,194,188	$ 629,801	$ 13,321,009
Total capital assets being depreciated, net	$ 23,225,534	$ 958,465	$ 1,241,380	$ 22,942,619
Governmental capital assets, net	$ 26,298,222	$ 5,589,035	$ 2,756,235	$ 29,131,022

Note 6—Capital Assets: (Continued)

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

	Balance July 1, 2007 As Restated	Additions	Deletions	Balance June 30, 2008
Component Unit School Board:				
Capital assets, not being depreciated:				
Land	$ 309,826	$ -	$ -	$ 309,826
Construction in progress	82,112	241,926	298,789	25,249
Total capital assets not being depreciated	$ 391,938	$ 241,926	$ 298,789	$ 335,075
Capital assets being depreciated:				
Buildings	$ 22,403,621	$ 256,437	$ -	$ 22,660,058
Equipment	5,838,278	491,828	-	6,330,106
Jointly owned assets	10,186,351	1,871,181	-	12,057,532
Total capital assets being depreciated	$ 38,428,250	$ 2,619,446	$ -	$ 41,047,696
Less accumulated depreciation for:				
Buildings	$ 13,202,353	$ 992,904	$ -	$ 14,195,257
Equipment	3,927,702	448,440	-	4,376,142
Jointly owned assets	2,568,038	629,801	-	3,197,839
Total accumulated depreciation	$ 19,698,093	$ 2,071,145	$ -	$ 21,769,238
Total capital assets being depreciated, net	$ 18,730,157	$ 548,301	$ -	$ 19,278,458
Governmental capital assets, net	$ 19,122,095	$ 790,227	$ 298,789	$ 19,613,533

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

Governmental activities:	
General government	$ 64,251
Judicial administration	95,613
Public safety	410,156
Public works	80,176
Health and welfare	10,338
Education	505,269
Parks, recreation and cultural	28,385
Total	$ 1,194,188
Component Unit-School Board	$ 1,441,344
Amherst County Service Authority	$ 487,381

Note 6—Capital Assets: (Continued)

Amherst County Service Authority

Details of changes in property and equipment for the fiscal year are as follows:

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
Capital assets, not being depreciated:				
Land	$ 619,290	$ -	$ -	$ 619,290
Construction in progress, see detail below	1,617,884	959,950	-	2,577,834
Total capital assets not being depreciated	$ 2,237,174	$ 959,950	$ -	$ 3,197,124
Capital assets being depreciated:				
Buildings and improvements	$ 84,535	$ -	$ -	$ 84,535
Vehicles and other equipment	893,293	24,842	-	918,135
Utility plant in service	22,681,278	1,907,325	-	24,588,603
Total capital assets being depreciated	$ 23,659,106	$ 1,932,167	$ -	$ 25,591,273
Less accumulated depreciation	$ 12,034,902	$ 487,381	$ -	$ 12,522,283
Total capital assets being depreciated, net	$ 11,624,204	$ 1,444,786	$ -	$ 13,068,990
Governmental activities capital assets, net	$ 13,861,378	$ 2,404,736	$ -	$ 16,266,114
Construction in Progress Details:				
Graham Creek Reservoir dam	$ 1,617,884	$ 959,950	$ -	$ 2,577,834
Total construction in progress	$ 1,617,884	$ 959,950	$ -	$ 2,577,834

Note 6—Capital Assets: (Continued)

Capital assets were restated as of July 1, 2007 as follows:

	Balance June 30, 2007 As Previously Reported	Restatements	Balance July 1, 2007 As Restated
School Board:			
Capital assets, not being depreciated:			
Land	$ 309,826	$ -	$ 309,826
Construction in progress	639,930	(557,818)	82,112
Total capital assets not being depreciated	$ 949,756	$ (557,818)	$ 391,938
Capital assets being depreciated:			
Buildings	$ 22,403,621	$ -	$ 22,403,621
Equipment	5,838,278	-	5,838,278
Jointly owned assets	10,186,351	-	10,186,351
Total capital assets being depreciated	$ 38,428,250	$ -	$ 38,428,250
Less accumulated depreciation for:			
Buildings	$ 13,202,353	$ -	$ 13,202,353
Equipment	3,927,702	-	3,927,702
Jointly owned assets	2,568,038	-	2,568,038
Total accumulated depreciation	$ 19,698,093	$ -	$ 19,698,093
Total capital assets being depreciated, net	$ 18,730,157	$ -	$ 18,730,157
Governmental capital assets, net	$ 19,679,913	$ (557,818)	$ 19,122,095

Note 7—Other Assets — Amherst County Service Authority:

Other assets consist of bond issue costs ($168,232), the investment in the City of Lynchburg Sewage facilities ($2,142,391) and restricted cash ($1,316,667) at June 30, 2008:

A. Bond Issue Costs:

Bond issue costs are amortized over the life of the bond issue, or 10 or 30 years, using the straight-line method and costs are summarized as follows:

	Amortization Costs	Accumulated Amortization January 1, 2007	Current Year Amortization	Total	Net Book Value
2000 Issue	$ 210,303	$ 42,061	$ 7,010	$ 49,071	$ 161,232

Note 7—Other Assets — Amherst County Service Authority: (Continued)

B. Investment in City of Lynchburg Sewage Facilities:

The Authority invests in various City of Lynchburg Sewage Facilities Projects and agrees to repay the City for its applicable ownership interest annually.

	2007
Balance, beginning of year	$ 2,291,214
Increases	-
Decreases	148,823
Balance, end of year	$ 2,142,391

C. Restricted Cash:

At December 31, 2007 restricted assets consist of the following:

	Current Assets	Non-current Assets
Rate stabilization fund CD	$ -	$ 1,000,000
2000 Debt Service Reserve	316,667	-
Totals	$ 316,667	$ 1,000,000

Note 8–Long-Term Obligations:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2008:

	Balance Outstanding June 30, 2007	Increases	Decreases	Balance Outstanding June 30, 2008	Amount Due Within One Year
County notes payable	$ 838,317	$ 2,420,000	$ 175,771	$ 3,082,546	$ 181,619
County revenue bonds	2,210,000	7,723,000	500,000	9,433,000	515,000
County general obligation bonds	2,222,400	-	567,500	1,654,900	553,900
Landfill closure and post-closure liability	1,795,953	-	-	1,795,953	-
Compensated absences	1,053,834	197,175	89,485	1,161,524	11,615
School general obligation bonds	16,091,966	3,500,000	1,365,509	18,226,457	1,523,300
School literary fund loans	1,500,000	-	300,000	1,200,000	300,000
County capital leases	646,410	218,716	264,360	600,766	173,927
Total	$ 26,358,880	$ 14,058,891	$ 3,262,625	$ 37,155,146	$ 3,259,361

Note 8–Long-Term Obligations: (Continued)

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

Year Ending	Notes Payable		General Obligation Bonds		Revenue Bonds	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 181,619	$ 20,378	$ 553,900	$ 55,785	$ 515,000	$ 407,889
2010	207,812	88,928	540,100	36,262	826,000	354,954
2011	221,759	106,562	560,900	16,340	497,000	320,775
2012	128,383	98,940	-	-	523,000	300,578
2013	30,244	96,080	-	-	540,000	279,312
2014	31,515	94,809	-	-	328,000	257,361
2015	32,840	93,484	-	-	341,000	244,438
2016	34,221	92,103	-	-	354,000	231,002
2017	35,659	90,665	-	-	368,000	217,055
2018	37,158	89,166	-	-	382,000	202,555
2019	38,721	87,603	-	-	397,000	187,505
2020	40,348	85,976	-	-	413,000	171,863
2021	42,044	84,730	-	-	430,000	155,591
2022	43,812	85,512	-	-	446,000	138,649
2023	46,654	80,670	-	-	465,000	121,076
2024	47,573	78,751	-	-	482,000	102,755
2025	49,573	76,751	-	-	501,000	83,764
2026	51,657	74,667	-	-	521,000	64,025
2027	53,829	72,495	-	-	541,000	43,498
2028	56,091	70,233	-	-	563,000	22,182
2029	58,449	67,876	-	-	-	-
2030	60,907	65,417	-	-	-	-
2031	63,467	62,857	-	-	-	-
2032	66,135	60,189	-	-	-	-
2033	68,915	57,409	-	-	-	-
2034	71,813	54,512	-	-	-	-
2035	74,831	51,493	-	-	-	-
2036	77,977	48,347	-	-	-	-
2037	81,255	45,069	-	-	-	-
2038	84,671	41,653	-	-	-	-
2039	88,231	38,093	-	-	-	-
2040	91,940	34,384	-	-	-	-
2041	95,805	30,519	-	-	-	-
2042	99,832	26,492	-	-	-	-
2043	104,029	22,295	-	-	-	-
2044	108,403	17,922	-	-	-	-
2045	112,960	13,364	-	-	-	-
2046	117,708	8,616	-	-	-	-
2047	122,657	3,667	-	-	-	-
2048	21,048	116	-	-	-	-
	$ 3,082,546	$ 2,181,669	$ 1,654,900	$ 108,387	$ 9,433,000	$ 3,906,826

Note 8–Long-Term Obligations: (Continued)

Year Ending June 30,	School General Obligation Bonds Principal	School General Obligation Bonds Interest	School Literary Fund Loans Principal	School Literary Fund Loans Interest	General Capital Lease Principal	General Capital Lease Interest
2009	$ 1,523,300	$ 924,744	$ 300,000	$ 36,000	$ 173,928	$ 23,281
2010	1,471,660	815,882	300,000	27,000	180,957	16,396
2011	1,435,224	739,002	300,000	18,000	187,871	9,482
2012	1,408,351	664,497	300,000	9,000	58,010	2,303
2013	1,381,004	592,169	-	-	-	-
2014	1,383,798	520,326	-	-	-	-
2015	1,366,739	448,088	-	-	-	-
2016	1,369,833	367,206	-	-	-	-
2017	1,168,089	308,921	-	-	-	-
2018	896,515	256,109	-	-	-	-
2019	900,119	211,709	-	-	-	-
2020	703,916	172,268	-	-	-	-
2021	702,909	138,539	-	-	-	-
2022	505,000	109,921	-	-	-	-
2023	480,000	86,528	-	-	-	-
2024	435,000	64,562	-	-	-	-
2025	370,000	44,985	-	-	-	-
2026	315,000	28,293	-	-	-	-
2027	235,000	14,768	-	-	-	-
2028	175,000	4,463	-	-	-	-
Total	$ 18,226,457	$ 6,512,978	$ 1,200,000	$ 90,000	$ 600,766	$ 51,462

Details of Long-term Obligations:

	Amount Outstanding
County General Obligation Bonds/Loans:	
$2,262,600, issued December 18, 2003, maturing annually in various installments through July 15, 2010; interest at 2.47% payable semiannually	$ 904,900
$3,500,000 issued January 1, 1996, maturing annually in installments of $250,000 interest at an average rate of 4.49%, payable semiannually	750,000
Total County general obligation bonds	$ 1,654,900

Note 8–Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

		Amount Outstanding
County Notes Payable:		
$2,420,000 VRA note issued September 27, 2007, maturing in monthly installments of principal and interest of $10,527 beginning October 1, 2009 through 2047, interest at 4.125%	$	2,420,000
$1,258,600 issued August 20, 2004, maturing in semi-annual installments of principal and interest of $100,999 on July 1, and January 1, through 2012, interest at 3.30%		662,546
Total notes payable	$	3,082,546
Revenue Bonds:		
$4,015,000 IDA Public Facility Lease Revenue Note Series 2001 issued December 20, 2001, maturing in various installments through January 15, 2013, interest payable semi-annually at 4.24%	$	1,710,000
$5,350,000 EDA Lease Revenue Bonds, Series 2007 issued November 21, 2007, maturing in various installments through January 15, 2028, interest payable semi-annually at 3.94%		5,350,000
$2,373,000 EDA Lease Revenue Bonds, Series 2008 issued January 17, 2008, maturing in various installments through January 15, 2028, interest payable semi-annually at 3.94%		2,373,000
Total revenue bonds	$	9,433,000
General Capital Leases:		
$305,203 obligation payable in annual installments of $67,399 through September 1, 2010, interest at 3.52%	$	188,755
$252,202 capital lease obligation payable in annual installments of $69,640 through November 1, 20010, interest at 3.99%		193,295
$218,716 capital lease obligation payable in annual installments of $60,314 through October 1, 2011, interest at 3.97 %		218,716
Total capital leases	$	600,766

Note 8–Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

	Amount Outstanding
School General Obligation Bonds:	
$1,315,000 issued November 6, 2003, maturing annually in various installments through July 15, 2024, interest payable semi-annually at rates ranging from 3.1% to 5.35%	$ 1,040,000
$3,500,000 issued November 18, 1993, maturing annually in various installments through December 15, 2013; interest various between 4.475% and 5.0% semiannually	370,000
$5,500,000, issued May 15, 1996, maturing annually in installments of $275,000 through July 15, 2016, interest payable semiannually at 5.57%	2,475,000
$2,000,000 issued April 30, 1998, maturing in principal annual installments of $100,000 through July 15, 2018, interest payable semiannually at 4.95%	1,100,000
$550,000, issued November 15, 2001, maturing annually in various installments through July 15, 2021; interest payable semi-annually at rates between 3.10% and 5.25%	370,000
$2,000,000, issued April 30, 1999, maturing in principal annual installments of $100,000 through July 15, 2019, interest payable at 4.73%	1,100,000
$3,351,287 issued November 16, 2000, maturing annually in various installments through July 15, 2020, interest payable at 5.15%	2,306,457
$1,615,000 issued November 10, 2005, maturing annually in various installments through July 15, 2025, interest payable semiannually at rates ranging from 4.6% to 5.10%	1,445,000
$890,000, issued January 3, 1994, maturing annually in various installments through December 15, 2010; interest payable semi-annually at rates between 6.85% and 7.57%	65,000

Note 8–Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

		Amount Outstanding
School General Obligation Bonds: (Continued)		
$4,000,000 issued May 18, 1995, maturing annually in installments of $200,000 each through July 15, 2015, interest payable semi-annually at rates between 5.4% and 5.975%	$	1,600,000
$1,120,000 issued November 10, 2004, maturing annually in various installments through July 15, 2024, interest payable semi-annually at rates ranging from 4.1% to 5.6%		940,000
$965,000 issued November 7, 2002, maturing annually in various installments through July 15, 2022, interest payable semi-annually at rates ranging from 2.35% to 7.85%		715,000
$1,265,000 issued November 9, 2006, maturing annually in various installments through July 15, 2026, interest payable semi-annually at rates ranging from 4.225% to 5.1%		1,200,000
$3,500,000 issued November 8, 2007, maturing in annual principal installments of $175,000 through July 15, 2028, interest payable semi-annually at rates ranging from 4.1% to 5.1%		3,500,000
Total school general obligation bonds	$	18,226,457
School State Literary Fund Loans:		
$2,500,000, issued July 15, 1989, due in annual installments of $125,000 through October 1, 2011, interest at 3%	$	500,000
$3,500,000, issued January 15, 1992, due in annual installments of $175,000 through February 15, 2012, interest at 3%		700,000
Total State Literary Fund Loans	$	1,200,000
Landfill closure and postclosure costs	$	1,795,953
Accrued leave	$	1,161,524
Total long-term obligations	$	37,155,146

Note 8–Long-Term Obligations: (Continued)

Component Unit School Board:

Annual requirements to amortize component unit school board long-term debt and related interest are as follows:

Year Ending June 30,	Capital Lease Principal	Capital Lease Interest
2009	$ 72,331	$ 4,658
2010	74,624	2,366
Total	$ 146,955	$ 7,024

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

	Balance Outstanding July 1, 2007	Increases	Decreases	Balance Outstanding June 30, 2008	Amount Due Within One Year
School capital leases	$ 217,064	$ -	$ 70,109	$ 146,955	$ 72,331
School compensated absences	339,596	47,902	9,667	377,831	37,783
Total	$ 556,660	$ 47,902	$ 79,776	$ 524,786	$ 110,114

Details of Long-term Obligations:

Capital Leases:	
$352,389 capital lease obligation payable in annual installments of $76,990 through July 15, 2009, interest at 3.17%	$ 146,955
Accrued leave	$ 377,831
Total long-term obligations	$ 524,786

Note 8–Long-Term Obligations: (Continued)

Amherst County Service Authority:

Changes in Long-Term Obligations:

The following is a summary of long-term obligation transactions of the Authority for the year ended December 31, 2007:

	Revenue Bonds	Notes	Compensated Absences	Total
Total outstanding, January 1, 2007	$ 3,950,000	$ 2,291,214	$ 68,825	$ 6,310,039
Additions:	$ -	$ 825,000	$ 4,474	$ 829,474
Retirements:				
Bonds	$ 80,000	$ -	$ -	$ 80,000
Notes	-	148,823	-	148,823
Total retirements	$ 80,000	$ 148,823	$ -	$ 228,823
Total outstanding December 31, 2007	$ 3,870,000	$ 2,967,391	$ 73,299	$ 6,910,690
Current portion	$ 85,000	$ 149,243	$ 7,330	$ 241,573

Details of Long-Term Obligations Outstanding:

Revenue Bonds:	
$4,300,000, issued December 28, 2000 due in annual installments ranging from $65,000 to $285,000 through December 15, 2030, interest payable semi-annually at 5.95%	$ 3,870,000
Long-Term Notes:	
$421,819 issued in 1993, due in annual principal installments of $9,736 through June 1, 2023 interest at 5.5%	$ 155,771
$196,993 issued in 1995, due in annual principal installments of $9,850 through June 1, 2015, interest at 5.96%	78,800
$747,643 issued in 1998, due in annual principal installments of $21,806 through June 1, 2017, interest at 3.5%	436,125
$1,996,292 issued in 2001, due in annual principal installments of $93,078 through June 1, 2017, interest at 3%	1,210,020
$322,159 issued in 2002, due in annual installments of $23,803 through June 1, 2021	261,675
$825,000, issued September 21, 2007 payable on September 1, 2010, interest payable	825,000
Total notes payable	$ 2,967,391
Compensated absences	$ 73,299
Total long-term obligations outstanding	$ 6,910,690

Note 8–Long-Term Obligations: (Continued)

Amherst County Service Authority: (Continued)

Details of Long-Term Obligations Outstanding: (Continued)

	Revenue Bonds		Long-Term Notes	
Year Ending December 31,	**Principal**	**Interest**	**Principal**	**Interest**
2008	$ 85,000	$ 230,045	$ 149,243	$ 78,018
2009	90,000	225,668	149,764	75,975
2010	95,000	220,988	975,304	72,199
2011	100,000	216,000	150,863	37,549
2012	105,000	210,000	151,442	33,735
2013	110,000	203,700	152,041	29,901
2014	115,000	197,100	152,662	26,045
2015	125,000	190,200	153,304	22,156
2016	135,000	182,700	144,119	18,326
2017	140,000	174,600	144,807	17,159
2018	150,000	166,200	145,520	13,666
2019	155,000	157,200	146,258	10,220
2020	165,000	147,900	147,022	6,745
2021	175,000	138,000	54,734	611
2022	185,000	127,500	31,542	-
2023	195,000	116,400	31,542	-
2024	210,000	104,700	21,806	-
2025	220,000	92,100	21,806	-
2026	235,000	78,900	21,806	-
2027	250,000	64,800	21,806	-
2028	265,000	49,800	-	-
2029	280,000	33,900	-	-
2030	285,000	17,100	-	-
Totals	$ 3,870,000	$ 3,345,501	$ 2,967,391	$ 442,305

Note 9—Claims, Judgments and Compensated Absences:

In accordance with GASB Statement 16 "Accounting for Compensated Absences," the County has accrued the liability arising from outstanding claims and judgments and compensated absences. No benefits or pay is received for unused sick leave upon termination except for employees of the Department of Social Services who are paid sick leave at termination if employed by the agency for over five years. Accumulated vacation up to thirty six days is paid upon termination. The Primary Government has outstanding accrued vacation and sick leave pay totaling $1,161,524. The Service Authority has outstanding accrued vacation and sick leave pay totaling $73,299 in the enterprise fund. The School Board has outstanding accrued vacation and sick leave pay totaling $377,831 in the Component Unit Long-term Debt.

Note 10—Defined Benefit Pension Plan:

A. Plan Description

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

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

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

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their annual salary to the VRS. This 5% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's, School's non-professional employees and Authority contribution rates for the fiscal year ended 2008 were 7.78%, 4.59%, and 7.24% of annual covered payroll, respectively.

The School Board’s contributions for professional employees were $2,352,364, $2,003,759, and $1,327,150 to the teacher cost-sharing pool for the fiscal years ended June 30, 2008, 2007 and 2006, respectively and these contributions represented 10.30%, 9.20% and 6.62%, respectively, of current covered payroll.

Note 10—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost

For fiscal year 2008, the County's annual pension cost of $583,647 was equal to the County's required and actual contributions.

Three Year Trend Information - County

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	$ 583,647	100%	
June 30, 2007	524,395	100%	-
June 30, 2006	475,796	100%	-

For fiscal year 2008, the County School Board's annual pension cost for the Board's non-professional employees was $92,872 which was equal to the Board's required and actual contributions.

Three Year Trend Information - County School Board Non-Professional

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	$ 92,872	100%	
June 30, 2007	87,985	100%	-
June 30, 2006	96,026	100%	-

For calendar year ended 2007, the Authority's annual pension cost of $61,569 was equal to the Board's required and actual contributions.

Three Year Trend Information - Amherst County Service Authority

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	$ 61,569	100%	
June 30, 2007	50,494	100%	-
June 30, 2006	33,629	100%	-

Note 10—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

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

D. Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the County's plan was 92.03% funded. The actuarial accrued liability for benefits was $24,556,836, and the actuarial value of assets was $22,598,782, resulting in an unfunded actuarial accrued liability (UAAL) of $1,958,054. The covered payroll (annual payroll of active employees covered by the plan) was $6,938,298 and ratio of the UAAL to the covered payroll was 28.22%.

As of June 30, 2007 the most recent actuarial valuation date, the County School Board's plan was 108.95% funded. The actuarial accrued liability for benefits was $4,746,048, and the actuarial value of assets was $5,170,718, resulting in an unfunded actuarial accrued liability (UAAL) of ($424,670). The covered payroll (annual payroll of active employees covered by the plan) was $1,960,620, and ratio of UAAL to the covered payroll was (21.66%).

As of June 30, 2007 the most recent actuarial valuation date, the Authority's plan was 91.55% funded. The actuarial accrued liability for benefits was $2,684,318, and the actuarial value of assets was $2,457,504, resulting in an unfunded actuarial accrued liability (UAAL) of $226,814. The covered payroll (annual payroll of active employees covered by the plan) was $824,223, and ratio of UAAL to the covered payroll was 27.52%.

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

Note 11–Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling $6,170,104 is comprised of property taxes paid in advance at June 30, 2008 used to fund expenditures for next fiscal year.

Note 12–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, *Audits of State and Local Governments*. 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 13—Landfill Closure and Postclosure Care Costs:

State and federal laws and regulations require the County to place a final cover on its operating landfill site when they stop accepting waste and to perform certain maintenance and monitoring functions at these sites for thirty years after closure. Although closure and postclosure cost will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date. The $1,795,953 reported as landfill closure and postclosure care liability at June 30, 2008, represents the cumulative amount reported to date based on the use of 100.00% and 10% of the estimated capacity of the closed Landfill and the operating Landfill, respectively. The County will recognize the remaining estimated cost of closure and postclosure care of $5,101,351 as the remaining estimated capacities are filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2008. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

It is estimated that the operating Landfill has sufficient capacity to continue accepting waste until 2052.

The County expects to fund the landfill closure and postclosure care costs from its operating and capital budget.

The County has demonstrated financial assurance requirements for closure, postclosure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 14—Litigation:

At June 30, 2008, there were no other matters of litigation involving the County which would materially affect the County’s financial position should any court decision on pending matters not be favorable to the County.

Note 15–Risk Management:

The County of Amherst has contracted with private insurance carriers to provide coverage for property damage, employee dishonesty, general liability and workers compensation. The County bills the Authority for its share of the insurance premiums related to coverages provided to the Authority.

There have been no significant reduction in insurance coverages from the prior year, and there have been no insurance settlements in excess of insurance coverages for the past three years.

The Authority also participates in the County's health insurance plan. The County contracts with a private carrier for health insurance coverages. The Authority pays its share of these costs.

Note 16–Surety Bonds:

	Amount
United State Fidelity & Guaranty Company - Surety	
Social Services Employees, Blanket Bond	$ 100,000
Fidelity and Deposit Company of Maryland - Surety	
Teresa Crouch, Clerk of the School Board	10,000
Rodney E. Taylor, County Administrator	2,000
Vernon L. Wood, Chairman, Board of Supervisors	1,000
Leon J. Parrish, Supervisor	1,000
Christopher R. Adams, Supervisor	1,000
Donald W. Kidd, Supervisor	1,000
S. Ray Vandall, Supervisor	1,000

Note 17–Expenditures and Appropriations:

Expenditures exceeded appropriations at June 30, 2008 as follows:

	Budget As Amended	Actual	Amount
Primary Government:			
Reassessment	$ 131,159	$ 136,341	$ 5,182
Board of Equalization	-	7,399	7,399
VJCCCA	79,971	124,929	44,958
County attorney	159,755	166,127	6,372
Emergency medical services	737,187	802,814	65,627
Emergency service council	337,110	344,962	7,852
Sheriff - jail	1,942,523	1,989,635	47,112
Building inspections	172,668	180,793	8,125
Other public safety	197,922	213,399	15,477
E-911 expenditures	-	3,802	3,802
Street lights	27,103	29,183	2,080
Non-state welfare administration	-	10,482	10,482
Employment services	-	81,990	81,990
County contributions	86,850	86,897	47
Comprehensive services	658,229	1,108,921	450,692
Contributions to community colleges	854	15,430	14,576
School buses	-	218,716	218,716
Parks and recreation	353,130	374,377	21,247
Community development block grant	252,816	373,537	120,721
Nondepartmental	156,357	547,920	391,563
General construction projects	1,930,240	2,425,293	495,053
Component Unit - School Board:			
Operation and maintenance services	3,382,088	3,429,319	47,231
School Textbook instruction	-	50,006	50,006

Note 18–Net Asset Restatements:

Net assets were restated as of July 1, 2007 as follows:

	School Board
Net assets as previously reported	$ 20,805,081
Adjustment for computation in joint tenancy assets	(557,818)
Net assets as restated	$ 20,247,263

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances --
Budget and Actual -- General Fund
Year Ended June 30, 2008

	General Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Revenues:				
General property taxes	$ 16,263,130	$ 16,303,170	$ 16,521,907	$ 218,737
Other local taxes	6,846,069	6,846,069	7,159,264	313,195
Permits, privilege fees and regulatory licenses	243,200	243,200	256,913	13,713
Fines and forfeitures	83,000	170,499	167,703	(2,796)
Revenue from use of money and property	760,366	760,366	999,385	239,019
Charges for services	945,600	971,064	1,550,897	579,833
Miscellaneous	31,700	148,762	316,706	167,944
Recovered costs	140,200	148,570	249,789	101,219
Intergovernmental:				
Commonwealth	8,495,116	9,726,845	8,382,177	(1,344,668)
Federal	-	33,047	1,656,223	1,623,176
Total revenues	$ 33,808,381	$ 35,351,592	$ 37,260,964	$ 1,909,372
Expenditures:				
Current:				
General government administration	$ 1,830,626	$ 2,183,849	$ 2,004,482	$ 179,367
Judicial administration	1,250,087	1,227,445	1,231,603	(4,158)
Public safety	7,536,441	9,173,045	8,855,110	317,935
Public works	2,731,170	4,801,692	4,409,139	392,553
Health and welfare	3,382,219	4,003,685	4,205,499	(201,814)
Education	12,857,072	12,857,072	14,551,205	(1,694,133)
Parks, recreation, and cultural	1,120,713	1,184,633	1,202,770	(18,137)
Community development	631,943	1,614,202	1,475,917	138,285
Nondepartmental	472,400	156,357	547,920	(391,563)
Debt service:				
Principal retirement	3,331,018	3,331,018	3,173,140	157,878
Interest and other fiscal charges	1,729,342	1,729,342	1,450,870	278,472
Total expenditures	$ 36,873,031	$ 42,262,340	$ 43,107,655	$ (845,315)
Excess (deficiency) of revenues over expenditures	$ (3,064,650)	$ (6,910,748)	$ (5,846,691)	$ 1,064,057
Other financing sources (uses):				
Long-term debt issued	$ 200,000	$ 1,643,616	$ 13,861,716	$ 12,218,100
Total other financing sources (uses)	$ 200,000	$ 1,643,616	$ 13,861,716	$ 12,218,100
Excess (deficiency) of revenues & other sources over expenditures & other uses	$ (2,864,650)	$ (5,267,132)	$ 8,015,025	$ 13,282,157
Fund balances at beginning of year	2,864,650	5,267,132	15,419,886	10,152,754
Fund balances at end of year	$ -	$ -	$ 23,434,911	$ 23,434,911

Required Supplementary Information
Schedule of Pension Funding Progress for the Virginia Retirement System

COUNTY:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2007	$ 22,598,782	$ 24,556,836	$ 1,958,054	92.03%	$ 6,938,298	28.22%
6/30/2006	19,980,281	21,076,871	1,096,590	94.80%	6,259,070	17.52%
6/30/2005	18,359,153	20,785,373	2,426,220	88.33%	6,153,152	39.43%

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHOOL BOARD NON-PROFESSIONALS:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2007	$ 5,170,718	$ 4,746,048	$ (424,670)	108.95%	$ 1,960,620	-21.66%
6/30/2006	4,567,209	4,376,069	(191,140)	104.37%	1,721,309	-11.10%
6/30/2005	4,320,875	4,130,861	(190,014)	104.60%	2,013,409	-9.44%

AMHERST COUNTY SERVICE AUTHORITY:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2007	$ 2,457,504	$ 2,684,318	$ 226,814	91.55%	$ 824,223	27.52%
6/30/2006	2,110,938	2,359,827	248,889	89.45%	853,504	29.16%
6/30/2005	1,902,518	2,442,993	540,475	77.88%	823,312	65.65%

Other Supplementary Information

Combining Schedule of Fiduciary Net Assets –
Agency Funds
At June 30, 2008

	Agency Funds				
	Special Welfare Fund	Forfeited Assets Fund	Sheriff's Accounts	Revenue Maximization	Totals
ASSETS					
Cash and cash equivalents	$ 15,804	$ 22,348	$ -	$ 85,491	$ 123,643
Cash held by others	-	-	7,509	-	7,509
Total assets	$ 15,804	$ 22,348	$ 7,509	$ 85,491	$ 131,152
LIABILITIES					
Amounts held for projects	$ -	$ 22,348	$ -	$ -	$ 22,348
Amounts held for inmates	-	-	7,509	-	7,509
Amounts held for others	-	-	-	85,491	85,491
Amounts held for social service clients	15,804	-	-	-	15,804
Total liabilities	$ 15,804	$ 22,348	$ 7,509	$ 85,491	$ 131,152

Agency Funds
Combining Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2008

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special welfare:				
Assets:				
Cash and cash equivalents	$ 44,633	$ 13,709	$ 42,538	$ 15,804
Liabilities:				
Amounts held for social service clients	$ 44,633	$ 13,709	$ 42,538	$ 15,804
Forfeited assets fund:				
Assets:				
Cash and cash equivalents	$ 35,156	$ 24,229	$ 37,037	$ 22,348
Liabilities:				
Amounts held for projects	$ 35,156	$ 24,229	$ 37,037	$ 22,348
Sheriff's accounts				
Assets:				
Cash and cash equivalents	$ 6,947	$ 144,833	$ 144,271	$ 7,509
Liabilities:				
Amounts held for others	$ 6,947	$ 144,833	$ 144,271	$ 7,509
Revenue maximization:				
Assets:				
Cash and cash equivalents	$ 164,275	$ 5,759	$ 84,543	$ 85,491
Liabilities:				
Amounts held for others	$ 164,275	$ 5,759	$ 84,543	$ 85,491
Totals -- All agency funds				
Assets:				
Cash and cash equivalents	$ 251,011	$ 188,530	$ 308,389	$ 131,152
Total assets	$ 251,011	$ 188,530	$ 308,389	$ 131,152
Liabilities:				
Amounts held for social service clients	$ 44,633	$ 13,709	$ 42,538	$ 15,804
Amounts held for projects	35,156	24,229	37,037	22,348
Amounts held for others	164,275	5,759	84,543	85,491
Amounts held for inmates	6,947	144,833	144,271	7,509
Total liabilities	$ 251,011	$ 188,530	$ 308,389	$ 131,152

Balance Sheet
Discretely Presented Component Unit - School Board
At June 30, 2008

		School Operating Fund		School Cafeteria Fund		School Textbook Fund		School Construction Fund		Component Unit School Board
ASSETS										
Cash and cash equivalents	$	-	$	564,348	$	642,218	$	1,985,473	$	3,192,039
Due from other governmental units		1,296,116		-		-		-		1,296,116
Due from primary government		3,227,514		-		-		-		3,227,514
Total	$	4,523,630	$	564,348	$	642,218	$	1,985,473	$	7,715,669
LIABILITIES										
Accounts payable	$	37,089	$	2,548	$	-	$	73,306	$	112,943
Accrued payroll		4,486,541		125,337		-		-		4,611,878
Total liabilities	$	4,523,630	$	127,885	$	-	$	73,306	$	4,724,821
FUND BALANCES										
Unreserved:										
Designated for construction projects	$	-	$	-	$	-	$	1,912,167	$	1,912,167
Designated for subsequent expenditures		-		436,463		642,218		-		1,078,681
Total fund balances	$	-	$	436,463	$	642,218	$	1,912,167	$	2,990,848

Detailed explanation of adjustments from fund statements to government-wide Statement of Net Assets:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the locality as a whole.		19,613,533
Long-term liabilities applicable to the locality's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net assets.		(524,786)
Net assets of General Government Activities	$	22,079,595

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

	School Operating Fund	School Cafeteria Fund	School Textbook Fund	School Construction Fund	Component Unit School Board
Revenues:					
Revenue from use of money and property	$ -	$ 16,508	$ 12,525	$ 109,985	$ 139,018
Charges for services	182,013	972,404	350,000	-	1,504,417
Miscellaneous	470,333	-	-	-	470,333
Intergovernmental:					-
County contribution to School Board	10,817,059	-	-	3,500,000	14,317,059
Commonwealth	28,042,703	33,445	-	-	28,076,148
Federal	3,124,969	901,025	-	-	4,025,994
Total revenues	$ 42,637,077	$ 1,923,382	$ 362,525	$ 3,609,985	$ 48,532,969
Expenditures:					
Current:					
Education	$ 42,637,077	$ 1,982,398	$ 50,006	$ -	$ 44,669,481
Capital projects	-	-	-	2,554,468	2,554,468
Total expenditures	$ 42,637,077	$ 1,982,398	$ 50,006	$ 2,554,468	$ 47,223,949
Net change in fund balances	$ -	$ (59,016)	$ 312,519	$ 1,055,517	$ 1,309,020
Fund balances at beginning of year	-	495,479	329,699	856,650	1,681,828
Fund balances at end of year	$ -	$ 436,463	$ 642,218	$ 1,912,167	$ 2,990,848

COUNTY OF AMHERST, VIRGINIA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual –
Discretely Presented Component Unit - School Board
Year Ended June 30, 2008

	School Operating Fund				School Cafeteria Fund			
	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
Revenues:								
Revenue from use of money and property	$ 4,000	$ 4,000	$ -	$ (4,000)	$ -	$ -	$ 16,508	$ 16,508
Charges for services	16,500	256,938	182,013	(74,925)	948,088	948,088	972,404	24,316
Miscellaneous	117,927	885,221	470,333	(414,888)	-	-	-	-
Intergovernmental:								
County contribution to School Board	10,856,218	10,856,218	10,817,059	(39,159)	-	-	-	-
Commonwealth	28,483,479	29,352,580	28,042,703	(1,309,877)	25,353	25,353	33,445	8,092
Federal	2,454,392	2,720,850	3,124,969	404,119	724,182	1,224,182	901,025	(323,157)
Total revenues	$ 41,932,516	$ 44,075,807	$ 42,637,077	$ (1,438,730)	$ 1,697,623	$ 2,197,623	$ 1,923,382	$ (274,241)
Expenditures:								
Current:								
Education	$ 41,932,516	$ 44,075,807	$ 42,637,077	$ 1,438,730	$ 1,697,623	$ 2,197,623	$ 1,982,398	$ 215,225
Capital projects	-	-	-	-	-	-	-	-
Total expenditures	$ 41,932,516	$ 44,075,807	$ 42,637,077	$ 1,438,730	$ 1,697,623	$ 2,197,623	$ 1,982,398	$ 215,225
Net change in fund balances	$ -	-	-	-	$ -	$ -	$ (59,016)	$ (59,016)
Fund balances at beginning of year	-	-	-	-	-	-	495,479	495,479
Fund balances at end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ 436,463	$ 436,463

School Textbook Fund				School Construction Fund			
Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)	Original Budget	Budget As Amended	Actual	Variance With Amended Budget Positive (Negative)
$ -	$ -	$ 12,525	$ 12,525	$ -	$ 750,000	$ 109,985	$ (640,015)
-	-	350,000	350,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,000,000	2,000,000	3,500,000	1,500,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ -	$ -	$ 362,525	$ 362,525	$ 2,000,000	$ 2,750,000	$ 3,609,985	$ 859,985
$ -	$ -	$ 50,006	$ (50,006)	$ -	$ -	$ -	$ -
-	-	-	-	2,000,000	2,750,000	2,554,468	195,532
$ -	$ -	$ 50,006	$ (50,006)	$ 2,000,000	$ 2,750,000	$ 2,554,468	$ 195,532
$ -	$ -	$ 312,519	$ 312,519	$ -	$ -	$ 1,055,517	$ 1,055,517
-	-	329,699	329,699	-	-	856,650	856,650
$ -	$ -	$ 642,218	$ 642,218	$ -	$ -	$ 1,912,167	$ 1,912,167

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

			Component Unit School Board
Amounts reported for governmental activities in the Statement of Activities are different because:			
Net change in fund balances - total governmental funds			$ 1,309,020
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. A summary of items supporting this adjustment are as follows:			
Capital outlay	$	691,402	
Depreciation expense		(1,441,344)	(749,942)
Transfer of joint tenancy assets from primary government			1,241,380
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.			70,109
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.			
Details supporting these changes are as follows:			
Increase in accrued leave			(38,235)
Change in net assets of governmental activities			$ 1,832,332

Supporting Schedules

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2008

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 9,752,831	$ 9,752,831	$ 9,738,751	$ (14,080)
Real and personal public service corporation property taxes	438,476	438,476	429,413	(9,063)
Personal property taxes	3,850,291	3,890,331	4,080,009	189,678
Mobile home taxes	96,709	96,709	94,661	(2,048)
Machinery and tools taxes	1,578,963	1,578,963	1,626,583	47,620
Merchant's capital	270,860	270,860	317,716	46,856
Penalties	200,000	200,000	153,980	(46,020)
Interest	75,000	75,000	80,794	5,794
Total general property taxes	$ 16,263,130	$ 16,303,170	$ 16,521,907	$ 218,737
Other local taxes:				
Local sales and use taxes	$ 2,551,336	$ 2,551,336	$ 2,463,061	$ (88,275)
Consumers' utility taxes	855,000	855,000	834,536	(20,464)
Business license taxes	458,000	458,000	478,221	20,221
Motor vehicle licenses	735,000	735,000	680,977	(54,023)
Bank stock taxes	90,000	90,000	63,336	(26,664)
Taxes on recordation and wills	238,000	238,000	263,284	25,284
Lodging taxes	69,557	69,557	74,656	5,099
Meals tax	810,000	810,000	865,217	55,217
Communication taxes	1,039,176	1,039,176	1,435,935	396,759
E-911 taxes	-	-	41	41
Total other local taxes	$ 6,846,069	$ 6,846,069	$ 7,159,264	$ 313,195
Permits, privilege fees and regulatory licenses:				
Animal licenses	$ 10,500	$ 10,500	$ 22,596	$ 12,096
Building and related permits	200,000	200,000	151,033	(48,967)
Permits and other licenses	32,700	32,700	83,284	50,584
Total permits, privilege fees and regulatory licenses	$ 243,200	$ 243,200	$ 256,913	$ 13,713
Fines and Forfeitures:				
Court fines and forfeitures	$ 83,000	$ 170,499	$ 167,703	$ (2,796)
Total fines and forfeitures	$ 83,000	$ 170,499	$ 167,703	$ (2,796)
Revenue from use of money and property:				
Revenue from use of money	$ 520,000	$ 520,000	$ 752,813	$ 232,813
Revenue from use of property	240,366	240,366	246,572	6,206
Total revenue from use of money and property	$ 760,366	$ 760,366	$ 999,385	$ 239,019

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Sheriff's fees	$ 2,199	$ 2,199	$ 2,199	$ -
Commonwealth attorney fees	1,000	1,000	1,219	219
Courthouse security fees	33,000	33,000	56,097	23,097
Work release	11,000	11,000	7,930	(3,070)
Charges for parks and recreation	34,101	54,607	97,975	43,368
Library	20,000	24,958	23,016	(1,942)
Landfill operations	240,500	240,500	345,098	104,598
Emergency medical service fees	598,000	598,000	726,746	128,746
Warehouse Charges	-	-	284,467	284,467
Other charges for services	5,800	5,800	6,150	350
Total charges for services	$ 945,600	$ 971,064	$ 1,550,897	$ 579,833
Miscellaneous revenue:				
Miscellaneous	$ 31,700	$ 108,163	$ 248,452	$ 140,289
Insurance reimbursements	-	40,599	68,254	27,655
Total miscellaneous revenue	$ 31,700	$ 148,762	$ 316,706	$ 167,944
Recovered costs:				
Share of judge's expenses	$ 15,500	$ 17,875	$ 17,875	$ -
Social services	-	-	14,885	14,885
CSA recoveries	-	5,995	26,161	20,166
Salary reimbursement - School Board	122,200	122,200	145,645	23,445
Regional Jail study	-	-	12,259	12,259
Sheriff department	-	-	27,811	27,811
Miscellaneous recoveries	2,500	2,500	5,153	2,653
Total recovered costs	$ 140,200	$ 148,570	$ 249,789	$ 101,219
Total revenue from local sources	$ 25,313,265	$ 25,591,700	$ 27,222,564	$ 1,630,864
Revenue from the Commonwealth:				
Noncategorical aid:				
ABC profits	$ 17,378	$ 17,378	$ 17,378	$ -
Wine taxes	18,215	18,215	18,215	-
Motor vehicles carriers' tax	55,000	55,000	64,082	9,082
Mobile home titling taxes	45,000	45,000	36,156	(8,844)
Auto rental tax	27,444	27,444	38,920	11,476
PPTRA	2,199,018	2,199,018	2,199,018	-
Recordation tax	52,878	52,878	62,061	9,183
Total noncategorical aid	$ 2,414,933	$ 2,414,933	$ 2,435,830	$ 20,897

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 398,061	$ 398,061	$ 350,470	$ (47,591)
Sheriff	2,349,131	2,349,131	2,342,453	(6,678)
Commissioner of the Revenue	127,191	127,191	114,103	(13,088)
Treasurer	133,015	133,015	134,038	1,023
Medical examiner	500	500	-	(500)
Registrar/electoral board	36,600	36,600	53,239	16,639
Clerk of the Circuit Court	240,648	240,648	295,105	54,457
Total shared expenses	$ 3,285,146	$ 3,285,146	$ 3,289,408	$ 4,262
Other categorical aid:				
Public assistance and welfare administration	$ 2,168,656	$ 2,168,656	$ 774,974	$ (1,393,682)
Health department	-	-	12,310	12,310
Library grant	177,019	170,379	170,362	(17)
Fire program	67,159	67,159	78,142	10,983
EMS - 2 for life	25,008	64,878	47,588	(17,290)
Juvenile justice - crime control	51,740	51,740	50,445	(1,295)
Victim witness	45,000	(26,346)	46,459	72,805
Jail	240,000	240,000	282,174	42,174
Juror reimbursement	-	-	7,270	7,270
Department of motor vehicles	-	13,152	3,395	(9,757)
Litter control	7,000	7,000	11,188	4,188
Comprehensive services	-	547,418	761,677	214,259
AMH depot enhancement	-	693,286	255,074	(438,212)
E-911 wireless grant	-	-	46,609	46,609
Miscellaneous	13,455	29,444	109,272	79,828
Total other categorical aid	$ 2,795,037	$ 4,026,766	$ 2,656,939	$ (1,369,827)
Total categorical aid	$ 6,080,183	$ 7,311,912	$ 5,946,347	$ (1,365,565)
Total revenue from the Commonwealth	$ 8,495,116	$ 9,726,845	$ 8,382,177	$ (1,344,668)
Revenue from the Federal Government:				
Non-categorical aid:				
Payment in lieu of taxes	$ -	$ -	$ 47,448	$ 47,448

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from the Federal Government: (Continued)				
Categorical aid:				
Public assistance and welfare	$ -	$ -	$ 1,348,746	$ 1,348,746
Emergency management	-	-	14,911	14,911
Criminal justice grants	-	-	4,128	4,128
Dry well replacement	-	-	56,605	56,605
Homeland security grant	-	-	19,165	19,165
Indoor Plumbing	-	-	17,553	17,553
AMH greenway reimbursement	-	-	114,400	114,400
DMV block grant	-	1,572	2,716	1,144
DMV ground transportation safety grant	-	8,230	19,251	11,021
Miscellaneous public safety grants	-	23,245	11,300	(11,945)
Total categorical aid	$ -	$ 33,047	$ 1,608,775	$ 1,575,728
Total revenue from the Federal Government	$ -	$ 33,047	$ 1,656,223	$ 1,623,176
Total General Fund	$ 33,808,381	$ 35,351,592	$ 37,260,964	$ 1,909,372
Grand Total Revenues -- Primary Government	$ 33,808,381	$ 35,351,592	$ 37,260,964	$ 1,909,372
Component Unit -- School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of property	4,000	4,000	-	(4,000)
Revenue from local sources: (Continued)				
Charges for services:				
Tuition	16,500	256,938	182,013	(74,925)
Miscellaneous revenue:				
Miscellaneous	$ 117,927	$ 885,221	$ 470,333	$ (414,888)
Total revenue from local sources	$ 138,427	$ 1,146,159	$ 652,346	$ (489,813)
Intergovernmental revenue:				
County contribution to School Board	$ 10,856,218	$ 10,856,218	$ 10,817,059	$ (39,159)

Governmental Funds and Discretely Presented Component Units
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
Special Revenue Funds: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	$ 4,472,987	$ 4,472,987	$ 4,242,295	$ (230,692)
Basic school aid	14,984,305	14,984,305	14,874,754	(109,551)
Special ed SOQ	1,598,069	1,598,069	1,582,738	(15,331)
Remedial education	330,180	330,180	467,143	136,963
Technology	310,000	495,772	336,560	(159,212)
Lottery	732,744	732,744	728,582	(4,162)
Primary class size	386,388	386,388	388,163	1,775
Fringe benefits	1,958,278	1,958,278	1,789,239	(169,039)
Textbooks	332,502	332,502	327,928	(4,574)
Construction	167,941	167,941	167,905	(36)
Preschool	317,000	317,000	292,615	(24,385)
Gifted and talented	135,945	135,945	134,075	(1,870)
At-risk	313,986	313,986	310,927	(3,059)
Regional program	258,667	524,563	360,972	(163,591)
Voc ed SOQ	333,481	333,481	330,282	(3,199)
Other state funds	1,851,006	2,268,439	1,708,525	(559,914)
Total categorical aid	$ 28,483,479	$ 29,352,580	$ 28,042,703	$ (1,309,877)
Total revenue from the Commonwealth	$ 28,483,479	$ 29,352,580	$ 28,042,703	$ (1,309,877)
Revenue from the federal government:				
Categorical aid:				
Preschool handicap	$ -	$ -	$ 11,890	$ 11,890
Adult basic aid	41,750	77,208	416,153	338,945
Title I	928,856	928,856	887,760	(41,096)
Title II	221,113	221,113	203,778	(17,335)
Federal land use	30,000	30,000	34,090	4,090
Title VI-B special education	1,104,932	1,104,932	907,294	(197,638)
Fast grant	-	192,000	194,614	2,614
Drug free schools	28,028	28,028	24,170	(3,858)
Title II part A	27,713	27,713	-	(27,713)
Title II part B	-	-	12,258	12,258
Vocational education	72,000	72,000	89,710	17,710
Reading first	-	-	337,582	337,582
Other education	-	39,000	5,670	(33,330)
Total categorical aid	$ 2,454,392	$ 2,720,850	$ 3,124,969	$ 404,119
Total revenue from the federal government	$ 2,454,392	$ 2,720,850	$ 3,124,969	$ 404,119
Total School Operating Fund	$ 41,932,516	$ 44,075,807	$ 42,637,077	$ (1,434,730)

Governmental Funds and Discretely Presented Component Units
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Component Unit -- School Board: (Continued)				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	$ -	$ -	$ 16,508	$ 16,508
Charges for services:				
Cafeteria sales	$ 948,088	$ 948,088	$ 972,404	$ 24,316
Revenue from the Commonwealth:				
Categorical aid:				
School food	$ 25,353	$ 25,353	$ 33,445	$ 8,092
Revenue from the federal government:				
Categorical aid:				
School food	$ 724,182	$ 1,224,182	$ 901,025	$ (323,157)
Total School Cafeteria Fund	$ 1,697,623	$ 2,197,623	$ 1,923,382	$ (274,241)
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	$ -	$ -	$ 12,525	$ 12,525
Charges for services:				
Textbooks	-	-	350,000	350,000
Total School Textbook Fund	$ -	$ -	$ 362,525	$ 362,525
School Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	$ -	$ 750,000	$ 94,488	$ (655,512)
Revenue from use of property	-	-	15,497	15,497
Total revenue from use of money and property	$ -	$ 750,000	$ 109,985	$ (640,015)
Intergovernmental revenue:				
County contribution to School Board	$ 2,000,000	$ 2,000,000	$ 3,500,000	$ 1,500,000
Total School Construction Fund	$ 2,000,000	$ 2,750,000	$ 3,609,985	$ 859,985
Grand Total Revenues -- Component Unit -- School Board	$ 41,932,516	$ 44,075,807	$ 42,637,077	$ (1,434,730)
Grand Total Revenues -- Reporting Entity	$ 75,740,897	$ 79,427,399	$ 79,898,041	$ 474,642

COUNTY OF AMHERST, VIRGINIA **Schedule 2**

Governmental Funds and Discretely Presented Component Unit
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2008

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 167,069	$ 233,913	$ 202,751	$ 31,162
General and financial administration:				
County administrator	$ 217,963	$ 225,249	$ 219,983	$ 5,266
Commissioner of the revenue	352,843	365,627	338,239	27,388
Reassessment	-	131,159	136,341	(5,182)
Board of Equalization	-	-	7,399	(7,399)
Treasurer	306,603	357,563	316,638	40,925
Central accounting	197,139	204,103	193,707	10,396
Purchasing	150,738	155,561	149,941	5,620
Information technology	291,025	350,496	288,913	61,583
Total general and financial administration	$ 1,516,311	$ 1,789,758	$ 1,651,161	$ 138,597
Board of Elections/Registrar:				
Electoral board and officials and registrar	$ 147,246	$ 160,178	$ 150,570	$ 9,608
Total general government administration	$ 1,830,626	$ 2,183,849	$ 2,004,482	$ 179,367
Judicial administration:				
Courts:				
Circuit court	$ 63,958	$ 71,640	$ 68,297	$ 3,343
General district court	5,323	5,323	3,244	2,079
Magistrate	1,633	1,633	847	786
Juvenile and domestic relations court	18,383	18,383	13,469	4,914
Clerk of the circuit court	411,992	381,641	381,006	635
VJCCCA	79,971	79,971	124,929	(44,958)
Total courts	$ 581,260	$ 558,591	$ 591,792	$ (33,201)
Commonwealth's attorney:				
Commonwealth's attorney	$ 433,972	$ 455,476	$ 420,255	$ 35,221
County attorney	183,050	159,755	166,127	(6,372)
Victim advocate grant	51,805	53,623	53,429	194
Total commonwealth's attorney	$ 668,827	$ 668,854	$ 639,811	$ 29,043
Total judicial administration	$ 1,250,087	$ 1,227,445	$ 1,231,603	$ (4,158)
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 2,881,117	$ 3,430,084	$ 3,389,780	$ 40,304
Total law enforcement and traffic control	$ 2,881,117	$ 3,430,084	$ 3,389,780	$ 40,304

Governmental Funds and Discretely Presented Component Unit
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer emergency services	$ 217,318	$ 225,260	$ 224,258	$ 1,002
Volunteer rescue services	158,752	625,800	383,338	242,462
Emergency medical services	541,289	737,187	802,814	(65,627)
Emergency service council	337,110	337,110	344,962	(7,852)
Total fire and rescue services	$ 1,254,469	$ 1,925,357	$ 1,755,372	$ 169,985
Correction and detention:				
Sheriff - jail	$ 1,735,927	$ 1,942,523	$ 1,989,635	$ (47,112)
Inspections:				
Building	$ 167,648	$ 172,668	$ 180,793	$ (8,125)
Other protection:				
Animal control	$ 105,083	$ 133,129	$ 133,073	$ 56
Emergency services	509,628	566,087	494,862	71,225
Communications dispatch	684,647	674,748	601,340	73,408
Other public safety	197,922	197,922	213,399	(15,477)
Miscellaneous public safety grants	-	55,629	43,687	11,942
DARE program	-	74,898	49,367	25,531
E-911 expenditures	-	-	3,802	(3,802)
Total other protection	$ 1,497,280	$ 1,702,413	$ 1,539,530	$ 162,883
Total public safety	$ 7,536,441	$ 9,173,045	$ 8,855,110	$ 317,935
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Street lights	$ 27,000	$ 27,103	$ 29,183	$ (2,080)
Sanitation and waste removal:				
Solid waste	1,978,098	1,999,596	1,255,666	743,930
Maintenance of general buildings and grounds:				
General properties	726,072	844,753	698,997	145,756
Total public works	$ 2,731,170	$ 2,871,452	$ 1,983,846	$ 887,606
Health and welfare:				
Health:				
Supplement of local health department	$ 306,283	$ 306,283	$ 306,283	$ -
Mental health and mental retardation:				
Chapter X board	$ 98,583	$ 98,583	$ 98,583	$ -

Governmental Funds and Discretely Presented Component Unit
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Welfare administration	$ 1,437,542	$ 1,704,196	$ 1,572,746	$ 131,450
Public assistance	1,033,471	1,140,869	934,022	206,847
State and local hospitalization	7,975	8,675	5,575	3,100
Non-state welfare administration	115,165	-	10,482	(10,482)
Employment services	101,942	-	81,990	(81,990)
County contributions	76,258	86,850	86,897	(47)
Comprehensive services	205,000	658,229	1,108,921	(450,692)
Total welfare	$ 2,977,353	$ 3,598,819	$ 3,800,633	$ (201,814)
Total health and welfare	$ 3,382,219	$ 4,003,685	$ 4,205,499	$ (201,814)
Education:				
Contributions to community colleges	$ 854	$ 854	$ 15,430	$ (14,576)
Capital outlay - school buses	-	-	218,716	(218,716)
Contributions to school board operating	10,856,218	10,856,218	10,817,059	39,159
Contributions to school board capital	2,000,000	2,000,000	3,500,000	(1,500,000)
Total education	$ 12,857,072	$ 12,857,072	$ 14,551,205	$ (1,694,133)
Parks, recreation and cultural:				
Parks and recreation				
Parks and recreation	$ 321,321	$ 353,130	$ 374,377	$ (21,247)
Library:				
Library	$ 751,695	$ 782,275	$ 779,250	$ 3,025
Museum	47,697	49,228	49,143	85
Total library	$ 799,392	$ 831,503	$ 828,393	$ 3,110
Total parks, recreation and cultural	$ 1,120,713	$ 1,184,633	$ 1,202,770	$ (18,137)
Community development:				
Planning and community development:				
Planning	$ 178,531	$ 235,723	$ 231,372	$ 4,351
Planning commission	24,989	25,779	22,572	3,207
Zoning board	76,892	77,929	29,243	48,686
Central virginia planning	21,450	21,450	20,735	715
EDA	19,112	19,112	7,318	11,794
Economic development	147,910	146,471	104,667	41,804
Tourism	28,043	46,620	40,686	5,934
Depot relocation / enhancement	-	693,286	556,547	136,739
Community development block grant	40,000	252,816	373,537	(120,721)
Total planning and community development	$ 536,927	$ 1,519,186	$ 1,386,677	$ 132,509

Governmental Funds and Discretely Presented Component Unit
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Community Development: (Continued)				
Environmental management:				
Soil and water conservation district	$ 10,000	$ 10,000	$ 10,000	$ -
Cooperative extension program:				
VPI extension	$ 85,016	$ 85,016	$ 79,240	$ 5,776
Total community development	$ 631,943	$ 1,614,202	$ 1,475,917	$ 138,285
Nondepartmental:				
Miscellaneous	$ 472,400	$ 156,357	$ 547,920	$ (391,563)
Total nondepartmental	$ 472,400	$ 156,357	$ 547,920	$ (391,563)
Capital Projects:				
Public works:				
General construction projects	$ -	$ 1,930,240	$ 2,425,293	$ (495,053)
Total capital projects	$ -	$ 1,930,240	$ 2,425,293	$ (495,053)
Debt service:				
Principal retirement	$ 3,331,018	$ 3,331,018	$ 3,173,140	$ 157,878
Interest and fiscal charges	1,729,342	1,729,342	1,450,870	278,472
Total debt service	$ 5,060,360	$ 5,060,360	$ 4,624,010	$ 436,350
Total General Fund	$ 36,873,031	$ 42,262,340	$ 43,107,655	$ (845,315)
Grand Total Expenditures -- Primary Government	$ 36,873,031	$ 42,262,340	$ 43,107,655	$ (845,315)

Governmental Funds and Discretely Presented Component Unit
Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2008 (Continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Component Unit -- School Board:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Instruction	$ 33,284,487	$ 34,853,455	33,744,147	$ 1,109,308
Administration, attendance and health	1,878,811	2,118,344	2,010,154	108,190
Pupil transportation services	2,406,822	2,477,748	2,450,691	27,057
Operation and maintenance services	3,333,996	3,382,088	3,429,319	(47,231)
Technology	1,028,400	1,244,172	1,002,766	241,406
Total School Operating Fund	$ 41,932,516	$ 44,075,807	$ 42,637,077	$ 1,438,730
School Cafeteria Fund:				
Education:				
School food services	$ 1,697,623	$ 2,197,623	$ 1,982,398	$ 215,225
School Textbook Fund:				
Education:				
Instruction	$ -	$ -	$ 50,006	$ (50,006)
School Construction Fund:				
Capital Projects:				
School construction	$ 2,000,000	$ 2,750,000	$ 2,554,468	$ 195,532
Grand Total Expenditures--Component Unit--School Board	$ 43,932,516	$ 46,825,807	$ 45,191,545	$ 1,634,262
Grand Total Expenditures -- Reporting Entity	$ 80,805,547	$ 89,088,147	$ 88,299,200	$ 788,947

Other Statistical Information

COUNTY OF AMHERST, VIRGINIA

Government-Wide Expenses by Function
Last Six Fiscal Years

Fiscal Year	General Government Admini-stration	Judicial Admini-stration	Public Safety	Public Works	Health and Welfare
2002-03	$ 1,479,311	$ 969,238	$ 6,220,715	$ 3,365,956	$ 2,861,926
2003-04	1,914,135	1,135,335	6,524,299	1,753,977	3,183,397
2004-05	1,759,482	1,188,600	6,814,096	2,015,019	3,485,737
2005-06	1,520,658	1,386,110	7,468,300	2,112,458	4,001,238
2006-07	1,753,718	1,444,904	8,081,177	2,145,719	4,191,694
2007-08	1,926,555	1,320,578	9,415,252	2,620,346	4,194,455

Table 1

Education		Recreation and Cultural		Community Develop-ment		Interest on Debt		Water Sewer		Total
$	10,601,270	$	941,499	$	1,263,206	$	1,393,365	$	3,151,751	$ 32,248,237
	10,619,785		1,015,333		1,042,401		1,039,583		2,944,126	31,172,371
	11,816,875		1,059,533		1,744,841		866,678		2,662,155	33,413,016
	11,944,336		1,128,402		716,058		1,236,881		2,795,463	34,309,904
	11,591,180		1,206,591		1,683,352		1,348,301		2,874,288	36,320,924
	13,869,415		1,236,661		925,484		1,657,450		2,944,126	40,110,322

COUNTY OF AMHERST, VIRGINIA

Government-Wide Revenues
Last Six Fiscal Years

Fiscal Year	Program Revenues		
	Charges for Services	**Operating Grants and Contributions**	**Capital Grants and Contributions**
2002-03	$ 3,612,260	$ 5,355,524	$ 619,530
2003-04	3,772,018	5,711,180	353,125
2004-05	4,282,065	5,957,527	80,561
2005-06	4,024,517	6,450,831	599,042
2006-07	4,379,534	7,412,723	1,313,474
2007-08	4,627,769	7,117,806	2,416,352

General Revenues					
General Property Taxes	Other Local Taxes	Grants and Contributions Not Restricted to Specific Programs	Revenues from the Use of Money & Property	Miscellaneous	Total
$ 12,083,109	$ 5,950,602	$ 2,341,621	$ 576,941	$ 238,543	$ 30,778,130
14,645,233	6,112,809	2,379,828	430,106	432,591	33,836,890
14,776,240	6,542,619	2,261,781	631,728	472,449	35,004,970
15,299,134	6,553,224	2,462,135	990,883	553,708	36,933,474
15,763,407	6,777,047	2,454,744	1,324,987	281,114	39,707,030
16,564,067	7,159,264	2,435,830	1,176,998	355,710	41,853,796

COUNTY OF AMHERST, VIRGINIA

General Government Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year		General Property Taxes		Other Local Taxes		Permit Privilege Fees & Regulatory Licenses		Fines & Forfeitures		Revenues from the Use of Money & Property
1998-99	$	11,079,003	$	4,766,793	$	178,772	$	13,649	$	852,649
1999-00		10,399,024		4,921,548		189,324		9,094		1,185,025
2000-01		12,065,459		5,653,023		195,880		18,515		1,336,073
2001-02		11,806,660		5,581,177		181,100		84,421		877,554
2002-03		12,362,827		5,950,602		151,241		87,781		711,792
2003-04		14,299,617		6,112,809		195,222		172,057		509,526
2004-05		14,807,688		6,542,619		189,507		212,432		716,498
2005-06		15,268,278		6,837,977		209,145		211,112		1,009,035
2006-07		15,727,042		6,777,047		225,398		199,559		1,295,742
2007-08		16,521,907		7,159,264		256,913		167,703		1,138,403

(1) Includes General, Special Revenue Funds and Capital Project Funds of the Primary Government
and its discretely presented component unit.

Table 3

Charges for Services	Miscellaneous	Recovered Costs	Inter-govern-mental	Total
$ 1,454,876	$ 225,094	$ 146,527	$ 23,655,722	$ 42,373,085
1,536,243	318,707	139,316	26,235,096	44,933,377
1,615,437	1,379,413	137,408	27,354,296	49,755,504
1,729,692	433,213	166,465	29,993,645	50,853,927
1,640,765	365,113	106,643	30,359,405	51,736,169
2,186,742	692,647	81,487	31,598,560	55,848,667
2,213,505	812,329	155,483	34,512,034	60,162,095
2,307,544	814,690	170,777	36,399,431	63,227,989
2,634,567	832,479	235,057	41,730,769	69,657,660
3,055,314	787,039	249,789	42,140,542	71,476,874

COUNTY OF AMHERST, VIRGINIA

General Government Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Adminis-tration	Judicial Adminis-tration	Public Safety	Public Works	Health and Welfare	Education
1998-99	$ 1,198,710	$ 745,764	$ 4,701,650	$ 2,556,378	$ 2,525,802	$ 25,497,838
1999-00	1,699,816	805,808	4,975,340	1,792,841	2,792,787	27,900,731
2000-01	2,588,682	828,973	5,650,488	2,065,223	3,249,820	29,422,198
2001-02	1,788,967	863,627	5,387,231	1,849,389	3,152,823	30,709,849
2002-03	1,407,015	894,141	5,890,626	1,897,835	2,916,544	31,883,674
2003-04	1,584,752	1,043,146	6,644,597	1,656,032	3,091,062	34,014,792
2004-05	1,453,612	1,116,229	6,777,563	1,714,980	3,356,906	37,406,549
2005-06	1,462,240	1,298,435	7,548,775	2,081,886	3,925,798	38,835,717
2006-07	1,923,699	1,366,085	8,082,003	2,162,008	4,274,917	43,185,401
2007-08	2,004,482	1,231,603	9,411,657	4,957,059	4,205,499	55,720,686

(1) Includes General, Special Revenue,and Capital Project funds of the Primary Government and its discretely presented component units.

Parks Recreation & Cultural	Community Develop-ment	Non-Departmental	Capital Projects	Debt Service	Total
$ 778,068	$ 441,175	$ -	$ 1,851,222	$ 3,412,176	$ 43,708,783
773,575	358,412	-	1,855,114	3,690,121	46,644,545
981,460	397,806	27,764	3,917,449	3,363,805	52,493,668
1,006,229	527,610	36,793	2,030,856	3,743,200	51,096,574
919,618	1,254,698	46,655	2,611,435	3,826,327	53,548,568
1,008,157	1,041,033	286,544	4,033,744	4,624,010	59,027,869
1,058,658	734,565	421,510	2,151,390	3,998,767	60,190,729
1,085,477	716,058	-	1,795,875	4,594,995	63,345,256
1,197,634	2,277,781	80,688	1,242,417	4,422,481	70,215,114
1,202,770	919,370	-	2,554,468	4,624,010	86,831,604

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year		Real Estate	Personal Property	Mobile Homes	Machinery & Tools	Merchants' Capital	Public Service	Total
1998-99	$	993,401,300 $	138,979,770 $	15,730,621 $	65,084,414 $	6,626,917 $	75,187,621 $	1,295,010,643
1999-00		1,007,516,600	148,246,580	16,648,047	65,551,783	6,638,779	73,401,547	1,318,003,336
2000-01		1,034,455,900	161,567,812	17,650,105	65,262,162	7,084,293	66,051,396	1,352,071,668
2001-02		1,052,344,600	165,980,276	18,936,370	73,439,302	7,027,898	73,188,303	1,390,916,749
2002-03		1,404,647,092	163,211,121	17,495,500	72,902,036	7,112,192	90,086,929	1,755,454,870
2003-04		1,424,616,200	166,244,174	16,893,180	77,148,356	7,203,643	89,109,940	1,781,215,493
2004-05		1,442,657,700	172,176,094	16,656,870	75,291,845	6,416,549	85,213,679	1,798,412,737
2005-06		1,470,914,700	189,511,733	16,285,360	77,511,019	6,859,554	77,632,298	1,838,714,664
2006-07		1,495,139,400	194,356,760	16,177,490	78,979,755	7,131,623	73,348,270	1,865,133,298
2007-08		1,531,146,400	195,089,255	15,776,190	81,796,911	8,025,820	65,492,935	1,897,327,511

Property Tax Rates
Last Ten Fiscal Years

Fiscal Year		Real Estate		Personal Property		Mobile Homes		Machinery & Tools		Merchants' Capital
1998-99	$	0.55	$	2.50	$	0.55	$	2.00	$	3.95
1999-00		0.55		2.50		0.55		2.00		3.95
2000-01		0.70		2.50		0.70		2.00		3.95
2001-02		0.70		2.50		0.70		2.00		3.95
2002-03		0.56		2.50		0.56		2.00		3.95
2003-04		0.59		3.25		0.59		2.00		3.95
2004-05		0.61		3.25		0.61		2.00		3.95
2005-06		0.61		3.25		0.61		2.00		3.95
2006-07		0.61		3.25		0.61		2.00		3.95
2007-08		0.65		3.25		0.65		2.00		3.95

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total (1) Tax Levy	Current Tax (1) Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding (1,2) Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
1998-99	$ 11,003,327	$ 10,643,056	96.73%	$ 244,187	$ 10,887,243	98.95%	$ 391,226	3.56%
1999-00	11,318,319	10,884,196	96.16%	114,080	10,998,276	97.17%	353,494	3.12%
2000-01	13,453,346	13,057,119	97.05%	399,667	13,456,786	100.03%	469,671	3.49%
2001-02	13,909,248	13,379,691	96.19%	284,442	13,664,133	98.24%	434,191	3.12%
2002-03	14,289,602	13,859,015	96.99%	308,381	14,167,396	99.14%	452,819	3.17%
2003-04	16,265,554	15,786,115	97.05%	348,488	16,134,603	99.19%	493,572	3.03%
2004-05	16,779,997	16,205,458	96.58%	323,893	16,529,351	98.51%	468,284	2.79%
2005-06	17,528,774	16,929,060	96.58%	308,701	17,237,761	98.34%	462,675	2.64%
2006-07	17,898,255	17,334,380	96.85%	311,403	17,645,783	98.59%	577,542	3.23%
2007-08	18,630,497	18,146,159	97.40%	318,236	18,464,395	99.11%	636,107	3.41%

(1) Exclusive of penalties and interest.
(2) Includes three years taxes

Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita (1,2,3)
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less: Debt Payable from Enterprise Revenue	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1998-99	28,518	$ 1,295,010,643	$ 27,525,825	$ 1,575,000	$ 25,950,825	2.13%	$ 910
1999-00	28,518	1,318,003,336	29,335,350	1,345,000	27,990,350	0.51%	981
2000-01	31,894	1,352,071,668	30,751,162	5,405,000	25,346,162	0.52%	795
2001-02	31,894	1,390,916,749	32,726,782	4,895,000	27,831,782	2.35%	873
2002-03	31,894	1,755,454,870	31,537,451	4,815,000	26,722,451	1.80%	838
2003-04	31,894	1,781,215,493	30,429,216	4,470,000	25,959,216	1.71%	814
2004-05	31,894	1,798,412,737	28,581,094	4,100,000	24,481,094	1.59%	768
2005-06	31,894	1,838,714,664	27,463,415	4,025,000	23,438,415	1.49%	735
2006-07	31,894	1,865,133,298	25,974,366	3,950,000	22,024,366	1.39%	691
2007-08	31,894	1,897,327,511	34,384,357	3,870,000	30,514,357	1.81%	957

(1) Bureau of the Census.

(2) From Table 5

(3) Includes all long-term general obligation debt

Compliance

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

To The Honorable Board of Supervisors
County of Amherst
Amherst, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Amherst, Virginia, as of and for the year ended June 30, 2008, which collectively comprise the County of Amherst, Virginia's basic financial statements and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Amherst, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on 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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

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

However, we noted other matters that we have reported to management of the County of Amherst, Virginia in a separate letter dated December 29, 2008.

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 29, 2008

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 Board of Supervisors
County of Amherst
Amherst, Virginia

Compliance

We have audited the compliance of the County of Amherst, Virginia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The County of Amherst, 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 Amherst, Virginia's management. Our responsibility is to express an opinion on the County of Amherst, 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 Amherst, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Amherst, Virginia's compliance with those requirements.

In our opinion, the County of Amherst, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

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

Internal Control Over Compliance: (Continued)

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

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

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

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 29, 2008

COUNTY OF AMHERST, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2008

Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number	Federal Catalog Number		Expenditures
Primary Government:			
DEPARTMENT OF INTERIOR:			
Direct payments:			
Bureau of land management - national forest			
Payments in lieu of taxes - public law #97-258 -			
(National forest acreage in the localities)	15.000	$	47,448
Total Department of Interior		$	47,448
DEPARTMENT OF AGRICULTURE:			
Pass through payments:			
Department of Social Services:			
State administrative matching grants for food stamp program	10.561	$	239,941
Total Department of Agriculture		$	239,941
DEPARTMENT OF HOUSING AND URBAN DEVELPOMENT:			
Pass through payments:			
Department of Housing and Urban Development			
Community development block grants/state's programs	14.228	$	74,158
DEPARTMENT OF TRANSPORTATION:			
Pass through payments:			
State and Community Highway Safety	20.600	$	18,955
Alcohol Traffic Safety Incentive	20.601		5,720
State program for greenway trails	20.205		114,400
Ground Transportation Safety grant	20.613		1,420
Total Department of Motor Vehicles		$	140,495
DEPARTMENT OF HOMELAND SECURITY:			
Pass through payments:			
Department of Emergency Management:			
Emergency mamagement preparedness	97.042	$	14,911
State homeland security grant program	97.004		19,165
Total Department of Homeland Security		$	34,076

COUNTY OF AMHERST, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2008 (Continued)

Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number	Federal Catalog Number		Expenditures
Primary Government: (Continued)			
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Pass through payments:			
Virginia Department of Social Services:			
Family preservation and support	93.556	$	25,051
Temporary assistance to needy families	93.558		164,741
Refugee and entrant assistance	93.566		901
Emergency assistance	93.568		3,965
Payment for child care assistance	93.575		117,176
Child care and development	93.596		100,614
Chafee education and training vouchers	93.599		2,531
Child welfare services - state grants	93.645		1,400
Foster care Title IV - E	93.658		216,107
Adoption assistance	93.659		27,183
Social services block grant	93.667		255,059
Chafee foster care independent living	93.674		4,738
State children's insurance program	93.767		9,790
Medical assistance	93.778		179,549
Total Department of Health and Human Services		$	1,108,805
DEPARTMENT OF JUSTICE:			
Pass through payments:			
Department of Criminal Justice Services:			
Drug control - Byrne formula grant	16.579	$	5,000
Local law enforcement block grant	16.592		6,300
Total Department of Justice		$	11,300
Total Primary Government		$	1,656,223
Component Unit - School Board:			
DEPARTMENT OF AGRICULTURE:			
Pass through payments:			
Department of Agriculture and Consumer Services:			
Schools and roads state grants	10.665	$	34,090
Food distribution	10.555		112,938
Department of Education:			
National school breakfast program	10.553		206,835
National school lunch program	10.555		694,190
Total Department of Agriculture		$	1,048,053

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2008 (Continued)

Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number	Federal Catalog Number		Expenditures
Component Unit - School Board: (Continued)			
DEPARTMENT OF EDUCATION:			
Pass through payments:			
Education Consolidation and Improvement Act of 1981:			
Chapter 1:			
Financial assistance to meet special educational needs of disadvantaged children - program operated by local education agencies (2E004500, 2E004511, 3E005820)	84.010	$	887,760
Title VI-B:			
Assistance to states for education of handicapped children - preschool and school programs (1E002570, 3E001110)	84.027		907,293
Vocational Education:			
Basic grants to states (3E001311)	84.048		89,711
Special Projects:			
Drug free schools	84.186		24,169
Preschool handicap	84.173		11,890
Twenty-first century community learning centers	84.287		194,614
Innovative education	84.298		12,258
Advanced Placement Incentive	84.330		318
State Assessments and Related Activities	84.367		203,778
Title II - teacher quality grant	84.357		337,583
Comprehensive school reform	84.318		5,352
Adult education	84.002		416,153
Total Department of Education		$	3,090,879
Total Component Unit School Board		$	4,138,932
Total Federal Assistance		$	5,795,155

Note 1 - General

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

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

Note 3 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
General Fund	$	1,656,223
Total primary government	$	1,656,223
Component Unit Public Schools:		
School Operating Fund	$	4,025,994
Total component unit public schools	$	4,025,994
Total federal expenditures per basic financial statements	$	5,682,217
Non-cash expenditures - value of donated commodities	$	112,938
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	5,795,155

COUNTY OF AMHERST, VIRGINIA

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

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
10.555	Food distribution - child nutrition cluster
10.553	National school breakfast program - child nutrition cluster
10.555	National school lunch program - child nutrition cluster
84.027	Title VI-B: Handicapped state grants

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

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

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

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