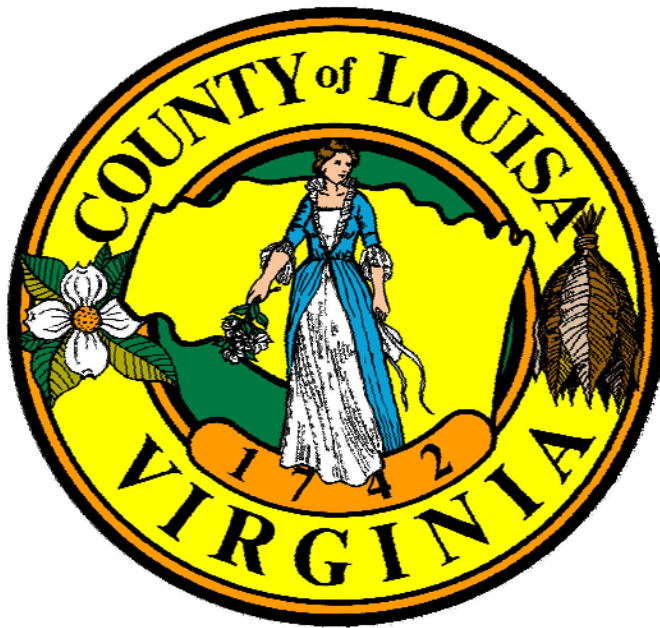


County of Louisa, Virginia

Comprehensive Annual Financial Report



Year Ended June 30, 2012

County of Louisa, Virginia

**Comprehensive Annual
Financial Report**

Year Ended June 30, 2012

Prepared By:

Christian Goodwin, Finance Director
Faye Stewart, Accountant

COUNTY OF LOUISA, VIRGINIA

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-iv
Organizational Chart	v
Directory of Principal Officials	vii
Certificate of Achievement	ix
 FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-10
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Exhibit 1 Statement of Net Assets	15
Exhibit 2 Statement of Activities	16-17
Fund Financial Statements:	
Exhibit 3 Balance Sheet-Governmental Funds	21
Exhibit 4 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	22
Exhibit 5 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Exhibit 6 Statement of Fiduciary Net Assets—Fiduciary Funds	24
Notes to Financial Statements	25-53

COUNTY OF LOUISA, VIRGINIA

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS (Continued)

	<u>Page</u>
FINANCIAL SECTION (CONTINUED)	
<u>Required Supplementary Information:</u>	
Exhibit 7 Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual—General Fund	57-60
Exhibit 8 Schedule of Pension Funding Progress—Virginia Retirement System	61
Exhibit 9 Schedule of Pension Funding Progress—Other Post-Employment Benefits	62
<u>Other Supplementary Information:</u>	
Combining and Individual Fund Statements and Schedules:	
Exhibit 10 Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual—Capital Projects Fund	67
Exhibit 11 Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual—Natural Disaster Capital Projects Fund	68
Exhibit 12 Combining Statement of Fiduciary Net Assets—Agency Funds	69
Exhibit 13 Combining Statement of Changes in Assets and Liabilities—Agency Funds	70
Discretely Presented Component Unit-School Board:	
Exhibit 14 Balance Sheet—Governmental Funds	72
Exhibit 15 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	73
Exhibit 16 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual	74-75
Supporting Schedule:	
Schedule 1 Governmental Funds and Discretely Presented Component Unit School Board—Schedule of Revenues—Budget and Actual	79-84

COUNTY OF LOUISA, VIRGINIA

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS (Continued)

Page

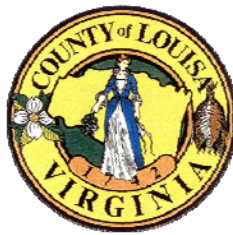
STATISTICAL SECTION

Statistical Tables:

Table 1	Net Assets by Component—Last Ten Fiscal Years	87
Table 2	Changes in Net Assets—Last Ten Fiscal Years	88-89
Table 3	Governmental Activities Tax Revenues by Source—Last Ten Fiscal Years	90
Table 4	Fund Balances of Governmental Funds—Last Ten Fiscal Years	91
Table 5	Changes in Fund Balances of Governmental Funds—Last Ten Fiscal Years	92
Table 6	General Governmental Tax Revenues by Source—Last Ten Fiscal Years	93
Table 7	Assessed and Estimated Actual Value of Taxable Property—Last Ten Fiscal Years	94
Table 8	Property Tax Rates—Direct and Overlapping Governments—Last Ten Fiscal Years	95
Table 9	Principal Property Taxpayers—Current and the Period Nine Years Prior	96
Table 10	Property Tax Levies and Collections—Last Ten Fiscal Years	97
Table 11	Ratios of Outstanding Debt by Type—Last Ten Fiscal Years	98
Table 12	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita—Last Ten Fiscal Years	99
Table 13	Demographic and Economic Statistics—Last Ten Fiscal Years	100
Table 14	Principal Employers—Current and the Period Nine Years Prior	101
Table 15	Full-Time Equivalent County Government Employees by Function—Last Ten Fiscal Years	102
Table 16	Operating Indicators by Function—Last Ten Fiscal Years	103
Table 17	Capital Asset Statistics by Function—Last Ten Fiscal Years	104

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	105-106
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	107-108
Schedule of Expenditures of Federal Awards	109-110
Notes to Schedule of Expenditures of Federal Awards	111
Schedule of Findings and Questioned Costs	112



December 11, 2012

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

The Commonwealth of Virginia requires local governments to publish, within five months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts. Pursuant to that requirement, we are pleased to present the Comprehensive Annual Financial Report of the County of Louisa, Virginia, (the "County"), for the fiscal year ended June 30, 2012.

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

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

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

Robinson, Farmer, Cox Associates, Certified Public Accountants, have issued an unqualified opinion on the County's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

In addition to the general financial statement audit the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including the findings and recommendations, and auditors' reports on the internal control structure and compliance with laws and regulations, is contained in this report. These requirements have been complied with and the auditor's opinion is included in the compliance section of this report.

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

Profile of Louisa County

On June 9, 1740, an Act of the House of Burgesses separated Upper Hanover from the rest of Hanover County and in May 1742, Louisa County was named in honor of Princess Louisa, daughter of King George II and Queen Caroline of England. The Towns of Louisa and Mineral and were incorporated in 1873 and 1890 respectively.

The County has the traditional board form of county government with a County Administrator. Policies governing the administration of the County are set by a seven-member Board of Supervisors elected from seven magisterial districts. This body also has responsibility for appointing the County Administrator. The County has taxing powers subject to statewide restrictions and tax limits.

Louisa County, located in heart of Central Virginia, is equidistant between Richmond, Charlottesville and Fredericksburg. The County encompasses a land area of 514 square miles. The primary roads traversing the county are Interstate 64 and U. S. Routes 15, 22, 33, 208 and 522. Louisa County is bordered by Hanover, Albemarle, Fluvanna, Spotsylvania and Orange Counties. The second largest fresh-water inland lake in Virginia, Lake Anna, with over 250 miles of shoreline and 13,000 surface acres of water, borders the County along Spotsylvania and Orange County lines. Lake Anna has become a premier location in Central Virginia for water sports and fishing. Initially known as a vacation community, the number of full time residents has grown steadily since the lake was built in 1972.

Louisa has a growing and diversified economy comprised of manufacturing, services, commercial and agricultural sectors. Agriculture remains an important factor in Louisa's economy, with beef cattle representing the principal livestock and a number of major cash crops including hay, corn and soybeans. Grape vineyards and wines are showing growth, leading to increased tourism. Major regional commercial development continues in Zion Crossroads with the opening of Sheetz, Arby's, and the University of Virginia medical facility. Two wood processing facilities (Biomass and Chips) have undergone significant expansions. Commercial development in the Lake Anna area continues with the opening of The Boardwalk on Lake Anna.

The local unemployment rate continues to be elevated at 5.9%¹ for October 2012, 0.5% higher than the state and 2% lower than the national rate of 7.9%². Louisa County's population continues to increase significantly, growing by nearly 30% from 2000-2010. The increase in population has placed additional demands for services not previously provided, such as 24/7 career fire and rescue coverage, and demands for increased capacity in the County educational facilities.

Reporting Entity

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

¹ Bureau of Labor Statistics, "Unemployment Rates by County in Virginia, October 2012," (<http://www.bls.gov/ro3/valaus.htm>).

² Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," (<http://data.bls.gov/timeseries/LNS14000000>).

Reporting Entity: (Continued)

The financial statements of the Louisa County Industrial Development Authority are not included in the county report. This organization is administered by a board separate from and independent of the Board of Supervisors.

Budgetary Controls

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

As a recipient of federal and state financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2012, has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

In addition to the internal accounting controls, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the quarterly appropriated budget approved by the Board of Supervisors. Activities of the general fund and capital projects fund are included in the quarterly appropriated budget.

Major Initiatives

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

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

- The County experienced and is recovering from a catastrophic earthquake which destroyed two schools and severely damaged numerous other public and private structures. Two temporary schools have been erected, and schools resumed normal schedules in these facilities. Plans for new schools are being developed as the County negotiates funding sources and needs associated with the recovery.
- Development continues at the Ferncliff Business Park, a 104 acre parcel zoned industrial and commercial that is 70% cleared and which has available lots up to 22 acres in size. Lots may be consolidated to form larger tracts. The development will include underground utilities and access to municipal water supply is planned. The Park is strategically located just ½ mile from Interstate 64 in the southwestern part of the County.
- Implementation continues for the Homeland Security grant of approximately \$1.25M to join the Law Information Exchange (LINX) system with several other political subdivisions in the Commonwealth. This system will allow efficient, effective information sharing within law enforcement throughout the Commonwealth and is intended to improve law enforcement and public safety capabilities.
- Retail, commercial and industrial business growth continues, following the opening of Walmart, UVA Credit Union, Sheetz, Arby's and construction of The Shoppes at Spring Creek, Spring Creek Business Park, New Bridge Landings, Lake Anna Island and the Boardwalk on Lake Anna.
- The County is actively working on the comprehensive expansion of the Louisa County Water Authority service area to designated growth areas. Expansion of the Zion Crossroads Wastewater Treatment Plant to a state-of-the-art treatment facility with re-use is scheduled for completion in 2013. Expansion and upgrades at the Louisa Regional Wastewater Treatment Plant is also anticipated to be complete in 2013.

Major Initiatives: (Continued)

- Efforts are underway to close the existing cell at the Louisa County Landfill, and to open a new cell which is slated for use in 2013.

Awards and Achievements

The County received its 10th consecutive Certificate of Achievement on its fiscal year 2011 Comprehensive Annual Financial Report that was submitted to the Government Finance Officers Association of the United States and Canada (GFOA), Certificate for Excellence in Financial Reporting Program. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We plan to submit the fiscal year 2012 Comprehensive Annual Financial Report to GFOA to determine its eligibility for the certificate.

The County has received the Virginia Association of Counties (VACO) 2012 Best Achievement Award for its Teen Quest Program. When the earthquake hit Louisa County on August 23, 2011 it rendered the County's only high school unusable. Rather than cancel school for the year, officials decided to use the County's one middle school for both middle school and high school, alternating the days of the week students attended school. To address parent concern about supervision for middle school students on the days they were not in school, and also to give teachers working hours needed to fulfill contracts, the Parks and Recreation department partnered with the county schools to create the Teen Quest Special program. The middle school students would come to the Betty Queen Center, a Parks and Recreation facility with a gym, cafeteria and multiple classrooms on days that the high school was in session for a variety of supervised activities that included physical activity, study time, computer and game time and free time. The school system provided teachers for supervision, transportation to the program and free breakfast and lunch for all participants. The program was up and running within three weeks of the disaster, and continued for approximately five months until the new mobile high school was established. Of the 37 total entries received by VACO this year, Louisa County is privileged to have been chosen to receive this honorable award for a local program for the third year in a row.

Future Budget Considerations

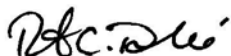
For the 2012 fiscal year, the Board of Supervisors approved a General Fund Operating Budget of \$88,645,063. The approved Capital Improvement Plan Budget is \$3,596,001. The approved FY 2013 budget set the real estate tax rate at \$0.65 per \$100 of assessed value.

Fiscal Year 2013 will be a challenging for several reasons. Primarily, a number of County structures, including two schools, sustained significant damage in an earthquake which occurred on August 23rd, 2011. Additional, significant cost increases are likely in VRS as well as education. Healthcare costs continue to increase, as do those associated with jail operations, Human Services, and the Comprehensive Services Act.

Acknowledgments

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

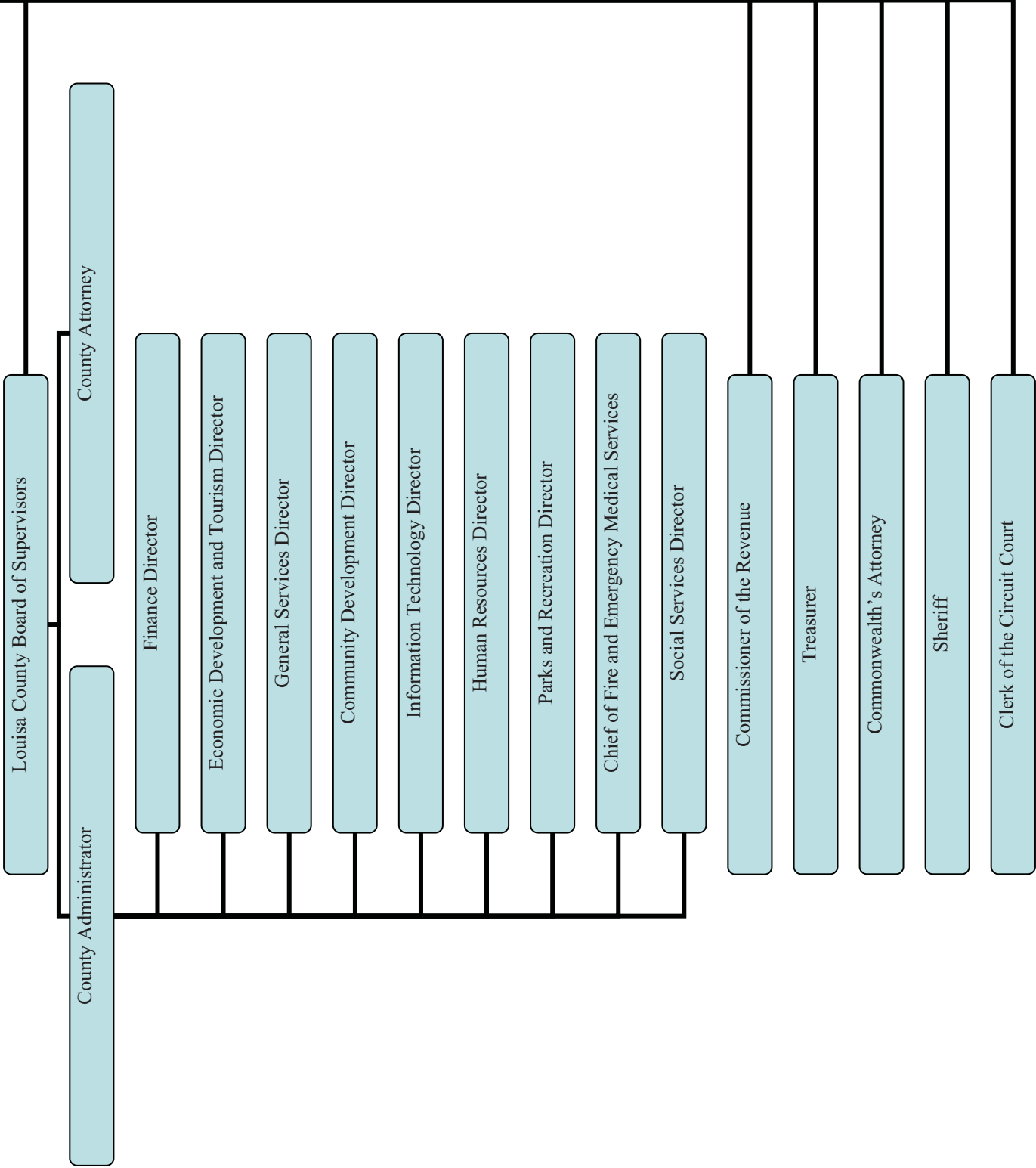
Respectfully submitted,



Robert C. Dubé
County Administrator

Louisa County's Organizational Structure as of June 30, 2012

Louisa County Citizens



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**COUNTY OF LOUISA, VIRGINIA
JUNE 30, 2012**

BOARD OF SUPERVISORS

Willie L. Harper, Chairman
Richard A. Havasy, Vice-Chairman

Tommy Barlow
Fitzgerald A. Barnes

Willie L. Gentry, Jr.
Troy Wade

Dan Byers

SOCIAL SERVICES ADVISORY BOARD

Rebecca Wood, Chairman
Rebecca Disosway, Vice-Chairman

Hunter Bowles
Marilyn Root

Ron Maish

Peggy McGhee

COUNTY SCHOOL BOARD

Gregory V. Strickland, Chairman
Brian M. Huffman, Vice-Chairman

Stephen C. Harris
Gail O. Proffitt

William A. Seay
Sherman T. Shifflett

Allen B. Jennings

OTHER OFFICIALS

Judge of the Circuit Court.....	Timothy K. Sanner
Clerk of the Circuit Court	Susan R. Hopkins
Judge of the General District Court	Edward K. Carpenter
Commonwealth's Attorney	Russell E. McGuire
Commissioner of the Revenue	Nancy M. Pleasants
Treasurer	Henry B. Wash
Sheriff	Ashland D. Fortune
Superintendent of Schools	Deborah Pettit
Clerk of the School Board	Rebecca A. Fisher
Director of Department of Human Services/Superintendent of Welfare	Janice Allen
County Administrator	Robert Dubé
Parks & Recreation Director	Jane Shelhorse

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Louisa
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Sandison

President

Jeffrey R. Enen

Executive Director

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Louisa, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County of Louisa, Virginia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Louisa, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia, as of June 30, 2012, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2012, on our consideration of the County of Louisa, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Louisa, Virginia's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Robinson, Farmer, Cox Associates
(Charlottesville, Virginia
December 11, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Louisa, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page i to v of this report.

Financial Highlights FY 2012¹

- The general fund balance decreased \$173,442.
- Revenues exceeded the original budget estimate by \$5,216,901 and revenues exceeded the amended budget by \$4,387,068.
- Expenditures were less than the original budget estimate by \$2,449,351 and expenditures were less than the amended budget by \$6,088,456.
- The real estate tax rate remained unchanged at \$0.62 per \$100 of assessed value.
- Reserve funds of \$10,618,340 were used to balance the general fund budget.
- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$76,424,417, (net assets). Of this amount, \$58,590,814 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Louisa County funds reported combined ending fund balances of \$58,388,045, an increase of \$1,667,027 in comparison with the prior year. Approximately forty-nine percent of this total amount, or \$28,623,070, is available for spending at the County's discretion (uncommitted and unassigned fund balance), and fifty-one percent, or \$29,764,975, is nonspendable, committed, or assigned for specific projects. The overall increase in fund balance is largely attributable to an increase in the Capital Projects Fund for projects such as the landfill which were incomplete as of the end of the fiscal year.
- Unassigned fund balance for the general fund was \$28,623,070, or forty-nine percent of total general fund expenditures.
- The County of Louisa, Virginia's total debt decreased by \$1,885,804, mostly for the repayment of general obligation bonds.

¹ Fiscal Year ended June 30, 2012.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements: (Continued)

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$76,424,417 at the close of the most recent fiscal year.

A significant portion (23 percent) of the County's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Louisa, Virginia's Net Assets			
	Governmental Activities		
	2012	2011	
Current and other assets	\$ 113,177,782	\$ 92,834,226	
Capital assets	<u>39,189,352</u>	<u>41,123,584</u>	
Total assets	\$ <u>152,367,134</u>	\$ <u>133,957,810</u>	
Long-term liabilities outstanding	\$ 24,125,434	\$ 26,011,238	
Current liabilities	<u>51,817,283</u>	<u>33,529,598</u>	
Total liabilities	\$ <u>75,942,717</u>	\$ <u>59,540,836</u>	
Net assets:			
Invested in capital assets, net of related debt	\$ 17,833,603	\$ 18,143,105	
Unrestricted	<u>58,590,814</u>	<u>56,273,869</u>	
Total net assets	\$ <u><u>76,424,417</u></u>	\$ <u><u>74,416,974</u></u>	

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

Government-wide Financial Analysis: (Continued)

During fiscal year 2012, the County's net assets increased by \$2,007,443. The significant reasons for the increase in net assets are attributed to the reductions in contributions to the Louisa Water Authority for water and sewer projects.

Governmental Activities - Governmental activities increased the County's net assets by \$2,007,443. Key elements of this increase are as follows:

County of Louisa, Virginia's Changes in Net Assets			
		Governmental Activities	
		2012	2011
Revenues:			
Program revenues:			
Charges for services	\$	2,197,204	\$ 2,526,981
Operating grants and contributions		7,304,734	6,661,424
Capital grants and contributions		1,678,212	312,468
General revenues:			
Property taxes		47,362,574	46,946,443
Other local taxes		5,067,445	4,771,833
Other		2,359,299	2,072,197
Total revenues	\$	<u>65,969,468</u>	\$ <u>63,291,346</u>
Expenses:			
General government	\$	3,315,349	\$ 3,677,873
Judicial administration		2,009,183	2,102,860
Public safety		12,377,094	11,613,566
Public works		3,618,145	3,785,930
Health and welfare		7,556,166	7,190,521
Education		30,226,555	27,275,972
Parks, recreation and culture		1,495,615	1,496,928
Community development		2,487,347	12,482,752
Interest		876,571	971,342
Total expenses	\$	<u>63,962,025</u>	\$ <u>70,597,744</u>
Increase (decrease) in net assets	\$	2,007,443	\$ (7,306,398)
Net assets – beginning		<u>74,416,974</u>	<u>81,723,372</u>
Net assets - ending	\$	<u><u>76,424,417</u></u>	\$ <u><u>74,416,974</u></u>

- Capital grants and contributions – The significant increase of \$1,365,744 in capital grants and contributions are attributed to larger grants from the Department of Homeland Security and VDOT.
- Education expenses increased approximately \$2,950,583. The increase can be attributed to the transfer of joint tenancy assets in the amount of \$3,441,636 as Moss-Nuckols Elementary School was moved from Construction in Progress to Buildings.
- Community development expenses decreased approximately \$9,995,405. The decrease can be attributed to increased funding of Louisa County Water Authority capital expenditures in the prior year.

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$58,388,045, which represents an increase of \$1,667,027 in comparison with the prior year. Approximately forty-nine percent (\$28,623,070) of this amount constitutes uncommitted and unassigned general fund balance, which is available for spending at the County's discretion. \$13,729 of fund balance is nonspendable (prepaids). The remainder of fund balance is designated to indicate that it is not available for new spending without further Board of Supervisors' action because it has already been committed or assigned for:

- NAPS Stabilization expenditures
- Landfill Closure
- Landfill Development
- Zion Crossroad's future debt
- Earthquake repairs
- Future capital improvement expenditures

The general fund is the operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare total general fund balance to the total general fund expenditures. The total general fund balance represents eighty-four percent of the total general fund expenditures.

The general fund balance decreased \$173,442 during the current fiscal year. The change is materially attributable to the need for fund balances to prevent a budget deficit as a result of continually declining revenues associated with falling property values.

The capital projects fund has a total fund balance of \$9,731,381, all of which is assigned for future capital projects. The fund balance increased \$1,840,469 as a result of budgeted but unfinished capital projects.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$3,639,105. The increase in appropriations can be briefly summarized as follows:

- \$174,255 increase in judicial administration expenditures are the results of Technology Funds from the Compensation Board and funds received from the Victim Witness and the VSTOP Assistant Attorney grants.
- \$1,694,226 increase in public safety expenditures results from workers compensation that is budgeted in the non-departmental budget and several grants from Rescue Squad Assistance Funds, Internet Crimes Against Children, State Fire Programs, Four for Life, Homeland Security, Children's Justice Fund, DMV Select Enforcement and Wireless Service Board PSAP.

General Fund Budgetary Highlights: (Continued)

- \$1,315,361 increase in public works expenditures is the result of landfill projects associated with cell opening and closure. Additional increases resulted from compliance requirements for the Zion Crossroads Wastewater Treatment Plant and other regulatory issues associated with the Louisa County Water Authority.
- \$770,598 increase in health and welfare expenditures are attributed to Comprehensive Services Act (CSA) for At Risk Kids and other social services programs including legal fees.
- \$486,900 decrease in miscellaneous expenditures due to allocated non-departmental budget to actual functions that occurred during the year.

Other increases in final budget amounts are generally attributable to grant awards (the County does not budget for unawarded grants); workers compensation costs and continuing education costs (which are allocated from the non-departmental budget at the close of the year); and other miscellaneous expenditures.

During the year revenues exceeded the original budget estimate by \$5,216,901 and revenues exceeded the amended budget by \$4,387,068. Expenditures were less than the original budget estimate by \$2,449,351 and expenditures were less than the amended budget by \$6,088,456. Accounting adjustments were necessary to reclassify debt service expenditures from the school fund and appropriately report in the primary government. Building enhancement work in progress, grant awards which were not expended during the fiscal year, and conservative projections and budget management contributed significantly to the budget surplus.

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

Revenue

- \$4,387,068 of actual revenue in excess of the amended budget is materially attributed to the continued success of the Revenue Recovery Program for Ambulance Transports, grant awards, conservative property tax assessment estimates, an increase in personal property assessments and the increased rate of collection by a third party collection agency.

Expenditures:

- \$987,775 under budget in Public Safety is attributed to savings associated with the volunteer fire and rescue agency consolidation and associated departmental restructuring.
- \$1,905,363 under budget in General Services is largely attributable to landfill and other projects for which funding has been appropriated but work has not yet been completed.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental funds as of June 30, 2012 amounts to \$39,189,352 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total decrease in the County's investment in capital assets for the current fiscal year was \$1,934,232.

County of Louisa, Virginia's Capital Assets		
	Governmental Activities	
	2012	2011
Land	\$ 2,328,523	\$ 2,328,523
Buildings and improvements	20,393,965	19,805,757
Equipment	6,884,885	7,275,623
Construction in progress	2,690,325	20,078,316
Tenancy in common	20,240,000	5,000,000
Total	\$ 52,537,698	\$ 54,488,219
Less: accumulated depreciation	(13,348,346)	(13,364,635)
Net capital assets	\$ 39,189,352	\$ 41,123,584

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

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$20,240,000. Of this amount, \$20,240,000 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total debt decreased by \$1,885,804, mostly due to the repayment of general obligation bonds.

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

Economic Factors and Next Year's Budgets and Rates

- The local unemployment rate continues to be elevated at 5.9%² for October 2012, 0.5% higher than the state and 2% lower than the national rate of 7.9%³. Louisa County's population continues to increase significantly, growing by nearly 30% from 2000-2010. The increase in population has placed additional demands for services not previously provided, such as 24/7 career fire and rescue coverage, and demands for increased capacity in the County educational facilities.
- Development continues at the Ferncliff Business Park, a 104 acre parcel zoned industrial and commercial that is 70% cleared and which has available lots up to 22 acres in size. Lots may be consolidated to form larger tracts. The development will include underground utilities and access to municipal water supply is planned. The Park is strategically located just ½ mile from Interstate 64 in the southwestern part of the County.
- Building permits issued have increased 5.5% compared to the prior fiscal year.
- The citizens approved a meals tax by referendum in the general election during the fiscal year. These funds offset capital requirements in education and public safety.

² Bureau of Labor Statistics, "Unemployment Rates by County in Virginia, October 2012," (<http://www.bls.gov/ro3/valaus.htm>).

³ Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," (<http://data.bls.gov/timeseries/LNS14000000>).

Economic Factors and Next Year's Budgets and Rates: (Continued)

- Several County structures sustained significant damage in the earthquake on August 23, 2011, and two schools were wholly destroyed. Repair costs are significant but anticipated to be substantially offset by insurance proceeds and federal emergency disaster relief funding.

All of these factors were considered in preparing the County's budget for the 2013 fiscal year.

For fiscal year 2013, the Board of Supervisors has approved a General Fund Operating Budget of \$88,645,063. The approved CIP Budget is \$3,596,001. The real estate tax rate was increased 3 cents to \$0.65 per \$100 of assessed value, and reserve funds were required to balance the general fund budget.

Requests for Information

This financial report is designed to provide a general overview of the County of Louisa, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 1 Woolfolk Ave, Louisa, Virginia 23093.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets
June 30, 2012

	Primary Government	Component Units	
	Governmental Activities	School Board	Louisa County Water Authority
ASSETS			
Cash and cash equivalents	\$ 54,298,853	\$ 6,120,151	\$ 2,436,766
Receivables (net of allowance for uncollectibles):			
Taxes receivable	53,170,258	-	-
Accounts receivable	359,121	14,247,959	116,983
Landfill accounts	24,201	-	-
Due from component unit	3,420,201	-	-
Due from other governmental units	1,891,419	2,696,371	-
Prepaid expenses	13,729	6,019	23,329
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	-	-	1,204,750
Capital assets (net of accumulated depreciation):			
Land	2,328,523	866,127	913,325
Buildings and system	32,308,340	13,309,344	326,079
Machinery and equipment	1,862,164	3,315,638	33,602
Intangible assets	-	-	5,146,092
Infrastructure	-	-	668,682
Construction in progress	2,690,325	287,000	10,485,908
Total assets	<u>\$ 152,367,134</u>	<u>\$ 40,848,609</u>	<u>\$ 21,355,516</u>
LIABILITIES			
Accounts payable	\$ 1,752,612	\$ 1,021,690	\$ 29,046
Accrued liabilities	-	4,476,801	2,500
Amounts held for future projects	-	-	10,000
Customers' deposits	-	-	43,322
Accrued interest payable	457,455	-	-
Due to primary government	-	3,420,201	-
Unearned revenue	49,607,216	-	51,913
Long-term liabilities:			
Due within one year	2,141,042	48,182	-
Due in more than one year	21,984,392	2,483,266	81,740
Total liabilities	<u>\$ 75,942,717</u>	<u>\$ 11,450,140</u>	<u>\$ 218,521</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 17,833,603	\$ 17,778,109	\$ 17,573,688
Restricted for:			
Future capital expenses	-	14,151,500	1,152,837
Unrestricted (deficit)	58,590,814	(2,531,140)	2,410,470
Total net assets	<u>\$ 76,424,417</u>	<u>\$ 29,398,469</u>	<u>\$ 21,136,995</u>

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

COUNTY OF LOUISA, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2012

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,315,349	\$ 21,176	\$ 427,461	\$ -
Judicial administration	2,009,183	83,893	573,385	-
Public safety	12,377,094	1,472,152	2,362,331	740,083
Public works	3,618,145	173,593	87,506	628,467
Health and welfare	7,556,166	-	3,849,051	-
Education	30,226,555	-	-	309,662
Parks, recreation, and cultural	1,495,615	446,390	5,000	-
Community development	2,487,347	-	-	-
Interest on long-term debt	876,571	-	-	-
Total governmental activities	\$ 63,962,025	\$ 2,197,204	\$ 7,304,734	\$ 1,678,212
COMPONENT UNITS:				
School Board	\$ 49,706,892	\$ 803,194	\$ 23,611,054	\$ 206,000
Louisa County Water Authority	2,404,937	1,774,006	-	531,856
Total component units	\$ 52,111,829	\$ 2,577,200	\$ 23,611,054	\$ 737,856

General revenues:

General property taxes
Local sales and use taxes
Taxes on recordation and wills
Motor vehicle licenses taxes
Consumers' utility taxes
Meals taxes
Other local taxes
Unrestricted revenues from use of money and property
Miscellaneous
Payment from primary government
Grants and contributions not restricted to specific programs

Total general revenues

Extraordinary items:

Earthquake related expenditures
Insurance proceeds - earthquake
Gain on impairment of capital assets (earthquake)

Total extraordinary items

Change in net assets
Net assets - beginning
Net assets - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets		
Primary Government	Component Units	
		Louisa County Water Authority
Governmental Activities	School Board	
\$ (2,866,712)		
(1,351,905)		
(7,802,528)		
(2,728,579)		
(3,707,115)		
(29,916,893)		
(1,044,225)		
(2,487,347)		
(876,571)		
<u>\$ (52,781,875)</u>		
	\$ (25,086,644)	\$ -
	-	(99,075)
	<u>\$ (25,086,644)</u>	<u>\$ (99,075)</u>
\$ 47,362,574	\$ -	\$ -
2,952,991	-	-
427,573	-	-
597,817	-	-
590,706	-	-
270,164	-	-
228,194	-	-
286,590	2,069	51,056
241,277	379,312	-
-	28,547,801	84,907
1,831,432	-	-
<u>\$ 54,789,318</u>	<u>\$ 28,929,182</u>	<u>\$ 135,963</u>
\$ -	\$ (6,864,113)	\$ -
-	5,277,475	-
-	6,830,566	-
<u>\$ -</u>	<u>\$ 5,243,928</u>	<u>\$ -</u>
\$ 2,007,443	\$ 9,086,466	\$ 36,888
74,416,974	20,312,003	21,100,107
<u>\$ 76,424,417</u>	<u>\$ 29,398,469</u>	<u>\$ 21,136,995</u>

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Fund Financial Statements

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Balance Sheet
Governmental Funds
June 30, 2012

	General	Capital Projects	Nonmajor Fund Natural Disaster Capital Projects	Total
ASSETS				
Cash and cash equivalents	\$ 43,909,582	\$ 10,389,271	\$ -	\$ 54,298,853
Receivables (net of allowance for uncollectibles):				
Taxes receivable	53,170,258	-	-	53,170,258
Accounts receivable	285,043	74,078	-	359,121
Landfill accounts	24,201	-	-	24,201
Due from other funds	309,662	-	-	309,662
Due from component unit	3,420,201	-	-	3,420,201
Due from other governmental units	1,432,081	149,676	309,662	1,891,419
Prepaid items	13,729	-	-	13,729
Total assets	<u>\$ 102,564,757</u>	<u>\$ 10,613,025</u>	<u>\$ 309,662</u>	<u>\$ 113,487,444</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 870,968	\$ 881,644	\$ -	\$ 1,752,612
Due to other funds	-	-	309,662	309,662
Deferred revenue	53,037,125	-	-	53,037,125
Total liabilities	<u>\$ 53,908,093</u>	<u>\$ 881,644</u>	<u>\$ 309,662</u>	<u>\$ 55,099,399</u>
Fund balances:				
Nonspendable:				
Prepays	\$ 13,729	\$ -	\$ -	\$ 13,729
Committed:				
NAPS stabilization	15,800,000	-	-	15,800,000
Assigned:				
Landfill closure	2,648,258	-	-	2,648,258
Landfill development	995,742	-	-	995,742
Zion Crossroads development debt	330,610	-	-	330,610
Earthquake repairs	245,255	-	-	245,255
Capital projects	-	9,731,381	-	9,731,381
Unassigned	28,623,070	-	-	28,623,070
Total fund balances	<u>\$ 48,656,664</u>	<u>\$ 9,731,381</u>	<u>\$ -</u>	<u>\$ 58,388,045</u>
Total liabilities and fund balances	<u>\$ 102,564,757</u>	<u>\$ 10,613,025</u>	<u>\$ 309,662</u>	<u>\$ 113,487,444</u>

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 58,388,045

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

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the locality as a whole.

39,189,352

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when

(457,455)

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

3,429,909

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

(24,125,434)

Net assets of governmental activities

\$ 76,424,417

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

			Nonmajor Fund	
			Natural Disaster Capital Projects	
	General	Capital Projects		Total
REVENUES				
General property taxes	\$ 47,020,171	\$ -	\$ -	\$ 47,020,171
Other local taxes	4,797,281	270,164	-	5,067,445
Permits, privilege fees, and regulatory licenses	435,796	-	-	435,796
Fines and forfeitures	169,536	-	-	169,536
Revenue from the use of money and property	231,029	55,561	-	286,590
Charges for services	1,591,872	-	-	1,591,872
Miscellaneous	453,240	64,116	-	517,356
Recovered costs	99,459	-	-	99,459
Intergovernmental revenues:				
Commonwealth	6,410,365	954,455	54,446	7,419,266
Federal	2,399,813	740,083	255,216	3,395,112
Total revenues	<u>\$ 63,608,562</u>	<u>\$ 2,084,379</u>	<u>\$ 309,662</u>	<u>\$ 66,002,603</u>
EXPENDITURES				
Current:				
General government administration	\$ 3,153,551	\$ -	\$ -	\$ 3,153,551
Judicial administration	1,882,501	-	-	1,882,501
Public safety	11,535,345	-	-	11,535,345
Public works	3,479,533	-	-	3,479,533
Health and welfare	7,555,697	-	-	7,555,697
Education	24,803,778	-	-	24,803,778
Parks, recreation, and cultural	1,385,529	-	-	1,385,529
Community development	1,449,634	-	-	1,449,634
Capital projects	-	5,743,633	340,288	6,083,921
Debt service:				
Principal retirement	1,955,000	-	-	1,955,000
Interest and other fiscal charges	1,051,087	-	-	1,051,087
Total expenditures	<u>\$ 58,251,655</u>	<u>\$ 5,743,633</u>	<u>\$ 340,288</u>	<u>\$ 64,335,576</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,356,907</u>	<u>\$ (3,659,254)</u>	<u>\$ (30,626)</u>	<u>\$ 1,667,027</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 13,667	\$ 5,513,390	\$ 30,626	\$ 5,557,683
Transfers out	(5,544,016)	(13,667)	-	(5,557,683)
Total other financing sources (uses)	<u>\$ (5,530,349)</u>	<u>\$ 5,499,723</u>	<u>\$ 30,626</u>	<u>\$ -</u>
Net change in fund balances	\$ (173,442)	\$ 1,840,469	\$ -	\$ 1,667,027
Fund balances - beginning	48,830,106	7,890,912	-	56,721,018
Fund balances - ending	<u>\$ 48,656,664</u>	<u>\$ 9,731,381</u>	<u>\$ -</u>	<u>\$ 58,388,045</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds	\$ 1,667,027
--	--------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Details supporting this adjustment are as follows:

Capital outlay	\$ 3,808,609	
Depreciation expense	(2,025,126)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>(3,441,636)</u>	(1,658,153)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(276,079)
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	342,403
--	---------

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

Principal retired on general obligation bonds	\$ 1,955,000	
Amortization of premiums on bonds payable	<u>128,075</u>	2,083,075

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. Details supporting this adjustment are as follows:

(Increase)/decrease in landfill closure and postclosure liability	\$ (31,471)	
(Increase)/decrease in other post-employment benefits liabilities	(158,698)	
(Increase)/decrease in accrued interest	46,441	
(Increase)/decrease in compensated absences	<u>(7,102)</u>	<u>(150,830)</u>

Change in net assets of governmental activities	\$ <u>2,007,443</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Agency Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 450,008
Total assets	\$ <u>450,008</u>
LIABILITIES	
Amounts held for social services clients	\$ 17,564
Amounts held for projects	373,093
Amounts held for others	59,351
Total liabilities	\$ <u>450,008</u>

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012

Note 1–Summary of Significant Accounting Policies:

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

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

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

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

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County does not report any business-type activities. Likewise, the primary government is reported separately from certain legally separate *component units* for which the *primary government* is financially accountable.

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units

Component Unit School Board

The School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2012.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units: (Continued)

Component Unit Louisa County Water Authority

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

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

None

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

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

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes which are collected by the state or utilities and subsequently remitted to the County are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County. Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

The government reports the following major governmental funds:

a. General Fund

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

b. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

b. Capital Projects Fund: (Continued)

The government reports the following nonmajor governmental funds:

- c. Natural Disaster Capital Projects Fund: The Natural Disaster Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital projects related to natural disasters.

Additionally, the government reports the following fund types:

- d. Fiduciary Funds: Trust and Agency Funds account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. Trust and Agency funds use the accrual basis of accounting to recognize receivables and payables. Fiduciary funds are not included in the government-wide financial statements. Agency funds include the Special Welfare Fund, Bond Escrow Fund and the Spencer Scholarship Fund.

D. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds; the General Fund, School Fund, and the Capital Projects Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several supplemental appropriations were necessary during the year and at year-end.
8. All budgetary data presented in the accompanying financial statements is the original, and the comparison of the final budget and actual results.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

E. Cash and Cash Equivalents

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

F. Investments

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

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

G. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as "advances 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 \$680,601 at June 30, 2012 and is comprised of the following:

Property taxes	\$ 663,539
Landfill billings	<u>17,062</u>
Total	<u>\$ 680,601</u>

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

H. Capital Assets

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

H. Capital Assets: (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The County reported no capitalized interest as of June 30, 2012.

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

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

I. Compensated Absences

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

J. Long-term Obligations

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

K. Fund Balances

Financial Policies

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

Beginning with fiscal year 2010, the County implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

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

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

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

K. Fund Balances: (Continued)

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The Board of Supervisors is authorized to assign amounts for specific purposes. Exhibit 3 and 14 provide details of the amounts that have been assigned for specific purposes. The Board of Supervisors is also authorized to commit amounts for purposes. The Board has committed \$15,800,000 for the North Anna Power Station stabilization fund. Funds can be used, at Board discretion, to stabilize the local economy, or to budget and replace, supplant, or otherwise account for losses to County revenue in the event of revenue losses from the North Anna Power Station.

L. Retirement Plan

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

M. Use of Estimates

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

N. Net Assets

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

O. Prepaid Items

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 2—Deposits and Investments:

Deposits

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

Investments

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

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

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2012 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

County's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
Local Government Investment Pool	\$ <u>16,822,720</u>
Total	\$ <u><u>16,822,720</u></u>

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC).

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 3–Due From Other Governmental Units:

At June 30, 2012 the County and School Board had receivables from other governments as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Unit School Board</u>
Commonwealth of Virginia:		
State Sales Taxes	\$ -	\$ 796,705
Local Sales Taxes	604,114	-
Communication Tax	60,592	-
Recordation Tax	35,534	-
VPA Funds	137,601	-
Motor Vehicle Carriers Tax	-	-
Shared Expenses	169,128	-
FEMA Funds	57,997	253,575
Comprehensive Services Act Reimbursement	207,401	-
Other State Aid	115,924	-
Federal Government:		
School Funds	-	457,459
Homeland Security grants	69,931	-
FEMA Funds	271,863	1,188,632
Law Enforcement	26,001	-
VPA Funds	135,333	-
Total	\$ <u>1,891,419</u>	\$ <u>2,696,371</u>

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

<u>Fund</u>	<u>Due From Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 3,420,201	\$ -
School Board	<u>-</u>	<u>3,420,201</u>
Totals	\$ <u>3,420,201</u>	\$ <u>3,420,201</u>

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,328,523	\$ -	\$ -	\$ 2,328,523
Construction in Progress	<u>20,078,316</u>	<u>2,511,028</u>	<u>19,899,019</u>	<u>2,690,325</u>
Total capital assets not being depreciated	<u>\$ 22,406,839</u>	<u>\$ 2,511,028</u>	<u>\$ 19,899,019</u>	<u>\$ 5,018,848</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 24,805,757	\$ 19,685,719	\$ 3,857,511	\$ 40,633,965
Equipment	<u>7,275,623</u>	<u>1,510,881</u>	<u>1,901,619</u>	<u>6,884,885</u>
Total capital assets being depreciated	<u>\$ 32,081,380</u>	<u>\$ 21,196,600</u>	<u>\$ 5,759,130</u>	<u>\$ 47,518,850</u>
Less accumulated depreciation for:				
Buildings	\$ 7,684,021	\$ 1,057,479	\$ 415,875	\$ 8,325,625
Equipment	<u>5,680,614</u>	<u>967,647</u>	<u>1,625,540</u>	<u>5,022,721</u>
Total accumulated depreciation	<u>\$ 13,364,635</u>	<u>\$ 2,025,126</u>	<u>\$ 2,041,415</u>	<u>\$ 13,348,346</u>
Total capital assets being depreciated, net	<u>\$ 18,716,745</u>	<u>\$ 19,171,474</u>	<u>\$ 3,717,715</u>	<u>\$ 34,170,504</u>
Governmental activities capital assets, net	<u><u>\$ 41,123,584</u></u>	<u><u>\$ 21,682,502</u></u>	<u><u>\$ 23,616,734</u></u>	<u><u>\$ 39,189,352</u></u>

The following is a summary of changes in School Board capital assets for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 866,127	\$ -	\$ -	\$ 866,127
Construction in progress	<u>668,545</u>	<u>363,509</u>	<u>745,054</u>	<u>287,000</u>
Total capital assets not being depreciated	<u>\$ 1,534,672</u>	<u>\$ 363,509</u>	<u>\$ 745,054</u>	<u>\$ 1,153,127</u>
Capital assets being depreciated:				
Buildings	\$ 39,697,599	\$ 4,019,647	\$ 15,055,750	\$ 28,661,496
Equipment	<u>9,611,912</u>	<u>1,186,885</u>	<u>572,652</u>	<u>10,226,145</u>
Total capital assets being depreciated	<u>\$ 49,309,511</u>	<u>\$ 5,206,532</u>	<u>\$ 15,628,402</u>	<u>\$ 38,887,641</u>
Less accumulated depreciation for:				
Buildings	\$ 21,948,306	\$ 1,239,920	\$ 7,836,074	\$ 15,352,152
Equipment	<u>6,567,571</u>	<u>814,330</u>	<u>471,394</u>	<u>6,910,507</u>
Total accumulated depreciation	<u>\$ 28,515,877</u>	<u>\$ 2,054,250</u>	<u>\$ 8,307,468</u>	<u>\$ 22,262,659</u>
Total capital assets being depreciated, net	<u>\$ 20,793,634</u>	<u>\$ 3,152,282</u>	<u>\$ 7,320,934</u>	<u>\$ 16,624,982</u>
School Board capital assets, net	<u><u>\$ 22,328,306</u></u>	<u><u>\$ 3,515,791</u></u>	<u><u>\$ 8,065,988</u></u>	<u><u>\$ 17,778,109</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 5—Capital Assets: (Continued)

Capital asset activity for the School Board for the year ended June 30, 2012 was as follows:

Depreciation expense	\$ 1,638,375
Disposals of assets	(8,307,468)
Depreciation on joint tenancy assets- transferred to School Board	<u>415,875</u>
Net increases in accumulated depreciation	\$ <u><u>(6,253,218)</u></u>

- (1) Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Louisa, Virginia for the year ended June 30, 2012, is that school financed assets in the amount of \$20,240,000 are reported in the Primary Government for financial reporting purposes.

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

Governmental activities:	
General Government Administration	\$ 204,252
Judicial Administration	141,735
Public Safety	807,365
Public Works	112,367
Health and Welfare	28,435
Education	506,000
Parks, Recreation and Cultural	99,299
Community Development	<u>125,673</u>
Total	\$ <u><u>2,025,126</u></u>
Component Unit School Board	\$ <u><u>1,638,375</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 6--Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2012:

	<u>Balance July 1, 2011</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2012</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$ 584,761	\$ 65,578	\$ 58,476	\$ 591,863	\$ 59,186
General obligation bonds	22,195,000	-	1,955,000	20,240,000	1,960,000
Premium on bonds payable	1,243,824	-	128,075	1,115,749	121,856
Other post-employment benefits	584,057	222,964	64,266	742,755	-
Landfill closure and postclosure care	1,403,596	31,471	-	1,435,067	-
Total	<u>\$ 26,011,238</u>	<u>\$ 320,013</u>	<u>\$ 2,205,817</u>	<u>\$ 24,125,434</u>	<u>\$ 2,141,042</u>

The general fund revenues are used to liquidate compensated absences, the liability for landfill closure and postclosure care and corrective action costs, and other post-employment benefits liability.

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

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Premium on Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,960,000	\$ 947,323	\$ 121,856	\$ -
2014	1,975,000	841,403	114,994	-
2015	1,155,000	761,475	108,277	-
2016	1,165,000	707,183	101,560	-
2017	1,180,000	649,853	94,423	-
2018	1,195,000	591,758	87,286	-
2019	1,205,000	530,925	79,782	-
2020	1,220,000	473,131	72,921	-
2021	1,240,000	414,443	66,059	-
2022	925,000	359,603	58,555	-
2023	925,000	313,508	51,126	-
2024	925,000	267,412	43,696	-
2025	925,000	220,605	36,192	-
2026	925,000	177,472	29,330	-
2027	925,000	134,339	22,469	-
2028	925,000	90,288	15,447	-
2029	735,000	51,082	8,932	-
2030	735,000	16,262	2,844	-
Total	<u>\$ 20,240,000</u>	<u>\$ 7,548,065</u>	<u>\$ 1,115,749</u>	<u>\$ -</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 6--Long-Term Obligations: (Continued)**Primary Government: (Continued)****Details of Long-Term Obligations**

General Obligation Bonds:

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
\$3,800,000 Series 2007A issued November 8, 2007 in annual installments ranging from \$194,845 to \$413,333 beginning July 15, 2008 through July 15, 2028, interest ranging from 4.35% to 5.10%	\$ 3,040,000	\$ 190,000
\$16,110,000 Series 1994A issued May 5, 1994 in annual installments ranging from \$690,000 to \$830,000 beginning July 15, 1994 through July 15, 2013, interest ranging from 6.10% to 6.30%	1,655,000	825,000
\$14,705,000 Series 2009A issued May 7, 2009, due in annual installments ranging from \$475,262 to \$1,411,211 beginning January 15, 2010 through January 15, 2030, interest ranging from 4.05% to 5.05%	13,230,000	735,000
\$4,000,000 Series 2000A issued November 16, 2000, due in annual installments ranging from \$120,000 to \$315,000 beginning July 15, 2001 through July 15, 2020, interest ranging from 4.975% to 5.85%	<u>2,315,000</u>	<u>210,000</u>
Total General Obligation Bonds	\$ <u>20,240,000</u>	\$ <u>1,960,000</u>
Premium on Bonds Payable	\$ 1,115,749	\$ 121,856
Accrued compensated absences	\$ 591,863	\$ 59,186
Other post-employment benefits	\$ 742,755	\$ -
Landfill closure, postclosure care and corrective action costs	\$ <u>1,435,067</u>	\$ -
Total Long-Term Obligations	\$ <u><u>24,125,434</u></u>	\$ <u><u>2,141,042</u></u>

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

Component Unit School Board:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2012:

	<u>Amounts Payable July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable June 30, 2012</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$ 505,588	\$ 50,559	\$ 74,325	\$ 481,822	\$ 48,182
Other post-employment benefits	<u>1,592,227</u>	<u>644,356</u>	<u>186,957</u>	<u>2,049,626</u>	-
Total	\$ <u><u>2,097,815</u></u>	\$ <u><u>694,915</u></u>	\$ <u><u>261,282</u></u>	\$ <u><u>2,531,448</u></u>	\$ <u><u>48,182</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 7–Deferred/Unearned Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred revenue totaling \$53,037,125 is comprised of the following:

- A. Primary Government–Deferred Parks & Recreation Revenue: Deferred revenue representing amounts collected prior to June 30 not available for funding of current expenditures totaled \$27,949 at June 30, 2012.
- B. Primary Government–Deferred Property Taxes – Deferred revenue representing deferred property tax revenues totaled \$53,009,176 at June 30, 2012.

Note 8–Defined Benefit Pension Plan:

A. Plan Description

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

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

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

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8–Defined Benefit Pension Plan: (Continued)

A. Plan Description: (Continued)

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

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

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2012 were 8.55% and 6.09% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$1,518,875, \$940,988 and \$2,111,983, to the teacher cost-sharing pool for the fiscal years ended June 30, 2012, 2011 and 2010, respectively. The contribution rate was 8.81% from July 2009 through March 2010, zero (0.00%) for April through June 2010 3.93% in 2011, and 6.33 in 2012.

C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$867,960 was equal to the County's required and actual contributions.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

For fiscal year 2012, the County and School Board's annual pension cost for the Board's non-professional employees was \$224,544, which was equal to the Board's required and actual contributions.

Three-Year Trend Information for the County

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2012	\$ 867,960	100%	\$ -
June 30, 2011	856,748	100%	-
June 30, 2010	777,963	100%	-

(1) Employer portion only

Three-Year Trend Information for the School Board

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
School Board:			
Non-			
June 30, 2012	\$ 224,544	100%	\$ -
June 30, 2011	209,427	100%	-
June 30, 2010	202,579	100%	-

(1) Employer portion only

The required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the City's and the 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 City and School Board's unfunded actuarial accrued liabilities are being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2009 was 20 years.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8–Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress:

As of June 30, 2011, the most recent actuarial valuation date, the County's plan was 81.22% funded. The actuarial accrued liability for benefits was \$26,795,920, and the actuarial value of assets was \$21,763,518, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,032,402. The covered payroll (annual payroll of active employees covered by the plan) was \$10,153,301, and ratio of the UAAL to the covered payroll was 49.56%.

As of June 30, 2011, the most recent actuarial valuation date, the County School Board's plan was 83.73% funded. The actuarial accrued liability for benefits was \$11,023,920, and the actuarial value of assets was \$9,230,853, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,793,067. The covered payroll (annual payroll of active employees covered by the plan) was \$3,472,469, and ratio of the UAAL to the covered payroll was 51.64%.

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

Note 9–Contingent Liabilities:

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

Note 10–Landfill Closure and Postclosure Care Cost:

The County of Louisa, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The liability in the amount of \$1,435,067 reported as landfill closure, postclosure and corrective action liability on the June 30, 2012 Statement of Net Assets is equal to the expected closure and postclosure costs, based on an expected closure date of fiscal year 2013. The landfill has an estimated remaining life of 1 year and an estimated 75% capacity has been used as of June 30, 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County does not expect complete closure on the landfill for another 1-2 years after mandated closing in 2013. The County has demonstrated financial assurance requirements for closure, postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. Also, the County intends to fund these costs from funds accumulated for this purpose in the General Fund.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 11–Risk Management:

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

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

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

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

Note 12–Litigation:

At June 30, 2012, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 13–Interfund Transfers:

Interfund transfers for the year ended June 30, 2012, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 13,667	\$ 5,544,016
Natural Disaster Capital Projects Fund	30,626	-
Capital Projects Fund	<u>5,513,390</u>	<u>13,667</u>
Total	\$ <u><u>5,557,683</u></u>	\$ <u><u>5,557,683</u></u>

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 14–Surety Bonds:

	<u>Amount</u>
Public Officers Liability Insurance:	
All employees and volunteers, including Board of Supervisors	\$ 5,000,000
Henry B. Wash, Treasurer	400,000
Nancy M. Pleasants, Commissioner of the Revenue	3,000
Ashland D. Fortune, Sheriff	30,000
Susan R. Hopkins, Clerk of the Court	1,630,000

Note 15–Other Post-Employment Benefits Program:

Background

Beginning in fiscal year 2009, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health-care and non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you go basis, but GASB Statement No. 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of the employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

Plan Description

In addition to the pension benefits described in Note 8 the County and School Board provide post-retirement healthcare benefits for employees who are eligible under a single-employer defined benefit plan. Louisa County and Louisa County Public Schools offer eligible retirees post-retirement medical coverage if they retire directly from the County or Schools with at least fifteen years of continuous County of Louisa or Louisa County Public School, service and are eligible to receive an early or regular retirement benefit from the Virginia Retirement System (VRS). The retirees' dependents can receive benefits under the plan with the premium to be paid by the retiree. Health benefits include medical and dental coverage. The Louisa County and Louisa County Public School retirees are responsible for 100% of the premium that is paid directly to the subscriber. Benefits end at the age of 65 or when retirees become eligible for medicare for both the County and the School System. The OPEB Plan does not issue separate audited financial statements.

Funding Policy:

The County and School board establishes employer contribution rates for plan participants as part of the budgetary process each year. The County and School Board also determine how the plan will be funded each year, whether they will partially fund the plan or fully fund the plan. Again this is determined annually as part of the budgetary process. Retirees pay the full premium for health insurance coverage. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65 and retirees are covered by a Medicare Eligible supplement. Surviving spouses are not allowed access to the plan.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 15—Other Post-Employment Benefits Program: (Continued)

Annual OPEB Cost and Net OPEB Obligation

The County and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The County and School Board have elected to calculate the ARC as the normal cost plus amortization of the unfunded portion of actuarial accrued liability in compliance with GASB 45 parameters. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retired employees by the County and School Board. The following table shows the components of the County and School Board's annual OPEB cost for the year, the estimated annual contributions to the plan, and changes in the County and School Board's net OPEB obligation to the Retiree Health Plan:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Annual required contribution	\$ 222,787	\$ 648,118
Interest on OPEB obligation	23,363	63,689
Adjustment to annual required contribution	<u>(23,186)</u>	<u>(67,451)</u>
Annual OPEB cost (expense)	\$ 222,964	\$ 644,356
Estimated contribution made during FY 2012	<u>(64,266)</u>	<u>(186,957)</u>
Increase in net OPEB obligation	\$ 158,698	\$ 457,399
Net OPEB obligation - beginning of year	<u>584,057</u>	<u>1,592,227</u>
Net OPEB obligation - end of year	<u><u>\$ 742,755</u></u>	<u><u>\$ 2,049,626</u></u>

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation the current and preceding two fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
June 30, 2012 \$	222,964	28.82% \$	742,755
June 30, 2011	244,230	23.00%	584,057
June 30, 2010	236,383	15.77%	396,004
Schools:			
June 30, 2012 \$	644,356	29.01% \$	2,049,626
June 30, 2011	588,298	25.17%	1,592,227
June 30, 2010	733,172	21.40%	1,152,030

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 15–Other Post-Employment Benefits Program: (Continued)

Funded Status and Funding Progress

As of July 1, 2010, the County's actuarial accrued liability for benefits was \$1,943,251, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$10,020,445, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 19.39 percent.

As of July 1, 2010, the School Board's actuarial accrued liability for benefits was \$5,178,504, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$27,382,582, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 18.91 percent.

The Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

The following simplifying assumptions were made:

Retirement age for active employees—Retirement age was estimated based on tables used for the VRS State Employees valuation and assumed that participants begin to retire when they become eligible to receive healthcare benefits.

Mortality—Life expectancies were based on mortality tables from the 1994 Group Annuity Mortality Tables for males and females with a one year setback in pre-retirement for males and females.

Coverage elections – The actuarial assumed that 65% of current actives of the Louisa County Public Schools will elect medical coverage when they retire and that 10% of retirees who elect coverage will cover a spouse. The actuarial assumed that 85% of current actives of Louisa County will elect medical coverage when they retire and that 30% of retirees who elect coverage will cover a spouse.

Based on the historical and expected returns of the County and School Board's short-term investment portfolio, a discount of 4.0% was used. In addition, the projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010 was thirty years.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 16--Health Insurance Credit Program-Other Post Employment Benefit (OPEB):

County:

Plan Description

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

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

Localities may elect to provide an additional health insurance credit of \$1 per month for each full year of the retired members' creditable service, not to exceed a maximum monthly credit of \$30. The enhanced credit is available for constitutional officers and their employees, local social services employees, and general registrars and their employees. Whereas the \$1.50 health credit cost is borne by the Commonwealth, the costs of such additional health insurance credit shall be borne by the locality.

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

Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2012 was .07% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The County is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 16--Health Insurance Credit Program-Other Post Employment Benefit (OPEB): (Continued)

County: (Continued)

Annual OPEB Cost and Net OPEB Obligation: (Continued)

For 2012, the County's contribution of \$7,086 was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 7,086	100%	-

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 101,684
Actuarial value of plan assets	51,034
Unfunded actuarial accrued liability	50,650
Funded ratio (actuarial value of plan assets/AAL)	50.19%
Covered payroll (active plan members)	4,471,678
UAAL as a percentage of covered payroll	1.13%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial Methods and Assumptions

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

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2011 was 30 years.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 16--Health Insurance Credit Program-Other Post Employment Benefit (OPEB): (Continued)

School Board:

Plan Description

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

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

Localities may elect to provide an additional health insurance credit of \$1 per month for each full year of the retired members' creditable service, not to exceed a maximum monthly credit of \$30. The enhanced credit is available for constitutional officers and their employees, local social services employees, and general registrars and their employees. Whereas the \$1.50 health credit cost is borne by the Commonwealth, the costs of such additional health insurance credit shall be borne by the locality.

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

Funding Policy

As a participating local political subdivision, the School Board is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2012 was .60% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation:

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The County is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 16--Health Insurance Credit Program-Other Post Employment Benefit (OPEB): (Continued)

School Board: (Continued)

Annual OPEB Cost and Net OPEB Obligation: (Continued)

For 2012, the School Board's contribution of \$21,385 was equal to the ARC and OPEB cost. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 21,385	100%	-

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 289,783
Actuarial value of plan assets	128,236
Unfunded actuarial accrued liability	161,547
Funded ratio (actuarial value of plan assets/AAL)	44.25%
Covered payroll (active plan members)	3,472,469
UAAL as a percentage of covered payroll	4.65%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial Methods and Assumptions

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 16–Health Insurance Credit Program-Other Post Employment Benefit (OPEB): (Continued)

School Board: (Continued)

Actuarial Methods and Assumptions: (Continued)

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining open amortization period at June 30, 2011 was 30 years.

Professional Employees – Discretely Presented Component Unit School Board

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is .60% of annual covered payroll. The School Board's contributions to VRS for the year ended June 30, 2012 was \$143,969 and equaled the required contribution for the year.

Note 17–Extraordinary Items:

On August 23, 2011 the County experienced a 5.8 magnitude earthquake which significantly damaged several public buildings. The majority of the damage occurred within the county school buildings (including Thomas Jefferson Elementary and Louisa County High Schools which, as a result of this earthquake, were condemned and subsequently demolished). Total losses incurred by the schools are estimated at \$30.2 million. Expected insurance recoveries from the School's insurance carrier (Virginia School Board Association (VSBA)) total approximately \$15.1 million.

With insurance proceeds expected to cover roughly half of the actual damages and approximately 1/3 (\$5 million) of the temporary relocation costs, the County applied and received FEMA disaster relief. As a part of this relief, FEMA calculate the damage of Thomas Jefferson Elementary and Louisa County High to the extent it exceeded 50% of the cost to rebuild the structures. As a result of this calculation, per FEMA guidelines, Louisa County Public Schools qualified for complete replacement of the two schools. Project Worksheets written for these two schools place the federal government's share at 75% of the cost to construct the new facilities (less insurance proceeds), and the State's share at 16% of the net costs. The County will be responsible for the remaining 9% of net costs. After Federal and State funding, and anticipated insurance proceeds of approximately \$20.1 million (15.1 million in direct costs, and \$5 million for ancillary expenses), Louisa County is expected incur \$5.4 million in out of pocket expenditures associated with this event.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 17–Extraordinary Items: (Continued)

During 2012 the School Board received \$5,277,475 of insurance proceeds related to earthquake expenditures including the lease of modular classrooms. The amount is reported as an extraordinary item as is the \$6,864,113 of related expenditures. In addition, a \$6,830,566 gain on impairment of capital assets has been reported as an extraordinary item on the Statement of Activities. This item consists of the carrying value of the assets related to the two schools which were totally impaired (\$7,320,934) offset by anticipated insurance proceeds for replacement of those two schools (\$14,151,500).

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 44,157,473	\$ 44,157,473	\$ 47,020,171	\$ 2,862,698
Other local taxes	4,148,000	4,148,000	4,797,281	649,281
Permits, privilege fees, and regulatory licenses	464,500	464,500	435,796	(28,704)
Fines and forfeitures	150,000	150,000	169,536	19,536
Revenue from the use of money and property	315,000	315,000	231,029	(83,971)
Charges for services	1,246,792	1,178,792	1,591,872	413,080
Miscellaneous	100,000	425,541	453,240	27,699
Recovered costs	44,000	47,652	99,459	51,807
Intergovernmental revenues:				
Commonwealth	6,021,755	6,445,627	6,410,365	(35,262)
Federal	1,744,141	1,888,909	2,399,813	510,904
Total revenues	\$ 58,391,661	\$ 59,221,494	\$ 63,608,562	\$ 4,387,068
EXPENDITURES				
General government administration:				
Legislative:				
Board of supervisors	\$ 144,137	\$ 147,821	\$ 143,767	\$ 4,054
General and financial administration:				
County administrator	\$ 524,580	\$ 499,914	\$ 326,967	\$ 172,947
County attorney	304,205	346,275	346,274	1
Administrative and human resources	185,637	197,175	190,174	7,001
Commissioner of revenue	382,967	384,831	377,908	6,923
Reassessment	458,271	464,224	443,705	20,519
Treasurer	436,673	438,003	387,318	50,685
Finance	385,416	394,318	389,745	4,573
Network administration	400,230	408,130	357,842	50,288
Total general and financial administration	\$ 3,077,979	\$ 3,132,870	\$ 2,819,933	\$ 312,937
Board of elections:				
Electoral board and officials	\$ 178,988	\$ 195,902	\$ 189,851	\$ 6,051
Total general government administration	\$ 3,401,104	\$ 3,476,593	\$ 3,153,551	\$ 323,042
Judicial administration:				
Courts:				
Circuit court	\$ 90,640	\$ 91,004	\$ 78,007	\$ 12,997
General district court	10,605	10,605	4,807	5,798
Juvenile domestic court	5,840	5,840	4,121	1,719
Clerk of the circuit court	494,870	559,645	464,002	95,643
Sheriff - courts	773,813	786,881	705,546	81,335
Law library	-	-	1,460	(1,460)
Total courts	\$ 1,375,768	\$ 1,453,975	\$ 1,257,943	\$ 196,032

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012 (Continued)

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 594,280	\$ 690,328	\$ 624,558	\$ 65,770
Total judicial administration	\$ 1,970,048	\$ 2,144,303	\$ 1,882,501	\$ 261,802
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 3,397,215	\$ 3,677,218	\$ 3,684,991	\$ (7,773)
Communications center	691,379	702,077	701,468	609
Emergency 911 system	240,940	242,922	181,094	61,828
Total law enforcement and traffic control	\$ 4,329,534	\$ 4,622,217	\$ 4,567,553	\$ 54,664
Fire and rescue services:				
Office of emergency services	\$ 393,748	\$ 1,252,991	\$ 1,076,610	\$ 176,381
Fire & rescue assistance	1,542,549	1,616,260	1,260,274	355,986
Revenue recovery	112,292	112,471	80,716	31,755
Emergency services	2,192,117	2,384,591	2,245,754	138,837
Total fire and rescue services	\$ 4,240,706	\$ 5,366,313	\$ 4,663,354	\$ 702,959
Correction and detention:				
Sheriff - correction and detention	\$ 1,582,593	\$ 1,633,826	\$ 1,631,746	\$ 2,080
Inspections:				
Board of building appeals	\$ 2,600	\$ 2,600	\$ -	\$ 2,600
Other protection:				
Animal control	\$ 195,087	\$ 197,215	\$ 180,131	\$ 17,084
Animal shelter	207,321	341,562	136,603	204,959
Forest fire prevention & extinction	28,660	28,660	27,419	1,241
Emergency services (civil defense)	22,965	22,965	22,965	-
Transportation safety commission	1,500	1,500	545	955
Transportation department	217,928	306,262	305,029	1,233
Total other protection	\$ 673,461	\$ 898,164	\$ 672,692	\$ 225,472
Total public safety	\$ 10,828,894	\$ 12,523,120	\$ 11,535,345	\$ 987,775

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012 (Continued)

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
EXPENDITURES: (Continued)				
General services:				
Sanitation and waste removal:				
Scalehouse operations	\$ 68,937	\$ 69,289	\$ 49,882	\$ 19,407
Refuse collection-solid waste control	1,308,528	2,027,631	1,029,982	997,649
Litter control	-	7,809	1,161	6,648
Total sanitation and waste removal	\$ 1,377,465	\$ 2,104,729	\$ 1,081,025	\$ 1,023,704
Maintenance of general buildings and grounds:				
General properties	\$ 2,292,070	\$ 2,875,646	\$ 2,107,793	\$ 767,853
Water and wastewater	400,000	404,521	290,715	113,806
Total maintenance of general buildings and grounds	\$ 2,692,070	\$ 3,280,167	\$ 2,398,508	\$ 881,659
Total public works	\$ 4,069,535	\$ 5,384,896	\$ 3,479,533	\$ 1,905,363
Health and social services:				
Health:				
Family services	\$ -	\$ -	\$ -	\$ -
Supplement of local health department	672,660	672,660	672,660	-
Total health	\$ 672,660	\$ 672,660	\$ 672,660	\$ -
Mental health and mental retardation:				
Region 10	\$ 135,000	\$ 135,000	\$ 135,000	\$ -
Social services:				
Administration & public assistance	\$ 3,924,637	\$ 4,270,249	\$ 4,087,618	\$ 182,631
At risk youth	2,105,913	2,500,899	1,897,651	603,248
Monticello Area Community Action Agency	36,000	36,000	36,000	-
Jefferson Area Board for Aging	302,849	302,849	302,848	1
Housing assistance	112,000	142,000	130,050	11,950
Social service agency donations	297,696	297,696	293,870	3,826
Total social services	\$ 6,779,095	\$ 7,549,693	\$ 6,748,037	\$ 801,656
Total health and social services	\$ 7,586,755	\$ 8,357,353	\$ 7,555,697	\$ 801,656
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 25,654,076	\$ 25,654,076	\$ 24,769,816	\$ 884,260
Contributions to local community college	33,962	33,962	33,962	-
Total education	\$ 25,688,038	\$ 25,688,038	\$ 24,803,778	\$ 884,260
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 952,620	\$ 965,498	\$ 854,894	\$ 110,604
Swimming pools	135,644	136,932	129,996	6,936
Total parks and recreation	\$ 1,088,264	\$ 1,102,430	\$ 984,890	\$ 117,540

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Community organizations	60,000	77,760	65,000	12,760
Total cultural enrichment	\$ 62,000	\$ 79,760	\$ 67,000	\$ 12,760
Library:				
Contribution to regional library	\$ 333,639	\$ 333,639	\$ 333,639	\$ -
Total parks, recreation, and cultural	\$ 1,483,903	\$ 1,515,829	\$ 1,385,529	\$ 130,300
Community development:				
Planning and community development:				
Planning	\$ 1,091,163	\$ 1,129,837	\$ 944,522	\$ 185,315
Planning District Commission	48,132	48,132	48,132	-
Industrial Development Authority	123,000	123,000	123,000	-
Economic development	121,786	129,418	111,117	18,301
Tourism	90,747	93,167	56,713	36,454
Total planning and community development	\$ 1,474,828	\$ 1,523,554	\$ 1,283,484	\$ 240,070
Environmental management:				
Soil and water conservation district	\$ 73,800	\$ 73,880	\$ 73,880	\$ -
Cooperative extension program:				
VPI extension	\$ 112,353	\$ 112,697	\$ 92,270	\$ 20,427
Total community development	\$ 1,660,981	\$ 1,710,131	\$ 1,449,634	\$ 260,497
Nondepartmental:				
Miscellaneous	\$ 1,005,000	\$ 518,100	\$ -	\$ 518,100
Debt service:				
Principal retirement	\$ 1,955,000	\$ 1,955,000	\$ 1,955,000	\$ -
Interest and other fiscal charges	1,051,748	1,066,748	1,051,087	15,661
Total debt service	\$ 3,006,748	\$ 3,021,748	\$ 3,006,087	\$ 15,661
Total Expenditures	\$ 60,701,006	\$ 64,340,111	\$ 58,251,655	\$ 6,088,456
Excess (deficiency) of revenues over (under) expenditures				
	\$ (2,309,345)	\$ (5,118,617)	\$ 5,356,907	\$ 10,475,524
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 13,667	\$ 13,667	\$ -
Transfers out	\$ (5,448,390)	\$ (5,513,390)	\$ (5,544,016)	\$ (30,626)
Total other financing sources (uses)	\$ (5,448,390)	\$ (5,499,723)	\$ (5,530,349)	\$ (30,626)
Net change in fund balances	\$ (7,757,735)	\$ (10,618,340)	\$ (173,442)	\$ 10,444,898
Fund balances - beginning	7,757,735	10,618,340	48,830,106	38,211,766
Fund balances - ending	\$ -	\$ -	\$ 48,656,664	\$ 48,656,664

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

County:**Virginia Retirement System:**

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)
6/30/2011	\$ 21,763,518	\$ 26,795,920	\$ 5,032,402	81.22%	\$ 10,153,301	49.56%
6/30/2010	20,619,407	24,647,304	4,027,897	83.66%	10,037,966	40.13%
6/30/2009	19,829,329	22,215,473	2,386,144	89.26%	9,655,181	24.71%

Health Insurance Credit Program:

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)
6/30/2011	\$ 51,034	\$ 101,684	\$ 50,650	50.19%	\$ 4,471,678	1.13%
6/30/2010	40,355	94,627	54,272	42.65%	10,037,966	0.54%
6/30/2009	26,110	79,140	53,030	32.99%	9,655,181	0.55%

Discretely Presented Component Unit - School Board**Virginia Retirement System:****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)
6/30/2011	\$ 9,230,853	\$ 11,023,920	\$ 1,793,067	83.73%	\$ 3,472,469	51.64%
6/30/2010	8,901,553	10,350,280	1,448,727	86.00%	3,241,463	44.69%
6/30/2009	8,771,928	9,452,254	680,326	92.80%	3,309,996	20.55%

Health Insurance Credit Program:

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)
6/30/2011	\$ 128,236	\$ 289,783	\$ 161,547	44.25%	\$ 3,472,469	4.65%
6/30/2010	100,708	270,689	169,981	37.20%	3,241,463	5.24%
6/30/2009	69,787	242,361	172,574	28.79%	3,309,996	5.21%

Other Post-Employment Benefits
Schedule of Pension Funding Progress

County:

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2010	\$ -	\$ 1,943,251	\$ 1,943,251	0.00%	\$ 10,020,445	19.39%
7/1/2008	-	1,332,034	1,332,034	0.00%	9,297,315	14.33%

Discretely Presented Component Unit - School Board

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2010	\$ -	\$ 5,178,504	\$ 5,178,504	0.00%	\$ 27,382,582	18.91%
7/1/2008	-	6,019,472	6,019,472	0.00%	27,879,898	21.59%

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

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Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ 270,164	\$ 270,164
Revenue from the use of money and property	200,000	200,000	55,561	(144,439)
Miscellaneous	50,000	61,574	64,116	2,542
Intergovernmental revenues:				
Commonwealth	100,000	100,000	954,455	854,455
Federal	-	-	740,083	740,083
Total revenues	\$ 350,000	\$ 361,574	\$ 2,084,379	\$ 1,722,805
EXPENDITURES				
Current:				
Economic development projects	\$ 1,610,640	\$ 4,256,715	\$ 896,684	\$ 3,360,031
Emergency services projects	400,000	551,532	380,805	170,727
County administration	15,000	134,961	122,354	12,607
Parks and recreation	98,750	413,818	2,600	411,218
Sheriff's department	292,000	1,471,333	1,228,641	242,692
School capital projects	8,682,000	11,006,646	1,134,853	9,871,793
Public works	3,700,000	4,463,207	1,977,696	2,485,511
Total expenditures	\$ 14,798,390	\$ 22,298,212	\$ 5,743,633	\$ 16,554,579
Excess (deficiency) of revenues over (under) expenditures	\$ (14,448,390)	\$ (21,936,638)	\$ (3,659,254)	\$ 18,277,384
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 6,448,390	\$ 13,950,305	\$ 5,513,390	\$ (8,436,915)
Transfers out	-	(13,667)	(13,667)	-
Issuance of revenue bonds	8,000,000	8,000,000	-	(8,000,000)
Total other financing sources (uses)	\$ 14,448,390	\$ 21,936,638	\$ 5,499,723	\$ (16,436,915)
Net change in fund balances	\$ -	\$ -	\$ 1,840,469	\$ 1,840,469
Fund balances - beginning	-	-	7,890,912	7,890,912
Fund balances - ending	\$ -	\$ -	\$ 9,731,381	\$ 9,731,381

Natural Disaster Capital Projects Fund

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

For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Commonwealth	\$ -	\$ 7,747,459	\$ 54,446	\$ (7,693,013)
Federal	-	35,293,980	255,216	(35,038,764)
Total revenues	\$ -	\$ 43,041,439	\$ 309,662	\$ (42,731,777)
EXPENDITURES				
Current:				
School - earthquake projects	\$ -	\$ 61,450,016	\$ 340,288	\$ 61,109,728
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (18,408,577)	\$ (30,626)	\$ 18,377,951
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 3,408,577	\$ 30,626	\$ (3,377,951)
Insurance proceeds	-	15,000,000	-	(15,000,000)
Total other financing sources (uses)	\$ -	\$ 18,408,577	\$ 30,626	\$ (18,377,951)
Net change in fund balances	\$ -	\$ -	\$ -	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	-

Combining Statement of Fiduciary Net Assets
 Agency Funds
 June 30, 2012

	Agency Funds			
	Special Welfare	Bond Escrow Fund	Spencer Scholarship Fund	Total
ASSETS				
Cash and cash equivalents	\$ 17,564	\$ 373,093	\$ 59,351	\$ 450,008
Total assets	<u>\$ 17,564</u>	<u>\$ 373,093</u>	<u>\$ 59,351</u>	<u>\$ 450,008</u>
LIABILITIES				
Amounts held for social services clients	\$ 17,564	\$ -	\$ -	\$ 17,564
Amounts held for projects	-	373,093	-	373,093
Amounts held for others	-	-	59,351	59,351
Total liabilities	<u>\$ 17,564</u>	<u>\$ 373,093</u>	<u>\$ 59,351</u>	<u>\$ 450,008</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2012

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 2,716	\$ 68,291	\$ 53,443	\$ 17,564
Total assets	<u>\$ 2,716</u>	<u>\$ 68,291</u>	<u>\$ 53,443</u>	<u>\$ 17,564</u>
LIABILITIES				
Amounts held for social services clients	\$ 2,716	\$ 68,291	\$ 53,443	\$ 17,564
Total liabilities	<u>\$ 2,716</u>	<u>\$ 68,291</u>	<u>\$ 53,443</u>	<u>\$ 17,564</u>
Bond Escrow Account:				
ASSETS				
Cash and cash equivalents	\$ 663,247	\$ 66,325	\$ 356,479	\$ 373,093
Total assets	<u>\$ 663,247</u>	<u>\$ 66,325</u>	<u>\$ 356,479</u>	<u>\$ 373,093</u>
LIABILITIES				
Amounts held for projects	\$ 663,247	\$ 66,325	\$ 356,479	\$ 373,093
Total liabilities	<u>\$ 663,247</u>	<u>\$ 66,325</u>	<u>\$ 356,479</u>	<u>\$ 373,093</u>
Spencer Scholarship Fund:				
ASSETS				
Cash and cash equivalents	\$ -	\$ 60,761	\$ 1,410	\$ 59,351
Total assets	<u>\$ -</u>	<u>\$ 60,761</u>	<u>\$ 1,410</u>	<u>\$ 59,351</u>
LIABILITIES				
Amounts held for others	\$ -	\$ 60,761	\$ 1,410	\$ 59,351
Total liabilities	<u>\$ -</u>	<u>\$ 60,761</u>	<u>\$ 1,410</u>	<u>\$ 59,351</u>
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 665,963	\$ 195,377	\$ 411,332	\$ 450,008
Total assets	<u>\$ 665,963</u>	<u>\$ 195,377</u>	<u>\$ 411,332</u>	<u>\$ 450,008</u>
LIABILITIES				
Amounts held for social services clients	\$ 2,716	\$ 68,291	\$ 53,443	\$ 17,564
Amounts held for projects	663,247	66,325	356,479	373,093
Amounts held for others	-	60,761	1,410	59,351
Total liabilities	<u>\$ 665,963</u>	<u>\$ 195,377</u>	<u>\$ 411,332</u>	<u>\$ 450,008</u>

Discretely Presented Component Unit-School Board

Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2012

	School Operating Fund	Natural Disaster Operating Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,120,151	\$ -	\$ 6,120,151
Receivables (net of allowance for uncollectibles):			
Accounts receivable	96,459	-	96,459
Due from other governmental units	1,254,164	1,442,207	2,696,371
Prepaid items	6,019	-	6,019
Total assets	<u>\$ 7,476,793</u>	<u>\$ 1,442,207</u>	<u>\$ 8,919,000</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 941,845	\$ 79,845	\$ 1,021,690
Accrued liabilities	4,476,801	-	4,476,801
Due to primary government	2,057,839	1,362,362	3,420,201
Total liabilities	<u>\$ 7,476,485</u>	<u>\$ 1,442,207</u>	<u>\$ 8,918,692</u>
Fund balances:			
Assigned:			
Cafeteria operations	\$ 308	\$ -	\$ 308
Total fund balances	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ 308</u>
Total liabilities and fund balances	<u>\$ 7,476,793</u>	<u>\$ 1,442,207</u>	<u>\$ 8,919,000</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:			
Total fund balances per above			\$ 308
Receivable for insurance recovery related to earthquake recorded in relation to impaired capital assets			14,151,500
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			17,778,109
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.			<u>(2,531,448)</u>
Net assets of governmental activities			<u>\$ 29,398,469</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2012

	School Operating Fund	Natural Disaster Operating Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 2,069	\$ -	\$ 2,069
Charges for services	803,194	-	803,194
Miscellaneous	379,312	-	379,312
Recovered costs	639,881	1,795	641,676
Intergovernmental revenues:			
Local government	24,627,180	142,636	24,769,816
Commonwealth	17,650,526	253,575	17,904,101
Federal	4,724,321	1,188,632	5,912,953
Total revenues	<u>\$ 48,826,483</u>	<u>\$ 1,586,638</u>	<u>\$ 50,413,121</u>
EXPENDITURES			
Current:			
Education	\$ 48,907,687	\$ -	\$ 48,907,687
Excess (deficiency) of revenues over (under) expenditures	\$ (81,204)	\$ 1,586,638	\$ 1,505,434
EXTRAORDINARY ITEMS			
Earthquake related expenditures	\$ -	\$ (6,864,113)	\$ (6,864,113)
Insurance proceeds - earthquake	-	5,277,475	5,277,475
Total extraordinary items	<u>\$ -</u>	<u>\$ (1,586,638)</u>	<u>\$ (1,586,638)</u>
Net change in fund balances	\$ (81,204)	\$ -	\$ (81,204)
Fund balances - beginning	81,512	-	81,512
Fund balances - ending	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ 308</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:			
Net change in fund balances - total governmental funds - per above		\$	(81,204)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. Details supporting this adjustment are as follows:			
Capital outlay		\$ 631,127	
Depreciation expense		(1,638,375)	
Net effect of impairment of capital assets		6,830,566	
Assets contributed by Primary Government		336,349	
Transfer of joint tenancy assets from Primary Government to the Component Unit		<u>3,441,636</u>	\$ 9,601,303
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. Details supporting this adjustment are as follows:			
Decrease in accrued leave		\$ 23,766	
(Increase) OPEB liability		<u>(457,399)</u>	<u>\$ (433,633)</u>
Change in net assets of governmental activities			<u>\$ 9,086,466</u>

COUNTY OF LOUISA, VIRGINIA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2012

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 5,500	\$ 5,500	\$ 2,069	\$ (3,431)
Charges for services	1,088,128	1,088,128	803,194	(284,934)
Miscellaneous	307,000	357,001	379,312	22,311
Recovered costs	410,000	410,000	639,881	229,881
Intergovernmental revenues:				
Local government	25,654,076	25,654,076	24,627,180	(1,026,896)
Commonwealth	17,719,111	17,719,111	17,650,526	(68,585)
Federal	4,271,376	4,848,119	4,724,321	(123,798)
Total revenues	<u>\$ 49,455,191</u>	<u>\$ 50,081,935</u>	<u>\$ 48,826,483</u>	<u>\$ (1,255,452)</u>
EXPENDITURES				
Current:				
Education:				
Instruction	\$ 33,922,653	\$ 34,625,088	\$ 33,717,033	\$ 908,055
Administration, attendance and health	2,064,120	2,134,703	2,096,666	38,037
Pupil transportation	4,654,740	4,632,939	4,641,674	(8,735)
Operation and maintenance services	4,391,191	3,910,240	3,867,329	42,911
Facilities	132,723	101,468	16,997	84,471
Technology	2,114,810	2,502,543	2,496,630	5,913
School food services	2,174,954	2,174,954	2,071,358	103,596
Total expenditures	<u>\$ 49,455,191</u>	<u>\$ 50,081,935</u>	<u>\$ 48,907,687</u>	<u>\$ 1,174,248</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (81,204)</u>	<u>\$ (81,204)</u>
EXTRAORDINARY ITEMS				
Earthquake related expenditures	\$ -	\$ -	\$ -	\$ -
Insurance proceeds - earthquake	-	-	-	-
Total extraordinary items	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ (81,204)	\$ (81,204)
Fund balances - beginning	-	-	81,512	81,512
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308</u>	<u>\$ 308</u>

Natural Disaster Operating Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	-	1,795	1,795	
-	325,636	142,636	(183,000)	
-	578,909	253,575	(325,334)	
-	2,713,634	1,188,632	(1,525,002)	
\$ -	\$ 3,618,179	\$ 1,586,638	\$ (2,031,541)	
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	-
\$ -	\$ 3,618,179	\$ 1,586,638	\$ (2,031,541)	
\$ -	\$ (8,618,179)	\$ (6,864,113)	\$ 1,754,066	
-	5,000,000	5,277,475	277,475	
\$ -	\$ (3,618,179)	\$ (1,586,638)	\$ 2,031,541	
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	-

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Supporting Schedules

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COUNTY OF LOUISA, VIRGINIA

Schedule 1

Page 1 of 6

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 24,774,000	\$ 24,774,000	\$ 25,612,796	\$ 838,796
Real and personal public service corporation taxes	14,671,700	14,671,700	15,580,802	909,102
Personal property taxes	3,619,773	3,619,773	4,378,316	758,543
Mobile home taxes	52,000	52,000	62,108	10,108
Machinery and tools taxes	265,000	265,000	319,877	54,877
Other taxes	400,000	400,000	451,126	51,126
Penalties	200,000	200,000	308,052	108,052
Interest	175,000	175,000	307,094	132,094
Total general property taxes	\$ 44,157,473	\$ 44,157,473	\$ 47,020,171	\$ 2,862,698
Other local taxes:				
Local sales and use taxes	\$ 2,350,000	\$ 2,350,000	\$ 2,952,991	\$ 602,991
Consumers' utility taxes	500,000	500,000	590,706	90,706
Business license taxes	130,000	130,000	137,707	7,707
Utility license taxes	3,000	3,000	3,529	529
Motor vehicle licenses	550,000	550,000	597,817	47,817
Taxes on recordation and wills	550,000	550,000	427,573	(122,427)
Hotel and motel room taxes	65,000	65,000	86,958	21,958
Total other local taxes	\$ 4,148,000	\$ 4,148,000	\$ 4,797,281	\$ 649,281
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,000	\$ 16,252	\$ 1,252
Land use application fees	1,000	1,000	1,170	170
Transfer fees	1,500	1,500	1,302	(198)
Building and other related permits	300,000	300,000	291,049	(8,951)
Zoning and use permits	120,000	120,000	75,150	(44,850)
Erosion and sediment control	25,000	25,000	47,135	22,135
Permits and other licenses	2,000	2,000	3,738	1,738
Total permits, privilege fees, and regulatory licenses	\$ 464,500	\$ 464,500	\$ 435,796	\$ (28,704)
Fines and forfeitures:				
Court fines and forfeitures	\$ 150,000	\$ 150,000	\$ 169,536	\$ 19,536
Revenue from use of money and property:				
Revenue from use of money	\$ 300,000	\$ 300,000	\$ 200,635	\$ (99,365)
Revenue from use of property	15,000	15,000	30,394	15,394
Total revenue from use of money and property	\$ 315,000	\$ 315,000	\$ 231,029	\$ (83,971)
Charges for services:				
Excess fees of clerk	\$ 50,000	\$ 50,000	\$ 9,989	\$ (40,011)
Charges for law enforcement and traffic control	4,000	4,000	4,630	630
Charges for courthouse maintenance	15,000	15,000	12,715	(2,285)
Concealed weapons permits	2,250	2,250	6,244	3,994
Charges for Commonwealth's Attorney	650	650	2,303	1,653
Ambulance services	512,292	432,292	862,156	429,864
Charges for sanitation and waste removal	200,000	200,000	173,593	(26,407)

COUNTY OF LOUISA, VIRGINIA

Schedule 1

Page 2 of 6

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services: (Continued)				
Charges for parks and recreation	\$ 402,000	\$ 402,000	\$ 446,390	\$ 44,390
Other court charges	60,000	60,000	55,789	(4,211)
Other charges for services	600	12,600	14,966	2,366
Court fees law library	-	-	3,097	3,097
Total charges for services	\$ 1,246,792	\$ 1,178,792	\$ 1,591,872	\$ 413,080
Miscellaneous revenue:				
Miscellaneous	\$ 100,000	\$ 425,541	\$ 453,240	\$ 27,699
Recovered costs:				
Juvenile and domestic relations court costs	\$ 18,000	\$ 18,000	\$ 23,043	\$ 5,043
Expenditure refunds	-	-	9,045	9,045
Other recovered costs	26,000	29,652	67,371	37,719
Total recovered costs	\$ 44,000	\$ 47,652	\$ 99,459	\$ 51,807
Total revenue from local sources	\$ 50,625,765	\$ 50,886,958	\$ 54,798,384	\$ 3,911,426
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ -	\$ -	\$ 21,704	\$ 21,704
Mobile home titling tax	35,000	35,000	22,389	(12,611)
Local aid to the Commonwealth of Virginia	(175,000)	(175,000)	(189,923)	(14,923)
Motor vehicle rental tax	1,800	1,800	2,249	449
Communication sales tax	350,000	350,000	354,786	4,786
Personal property tax relief funds	1,620,227	1,620,227	1,620,227	-
Total noncategorical aid	\$ 1,832,027	\$ 1,832,027	\$ 1,831,432	\$ (595)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 300,000	\$ 300,000	\$ 319,654	\$ 19,654
Sheriff	1,115,000	1,115,000	1,205,375	90,375
Commissioner of revenue	110,000	110,000	119,581	9,581
Treasurer	75,000	75,000	119,133	44,133
Registrar/electoral board	32,550	32,550	54,234	21,684
Clerk of the Circuit Court	250,000	250,000	253,731	3,731
Total shared expenses	\$ 1,882,550	\$ 1,882,550	\$ 2,071,708	\$ 189,158
Other categorical aid:				
Welfare administration and assistance	\$ 1,164,703	\$ 1,386,011	\$ 1,359,040	\$ (26,971)
Wireless E-911 grant	-	-	45,240	45,240
Emergency services	-	1,216	-	(1,216)
Juvenile justice - crime control	-	9,905	14,158	4,253
At risk youth - comprehensive services act	1,142,475	1,142,475	827,791	(314,684)
Four 4 life grant	-	35,722	35,722	-
Litter control grant	-	7,809	7,809	-
Radiological preparedness grant	-	25,000	25,000	-

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid: (Continued)				
Fire programs fund	\$ -	71,460	\$ 83,220	\$ 11,760
Victim-witness grant	-	12,961	12,625	(336)
Other categorical aid	-	38,491	96,620	58,129
Total other categorical aid	<u>\$ 2,307,178</u>	<u>\$ 2,731,050</u>	<u>\$ 2,507,225</u>	<u>\$ (223,825)</u>
Total categorical aid	<u>\$ 4,189,728</u>	<u>\$ 4,613,600</u>	<u>\$ 4,578,933</u>	<u>\$ (34,667)</u>
Total revenue from the Commonwealth	<u>\$ 6,021,755</u>	<u>\$ 6,445,627</u>	<u>\$ 6,410,365</u>	<u>\$ (35,262)</u>
Revenue from the federal government:				
Categorical aid:				
Welfare public assistance	\$ 1,744,141	\$ 1,744,141	\$ 1,662,220	\$ (81,921)
Victim witness	-	38,883	37,877	(1,006)
Assistance to firefighters	-	-	600,550	600,550
Alcohol open container requirements	-	26,400	26,270	(130)
Bulletproof vest partnership program	-	9,736	4,327	(5,409)
Arts grant	-	-	5,000	5,000
State domestic preparedness equipment program	-	14,299	3,997	(10,302)
FEMA grants	-	28,100	32,222	4,122
Violence against women	-	27,350	27,350	-
Total categorical aid	<u>\$ 1,744,141</u>	<u>\$ 1,888,909</u>	<u>\$ 2,399,813</u>	<u>\$ 510,904</u>
Total revenue from the federal government	<u>\$ 1,744,141</u>	<u>\$ 1,888,909</u>	<u>\$ 2,399,813</u>	<u>\$ 510,904</u>
Total General Fund	<u>\$ 58,391,661</u>	<u>\$ 59,221,494</u>	<u>\$ 63,608,562</u>	<u>\$ 4,387,068</u>
Capital Projects Fund:				
County Capital Improvements Fund:				
Revenue from local sources:				
Other local taxes:				
Meals tax	\$ -	-	\$ 270,164	\$ 270,164
Revenue from use of money and property:				
Revenue from the use of money	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 55,561</u>	<u>\$ (144,439)</u>
Miscellaneous revenue:				
Other miscellaneous	<u>\$ 50,000</u>	<u>\$ 61,574</u>	<u>\$ 64,116</u>	<u>\$ 2,542</u>
Total revenue from local sources	<u>\$ 250,000</u>	<u>\$ 261,574</u>	<u>\$ 389,841</u>	<u>\$ 128,267</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
OEMS consolidated grant	\$ -	-	\$ 144,000	\$ 144,000
DEQ waste tire development program	-	-	47,475	47,475
Transportation grant	-	-	628,467	628,467
Recordation taxes	100,000	100,000	134,513	34,513
Total categorical aid	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 954,455</u>	<u>\$ 854,455</u>
Total revenue from the Commonwealth	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 954,455</u>	<u>\$ 854,455</u>

COUNTY OF LOUISA, VIRGINIA

Schedule 1

Page 4 of 6

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund: (Continued)				
County Capital Improvements Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 740,083	\$ 740,083
Total County Capital Improvements Fund	\$ 350,000	\$ 361,574	\$ 2,084,379	\$ 1,722,805
Natural Disaster Capital Projects Fund:				
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
FEMA - earthquake funds	\$ -	\$ 7,747,459	\$ 54,446	\$ (7,693,013)
Revenue from the federal government:				
Categorical aid:				
FEMA - earthquake funds	\$ -	\$ 35,293,980	\$ 255,216	\$ (35,038,764)
Total Natural Disaster Capital Projects Fund	-	43,041,439	309,662	(42,731,777)
Total Primary Government	\$ 58,741,661	\$ 102,624,507	\$ 66,002,603	\$ (36,621,904)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 2,500	\$ 2,500	\$ 2,069	\$ (431)
Revenue from the use of property	3,000	3,000	-	(3,000)
Total revenue from use of money and property	\$ 5,500	\$ 5,500	\$ 2,069	\$ (3,431)
Charges for services:				
Tuition	\$ 182,000	\$ 182,000	\$ 152,484	\$ (29,516)
Cafeteria sales	906,128	906,128	650,710	(255,418)
Total charges for services	\$ 1,088,128	\$ 1,088,128	\$ 803,194	\$ (284,934)
Miscellaneous revenue:				
Other miscellaneous	\$ 307,000	\$ 357,001	\$ 379,312	\$ 22,311
Recovered costs:				
Other recovered costs	\$ 410,000	\$ 410,000	\$ 639,881	\$ 229,881
Total revenue from local sources	\$ 1,810,628	\$ 1,860,629	\$ 1,824,456	\$ (36,173)
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 25,654,076	\$ 25,654,076	\$ 24,627,180	\$ (1,026,896)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,554,809	\$ 4,554,809	\$ 4,604,528	\$ 49,719
Basic school aid	8,526,916	8,526,916	8,494,851	(32,065)
Special education	1,113,316	1,113,316	1,112,366	(950)
Textbook payment	85,039	85,039	84,967	(72)
Vocational SOQ payments	230,630	230,630	230,434	(196)
Social security fringe benefits	536,740	536,740	536,282	(458)
Retirement fringe benefits	486,420	486,420	486,006	(414)
At risk payments	189,141	189,141	189,006	(135)
Special education - regional tuition	234,376	234,376	228,870	(5,506)
Primary class size	240,611	240,611	245,107	4,496
Technology	206,000	206,000	206,000	-
At risk four-year olds	372,000	372,000	270,000	(102,000)
English as a second language	8,626	8,626	14,208	5,582
Supplemental support	272,328	272,328	271,535	(793)
Other state funds	662,159	662,159	676,366	14,207
Total categorical aid	<u>\$ 17,719,111</u>	<u>\$ 17,719,111</u>	<u>\$ 17,650,526</u>	<u>\$ (68,585)</u>
Total revenue from the Commonwealth	<u>\$ 17,719,111</u>	<u>\$ 17,719,111</u>	<u>\$ 17,650,526</u>	<u>\$ (68,585)</u>
Revenue from the federal government:				
Categorical aid:				
Title II, part D: Education technology state grants	\$ 15,000	\$ 15,000	\$ 8,951	\$ (6,049)
Title I: Grants to local educational agencies	850,000	937,667	639,788	(297,879)
Title I: Grants to local educational agencies ARRA	-	29,930	29,930	-
Title I: School improvement	175,000	110,010	-	(110,010)
Title VI-B: Special education grants	903,000	992,535	896,630	(95,905)
Title VI-B: Special education grants ARRA	-	233,215	307,301	74,086
Title VI-B: Special education preschool grants	18,915	27,582	16,797	(10,785)
State fiscal stabilization	771,961	914,362	642,392	(271,970)
ARRA - Education jobs fund	-	-	783,743	783,743
Vocational education	75,000	77,270	84,521	7,251
Safe and drug free schools and communities	2,500	2,500	2,606	106
Title II, part A: Improving teacher quality	305,000	341,559	174,372	(167,187)
1003 G state set aside	50,000	50,000	-	(50,000)
School lunch and breakfast program	1,105,000	1,105,000	1,132,433	27,433
Title V, part A: Innovative programs	-	11,489	4,857	(6,632)
Total categorical aid	<u>\$ 4,271,376</u>	<u>\$ 4,848,119</u>	<u>\$ 4,724,321</u>	<u>\$ (123,798)</u>
Total revenue from the federal government	<u>\$ 4,271,376</u>	<u>\$ 4,848,119</u>	<u>\$ 4,724,321</u>	<u>\$ (123,798)</u>
Total School Operating Fund	<u>\$ 49,455,191</u>	<u>\$ 50,081,935</u>	<u>\$ 48,826,483</u>	<u>\$ (1,255,452)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012 (Continued)

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Natural Disaster Operating Fund:				
Revenue from local sources:				
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 1,795	\$ 1,795
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ -	\$ 325,636	\$ 142,636	\$ (183,000)
Revenue from the Commonwealth:				
Categorical aid:				
FEMA - earthquake funds	\$ -	\$ 578,909	\$ 253,575	\$ (325,334)
Revenue from the federal government:				
Categorical aid:				
FEMA - earthquake funds	\$ -	\$ 2,713,634	\$ 1,188,632	\$ (1,525,002)
Total Natural Disaster Operating Fund	\$ -	\$ 3,618,179	\$ 1,586,638	\$ (2,031,541)
Total Discretely Presented Component Unit - School Board	\$ 49,455,191	\$ 53,700,114	\$ 50,413,121	\$ (3,286,993)

Statistical Section

Contents

Tables

Financial Trends

These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.

1 - 6

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

7 - 10

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

11

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

12

Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.

13-17

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

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COUNTY OF LOUISA, VIRGINIA

Table 1

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 12,317,304	\$ 12,252,158	\$ 12,522,789	\$ 13,500,980	\$ 17,607,864	\$ 15,445,907	\$ 17,461,096	\$ 17,504,861	\$ 18,143,105	\$ 17,833,603
Restricted	7,593,099	9,962,572	-	-	-	-	-	-	-	-
Unrestricted	11,642,956	11,991,601	25,422,192	30,617,173	39,720,461	52,132,430	59,940,996	64,218,511	56,273,869	58,590,814
Total governmental activities net assets	\$ 31,553,359	\$ 34,206,331	\$ 37,944,981	\$ 44,118,153	\$ 57,328,325	\$ 67,578,337	\$ 77,402,092	\$ 81,723,372	\$ 74,416,974	\$ 76,424,417
Primary government										
Invested in capital assets, net of related debt	\$ 12,317,304	\$ 12,252,158	\$ 12,522,789	\$ 13,500,980	\$ 17,607,864	\$ 15,445,907	\$ 17,461,096	\$ 17,504,861	\$ 18,143,105	\$ 17,833,603
Restricted	7,593,099	9,962,572	-	-	-	-	-	-	-	-
Unrestricted	11,642,956	11,991,601	25,422,192	30,617,173	39,720,461	52,132,430	59,940,996	64,218,511	56,273,869	58,590,814
Total primary government net assets	\$ 31,553,359	\$ 34,206,331	\$ 37,944,981	\$ 44,118,153	\$ 57,328,325	\$ 67,578,337	\$ 77,402,092	\$ 81,723,372	\$ 74,416,974	\$ 76,424,417

COUNTY OF LOUISA, VIRGINIA

Table 2
Page 1 of 2

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government administration	\$ 1,973,073	\$ 2,045,811	\$ 2,471,471	\$ 3,076,968	\$ 3,221,581	\$ 3,186,889	\$ 3,350,010	\$ 3,558,411	\$ 3,677,873	\$ 3,315,349
Judicial administration	1,351,154	1,343,455	1,480,965	1,531,372	1,749,661	2,064,610	2,171,890	2,159,585	2,102,860	2,009,183
Public safety	4,862,337	5,461,400	6,140,453	6,649,580	7,702,140	8,134,037	9,134,214	10,517,991	11,613,566	12,377,094
Public works	2,069,710	2,473,378	3,154,616	3,708,322	3,181,936	3,436,269	3,563,987	3,991,484	3,785,930	3,618,145
Health and welfare	3,756,273	3,988,240	4,527,540	5,161,120	5,729,666	6,595,067	7,118,397	7,303,205	7,190,521	7,556,166
Education	18,453,714	20,102,557	19,570,379	20,837,915	22,066,405	24,724,820	24,954,712	26,044,246	27,275,972	30,226,555
Parks, recreation and cultural	975,911	1,052,946	1,297,959	1,169,334	1,346,662	1,954,021	1,730,650	1,736,229	1,496,928	1,495,615
Community development	867,176	837,947	2,447,529	2,885,848	2,186,487	2,891,452	2,100,642	4,119,397	12,482,752	2,487,347
Capital Outlays	4,709,403	-	-	-	-	-	-	-	-	-
Nondepartmental	73,723	-	-	-	-	-	-	-	-	-
Interest on long-term debt	996,895	882,656	713,040	614,494	548,648	612,869	663,163	979,923	971,342	876,571
Total governmental activities expenses	\$ 40,089,369	\$ 38,188,390	\$ 41,803,952	\$ 45,634,953	\$ 47,733,186	\$ 53,600,034	\$ 54,787,665	\$ 60,410,371	\$ 70,597,744	\$ 63,962,025
Total primary government expenses	\$ 40,089,369	\$ 38,188,390	\$ 41,803,952	\$ 45,634,953	\$ 47,733,186	\$ 53,600,034	\$ 54,787,665	\$ 60,410,371	\$ 70,597,744	\$ 63,962,025
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	\$ 1,490	\$ 4,805	\$ 1,370	\$ 1,360	\$ 3,609	\$ 34,375	\$ 54,675	\$ 46,472	\$ 77,620	\$ 21,176
Judicial administration	155,971	281,507	222,114	278,211	206,547	167,024	175,650	142,758	125,991	83,893
Public safety	333,484	429,177	1,030,266	1,189,764	1,032,403	939,053	1,001,743	1,473,731	1,458,471	1,472,152
Public works	24,807	-	426,551	491,862	495,604	485,627	332,146	649,390	390,488	173,593
Parks, recreation and cultural	220,727	319,453	400,793	379,622	375,683	398,664	436,224	417,848	474,411	446,390
Community development	135,318	237,727	-	-	2,312	4,061	-	-	-	-
Operating grants and contributions	4,776,449	4,223,549	4,665,544	4,970,503	5,742,790	5,817,630	6,293,647	6,166,247	6,661,424	7,304,734
Capital grants and contributions	186,078	688,721	1,264,338	537,636	633,676	1,210,700	1,521,611	37,708	312,468	1,678,212
Total governmental activities program revenues	\$ 5,834,324	\$ 6,164,939	\$ 8,010,976	\$ 7,848,958	\$ 8,492,624	\$ 9,057,134	\$ 9,815,696	\$ 8,934,154	\$ 9,500,873	\$ 11,180,150
Total primary government program revenues	\$ 5,834,324	\$ 6,164,939	\$ 8,010,976	\$ 7,848,958	\$ 8,492,624	\$ 9,057,134	\$ 9,815,696	\$ 8,934,154	\$ 9,500,873	\$ 11,180,150
Net (expense) / revenue	\$ (34,255,045)	\$ (32,023,451)	\$ (33,792,976)	\$ (37,785,995)	\$ (39,240,562)	\$ (44,542,900)	\$ (44,971,969)	\$ (51,476,217)	\$ (61,096,871)	\$ (52,781,875)
Governmental activities										
Total primary government net expense	\$ (34,255,045)	\$ (32,023,451)	\$ (33,792,976)	\$ (37,785,995)	\$ (39,240,562)	\$ (44,542,900)	\$ (44,971,969)	\$ (51,476,217)	\$ (61,096,871)	\$ (52,781,875)

COUNTY OF LOUISA, VIRGINIA

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 26,265,791	\$ 29,298,169	\$ 31,105,758	\$ 36,262,298	\$ 43,652,658	\$ 46,208,819	\$ 47,820,043	\$ 48,588,750	\$ 46,946,443	\$ 47,362,574
Local sales and use taxes	1,094,904	1,143,756	1,381,918	1,585,747	1,443,201	1,723,872	2,062,118	2,409,995	2,604,059	2,952,991
Taxes on recordation and wills	267,673	428,384	743,375	1,002,853	874,653	739,593	571,874	495,804	410,873	427,573
Motor vehicle licenses taxes	507,198	549,873	577,077	612,145	604,244	587,777	21,927	395,196	556,974	597,817
Consumer utility taxes	691,090	451,519	510,188	533,015	553,813	568,674	579,350	583,834	591,476	590,706
E-911 / Communication taxes	-	340,095	352,848	358,845	350,769	398,901	362,437	363,946	362,146	-
Meals taxes	-	-	-	-	-	-	-	-	-	270,164
Other local taxes	114,517	117,151	157,321	188,250	289,646	285,074	226,923	216,787	246,305	228,194
Unrestricted grants and contributions	1,751,388	1,819,661	1,817,589	2,104,711	2,014,600	1,881,387	1,990,902	1,873,141	1,529,514	1,831,432
Unrestricted revenues from use of money and property	259,496	277,038	618,446	1,143,165	2,002,022	2,075,246	941,206	553,396	356,548	286,590
Miscellaneous	110,790	250,778	267,106	180,854	665,128	323,569	269,679	314,823	184,434	241,277
Transfers	-	-	-	-	-	-	(50,735)	-	-	-
Gain/Loss Sale of Assets	-	-	-	(12,716)	-	-	-	1,825	1,701	-
Total governmental activities	\$ 31,062,847	\$ 34,676,424	\$ 37,531,626	\$ 43,959,167	\$ 52,450,734	\$ 54,792,912	\$ 54,795,724	\$ 55,797,497	\$ 53,790,473	\$ 54,789,318
Total primary government	\$ 31,062,847	\$ 34,676,424	\$ 37,531,626	\$ 43,959,167	\$ 52,450,734	\$ 54,792,912	\$ 54,795,724	\$ 55,797,497	\$ 53,790,473	\$ 54,789,318
Change in Net Assets										
Governmental activities	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	\$ 13,210,172	\$ 10,250,012	\$ 9,823,755	\$ 4,321,280	\$ (7,306,398)	\$ 2,007,443
Total primary government	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	\$ 13,210,172	\$ 10,250,012	\$ 9,823,755	\$ 4,321,280	\$ (7,306,398)	\$ 2,007,443

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

COUNTY OF LOUISA, VIRGINIA

Table 3

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

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Record-ation and Wills Tax	E-911 Tax	Meals Tax	Other Local Taxes	Total
2012	\$ 47,362,574	\$ 2,952,991	\$ 590,706	\$ 597,817	\$ 427,573	\$ -	\$ 270,164	\$ 228,194	\$ 52,430,019
2011	46,946,443	2,604,059	591,476	556,974	410,873	362,146	-	246,305	51,718,276
2010	48,588,750	2,409,995	583,834	395,196	495,804	363,946	-	216,787	53,054,312
2009	47,820,043	2,062,118	579,350	21,927	571,874	362,437	-	226,923	51,644,672
2008	46,208,819	1,723,872	568,674	587,777	739,593	398,901	-	285,074	50,512,710
2007	43,652,658	1,443,201	553,813	604,244	874,653	350,769	-	289,646	47,768,984
2006	36,262,298	1,585,747	533,015	612,145	1,002,853	358,845	-	188,250	40,543,153
2005	31,105,758	1,381,918	510,188	577,077	743,375	352,848	-	157,321	34,828,485
2004	29,298,169	1,143,756	451,519	549,873	428,384	340,095	-	357,538	32,569,334
2003	26,265,791	1,094,904	691,090	507,198	267,673	-	-	114,517	28,941,173

COUNTY OF LOUISA, VIRGINIA

Table 4

Fund Balances of Governmental Funds (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,729
Committed	-	-	-	-	-	-	-	15,800,000	15,800,000	15,800,000
Assigned for	-	-	-	-	-	-	-	6,148,450	4,085,570	4,219,865
Unassigned	-	-	-	-	-	-	-	24,576,330	28,944,536	28,623,070
Unreserved	14,288,447	15,405,399	18,747,639	24,429,080	33,474,221	41,320,911	42,864,680	-	-	-
Total general fund	\$ 14,288,447	\$ 15,405,399	\$ 18,747,639	\$ 24,429,080	\$ 33,474,221	\$ 41,320,911	\$ 42,864,680	\$ 46,524,780	\$ 48,830,106	\$ 48,656,664
All other governmental funds										
Assigned for capital projects funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,146,488	\$ 7,890,912	\$ 9,731,381
Unreserved capital projects funds	6,928,693	8,461,332	8,779,680	7,901,923	7,499,078	11,694,539	28,034,638	-	-	-
Total all other governmental funds	\$ 6,928,693	\$ 8,461,332	\$ 8,779,680	\$ 7,901,923	\$ 7,499,078	\$ 11,694,539	\$ 28,034,638	\$ 20,146,488	\$ 7,890,912	\$ 9,731,381

(1) Beginning in FY 2010, the County adopted GASB 54, which changed the classification of governmental fund balances.

COUNTY OF LOUISA, VIRGINIA

Table 5

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
General property taxes	\$ 26,098,535	\$ 29,213,678	\$ 31,123,057	\$ 36,186,328	\$ 43,098,133	\$ 45,676,153	\$ 47,544,306	\$ 47,712,558	\$ 46,990,688	\$ 47,020,171
Other local taxes	2,675,382	3,030,778	3,722,727	4,280,855	4,116,326	4,303,891	3,824,629	4,465,562	4,771,833	5,067,445
Permits, privilege fees and regulatory licenses	410,992	659,343	1,065,640	1,430,597	1,443,061	1,431,386	1,117,012	830,171	590,423	435,796
Fines and forfeitures	47,196	75,905	94,931	73,664	66,784	87,869	132,814	196,601	239,817	169,536
Revenue from use of money and property	348,730	277,038	592,146	1,143,165	2,002,022	2,075,246	938,376	553,396	356,548	286,590
Charges for services	413,609	537,421	1,053,324	1,154,448	1,085,304	1,092,338	1,375,191	1,718,061	1,696,861	1,591,872
Miscellaneous	110,790	250,778	259,572	187,074	281,824	323,420	895,138	300,189	216,759	517,356
Recovered costs	88,408	39,297	23,666	62,621	230,214	277,414	134,990	150,493	163,522	99,459
Intergovernmental revenues:										
Commonwealth	4,928,395	5,149,195	5,064,224	5,437,185	6,073,669	6,633,623	6,669,228	6,226,703	6,372,522	7,419,266
Federal	1,696,286	1,562,736	2,558,047	1,878,665	1,853,397	1,700,094	1,869,565	1,850,393	2,130,884	3,395,112
Total revenues	\$ 36,818,323	\$ 40,796,169	\$ 45,557,334	\$ 51,834,602	\$ 60,250,734	\$ 63,601,434	\$ 64,501,249	\$ 64,004,127	\$ 63,529,857	\$ 66,002,603
Expenditures										
General government administration	\$ 1,821,130	\$ 1,920,932	\$ 2,339,456	\$ 2,978,779	\$ 3,039,497	\$ 2,923,524	\$ 2,992,833	\$ 3,248,317	\$ 3,201,991	\$ 3,153,551
Judicial administration	1,238,134	1,225,047	1,364,770	1,418,898	1,625,348	1,948,552	2,036,725	2,000,848	1,891,250	1,882,501
Public safety	4,702,373	5,002,698	5,645,879	6,062,010	6,933,865	7,503,183	8,573,223	10,029,853	10,495,034	11,535,345
Public works	1,929,005	2,313,505	2,759,444	2,998,909	2,993,707	3,263,493	3,393,254	3,752,836	4,703,428	3,479,533
Health and welfare	3,832,662	3,906,505	4,466,526	5,158,623	5,889,447	6,814,582	7,130,528	7,433,326	7,298,075	7,555,697
Education	17,206,677	17,342,380	17,920,247	18,973,024	20,236,354	22,589,311	22,874,993	23,299,928	25,047,755	24,803,778
Parks, recreation and cultural	957,026	998,226	1,105,074	1,151,481	1,330,834	1,857,330	1,564,058	1,607,570	1,393,472	1,385,529
Community development	714,962	687,992	761,774	1,374,277	1,603,502	1,725,372	1,673,821	1,591,805	1,525,489	1,449,634
Nondepartmental	73,723	-	-	-	-	-	-	-	-	-
Capital projects	4,996,480	2,167,006	3,379,938	4,828,350	6,200,421	5,254,451	10,451,354	13,192,002	14,827,245	6,083,921
Debt service:										
Principal retirement	1,698,650	1,668,650	1,446,698	1,429,801	1,178,650	1,166,750	1,215,000	1,190,000	1,940,000	1,955,000
Interest and other fiscal charges	1,015,272	913,637	733,241	656,765	576,814	517,125	665,331	887,517	1,156,368	1,051,087
Total expenditures	\$ 40,186,094	\$ 38,146,578	\$ 41,923,047	\$ 47,030,917	\$ 51,608,439	\$ 55,563,673	\$ 62,571,120	\$ 68,234,002	\$ 73,480,107	\$ 64,335,576
Excess of revenues over (under) expenditures:	\$ (3,367,771)	\$ 2,649,591	\$ 3,634,287	\$ 4,803,685	\$ 8,642,295	\$ 8,037,761	\$ 1,930,129	\$ (4,229,875)	\$ (9,950,250)	\$ 1,667,027
Other financing sources (uses)										
Transfers in	\$ 2,118,671	\$ 2,828,363	\$ 3,177,077	\$ 3,306,757	\$ 6,984,813	\$ 4,542,675	\$ 9,460,313	\$ 4,854,860	\$ 3,092,633	\$ 5,557,683
Transfers out	(2,118,671)	(2,828,363)	(3,177,077)	(3,306,757)	(6,984,813)	(4,542,675)	(9,511,048)	(4,854,860)	(3,092,633)	(5,557,683)
Bonds issued	-	-	-	-	-	-	16,004,474	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	1,825	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ 26,300	\$ -	\$ -	\$ 4,004,390	\$ 15,953,739	\$ 1,825	\$ -	\$ -
Net change in fund balances	\$ (3,367,771)	\$ 2,649,591	\$ 3,660,587	\$ 4,803,685	\$ 8,642,295	\$ 12,042,151	\$ 17,883,868	\$ (4,228,050)	\$ (9,950,250)	\$ 1,667,027
Debt service as a percentage of noncapital expenditures			5.30%	4.60%	3.76%	3.19%	3.48%	3.49%	4.35%	4.97%

COUNTY OF LOUISA, VIRGINIA

Table 6

General Governmental Tax Revenues by Source
Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	E-911 Tax	Meals Tax	Other Local Taxes	Total
2012	\$ 47,020,171	\$ 2,952,991	\$ 590,706	\$ 597,817	\$ 427,573	\$ -	\$ 270,164	\$ 228,194	\$ 52,087,616
2011	46,990,688	2,604,059	591,476	556,974	410,873	362,146	-	246,305	51,762,521
2010	47,712,558	2,409,995	583,834	395,196	495,804	363,946	-	216,787	52,178,120
2009	47,544,306	2,062,118	579,350	21,927	571,874	362,437	-	226,923	51,368,935
2008	45,676,153	1,723,872	568,674	587,777	739,593	398,901	-	285,074	49,980,044
2007	43,098,133	1,443,201	553,813	604,244	874,653	350,769	-	289,646	47,214,459
2006	36,186,328	1,585,747	533,015	612,145	1,002,853	358,845	-	188,250	40,467,183
2005	31,123,057	1,094,904	510,188	510,188	267,673	352,848	-	157,321	34,016,179
2004	29,213,678	1,381,918	451,519	577,077	743,375	340,095	-	117,151	32,824,813
2003	26,098,535	1,143,756	456,418	549,873	428,384	-	-	114,517	28,791,483

COUNTY OF LOUISA, VIRGINIA

Table 7

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	\$ 4,809,878,400	\$ 306,112,590	\$ 10,800,535	\$ 16,843,835	\$ 68,920,580	\$ 2,510,888,670	\$ 7,723,444,610	\$ 7,723,444,610	100.00%
2011	4,999,035,800	305,658,145	11,150,300	14,582,815	66,171,075	2,403,301,540	7,799,899,675	7,799,899,675	100.00%
2010	5,155,202,300	304,893,145	11,724,670	16,483,850	62,351,915	2,382,687,070	7,933,342,950	7,933,342,950	100.00%
2009	5,190,412,400	334,390,420	11,999,130	16,025,820	59,178,500	2,310,520,400	7,922,526,670	7,922,526,670	100.00%
2008	5,104,017,200	304,852,330	12,100,470	14,912,970	53,474,780	2,263,061,022	7,752,418,772	7,752,418,772	100.00%
2007	4,435,126,200	271,383,455	12,298,720	14,546,860	58,433,510	2,225,453,118	7,017,241,863	7,017,241,863	100.00%
2006	3,204,133,600	252,002,180	12,183,020	13,956,660	55,918,785	2,141,458,204	5,679,652,449	5,679,652,449	100.00%
2005	2,045,482,200	212,330,838	12,335,330	13,573,630	43,627,113	1,936,761,556	4,264,110,667	4,264,110,667	100.00%
2004	1,928,156,100	199,295,255	13,033,225	12,860,670	13,284,885	2,003,669,764	4,170,299,899	4,170,299,899	100.00%
2003	1,595,108,700	198,215,290	13,243,365	12,294,980	12,561,210	1,917,421,673	3,748,845,218	3,748,845,218	100.00%

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

Source: Commissioner of Revenue

COUNTY OF LOUISA, VIRGINIA

Table 8

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

Fiscal Years	Direct Rates					Overlapping Rates Town of Louisa		Overlapping Rates Town of Mineral	
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Real Estate	Personal Property	Real Estate	Personal Property
2012	0.62	1.90	0.62	1.90	0.65	0.166	0.71	0.25	0.60
2011	0.62	1.90	0.62	1.90	0.65	0.166	0.71	0.25	0.60
2010	0.62	1.90	0.62	1.90	0.65	0.166	0.71	0.25	0.60
2009	0.62	1.90	0.62	1.90	0.65	0.166	0.71	0.25	0.60
2008	0.62	1.90	0.62	1.90	0.65	0.166	0.71	0.25	0.60
2007	0.64	1.90	0.64	1.90	0.65	0.195	0.71	0.25	0.44
2006	0.66	1.90	0.64	1.90	0.65	0.21	0.71	0.25	0.44
2005	0.70	1.90	0.70	1.90	0.65	0.21	0.71	0.25	0.44
2004	0.67	1.90	0.67	1.90	0.65	0.21	0.71	0.25	0.44
2003	0.67	1.90	0.67	1.90	0.65	0.21	0.71	0.25	0.44

(1) Per \$100 of assessed value

COUNTY OF LOUISA, VIRGINIA

Table 9

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2012		Fiscal Year 2003	
		2011 Assessed Valuation	% of Total Assessed Valuation	2002 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	1,927,859,830	24.96%	1,514,493,053	40.40%
Old Dominion	Electric	456,401,370	5.91%	205,204,795	5.47%
Gordonsville Energy	Electric	N/A	N/A	157,117,891	4.19%
Walmart	Retailer	108,292,250	1.40%	33,551,400	0.89%
Rappahannock Electric Co-op	Electric	43,299,740	0.56%	27,778,524	0.67%
Klockner Pentaplast	Manufacturing	29,567,580	0.38%	21,819,150	0.58%
Verizon	Telecom	24,988,780	0.32%	25,172,673	0.74%
Spring Creek Land Development	Land Developer	24,395,535	0.32%	N/A	N/A
Louisa Generation, LLC	Electric	N/A	N/A	22,710,736	0.58%
Columbia Gas	Pipeline	21,370,190	0.28%	11,693,866	0.31%
Lowes	Retailer	18,709,995	0.24%	N/A	N/A
William A. Cooke Inc.	Land Developer/Realtor	12,624,800	0.16%	N/A	N/A
Colonial Pipeline	Pipeline	N/A	N/A	10,384,712	0.28%
		2,667,510,070	34.54%	2,029,926,800	54.15%

Source: Commissioner of Revenue

COUNTY OF LOUISA, VIRGINIA

Table 10

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax (1) Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (1,3)		Collections in Subsequent Years (1, 2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 47,825,382	\$ 44,783,374	93.64%	-	\$ 44,783,374	93.64%
2011	48,176,866	46,472,902	96.46%	835,812	47,308,714	98.20%
2010	49,070,579	47,557,751	96.92%	1,015,407	48,573,158	98.99%
2009	48,556,393	47,419,591	97.66%	1,114,831	48,534,422	99.95%
2008	47,728,766	46,100,844	96.59%	722,303	46,823,147	98.10%
2007	44,456,354	43,707,712	98.32%	643,245	44,350,957	99.76%
2006	38,211,632	37,130,641	97.17%	525,469	37,656,110	98.55%
2005	32,496,675	31,816,243	97.91%	428,251	32,244,494	99.22%
2004	30,545,736	29,822,014	97.63%	418,391	30,240,405	99.00%
2003	27,693,525	26,949,848	97.31%	401,691	27,351,539	98.77%

Source: Commissioner of Revenue, County Treasurer's office

(1) Exclusive of penalties & interest.

(2) Does not include land redemptions.

(3) Includes revenue from the Commonwealth for Personal Property Tax Relief Act.

COUNTY OF LOUISA, VIRGINIA

Table 11

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Literary Fund Loans				
2012	\$	20,240,000	\$ -	20,240,000	1558.94%	600
2011		22,195,000	-	22,195,000	1709.52%	665
2010		24,135,000	-	24,135,000	1858.94%	725
2009		25,325,000	-	25,325,000	2055.65%	771
2008		11,835,000	-	11,835,000	957.09%	364
2007		9,100,000	101,750	9,201,750	802.38%	290
2006		10,160,000	220,400	10,380,400	1054.37%	348
2005		11,210,000	504,050	11,714,050	1189.83%	393
2004		12,255,000	812,700	13,067,700	1461.61%	457
2003		13,615,000	1,121,350	14,736,350	1813.37%	529

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics - Table 13

COUNTY OF LOUISA, VIRGINIA

Table 12

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to		Net Bonded Debt per Capita (1)
			Assessed Value (2)		
2012	\$ 20,240,000	\$ 20,240,000	0.26%	\$	600
2011	22,195,000	22,195,000	0.28%		665
2010	24,135,000	24,135,000	0.30%		725
2009	25,325,000	25,325,000	0.32%		771
2008	11,835,000	11,835,000	0.15%		364
2007	9,201,750	9,201,750	0.13%		290
2006	10,380,400	10,380,400	0.18%		348
2005	11,714,050	11,714,050	0.27%		393
2004	13,067,700	13,067,700	0.31%		457
2003	14,736,350	14,736,350	0.39%		529

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

COUNTY OF LOUISA, VIRGINIA

Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012	33,750	\$ 1,298,319	\$ 39,023		4,546	6.80%
2011	33,395	1,298,319	39,023		4,553	6.90%
2010	33,271	1,298,319	39,023	42.6	4,533	8.00%
2009	32,840	1,231,970	37,514		4,571	7.80%
2008	32,475	1,236,566	38,077		4,538	4.30%
2007	31,716	1,146,805	36,159		4,439	2.90%
2006	30,946	1,070,327	34,587	40.0	4,361	3.05%
2005	29,835	984,512	32,999		4,251	3.60%
2004	28,582	894,062	31,281		4,238	5.20%
2003	27,867	812,648	29,162		4,236	5.30%

Sources: Weldon Cooper Center; Annual school report - prepared by the County School Board; www.fedstats.gov; Virginia Employment Commission

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

Note: Personal Income and per capita personal income data is not available after 2010. The 2010 data has been used for subsequent years.

Table 14

Principal Employers
Current Year and the Period Nine Years Prior

Employer	Fiscal Year 2012		Rank	% of Total County Employment		Fiscal Year 2003	
	Employees			Employees	Rank		
Walmart, Inc.	1,047		1	14.87%	Dominon Virginia Power		1
Dominion Virginia Power	889		2	12.62%	Louisa County Public Schools		2
Louisa County Public Schools	864		3	12.27%	Klockner - Pentaplast of America		3
Klockner- Pentaplast of America	548		4	7.78%	Walmart, Inc.		4
County of Louisa	409		5	5.81%	County of Louisa		5
Tri-Dim Filter Corporation	180		6	2.56%	Tri-Dim Filter Corporation		6
Shenandoah Crossings Resort*	165		7	2.34%	Klearfold		7
Lowe's	130		8	1.85%	VDOT		8
McDonald's	120		9	1.70%	Louisa Health Care Center		9
Food Lion	115		10	1.63%	Food Lion		10
Louisa Health Care Center	107		11	1.52%			
Piedmont Metals	77		12	1.09%			
Totals	7,042			66.05%			

Source: Virginia Employment Commission, Individual Companies HR Depts.

*Seasonal

COUNTY OF LOUISA, VIRGINIA

Table 15

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	26	29	29	32	29	31	33	32	32	32
Judicial administration	15	15	15	15	15	17	18	18	16	16
Public safety										
Sheriffs department	45	44	49	52	55	55	57	59	63	59
Fire & rescue	6	11	11	11	14	13	19	31	33	32
Building inspections	4	4	5.5	6.5	6.5	6.5	6.5	5.5	5.5	6
Animal control	3	4	4	4	4	4	4	4	2	4
Public works										
General maintenance	2	2	2	3	11	10	13	11	11	11
Landfill	5	2	2	2	2	2	2	2	1	1
Engineering	0	0	0	1	1	1	0	0	0	
Health and welfare										
Department of social services	32	35	35	36	35	37	41	39	39	42
Culture and recreation										
Parks and recreation	7	6	5	6	5	7	5	5	5	5
Community development										
Planning	4	4	3.5	3.5	10.5	9.5	12.5	11.5	8.5	8
Totals	149	156	161	172	188	193	211	218	216	216

Source: Payroll Records
Turnover Report

COUNTY OF LOUISA, VIRGINIA

Table 16

Operating Indicators by Function
Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public safety										
Sheriffs department:										
Physical arrests	1,472	1,608	1,555	1,978	1,857	1,885	2,068	2,078	2,227	2,155
Traffic violations	1,031	925	1,358	1,415	1,616	2,235	3,624	4,909	4,249	2,757
Civil papers	8,770	8,978	8,552	11,189	11,090	11,292	11,303	11,440	10,371	10,176
Fire and rescue:										
Fire					2,303	2,500	3,379	2,968	3,153	3,382
Rescue					5,501	5,231	4,910	5,258	5,220	5,234
Total Number of calls answered			7,135	7,125	7,804	7,731	8,289	8,226	8,373	8,616
Total Number of actual rescue transports	7,006	7,214					1,732	2,550	2,620	3,001
Building inspections:										
Permits issued	1,992	1,597	1,674	1,878	2,050	1,970	1,403	1,197	1,263	1,491
Public works										
General maintenance:										
Trucks/Vehicles	3	4	10	8	9	9	10	12	13	10
Landfill:										
Refuse collected (tons/day)	79.18	85.15	79.24	75.6	82.1	87.9	67	64.91	59.04	63.02
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps		772	863	916	909	962	1,130	1,544	1,977	2,107
Medicaid		2,160	2,432	2,508	2,423	2,475	2,339	2,223	2,454	2,556
Temporary Asst. Needy Families		97	115	119	105	103	109	128	127	113
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued	164	177	106	97	44	48	66	140	210	193
After-school program participants	178	199	239	211	252	273	214	191	160	210
Aquatic Facility Participants						6,065	14,333	12,791	12,196	10,008
Youth sports participants	6,801	7,722	10,095	13,167	7,997	7,533	10,029	6,228	6,175	5,725
Community development										
Planning:										
Zoning permits issued										
Component Unit - School Board	1,275	1,455	1,350	1,655	945	961	840	668	590	942
Education:										
School age population			5,657			5,881			6,166	
Actual School Enrollment (March)	4,236	4,238	4,251	4,361	4,439	4,538	4,571	4,533	4,553	4,546
Number of teachers	342	346	357	358	370	378	361	355	375	391
Local expenditures per pupil	7,573	7,705	8,363	8,845	8,721	9,800	9,725	10,098	10,108	11,646

Source: Individual County departments

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

In 2011, data is now available from Weldon Cooper.

COUNTY OF LOUISA, VIRGINIA

Table 17

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Administration buildings	8	9	9	9	9	9	9	9	9	9
Vehicles	7	9	6	7	10	10	9	9	9	9
Public safety										
Sheriffs department:										
Patrol units	44	40	41	44	44	44	45	47	47	47
Other vehicles	5	6	7	7	13	14	24	23	26	32
Building inspections:										
Vehicles	4	4	5							
Animal control:										
Vehicles	4	3	3	3	3	4	4	4	4	5
Emergency Services:										
Vehicles	2	2	2	2	3	5	6	6	6	6
Ambulances					2	2	3	5	4	5
Public works										
General maintenance:										
Trucks/vehicles	3	4	10	8	9	10	10	12	13	13
Landfill:										
Vehicles	5	5	0	0	0	0	0	0	0	0
Sites	1	1	1	1	1	1	1	1	1	1
Refuse & Recycling Sites	8	8	9	9	9	9	9	9	9	9
Health and welfare										
Department of Social Services:										
Vehicles	7	9	10	10	11	10	11	11	8	7
Culture and recreation										
Parks and recreation:										
Community centers	2	2	2	2	2	2	2	2	2	2
Vehicles	6	6	5	5	5	5	5	4	6	6
Aquatic facilities							1	1	1	1
Parks acreage	24.22	24.22	24.22	24.22	24.22	35.22	35.22	35.22	35.22	35.22
Community development										
Planning:										
Vehicles	1	3	2	8	9	10	11	9	9	8
Component Unit - School Board										
Education:										
Schools	5	5	5	5	5	5	5	5	6	6
School buses	99	103	104	110	110	115	111	119	117	117

Source: Insurance Renewal Schedules

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County of Louisa, Virginia's basic financial statements and have issued our report thereon dated December 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted other matters involving the internal control and its operation that we have reported to management of the County of Louisa, Virginia in a separate letter dated December 11, 2012.

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

Robinson, Farmer, Cox Associates
(Charlottesville, Virginia
December 11, 2012

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited County of Louisa, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Louisa, Virginia's major federal programs for the year ended June 30, 2012. County of Louisa, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Louisa, Virginia's management. Our responsibility is to express an opinion on County of Louisa, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Louisa, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Louisa, Virginia's compliance with those requirements.

In our opinion, County of Louisa, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of County of Louisa, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County of Louisa, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Louisa, Virginia's internal control over compliance.

Internal Control Over Compliance: (Continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Robinson, Farmer, Cox Associates
(Charlottesville, Virginia
December 11, 2012

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting safe and stable families	93.556	0950111/0950112	\$ 15,864
Temporary assistance for needy families	93.558	0400111/0400112	250,992
Refugee and entrant assistance - state administered programs	93.566	0500111/0500112	593
Low-income home energy assistance	93.568	0600411/0600412	17,246
Child care and development block grant	93.575	0770111/0770112	53,965
Child care mandatory and matching funds of the child care and development fund	93.596	0760111/0760112	75,293
Chafee education and training vouchers program (ETV)	93.599	9160111/9160112	4,378
Stephanie Tubbs Jones child welfare services program	93.645	0900111/0900112	664
Foster care - Title IV-E	93.658	1100111/1100112	305,536
Adoption assistance	93.659	1120111/1120112	172,059
Social services block grant	93.667	1000111/1000112	140,304
Chafee foster care independence program	93.674	9150111/9150112	6,483
Children's health insurance program	93.767	0540111/0540112	10,572
Medical assistance program	93.778	1200111/1200112	<u>229,161</u>
Total Department of Health and Human Services			\$ <u>1,283,110</u>
National Endowment for the Arts:			
Pass Through Payments:			
Virginia Commission for the Arts:			
Promotion of the arts - partnership agreements	45.025		\$ <u>5,000</u>
Department of Homeland Security:			
Direct Payments:			
Assistance to firefighters grant	97.044	N/A	<u>600,550</u>
Pass Through Payments:			
Department of Emergency Management:			
Disaster grants - public assistance	97.036	N/A	\$ 1,476,071
State homeland security program (SHSP)	97.073	77501-52708/52709	<u>744,080</u>
Total Department of Homeland Security			\$ <u>2,820,701</u>
Department of Agriculture:			
Child Nutrition Cluster:			
Pass Through Payments:			
Department of Agriculture:			
Food distribution	10.555	10.555/2012	\$ 126,919
Department of Education:			
National school lunch program	10.555	10.555/2012	<u>743,136</u>
Total 10.555			\$ <u>870,055</u>
School breakfast program	10.553	10.553/2012	247,651
Summer feeding program	10.559	10.559/2012	14,727

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2012

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture: (Continued)			
Department of Social Services:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010111/0010112	\$ 379,110
Total Department of Agriculture			\$ 1,511,543
Department of Justice:			
Direct payments:			
Bulletproof vest partnership program	16.607	N/A	\$ 4,327
Pass Through Payments:			
Department of Criminal Justice Service:			
Violence against women formula grants	16.588	10WFAX0050	\$ 27,350
Crime Victim Assistance	16.575	10VAGX0017/11VAG0017	37,876
Title V delinquency prevention program	16.548		4,857
Total Department of Justice			\$ 74,410
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and community highway safety	20.600		\$ 17,795
Alcohol open container requirements	20.607	154AL-2011/154AL-2010	8,475
Total Department of Transportation			\$ 26,270
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I, Part A Cluster:			
Title I grants to local educational agencies	84.010	S010A100046	\$ 639,788
ARRA - Title I grants to local educational agencies	84.389	S389A090046	29,930
ARRA - State fiscal stabilization Fund (SFSF) - education state grants	84.394	S394A090047	642,392
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	H027A100107	896,630
ARRA - Special education - grants to states	84.391	H391A090107	307,301
Special education - preschool grants	84.173	H173A100112	16,797
Career and technical education - basic grants to states	84.048	V048A100046	84,521
Safe and drug-free schools and communities - state grants	84.186	Q186A090048	2,606
ARRA - Education jobs fund	84.410		783,742
Improving teacher quality state grants	84.367	S367A100044	174,373
Educational technology state grants	84.318	S318X090046	8,951
Total Department of Education			\$ 3,587,031
Total Expenditures of Federal Awards			\$ 9,308,065

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF LOUISA, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Louisa, Virginia under programs of the federal government for the year ended June 30, 2012. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Louisa, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Louisa, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Distribution

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

Note 4 - 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	\$ 2,399,813
County Capital Improvements Fund	740,083
Natural Disaster Capital Projects Fund	255,216
Total primary government	<u>\$ 3,395,112</u>

Component Unit Public Schools:

School Operating Fund	\$ 4,724,321
Natural Disaster Operating Fund	1,188,632
Total component unit public schools	<u>\$ 5,912,953</u>

Total federal expenditures per basic financial
statements

\$ 9,308,065

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 9,308,065

COUNTY OF LOUISA, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? No

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 .510(a) programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
10.555	National school lunch program
10.553	School breakfast program
10.555	Food distribution
10.559	Summer feeding program
	Special Education Cluster
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.391	ARRA - Special Education - Grants to States
	Assistance to Firefighters
97.044	ARRA - Education jobs fund
84.410	ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants
84.394	Disaster Grants - Public Assistance
97.036	

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

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Audit Findings

None