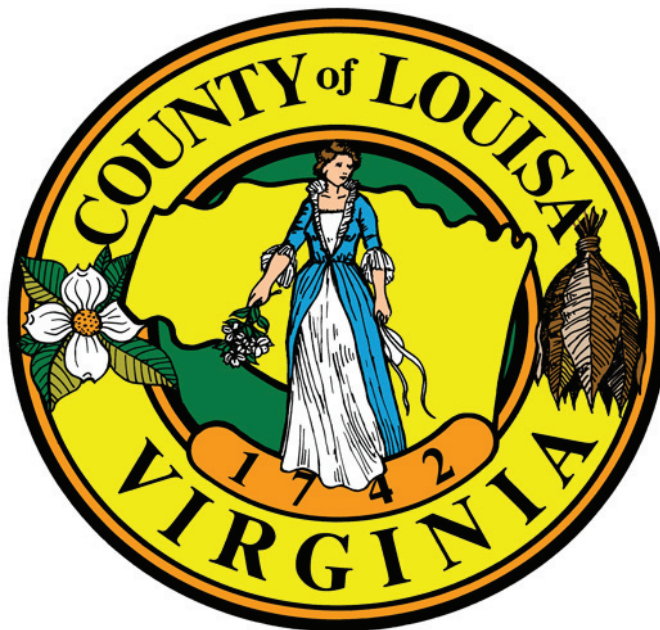


# **County of Louisa, Virginia**

## **Annual Comprehensive Financial Report**



**For the Year Ended June 30, 2023**

**County of Louisa, Virginia**

**Annual Comprehensive  
Financial Report**

**For the Year Ended June 30, 2023**

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**Prepared By:**

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Wanda H. Colvin, Finance Director  
Faye Stewart, Accountant

# COUNTY OF LOUISA, VIRGINIA

## Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2023

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December 4, 2023

**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, 2023.

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 County's management 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 assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; 2) the reliability of financial records for preparing financial statements; and 3) maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed likely benefits, 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, has issued an unmodified opinion on the County's financial statements for the year ended June 30, 2023. 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 Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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 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.

The County, located in heart of central Virginia and encompassing a land area of 514 square miles, is situated between Richmond, Charlottesville, and Fredericksburg. The primary roads traversing the County are Interstate 64 and routes 15, 22, 33, 208 and 522. Louisa County is bordered by Hanover, Albemarle, Fluvanna, Spotsylvania, and Orange Counties. Lake Anna, the third largest freshwater inland lake in Virginia, lies along the northeastern border of the County. With its 200 miles of shoreline and 13,000 surface acres of water, the lake has become a premier location in Central Virginia for water sports and fishing. 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 and giving rise to increased tourism. Major regional commercial development continues in Zion Crossroads and the Ferncliff Business Park continues to grow with development of new industrial and commercial space. This corridor will continue to be the focus of responsible industrial and commercial development, with the James River Water Project supporting associated needs.

As we recovered from the outbreak of the COVID-19 pandemic, Louisa County continued to thrive and exceeded budgeted revenue projections. The County received American Rescue Act Funding which has been a tremendous help to the County. It enabled the County to add an additional building and renovate existing facilities in order to provide better spacing between employees to fight the spread of the virus.

The Unemployment rate in Louisa is 2.6% as of June 2023. This is a drop from local unemployment rate of 2.7% as of June 2022. Louisa County's population continues to increase. Since the 2020 census, Louisa County's population is estimated to have increased by 6.7%. The increase in population has brought additional demands for services, such as fire and rescue coverage, sheriff department coverage, and for increased capacity in County educational facilities. Growth has also spurred a continued need for water and sewer infrastructure.



## **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.

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 of the Code of Virginia. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations made and supplemented as necessary by the Board of Supervisors. 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, 2023, has been completed. These requirements have been complied with and the auditor’s opinion is included in the compliance section of this report.

In addition to the internal accounting controls, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the appropriated budget approved by the Board of Supervisors. Activities of the general fund and capital projects fund are included in the 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 programs designed to provide cost efficient services while enhancing the home and employment environment for the citizens.

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

- In 2023 Amazon Data Services, Inc., (AWS) announced plans to invest \$11 billion in Louisa County by 2040. This announcement is part of AWS' initial announcement to investment \$35 billion in Virginia by 2040. AWS will develop two new data center campuses in Louisa on roughly 1,600 acres. Site preparation on one campus site is expected to start in November/December 2023 with the first data center coming online in late 2024, early 2025. This announcement is projected to generate a significant source of new revenue for the County and create hundreds of direct and indirect jobs locally. Both campus developments should have a significant and positive impact on the local economy.
- In 2023, the County announced a deal with Better Future Farms (BFF) to locate a state-of-the-art greenhouse in the County. BFF is constructing a hydroponic greenhouse and will grow up to 6 million pounds of leafy greens annually. The greenhouse is approximately 11 acres under roof, representing a capital investment of \$75 million and will employ 40 FTE's. The BFF project is scheduled to be complete in April 2024 and the first harvest in June 2024. BFF has an exclusive offtake agreement with Taylor Farms, recognized as one of the largest salad and fresh cut vegetable processors in the world.
- The James River Water Project is well under way. The total project is split between the James River Water Authority "JRWA" (a joint venture between Louisa and Fluvanna counties) and the James River Water Project "JRWP" (Louisa's portion). The JWRA identified an alternative site for the water intake and pump station to the west of the original location. Cultural and Historical due diligence, preliminary site engineering, project permitting, and landowner engagement is currently underway on the new site and should be finalized by the summer of 2024. Physical construction at the new site is anticipated to start in summer of 2024 with an anticipated construction timeline of 18 months.
- Zion Crossroads continues to expand with new commercial and residential development. Several new commercial businesses have announced plans to open/build new space in the Zion Market; these include a hotel, restaurants, medical practices, and retail. Two Planned Unit Developments (PUD) were approved at Zion Crossroads; Zion Town Center and Crossing Pointe. Both developments include new residential housing and complimentary commercial development. The Spring Creek development continues to flourish and in 2022 surpassed over 800 units built of the 1,200-unit development.
- Louisa's housing market reflected nationwide economic pressures with a 22% reduction in sales activity from 2022 to 2023. However, median home prices were still up year-over-year, although days on the market increased. Sales have moderated in the County for three consecutive quarters. At the end of the second quarter 2023, median home prices increased at a rate of 7% over the same period in 2022 or \$24,250 per unit sold. This is the third consecutive quarter in which home prices have increased. Sold volume in the County decreased by 25% over the same period in 2022. Total sales volume in 2Q 2023 was \$89.2 million, down \$30.5 million from the 2Q 2022. Active listings continue to grow. At the end of second quarter 2023 there were 175 active listings: 11 more than the same period in 2022, representing a 7% increase. Days on the market averaged 40 days, 20 days longer than the same period of 2022.
- The Spring Creek Business Park continues to see growth in the commercial and medical service areas.

- The County purchased the property known as the Shannon Hill Regional Business Park (SHRBP) in 2018. To date, the County has completed a full portfolio of site due diligence on the site. In 2021, the County was awarded grants from Go Virginia and VDOT totaling \$1,491,000. The grant funding is being used to design the onsite utility infrastructure and design road improvements to the roads serving the SHRBP. Both design projects are approximately 95% complete. In 2022 the County received an additional \$300,000 in grant funding from the Virginia Business Ready Sites Program (VBRSP) to design a pad site and a stormwater master plan within the SHRBP. The VBRSP is a state led grant program to assist localities in the development of business ready sites. In addition to the grant funding, the County appropriated \$2,500,000 to design, permit, and acquire the easements necessary to extend offsite utilities to the Shannon Hill Growth Area from Ferncliff. The offsite utility project design project is 95% complete and acquisition of infrastructure easements is well underway. In early 2024, the County will begin construction of a linear utility project to deliver water and sewer infrastructure to the SHRBP from Ferncliff. Also in 2023, the County was awarded a grant in the amount of \$11,590,000 from the VBRSP to help offset some of the cost to extend utilities to the SHRBP. In October 2023, the County executed a contract with Landmark Structures to build a new 750k gallon elevated water storage tank in the SHRBP as part of the master water/sewer infrastructure project. All SHRBP projects will improve the site readiness, enhancing site marketability and the County's chances of winning economic development projects. Efforts to date have yielded significant interest from major companies and site selection consultants, and significant grant awards. Available industrial site inventory in the Commonwealth is very low and the SHRBP will help fill that void.
- In 2021, the County partnered with Central Virginia Electric Cooperative (CVEC) and their wholly owned subsidiary, FireFly, Rappahannock Electric Cooperative, and Dominion Energy to deploy high internet service to every home and business in the County. The County committed \$8,949,000 to the project, which is expected to be completed in 2025.

### **Awards and Achievements**

The County received its 21<sup>st</sup> consecutive Certificate of Achievement on its fiscal year 2022 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.

Louisa County also received the Distinguished Budget Presentation Award from the Government Financial Officers Association for the seventh year in a row for its FY2023 budget documents. To be eligible for this award, a government must prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOAs best practices on budgeting.

The Virginia Association of Counties (VACo) presented the County the 2018 Go Green Award, a program designed to encourage implementation of specific environmental policies and practical actions that reduce emissions and save local governments money. This was the fourth time the county has received this award.

The County of Louisa also received a 2021 Virginia Association of Counties (VACO) Achievement Awards for its Wireless on Wheels Program. This is the sixth year that Louisa has been selected for an award.

## **Future Budget Considerations**

For fiscal year 2024, the Board of Supervisors has approved a General Fund Operating Budget of \$146,998,870. The approved CIP Budget is \$41,183,924. The real estate tax rate was set at \$0.72 per \$100 of assessed value. The Board also approved a 5% real estate tax rebate that will be applied to real estate tax bills in FY2024. The FY2024 Budget will require \$20,860,000 in debt issuance and \$1,814,844 in long term Schools capital fund balance reserves to support operations or capital improvement projects.

The County faces continued financial pressures in FY2024 from increased federal and state mandates that are not always funded by federal or state revenues. With limited funding sources of revenue, these unfunded or partially funded mandates place the burden on local funding streams. Healthcare costs continue to rise, required services for public safety and human services continue to increase and the federal and state political landscapes are continually changing. Additional financial pressures can be expected in costs associated with the Children's Services Act, mental health care and incarceration.

The County is also challenged with providing competitive employee compensation packages that are consistent with the market. A continued focus on closing compensation gaps as resources become available is critical.

Nationwide economic pressures such as high inflation rates, interest rate increases, supply chain challenges, housing shortages and related factors continue to impact the County. However, the local economy is diversified and the County's financial outlook is guardedly optimistic. Leadership continues to focus on proactive, conservative fiscal management and the ongoing delivery of services required to meet the community's needs.

One of the priorities of the Board of Supervisors is to maintain a strong value for Louisa's citizens. Economic development within the County will generate additional tax revenues to offset expenditures stemming from growing service demands. This will assist in avoiding unnecessary increases that would create additional tax burdens to our citizens.

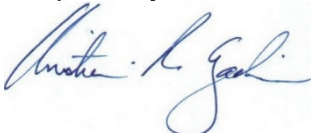
Louisa County real estate values and personal property values increased in FY2023. This increase will generate additional tax revenues in future years. Construction and home improvements have increased in the County and we anticipate additional steady growth in this area over the next several years.

The County continues to update its 20 year capital needs plan. Though the County has always maintained a five year capital plan, the move over the past several years to a 20 year plan has become a valuable asset for future planning and budgeting. The County has also established two Long Term Capital Projects Reserves; one for County projects and one for school projects. This funding will be used to save for future year capital projects and is intended to mitigate financing requirements and tax increases. In fiscal years that the County is able to collect additional revenues and/or realizes budgeted savings, these additional funds can be placed in the future projects fund.

## **Acknowledgments**

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of the Department of Finance, and the Offices of the Treasurer and Commissioner of the Revenue. We would also like to thank the Board of Supervisors for their guidance, support, and fiscally responsible approach to governance.

Respectfully submitted,

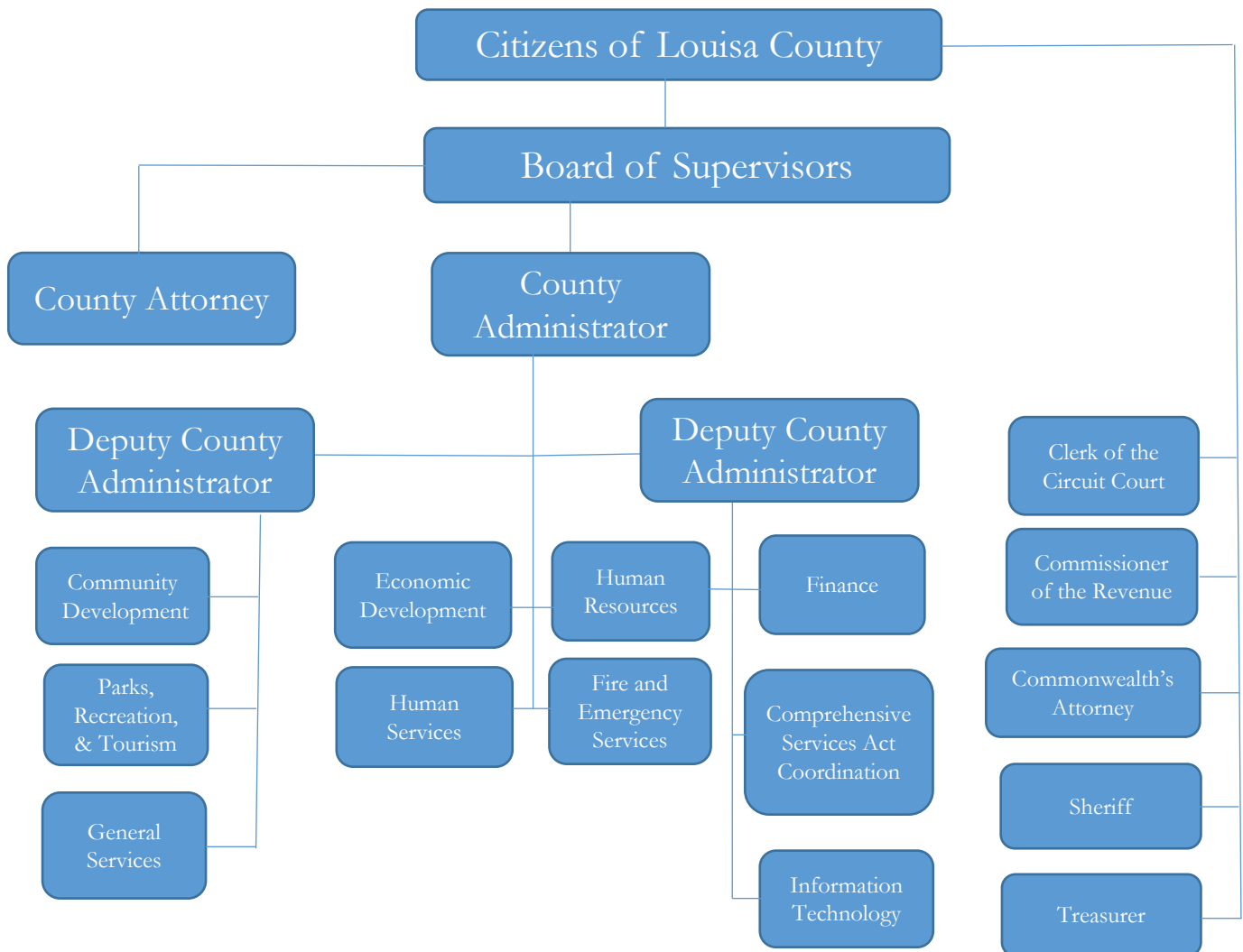


*Christian R. Goodwin*  
County Administrator



# County of Louisa

## Organizational Structure



**COUNTY OF LOUISA, VIRGINIA  
JUNE 30, 2023**

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**BOARD OF SUPERVISORS**

Duane A. Adams, Chairman  
Tommy J. Barlow, Vice-Chairman

Fitzgerald A. Barnes  
Rachel G. Jones

Willie L. Gentry, Jr.  
Eric F. Purcell

R.T. Williams, Jr.

**COUNTY SCHOOL BOARD**

Gregory V. Strickland, Chairman  
Gail O. Proffitt, Vice-Chairman

Stephen C. Harris  
Deborah A. Hoffman

William A. Seay  
Lloyd R. Runnett

Frances B. Goodman

**OTHER OFFICIALS**

Judge of the Circuit Court.....	Timothy K. Sanner
Clerk of the Circuit Court .....	Patty C. Madison
Judge of the General District Court .....	Claiborne H. Stokes Jr.
Judge of Juvenile and Domestic Relations Court.....	Deborah S. Tinsley
Commonwealth's Attorney .....	Russell E. McGuire
Commissioner of the Revenue .....	Stacey C. Fletcher
Treasurer .....	Henry B. Wash
Sheriff .....	Donald Lowe
Superintendent of Schools .....	J. Douglas Straley II
Clerk of the School Board .....	Rebecca A. Fisher
County Administrator .....	Christian R. Goodwin
Director of Finance.....	Wanda H. Colvin



Government Finance Officers Association

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Presented to

**County of Louisa  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrell*

Executive Director/CEO





ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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 the County of Louisa, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Louisa, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Restatement of Beginning Balances***

As described in Note 20 to the financial statements, in 2023, the County restated beginning balances to correct capital assets from the prior year. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



## ***Responsibilities of Management for the Financial Statements: (Continued)***

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Louisa, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Louisa, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Louisa, Virginia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 required supplementary information 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

### ***Required Supplementary Information: (Continued)***

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 information 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Louisa, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Louisa, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Louisa, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 4, 2023

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The County of Louisa, Virginia's management offers 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, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages i-vii of this report.

### **Financial Highlights FY 2023<sup>1</sup>**

- The general fund balance increased \$2,208,921.
- Revenues exceeded the original budget estimate by \$8,676,331 and revenues exceeded the amended budget by \$3,803,331.
- Expenditures were less than the original budget estimate by \$3,546,408 and expenditures were less than the amended budget by \$14,140,368.
- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$144,333,270, (net position). Of this amount, \$94,998,615 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Louisa County funds reported combined ending fund balances of \$103,049,489, an increase of \$4,628,097 in comparison with the prior year. Approximately 41% of this total amount, or \$41,941,770, is available for spending at the County's discretion (unassigned fund balance), and 59%, or \$61,107,719, is non-spendable, restricted, committed, or assigned for specific projects. The overall change in fund balance is largely attributable to increased collection of current and prior years' real property and personal property taxes, increased sales and use tax collections, increased interest earned on bank deposits due to the higher interest rate market, increased meals tax collections, judicial sales revenue, increased collection of recordation taxes and budgeted savings within departmental budgets.
- Unassigned fund balance comprised 45% of total general fund expenditures.
- The County of Louisa, Virginia's total long-term obligations decreased by \$2,429,425, mostly from paying down debt balances and not issuing new debt in FY2023. Pension related items, leave liability, and Obligations for Other Post Retirement Benefits (OBEP) also played a part in the change.

### **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.

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<sup>1</sup> Fiscal Year ended June 30, 2023.

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

**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 position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 presented for the primary government itself.

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

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

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

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

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

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

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

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

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$144,333,270 at the close of the most recent fiscal year.

A significant portion (33 percent) of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

<b>County of Louisa, Virginia's Net Position</b>			
	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	
Current and other assets	\$ 198,577,535	\$ 192,224,385	
Capital assets	106,985,388	102,315,411	
Total assets	\$ 305,562,923	\$ 294,539,796	
Deferred outflows of resources	\$ 3,175,363	\$ 4,024,814	
Long-term liabilities outstanding	\$ 67,269,334	\$ 69,765,686	
Current liabilities	9,598,606	11,450,868	
Total liabilities	\$ 76,867,940	\$ 81,216,554	
Deferred inflows of resources	\$ 87,537,076	\$ 86,056,210	
Net position:			
Net investment in capital assets	\$ 47,750,434	\$ 41,216,188	
Restricted	1,584,221	4,246,135	
Unrestricted	94,998,615	85,829,523	
Total net position	\$ 144,333,270	\$ 131,291,846	

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

**Government-wide Financial Analysis: (Continued)**

During fiscal year 2023, the County's net position increased by \$12,747,631. Key elements of this increase are as follows:

<b>County of Louisa, Virginia's Changes in Net Position</b>			
	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	
Revenues:			
Program revenues:			
Charges for services	\$ 4,689,870	\$ 4,015,775	
Operating grants and contributions	10,801,500	13,446,344	
Capital grants and contributions	1,924,874	210,285	
General revenues:			
Property taxes	77,912,471	69,479,803	
Other local taxes	12,644,690	11,679,180	
Other	5,929,206	3,513,648	
Total revenues	<u>\$ 113,902,611</u>	<u>\$ 102,345,035</u>	
Expenses:			
General government	\$ 4,724,255	\$ 4,021,168	
Judicial administration	2,618,347	2,311,888	
Public safety	23,716,184	21,673,228	
Public works	6,659,179	6,476,986	
Health and welfare	9,278,530	7,927,207	
Education	45,872,914	46,666,236	
Parks, recreation and culture	1,863,325	1,387,002	
Community development	4,512,151	2,691,615	
Interest	1,910,095	2,062,600	
Total expenses	<u>\$ 101,154,980</u>	<u>\$ 95,217,930</u>	
Increase (decrease) in net position	\$ 12,747,631	\$ 7,127,105	
Net position – beginning, as restated	131,585,639	124,164,741	
Net position - ending	<u>\$ 144,333,270</u>	<u>\$ 131,291,846</u>	

- Local revenues increased by \$11,813,736, primarily increases were realized in: real property tax collections (including delinquent tax collections); increased collections of sales taxes, building/zoning fees, meals tax collections and interest on bank deposits; and an average property value increase of approximately 12.86%.
- Charges for Services increased \$674,095 primarily due to increased revenue collection for Parks and Recreation programming fees and Revenue Recovery fees.
- Operating grants and contributions decreased by \$2,644,844 as a result of decreased state and federal cost recoveries collected that were lower due to lower grant expenditures in 2023. Also, American Rescue Plan Act funding and COVID Broadband funding that was recognized was higher in FY22 than in FY23.
- Capital grants and contributions increased by \$1,714,589 due to receiving grants funds from Virginia Ready Business Sites and VDOT for the Shannon Hill Regional Business Park Project, receiving private donations for Public Health and Safety purposes, and proceeds from a timber sale on the Shannon Hill Business Park property.
- General government related costs increased by \$703,087. This was a result of increased personnel costs, increased health insurance expenses, and retirement benefit expenses, as well as an increase in contractual services and information technology expenses in FY2023.



## **Government-wide Financial Analysis: (Continued)**

- Education related costs decreased by \$793,322 , primarily as a result of the majority of the costs for the Jouett Elementary School addition being in FY2022 and only having a small amount of expenses in FY2023. There were increases in personnel costs, health insurance expenses, and retirement benefit expenses in FY23, but the net of increased operating costs were offset with the difference in expenses with the Jouett capital project.
- Health & welfare related costs increased \$1,351,323. This was a result of an increase in CSA expenses, Public Assistance Program costs and increases in personnel costs.
- Public safety related costs increased \$2,042,956 as a result of an increase in personnel and employee benefit costs due to adding additional positions in the sheriff's office and in the office of fire and emergency services, equipment, equipment maintenance and additional costs related to compensation increases for existing personnel. There were also additional costs in FY 2023 associated with building the New Bridge Fire & EMS station and the cost of additional Medical Equipment.
- Community development related costs increased \$1,820,536 as a result of costs associated with the Shannon Hill Regional Business Park projects and costs associated with the County's Broadband expansion initiative.

## **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 \$103,049,489 , which represents an increase of \$4,628,097 in comparison with the prior year. Approximately 41% of this total amount, (\$41,941,770), constitutes unassigned general fund balance, which is available for spending at the County's discretion. \$249,290 of fund balance is non-spendable (prepaid and water project receivables). The remainder of fund balance is restricted, committed, or assigned to indicate that it is not available for new spending without further Board of Supervisors' action. These funds are restricted, committed, or assigned for items including:

- North Anna Power Station (NAPS) Stabilization expenditures
- Zion Crossroads future debt
- Employee Leave Liabilities and Other Post Employment Benefit Liabilities
- 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 81.1% of the total general fund expenditures.

The general fund balance increased \$2,208,921 during the current fiscal year. The change is linked to a combination of increased real estate and personal property tax revenue collections, increased sales tax collections, increased interest income, and budgeted savings due to reduced spending and/or delayed receipt of goods and services purchased by departments in the last quarter of the fiscal year.

The fund balance for the capital projects fund increased by \$2,419,176 primarily due to funding available for incomplete, but approved capital projects that are proceeding as planned.

## **General Fund Budgetary Highlights**

Differences between the original expenditure budget and the final amended budget totaled an increase of \$10,593,960. The increase in appropriations can be briefly summarized as follows:

- \$182,114 increase in general government administration results primarily from additional personnel costs related to employee bonus payments, increased cost of contractual services, and carryover funding for equipment and contractual services purchases from the prior fiscal year.
- \$194,679 increases in the judicial administration budget are from the expenses related to funds received from the Victim Witness and the VSTOP Assistant Attorney. The increase is also from increases related to employee bonuses in December 2022.
- \$10,029,554 increase in public safety results from additional expenses related to the emergency services radio maintenance contract, insurance proceeds received for accident repairs, increased costs related to hiring of additional staff for the New Bridge Fire & EMS station, personnel costs related to employee bonus payments, and several grants from Rescue Squad Assistance Funds, Internet Crimes Against Children, State Fire Programs, Four for Life, Homeland Security, workers compensation that is budgeted in the non-departmental budget, and re-appropriation of FY22 funding.
- \$482,466 increase in public works is primarily the result of re-appropriation of FY2022 carryover for completion of facilities upgrades and for solid waste operations.
- \$235,087 increase in the human services budget was primarily due to costs associated with an increase in caseloads handled by CSA, a Strengthening Families grant and personnel costs.
- \$269,301 increase in Parks and Recreation is primarily the result of re-appropriation of FY2022 carryover for ARPA Tourism and DMO marketing grants. The increase is also from an increase in personnel costs and several other small grants.
- \$845,986 decrease in miscellaneous expenditures due to the allocation of the non-departmental budget to actual functions that occurred during the year.

Other increases in final budget amounts are generally attributable to: other grant awards (the County does not budget for 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 \$8,676,331 and actual revenues exceeded the amended budget by \$3,803,331. Expenditures were less than the original budget estimate by \$3,546,408 and less than the amended budget by \$14,140,368. Savings in school operating expenditures accounted for 36%, savings in public safety expenditures accounted for 46%, savings in health and human services accounted for 11%, savings in public works operating expenditures accounted for 1%, savings in general government accounted for 2%, savings in parks and recreation accounted for 1%, savings in community development accounted for 1%, and savings in judicial services accounted for 2% of this positive variance. Much of the savings is attributed to ARPA funded projects that had not started at the end of FY23, approved commitments not completed by year-end, grant awards which were not expended during the fiscal year, personnel savings due to vacancies, 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:



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

### **Revenue**

- \$3,153,105 of actual revenue in excess of the amended budget is materially attributed to conservative property tax assessment estimates, increased collection efforts by the Treasurer's Office as well as increased rate of collection by a third party collection agency.
- \$1,221,552 is associated with increased tax collection of sales and use tax, business license tax, and transient occupancy taxes.
- \$182,203 increase in permit, fees, and license revenue is primarily attributed in an increase in collection of building and zoning permits.
- \$1,149,779 increase in interest on bank deposits and use of money is attributed to higher interest rates being earned on fund cash balances.
- \$367,699 increase in charges for services is attributed to increased revenue collection of ambulance fees and increased collection of landfill fees. Recovered ambulance fees help support the expenses of our fire and emergency management departments.
- \$136,393 increase in recovered costs is primarily attributed to recoveries from surplus funds from judicial sales, recoveries from the cost allocation plan, and recoveries from other entities being higher than originally planned.
- \$2,563,022 decrease in state and federal revenues is attributed to unearned American Rescue Plan Act (ARPA) funding that will be considered earned revenue in FY 2024 instead of FY 2023 once funds are expended and Human Services state public assistance funding that was less than originally expected.

### **Expenditures**

- \$269,778 under budget in General Government Administration is attributable to unspent funding that will be carried over into fiscal year 2024 for purchase order commitments not yet complete, savings associated with staff turnover, savings for expenses such as supplies, postage, and contractual expenses.
- \$276,121 under budget in Judicial Administration is attributed to reduced jury costs, reduced travel expenses, and vacancy savings in the sheriff's court services division and Commonwealth Attorney's office.
- \$6,721,301 under budget in Public Safety is attributed to savings from unfilled positions and savings associated with staff turnover. Also, funding provided for fire programs and volunteer rescue from the Commonwealth has not been spent by the volunteers and is being carried over. Other areas of savings include funding for accident repair that will be carried over into FY2024, other unspent grant funds, reduced expenses at the Rappahannock Juvenile Center for Louisa County and unspent American Rescue Plan Act funding that are being carried over into FY24.
- \$283,828 under budget in Public Works is largely attributable to landfill and other general services projects for which funding has been appropriated, but work has not yet been completed. There were also savings attributed to savings in personnel costs due to staff turnover.
- \$1,553,950 under budget in Health and Human Services is attributed to savings associated with staff turnover and unfilled positions, unspent grant funds, operational savings in supplies, TANF FC programs, special needs adoptions and other assistance program costs were less than expected.
- \$4,765,210 under budget in Education expenses is attributed to conservative budgeting coupled with savings associated with grant funding that has not been spent and will be carried over to FY24, the purchases of goods for which funding had been appropriated, but delays in deliveries resulted in the carryover of funds into FY24, savings from staff turnover and vacancies and savings in contractual services and supplies.

## **Capital Asset and Debt Administration**

**Capital assets** - The County's investment in capital assets for its governmental funds as of June 30, 2023 amounts to \$106,985,388 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The total increase in the County's investment in capital assets for the current fiscal year was \$4,376,184 (net of accumulated depreciation) and is largely associated with the addition of the New Bridge Fire and EMS Station, General District Court Holding Cell renovations, renovations at the new DHS Building on Industrial Drive, a new Financial System, and the purchase of Emergency Services Apparatus.

<b>County of Louisa, Virginia's Capital Assets</b>		
	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
Land	\$ 5,187,064	\$ 5,187,064
Buildings and improvements	40,854,158	34,844,015
Equipment	29,764,253	26,752,228
Construction in progress	52,786,618	52,645,594
Tenancy in common	11,721,306	13,371,748
Total	\$ 140,313,399	\$ 132,800,649
Less: accumulated depreciation	(33,328,011)	(30,485,238)
Net capital assets	\$ 106,985,388	\$ 102,315,411

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, General Obligation Bonds, Revenue Bonds and premium on bonds payable outstanding totaled \$59,122,063. During the current fiscal year, the County's long-term obligations decreased by \$3,175,859 due to payments made on general obligation and lease revenue bonds during the fiscal year.

The County did not acquire any new debt during the 2023 fiscal year.

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 decreased to 2.6% in June 2023, down from 2.7%<sup>2</sup> for June 2022.
- In 2023, Amazon Data Services, Inc., (AWS) announced plans to invest \$11 billion in Louisa County by 2040. This announcement is part of AWS' initial announcement to investment \$35 billion in Virginia by 2040. AWS will develop two new data center campuses in Louisa on roughly 1,600 acres. Site preparation on one campus site is expected to start in November/December 2023 with the first data center coming online in late 2024, early 2025. This announcement is projected to generate a significant source of new revenue for the County and create hundreds of direct and indirect jobs locally. Both campus developments should have a significant and positive impact on the local economy.
- In 2023, the County announced a deal with Better Future Farms (BFF) to locate a state-of-the-art greenhouse in the County. BFF is constructing a hydroponic greenhouse and will grow up to 6 million pounds of leafy greens annually. The greenhouse is approximately 11 acres under roof, representing a capital investment of \$75 million and will employ 40 FTE's. The BFF project is scheduled to be complete in April 2024 and the first harvest in June 2024. BFF has an exclusive offtake agreement with Taylor Farms, recognized as one of the largest salad and fresh cut vegetable processors in the world.

<sup>2</sup> United States Department of Labor, Bureau of Labor Statistics: June 2023 data

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

- The James River Water Project is well under way. The total project is split between the James River Water Authority "JRWA" (a joint venture between Louisa and Fluvanna counties) and the James River Water Project "JRWP" (Louisa's portion). The JWRA identified an alternative site for the water intake and pump station to the west of the original location. Cultural and Historical due diligence, preliminary site engineering, project permitting, and landowner engagement is currently underway on the new site and should be finalized by the summer of 2024. Physical construction at the new site is anticipated to start in summer of 2024 with an anticipated construction timeline of 18 months.
- Zion Crossroads continues to expand with new commercial and residential development. Several new commercial businesses have announced plans to open/build new space in the Zion Market; these include a hotel, restaurants, medical practices, and retail. Two Planned Unit Developments (PUD) were approved at Zion Crossroads; Zion Town Center and Crossing Pointe. Both developments include new residential housing and complimentary commercial development. The Spring Creek development continues to flourish and in 2022 surpassed over 800 units built of the 1,200-unit development.
- Louisa's housing market reflected nationwide economic pressures with a 22% reduction in sales activity from 2022 to 2023. However, median home prices were still up year-over-year, although days on the market increased. Sales have moderated in the County for three consecutive quarters. At the end of the second quarter 2023, median home prices increased at a rate of 7% over the same period in 2022 or \$24,250 per unit sold. This is the third consecutive quarter in which home prices have increased. Sold volume in the County decreased by 25% over the same period in 2022. Total sales volume in 2Q 2023 was \$89.2 million, down \$30.5 million from the 2Q 2022. Active listings continue to grow. At the end of second quarter 2023 there were 175 active listings: 11 more than the same period in 2022, representing a 7% increase. Days on the market averaged 40 days, 20 days longer than the same period of 2022.
- The Spring Creek Business Park continues to see growth in the commercial and medical service areas.
- The County purchased the property known as the Shannon Hill Regional Business Park (SHRBP) in 2018. To date, the County has completed a full portfolio of site due diligence on the site. In 2021, the County was awarded grants from Go Virginia and VDOT totaling \$1,491,000. The grant funding is being used to design the onsite utility infrastructure and design road improvements to the roads serving the SHRBP. Both design projects are approximately 95% complete. In 2022 the County received an additional \$300,000 in grant funding from the Virginia Business Ready Sites Program (VBRSP) to design a pad site and a stormwater master plan within the SHRBP. The VBRSP is a state led grant program to assist localities in the development of business ready sites. In addition to the grant funding, the County appropriated \$2,500,000 to design, permit, and acquire the easements necessary to extend offsite utilities to the Shannon Hill Growth Area from Ferncliff. The offsite utility project design project is 95% complete and acquisition of infrastructure easements is well underway. In early 2024, the County will begin construction of a linear utility project to deliver water and sewer infrastructure to the SHRBP from Ferncliff. Also in 2023, the County was awarded a grant in the amount of \$11,590,000 from the VBRSP to help offset some of the cost to extend utilities to the SHRBP. In October 2023, the County executed a contract with Landmark

Structures to build a new 750k gallon elevated water storage tank in the SHRBP as part of the master water/sewer infrastructure project. All SHRBP projects will improve the site readiness, enhancing site marketability and the County's chances of winning economic development projects. Efforts to date have yielded significant interest from major companies and site selection consultants, and significant grant awards. Available industrial site inventory in the Commonwealth is very low and the SHRBP will help fill that void.

- In 2021, the County partnered with Central Virginia Electric Cooperative (CVEC) and their wholly owned subsidiary, FireFly, Rappahannock Electric Cooperative, and Dominion Energy to deploy high internet service to every home and business in the County. The County committed \$8,949,000 to the project, which is expected to be completed in 2025.

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

- The County's population continues to increase. Since the 2020 census, the County's population has increased by over 6.7%. The increase in population has placed additional demands for services, such as career fire and rescue coverage, and demands for increased capacity in the County educational facilities. In addition to increases in County services, the growth has spurred a continued need for water and sewer infrastructure.
- Healthcare costs continue to rise, required services for public safety and human services continue to increase and the federal and state political landscapes are continually changing. Additional financial pressures can be expected in costs associated with the Children's Services Act, mental health care and incarceration. The County continues to devote significant resources to meet our growing public health and safety needs. Additional personnel and capital investments are included in the FY24 budget to address growing service demands, but meeting these needs is expected to be an ongoing challenge.
- The County is also challenged with providing competitive employee compensation packages that are consistent with the market. A continued focus on closing compensation gaps as resources become available is critical.
- One of the priorities of the Board of Supervisors is to maintain low tax rates. Economic development within the County will generate additional tax revenues to offset expenditures stemming from growing service demands. This will assist in avoiding increases that would create additional tax burdens to our citizens.
- Louisa County real estate values increased in FY2023. This increase will generate additional tax revenues in future years. Construction and home improvements have increased in the County and modest, steady growth over the next few years is anticipated.
- The economic effects in FY 2024 amid the high inflation rates, interest rate increases, the housing market and many other factors are still unknown, but based on how the County has continued to have an overall solid economy, it is felt that County finances will continue to trend in a positive manner. The Board of Supervisors will continue to look for ways to ensure that necessary services are delivered to the citizens of Louisa County without interruption.

All of these factors were considered in preparing the County's budget for the 2024 fiscal year.

For fiscal year 2024, the Board of Supervisors has approved a General Fund Operating Budget of \$146,998,870. The approved CIP Budget is \$41,183,924. The approved FY 2024 budget retained the prior year real estate tax rate at \$0.72 per \$100 of assessed value, and the budget was balanced with a plan to issue debt in the amount of \$20,860,000 for capital projects and \$1,814,844 of Long-Term School Capital Project Reserves.

## **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, Suite 304, Louisa, Virginia 23093.

## **BASIC FINANCIAL STATEMENTS**

## **Government-wide Financial Statements**

Statement of Net Position  
June 30, 2023

	Primary Government	Component Units	
	Governmental Activities	School Board	Louisa County Water Authority
<b>ASSETS</b>			
Cash and cash equivalents	\$ 103,857,249	\$ 8,399,177	\$ 1,752,570
Receivables (net of allowance for uncollectibles):			
Taxes receivable	89,196,651	-	-
Accounts receivable	1,385,984	5,015	198,429
Landfill accounts	67,259	-	-
Due from other governmental units	3,011,491	5,963,353	-
Prepaid items	14,146	644,372	360
Net pension asset	1,044,755	2,293,206	74,427
Restricted assets:			
Cash and cash equivalents	-	-	592,422
Capital assets (net of accumulated depreciation):			
Land	5,187,064	1,366,127	913,325
Buildings and system	34,898,991	78,434,900	179,932
Machinery and equipment	14,112,715	9,530,900	116,095
Intangible assets	-	-	20,450,244
Infrastructure	-	-	759,519
Construction in progress	52,786,618	1,173,621	593,946
Total assets	\$ 305,562,923	\$ 107,810,671	\$ 25,631,269
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related items	\$ 2,252,055	\$ 12,174,322	\$ 169,224
OPEB related items	923,308	3,409,702	46,785
Total deferred outflows of resources	\$ 3,175,363	\$ 15,584,024	\$ 216,009
<b>LIABILITIES</b>			
Accounts payable	\$ 1,256,720	\$ 2,561,756	\$ 90,177
Retainage payable	112,891	-	-
Accrued liabilities	153,772	5,646,000	2,500
Amounts held for future projects	-	-	10,000
Customers' deposits	-	-	126,410
Accrued interest payable	697,103	-	-
Unearned revenue	3,831,689	-	97,656
Long-term liabilities:			
Due within one year	3,519,961	88,466	87,196
Due in more than one year	67,295,804	48,450,290	105,790
Total liabilities	\$ 76,867,940	\$ 56,746,512	\$ 519,729
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related items	\$ 1,902,832	\$ 7,918,755	\$ 139,096
OPEB related items	862,542	2,508,962	55,547
Deferred revenue - property taxes	84,771,702	-	-
Total deferred inflows of resources	\$ 87,537,076	\$ 10,427,717	\$ 194,643
<b>NET POSITION</b>			
Net investment in capital assets	\$ 47,750,434	\$ 90,505,548	\$ 22,959,836
Restricted:			
Future capital expenses	-	-	494,759
Net pension assets	1,044,755	2,293,206	74,427
Opioid settlement	539,466	-	-
Unrestricted (deficit)	94,998,615	(36,578,288)	1,603,884
Total net position	\$ 144,333,270	\$ 56,220,466	\$ 25,132,906

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

Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 4,724,255	\$ 2,702	\$ 439,199	\$ -
Judicial administration	2,618,347	260,854	824,027	-
Public safety	23,716,184	3,132,459	3,229,586	92,993
Public works	6,659,179	720,952	49,684	-
Health and welfare	9,278,530	-	5,882,122	1,014,875
Education	45,872,914	-	-	-
Parks, recreation, and cultural	1,863,325	566,603	40,840	-
Community development	4,512,151	6,300	55,534	817,006
Interest on long-term debt	1,910,095	-	280,508	-
Total governmental activities	\$ 101,154,980	\$ 4,689,870	\$ 10,801,500	\$ 1,924,874
COMPONENT UNITS:				
School Board	\$ 83,827,694	\$ 283,990	\$ 46,740,339	\$ 207,387
Louisa County Water Authority	4,062,144	3,010,833	-	782,464
Total component units	\$ 87,889,838	\$ 3,294,823	\$ 46,740,339	\$ 989,851

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



Statement of Activities  
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government	Component Units	
	Governmental Activities	School Board	Louisa County Water Authority
<b>PRIMARY GOVERNMENT:</b>			
Governmental activities:			
General government administration	\$ (4,282,354)		
Judicial administration	(1,533,466)		
Public safety	(17,261,146)		
Public works	(5,888,543)		
Health and welfare	(2,381,533)		
Education	(45,872,914)		
Parks, recreation, and cultural	(1,255,882)		
Community development	(3,633,311)		
Interest on long-term debt	(1,629,587)		
Total governmental activities	<u>\$ (83,738,736)</u>		
<b>COMPONENT UNITS:</b>			
School Board		\$ (36,595,978)	\$ -
Louisa County Water Authority		-	(268,847)
Total component units		<u>\$ (36,595,978)</u>	<u>\$ (268,847)</u>
General revenues:			
General property taxes	\$ 77,912,471	\$ -	\$ -
Local sales and use taxes	6,512,542	-	-
Taxes on recordation and wills	1,009,304	-	-
Motor vehicle licenses taxes	1,475,090	-	-
Consumers' utility taxes	696,134	-	-
Meals taxes	1,933,138	-	-
Other local taxes	1,018,482	-	-
Unrestricted revenues from use of money and property	2,453,261	28,062	42,179
Miscellaneous	1,481,949	3,539,861	-
Payment from primary government	-	45,713,976	-
Grants and contributions not restricted to specific programs	1,993,996	-	-
Total general revenues	<u>\$ 96,486,367</u>	<u>\$ 49,281,899</u>	<u>\$ 42,179</u>
Change in net position	<u>\$ 12,747,631</u>	<u>\$ 12,685,921</u>	<u>\$ (226,668)</u>
Net position - beginning, as restated	131,585,639	43,534,545	25,359,574
Net position - ending	<u>\$ 144,333,270</u>	<u>\$ 56,220,466</u>	<u>\$ 25,132,906</u>

## **Fund Financial Statements**

Balance Sheet  
Governmental Funds  
June 30, 2023

	General	Capital Projects	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 76,930,862	\$ 26,926,387	\$ 103,857,249
Receivables (net of allowance for uncollectible):			
Taxes receivable	89,196,651	-	89,196,651
Accounts receivable	1,155,847	230,137	1,385,984
Landfill accounts	67,259	-	67,259
Due from other governmental units	2,717,279	294,212	3,011,491
Prepaid items	14,146	-	14,146
Total assets	<u>\$ 170,082,044</u>	<u>\$ 27,450,736</u>	<u>\$ 197,532,780</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,098,342	\$ 158,378	\$ 1,256,720
Accrued liabilities	153,772	-	153,772
Retainage payable	6,689	106,202	112,891
Unearned revenue	3,826,689	5,000	3,831,689
Total liabilities	<u>\$ 5,085,492</u>	<u>\$ 269,580</u>	<u>\$ 5,355,072</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	\$ 88,704,335	\$ -	\$ 88,704,335
Unavailable revenue - opioid settlement	423,884	-	423,884
Total deferred inflows of resources	<u>\$ 89,128,219</u>	<u>\$ -</u>	<u>\$ 89,128,219</u>
Fund balances:			
Nonspendable:			
Prepays	\$ 14,146	\$ -	\$ 14,146
JRWA receivable	235,144	-	235,144
Restricted:			
Opioid settlement	167,862	-	167,862
Committed:			
NAPS stabilization	15,800,000	-	15,800,000
Assigned:			
Zion Crossroads development debt	357,130	-	357,130
OPEB	15,565,515	-	15,565,515
Leave	1,786,766	-	1,786,766
Capital projects	-	27,181,156	27,181,156
Unassigned	41,941,770	-	41,941,770
Total fund balances	<u>\$ 75,868,333</u>	<u>\$ 27,181,156</u>	<u>\$ 103,049,489</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 170,082,044</u>	<u>\$ 27,450,736</u>	<u>\$ 197,532,780</u>

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
 Governmental Funds  
 June 30, 2023

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Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 103,049,489

Amounts reported for governmental activities in the Statement of Net Position 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 position includes those capital assets among the assets of the locality as a whole. 106,985,388

The net pension and OPEB assets are not available resources and, therefore are not reported in the funds. 1,044,755

Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds

Pension related items	\$ 2,252,055	
OPEB related items	<u>923,308</u>	3,175,363

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid. (697,103)

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 unavailable revenues in the governmental funds and thus are not included in the fund balance.

Unavailable revenue - property taxes	\$ 3,932,633	
Unavailable revenue - opioid settlement	<u>423,884</u>	4,356,517

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 Position. (70,815,765)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds

Pension related items	\$ (1,902,832)	
OPEB related items	<u>(862,542)</u>	<u>(2,765,374)</u>

Net position of governmental activities \$ 144,333,270

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, 2023

	General	Capital Projects	Total
<b>REVENUES</b>			
General property taxes	\$ 77,646,823	\$ -	\$ 77,646,823
Other local taxes	10,711,552	1,933,138	12,644,690
Permits, privilege fees, and regulatory licenses	1,213,203	-	1,213,203
Fines and forfeitures	123,308	-	123,308
Revenue from the use of money and property	1,918,624	534,637	2,453,261
Charges for services	3,353,359	-	3,353,359
Miscellaneous	410,103	647,962	1,058,065
Recovered costs	209,306	500	209,806
Intergovernmental:			
Commonwealth	8,809,905	817,006	9,626,911
Federal	5,093,459	-	5,093,459
Total revenues	<u>\$ 109,489,642</u>	<u>\$ 3,933,243</u>	<u>\$ 113,422,885</u>
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 4,485,999	\$ -	\$ 4,485,999
Judicial administration	2,654,511	-	2,654,511
Public safety	23,167,102	-	23,167,102
Public works	4,702,247	-	4,702,247
Health and welfare	10,640,385	-	10,640,385
Education	38,815,004	-	38,815,004
Parks, recreation, and cultural	1,838,540	-	1,838,540
Community development	2,147,964	-	2,147,964
Capital projects	-	15,209,132	15,209,132
Debt service:			
Principal retirement	2,730,442	-	2,730,442
Interest and other fiscal charges	2,403,462	-	2,403,462
Total expenditures	<u>\$ 93,585,656</u>	<u>\$ 15,209,132</u>	<u>\$ 108,794,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 15,903,986</u>	<u>\$ (11,275,889)</u>	<u>\$ 4,628,097</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 13,695,065	\$ 13,695,065
Transfers out	(13,695,065)	-	(13,695,065)
Total other financing sources (uses)	<u>\$ (13,695,065)</u>	<u>\$ 13,695,065</u>	<u>\$ -</u>
Net change in fund balances	\$ 2,208,921	\$ 2,419,176	\$ 4,628,097
Fund balances - beginning	73,659,412	24,761,980	98,421,392
Fund balances - ending	<u>\$ 75,868,333</u>	<u>\$ 27,181,156</u>	<u>\$ 103,049,489</u>

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

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds	\$	4,628,097
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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	\$	9,132,759	
Depreciation expense		(3,360,508)	
Transfer of joint tenancy assets from Primary Government to the Component Unit		<u>(1,396,067)</u>	4,376,184

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

Property taxes	\$	265,648	
Opioid settlement funds		<u>423,884</u>	689,532

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 position. Also, governmental funds report the effect of 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	\$	1,920,442	
Principal retired on lease revenue bonds		810,000	
Amortization of premiums on bonds payable		<u>445,417</u>	3,175,859

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:

Change in landfill closure and postclosure liability	\$	(557,108)	
OPEB expense		90,343	
Change in accrued interest payable		47,950	
Pension expense		516,050	
Change in compensated absences		<u>(219,276)</u>	<u>(122,041)</u>

Change in net position of governmental activities	\$	<u><u>12,747,631</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position  
 Custodial Funds  
 June 30, 2023

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	<b>Custodial Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,292,393
Total assets	\$ <u>3,292,393</u>
<b>NET POSITION</b>	
Restricted for:	
Special welfare	\$ 4,072
Bond escrow	3,238,271
Spencer scholarship	<u>50,050</u>
Total net position	\$ <u>3,292,393</u>

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

Statement of Changes in Fiduciary Net Position  
 Custodial Funds  
 For the Year Ended June 30, 2023

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	<b>Custodial Funds</b>
	<hr/>
<b>ADDITIONS</b>	
Special welfare collections	\$ 26,784
Interest	8,924
Current year bonds	394,582
Total additions	\$ <u>430,290</u>
<b>DEDUCTIONS</b>	
Welfare costs	\$ 23,561
Bonds released in current year	318,268
Scholarship payments	2,000
Total deductions	\$ <u>343,829</u>
Net increase (decrease) in fiduciary net position	\$ <u>86,461</u>
Net position, beginning of year	\$ <u>3,205,932</u>
Net position, end of year	\$ <u><u>3,292,393</u></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, 2023

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#### **Note 1–Summary of Significant Accounting Policies:**

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

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

#### 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 Position 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 Position - The Statement of Net Position 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 Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The Net Position of a government will be broken down into three categories - 1) net investment in capital assets, 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).

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*.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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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. The budgetary comparison schedules present the original budget, the final budget and the actual activity of the major governmental funds.

#### **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**

The Louisa County Broadband Authority is reported as a blended component unit of the County of Louisa, Virginia. The Authority is governed by a board appointed by the government's elected supervisors. There is a financial burden/benefit relationship between the Authority and the County. In addition, the Authority almost exclusively benefits the primary government even though it does not provide services directly to it. The Authority does not issue a separate financial report.

##### *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, 2023.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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#### **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*

##### James River Water Authority

The six-member JRWA Board is comprised of three representatives from Fluvanna County and three from Louisa County (2 citizen representatives and the County Administrator from each county). Each member serves a 4 year term which is appointed by the respective Board of Supervisors on an at-large basis. Each County Administrator provides regular reports back to their respective Board of Supervisors. Board of Supervisor members may then discuss matters with appointed JRWA Board representatives as necessary. The Authority is a separate legal entity and is not included in the County's financial report. Financial Statements for the Authority can be obtained from the Administrative Offices.

##### Included in the County's Annual Comprehensive 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 (GASB). The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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

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.).

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

Property taxes not collected within 60 days after year-end are reflected as unavailable 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 as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. 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 financial 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.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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

The government reports the following 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. The General Fund is a major fund.

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. The Capital Projects Fund is a major fund.

Fiduciary Funds: Trust and Custodial Funds account for assets held by the County unit in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. Trust and Custodial funds use the accrual basis of accounting to recognize receivables and payables. Fiduciary funds are not included in the government-wide financial statements. Custodial 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 Operating Fund, and the Capital Projects Fund.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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#### D. Budgets and Budgetary Accounting: (Continued)

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.

#### E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

#### F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

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" (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans).

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 \$251,943 at June 30, 2023 and is comprised of the following:

Property taxes	\$ 248,735
Landfill billings	<u>3,208</u>
Total	<u>\$ 251,943</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 5<sup>th</sup> and if necessary are prorated during the year. The County bills and collects its own property taxes.



COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure 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 acquisition 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 asset’s life are not capitalized.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease and subscription assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

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

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup>, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup> and amounts prepaid on the 2<sup>nd</sup> half installments are reported as deferred inflows of resources. In addition, certain to pension, OPEB, opioid settlement, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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#### J. 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 Position. 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.

#### K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Retirement Plan and the additions to/deductions from the County Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### L. 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 position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

#### M. Fund Balances

##### Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to ensure 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.



## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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#### M. Fund Balances: (Continued)

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance.” County’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes:

Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);

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 through a formal action (resolution or ordinance) by the government’s highest level of decision-making authority. A change can only be made through the same (similar) formal action.

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.

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. Based on County policy the Board of Supervisors is authorized to assign amounts for specific purposes. Exhibit 3 provides 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 via a resolution. 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 specific and nonroutine revenue losses from the North Anna Power Station.

#### N. Use of Estimates

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

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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#### O. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### P. 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. Prepaid expenses are reported on the consumption method.

#### Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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**R. Leases and Subscription-Based IT Arrangements**

A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

*Lessee*

The County recognizes lease liabilities and intangible right-to-use lease assets (lease and subscription assets) with an initial value of \$5,000, individually or in the aggregate in the government-wide financial statements. At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The lease asset is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

*Lessor*

The County recognizes leases receivable and deferred inflows of resources in the government-wide and governmental fund financial statements. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

*Subscriptions*

The County recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of \$5,000, individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

*Key Estimates and Judgments*

Lease and subscription-based IT arrangement accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease and subscription payments to present value, (2) lease and subscription term, and (3) lease and subscription payments.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

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#### R. Leases and Subscription-Based IT Arrangements: (Continued)

- The County uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.
- The lease and subscription terms includes the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease liability (lessee), lease receivable (lessor) or subscription liability.

The County monitors changes in circumstances that would require a remeasurement or modification of its leases and subscriptions. The County will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable or subscription liability.

### Note 2–Deposits and Investments:

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#### 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 local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard & Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

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

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 2-Deposits and Investments: (Continued)

#### Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2023 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

<b>County's Rated Debt Investments' Values</b>	
<b>Rated Debt Investments</b>	<b>Fair Quality Ratings</b>
	<b>AAAm</b>
Local Government Investment Pool	\$ 19,309,491
Total	\$ 19,309,491

#### External Investment Pools

The fair value of the positions in the external investment pools (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio. There are no withdrawal limitations or restrictions imposed on participants.

#### Interest Rate Risk

The County has not adopted an investment policy for interest rate risk. Investments subject to interest rate risk are presented below along with their corresponding maturities.

<b>Investment Maturities (in years)</b>		
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1 Year</b>
Local Government Investment Pool	\$ 19,309,491	\$ 19,309,491
Total	\$ 19,309,491	\$ 19,309,491

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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

At June 30, 2023, the County and School Board had receivables from other governments as follows:

	Primary Government	Discretely Presented Component Unit School Board
Commonwealth of Virginia:		
State Sales Taxes	\$ -	\$ 1,138,369
Local Sales Taxes	1,198,078	-
Communication Tax	19,294	-
VPA Funds	130,817	-
Shared Expenses	265,605	-
Children's Services Act Reimbursement	632,843	-
Other State Aid	310,762	517,180
Federal Government:		
School Funds	-	4,307,804
Public Safety Grants	261,753	-
VPA Funds	192,339	-
Total	<u>\$ 3,011,491</u>	<u>\$ 5,963,353</u>

### Note 4—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

	Restated Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<b>Government Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,187,064	\$ -	\$ -	\$ 5,187,064
Construction in Progress	<u>52,939,387</u>	<u>5,675,873</u>	<u>5,828,642</u>	<u>52,786,618</u>
Total capital assets not being depreciated	<u>\$ 58,126,451</u>	<u>\$ 5,675,873</u>	<u>\$ 5,828,642</u>	<u>\$ 57,973,682</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 48,215,763	\$ 6,010,143	\$ 1,650,442	\$ 52,575,464
Machinery and equipment	<u>26,752,228</u>	<u>3,275,385</u>	<u>263,360</u>	<u>29,764,253</u>
Total capital assets being depreciated	<u>\$ 74,967,991</u>	<u>\$ 9,285,528</u>	<u>\$ 1,913,802</u>	<u>\$ 82,339,717</u>
Accumulated depreciation:				
Buildings and improvements	\$ 16,709,127	\$ 1,221,721	\$ 254,375	\$ 17,676,473
Machinery and equipment	<u>13,776,111</u>	<u>2,138,787</u>	<u>263,360</u>	<u>15,651,538</u>
Total accumulated depreciation	<u>\$ 30,485,238</u>	<u>\$ 3,360,508</u>	<u>\$ 517,735</u>	<u>\$ 33,328,011</u>
Total capital assets being depreciated, net	<u>\$ 44,482,753</u>	<u>\$ 5,925,020</u>	<u>\$ 1,396,067</u>	<u>\$ 49,011,706</u>
Governmental activities capital assets, net	<u>\$ 102,609,204</u>	<u>\$ 11,600,893</u>	<u>\$ 7,224,709</u>	<u>\$ 106,985,388</u>

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 4—Capital Assets: (Continued)

The following is a summary of changes in School Board capital assets for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,366,127	\$ -	\$ -	\$ 1,366,127
Construction in progress	8,452,083	1,030,882	8,309,344	1,173,621
Total capital assets not being depreciated	\$ 9,818,210	\$ 1,030,882	\$ 8,309,344	\$ 2,539,748
Capital assets being depreciated:				
Buildings and improvements	\$ 113,910,916	\$ 11,009,055	\$ -	\$ 124,919,971
Machinery and equipment	22,869,958	2,963,896	-	25,833,854
Total capital assets being depreciated	\$ 136,780,874	\$ 13,972,951	\$ -	\$ 150,753,825
Accumulated depreciation:				
Buildings and improvements	\$ 42,933,632	\$ 3,551,439	\$ -	\$ 46,485,071
Machinery and equipment	14,940,671	1,362,283	-	16,302,954
Total accumulated depreciation	\$ 57,874,303	\$ 4,913,722	\$ -	\$ 62,788,025
Total capital assets being depreciated, net	\$ 78,906,571	\$ 9,059,229	\$ -	\$ 87,965,800
School Board capital assets, net	\$ 88,724,781	\$ 10,090,111	\$ 8,309,344	\$ 90,505,548

Capital asset activity for the School Board for the year ended June 30, 2023 was as follows:

Depreciation expense	\$ 4,659,347
Depreciation on joint tenancy assets-transferred to School Board	254,375
Net increases in accumulated depreciation	\$ 4,913,722

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

Governmental activities:	
General Government Administration	\$ 387,915
Judicial Administration	165,452
Public Safety	1,716,940
Public Works	591,739
Health and Welfare	106,134
Education	152,375
Parks, Recreation and Cultural	69,822
Community Development	170,131
Total	\$ 3,360,508
Component Unit School Board	\$ 4,659,347



## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 4–Capital Assets: (Continued)

(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, 2023, is that school financed assets in the amount of \$11,721,306 are reported in the Primary Government for financial reporting purposes.

### Note 5–Long-Term Obligations:

#### Primary Government:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2023:

	<b>Balance</b>	<b>Issuances/</b>	<b>Retirements/</b>	<b>Balance</b>	<b>Amounts</b>
	<b>July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2023</b>	<b>Due Within</b>
					<b>One Year</b>
Compensated absences	\$ 912,448	\$ 401,765	\$ 182,490	\$ 1,131,724	\$ 113,172
Direct Borrowings and Direct Placements:					
General obligation bonds	23,745,738	-	1,920,442	21,825,296	1,920,442
Lease revenue bonds	33,620,000	-	810,000	32,810,000	855,000
Premium on bonds payable	4,932,184	-	445,417	4,486,767	418,947
Net OPEB liabilities	2,168,232	718,989	748,939	2,138,282	-
Landfill closure and postclosure care	7,866,588	557,108	-	8,423,696	212,400
Total	<u>\$ 79,646,510</u>	<u>\$ 1,677,862</u>	<u>\$ 4,107,288</u>	<u>\$ 70,815,765</u>	<u>\$ 3,519,961</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 postemployment benefits liabilities.



**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2023 (Continued)

**Note 5—Long-Term Obligations: (Continued)****Primary Government: (Continued)**

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

Year Ending June 30,	Direct Borrowings and Direct Placements		Premium on Bonds Payable	
	General Obligation Bonds			
	Principal	Interest	Principal	Interest
2024	\$ 1,920,442	\$ 918,473	\$ 418,947	\$ -
2025	1,920,442	833,790	391,980	-
2026	1,920,442	752,783	365,508	-
2027	1,920,442	671,775	338,903	-
2028	1,920,441	589,849	312,030	-
2029	1,730,441	515,168	286,643	-
2030	1,730,441	449,672	263,166	-
2031	995,441	403,935	242,611	-
2032	995,441	373,260	223,749	-
2033	995,441	343,935	205,606	-
2034	995,441	317,310	188,584	-
2035	515,441	196,881	174,261	-
2036	270,000	86,321	162,623	-
2037	270,000	80,786	150,948	-
2038	270,000	75,251	138,885	-
2039	270,000	69,716	126,419	-
2040	270,000	64,181	113,523	-
2041	265,000	58,698	100,191	-
2042	265,000	53,265	86,413	-
2043	265,000	47,833	70,952	-
2044	265,000	42,400	53,687	-
2045	265,000	36,968	35,702	-
2046	265,000	31,535	16,958	-
2047	265,000	25,937	6,652	-
2048	265,000	20,173	5,174	-
2049	265,000	14,409	3,696	-
2050	265,000	86,346	2,217	-
2051	265,000	2,882	739	-
Total	\$ 21,825,296	\$ 7,163,532	\$ 4,486,767	\$ -

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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**Note 5—Long-Term Obligations: (Continued)**

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**Primary Government: (Continued)**

Year Ending June 30,	Direct Borrowings and Direct Placements	
	Lease Revenue Bonds	
	Principal	Interest
2024	\$ 855,000	\$ 1,355,903
2025	900,000	1,310,931
2026	945,000	1,265,153
2027	990,000	1,218,644
2028	1,040,000	1,171,550
2029	1,085,000	1,125,622
2030	1,130,000	1,079,438
2031	1,180,000	1,029,394
2032	1,235,000	975,159
2033	1,285,000	922,959
2034	1,335,000	873,097
2035	1,390,000	821,244
2036	1,445,000	767,322
2037	1,500,000	711,306
2038	1,555,000	653,172
2039	1,615,000	592,841
2040	1,680,000	530,156
2041	1,745,000	465,016
2042	1,810,000	397,369
2043	1,890,000	320,531
2044	1,975,000	233,841
2045	2,065,000	143,216
2046	2,160,000	48,449
Total	\$ <u>32,810,000</u>	\$ <u>18,012,313</u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 5—Long-Term Obligations: (Continued)

#### Primary Government: (Continued)

##### Details of Long-Term Obligations

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
<u>General Obligation Bonds:</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%	\$ 950,000	\$ 190,000
\$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%	5,145,000	735,000
\$5,399,716 Series 2012-1 issued October 31, 2013, due in annual installments of \$245,442 beginning December 1, 2013 through December 1, 2034, interest payable at 4.01%	2,945,296	245,442
\$9,625,000 Series 2013A issued May 9, 2013, due in annual installments ranging from \$480,000 to \$485,000 beginning July 15, 2014 through July 15, 2033, interest ranging from 3.05% to 5.05%. This series of bonds was refunded on the pool side by VPSA through the issuance of Series 2020B and C bonds. The pool level refunding favorably impacts the County in that the County will receive an increased amount as an annual interest subsidy. There are no other changes to the terms of repayment.	5,280,000	480,000
\$7,775,000 Series 2021A issued May 11, 2021, due in annual installments ranging from \$265,000 to \$270,000 beginning July 15, 2022 through July 15, 2050, interest ranging from 2.05% to 5.05%	<u>7,505,000</u>	<u>270,000</u>
Total General Obligation Bonds	\$ <u>21,825,296</u>	\$ <u>1,920,442</u>
<u>Lease Revenue Bonds:</u>		
\$37,830,000 Series 2016A issued May 25, 2016, due in annual installments ranging from \$635,000 to \$2,160,000 beginning October 1, 2016 through October 1, 2045, interest ranging from 3.804% to 5.125%.	\$ <u>32,810,000</u>	\$ <u>855,000</u>
Premium on Bonds Payable	\$ 4,486,767	\$ 418,947
Compensated absences	1,131,724	113,172
Net OPEB liability	2,138,282	-
Landfill closure and postclosure care	<u>8,423,696</u>	<u>212,400</u>
Total Long-Term Obligations	\$ <u><u>70,815,765</u></u>	\$ <u><u>3,519,961</u></u>

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

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 5—Long-Term Obligations: (Continued)

#### Component Unit School Board:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 927,703	\$ 142,496	\$ 185,541	\$ 884,658	\$ 88,466
Net pension liability	28,537,922	29,245,581	21,748,037	36,035,466	-
Net OPEB liabilities	<u>11,685,604</u>	<u>3,220,824</u>	<u>3,287,796</u>	<u>11,618,632</u>	<u>-</u>
Total	\$ <u>65,112,811</u>	\$ <u>32,608,901</u>	\$ <u>25,221,374</u>	\$ <u>48,538,756</u>	\$ <u>88,466</u>

### Note 6—Unavailable and Deferred Revenue:

Deferred revenue/Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

	<u>Government-wide</u> <u>Statements</u> <u>Governmental</u> <u>Activities</u>	<u>Balance</u> <u>Sheet</u> <u>Governmental</u> <u>Funds</u>
Primary Government:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 3,932,633
2nd half assessments due in December 2023	84,516,804	84,516,804
Prepaid property taxes due in December 2023, but paid in advance by the taxpayers	254,898	254,898
Opioid settlement	<u>-</u>	<u>423,884</u>
Total deferred revenue/unavailable revenue	\$ <u>84,771,702</u>	\$ <u>89,128,219</u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 7—Pension Plan:

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#### ***Plan Description***

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service. However, the Louisa County Water Authority whose financial information is not included in the primary government participates in the VRS plan through the County and they report their proportionate information on the basis of a cost-sharing plan.

#### ***Benefit Structures***

The System administers three different benefit structures for covered employees – Plan 1, Plan 2 and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) 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. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees 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. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 7—Pension Plan: (Continued)

#### ***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

#### ***Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits***

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

#### ***Employees Covered by Benefit Terms***

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Primary Government and LCWA</b>	<b>Component Unit School Board (Nonprofessional)</b>
Inactive members or their beneficiaries currently receiving benefits	167	114
Inactive members:		
Vested inactive members	52	30
Non-vested inactive members	106	65
Long-term disability (LTD)	0	0
Inactive members active elsewhere in VRS	162	34
Total inactive members	320	129
Active members	282	162
Total covered employees	769	405

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### **Note 7—Pension Plan: (Continued)**

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#### ***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The County's contractually required contribution rate for the year ended June 30, 2023 was 10.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,611,943 and \$1,189,582 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the pension plan from the Component Unit Louisa County Water Authority were \$114,830 and \$87,890 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 2.12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$62,991 and \$128,859 for the years ended June 30, 2023 and June 30, 2022, respectively.

#### ***Net Pension Liability (Asset)***

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities (assets) were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liabilities (assets) were determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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**Note 7–Pension Plan: (Continued)**

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**Actuarial Assumptions – General Employees**

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

- All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related
- Pre-Retirement:
  - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
  - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
  - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors:
  - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement:
  - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates



## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 7—Pension Plan: (Continued)

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#### **Actuarial Assumptions – General Employees: (Continued)**

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

#### **Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits**

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% – 4.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 7–Pension Plan: (Continued)

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#### **Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits: (Continued)**

Mortality rates:

All Others (Non-10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years

Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years

Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non-10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 7—Pension Plan: (Continued)

#### ***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\* The above allocation provides a one-year expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### ***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 7—Pension Plan: (Continued)

### Discount Rate: (Continued)

Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in Net Pension Liability (Asset)

	Primary Government			Component Unit		
	Louisa County Water Authority					
	Increase (Decrease)			Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 46,212,735	\$ 49,923,073	\$ (3,710,338)	\$ 3,414,342	\$ 3,688,474	\$ (274,132)
Changes for the year:						
Service cost	\$ 1,717,081	\$ -	\$ 1,717,081	\$ 122,320	\$ -	\$ 122,320
Interest	3,179,070	-	3,179,070	226,468	-	226,468
Differences between expected and actual experience	(418,756)	-	(418,756)	(29,831)	-	(29,831)
Impact of change in proportion	114,142	123,307	(9,165)	(114,142)	(123,307)	9,165
Contributions - employer	-	1,188,403	(1,188,403)	-	84,659	(84,659)
Contributions - employee	-	710,213	(710,213)	-	50,594	(50,594)
Net investment income	-	(66,395)	66,395	-	(4,730)	4,730
Benefit payments, including refunds of employee contributions	(1,893,265)	(1,893,265)	-	(134,871)	(134,871)	-
Administrative expenses	-	(30,748)	30,748	-	(2,190)	2,190
Other changes	-	1,174	(1,174)	-	84	(84)
Net changes	\$ 2,698,272	\$ 32,689	\$ 2,665,583	\$ 69,944	\$ (129,761)	\$ 199,705
Balances at June 30, 2022	\$ 48,911,007	\$ 49,955,762	\$ (1,044,755)	\$ 3,484,286	\$ 3,558,713	\$ (74,427)

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 7—Pension Plan: (Continued)

### Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 16,569,824	\$ 19,947,403	\$ (3,377,579)
Changes for the year:			
Service cost	\$ 289,218	\$ -	\$ 289,218
Interest	1,109,936	-	1,109,936
Differences between expected and actual experience	(5,640)	-	(5,640)
Contributions - employer	-	129,989	(129,989)
Contributions - employee	-	209,350	(209,350)
Net investment income	-	(18,198)	18,198
Benefit payments, including refunds of employee contributions	(831,078)	(831,078)	-
Administrative expenses	-	(12,456)	12,456
Other changes	-	456	(456)
Net changes	\$ 562,436	\$ (521,937)	\$ 1,084,373
Balances at June 30, 2022	\$ 17,132,260	\$ 19,425,466	\$ (2,293,206)

### Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the County, Component Unit Louisa County Water Authority and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County Net Pension Liability (Asset)	\$ 6,009,950	\$ (1,044,755)	\$ (6,737,975)
Component Unit Louisa County Water Authority Net Pension Liability (Asset)	428,132	(74,427)	(479,995)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	(240,906)	(2,293,206)	(3,983,398)

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 7—Pension Plan: (Continued)

### *Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended June 30, 2023 the County, Component Unit Louisa County Water Authority and Component Unit School Board (nonprofessional) recognized pension expense of \$1,071,065, \$87,428 and (\$368,314), respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Primary Government</u>		<u>Component Unit School Board (Nonprofessional)</u>		<u>Component Unit Louisa County Water Authority</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,025	\$ 516,457	\$ -	\$ 89,506	\$ 1,929	\$ 37,382
Change in assumptions	617,087	-	94,020	-	45,592	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,873	-	-	6,873	-
Net difference between projected and actual earnings on pension plan investments	-	1,379,502	-	574,281	-	101,714
Employer contributions subsequent to the measurement date	<u>1,611,943</u>	<u>-</u>	<u>62,991</u>	<u>-</u>	<u>114,830</u>	<u>-</u>
Total	<u>\$ 2,252,055</u>	<u>\$ 1,902,832</u>	<u>\$ 157,011</u>	<u>\$ 663,787</u>	<u>\$ 169,224</u>	<u>\$ 139,096</u>

\$1,611,943, \$114,830, and \$62,991 reported as deferred outflows of resources related to pensions resulting from the County's, Component Unit Louisa County Water Authority and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction or Component of the Net Pension Liability (Asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>	<u>Component Unit Louisa County Water Authority</u>
2024	\$ (316,165)	\$ (219,263)	\$ (18,294)
2025	(650,609)	(234,766)	(43,468)
2026	(984,688)	(385,269)	(72,004)
2027	688,742	269,531	49,064
Thereafter	-	-	-

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### **Note 7—Pension Plan: (Continued)**

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#### ***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

#### **Component Unit School Board (Professional)**

##### ***Plan Description***

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

##### ***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$6,071,620 and \$5,622,815 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

##### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2023, the school division reported a liability of \$36,035,466 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was .37850% as compared to .36761% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$2,716,024. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.



## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 7—Pension Plan: (Continued)

#### Component Unit School Board (Professional) (Continued)

##### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)*

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,484,788
Change in assumptions	3,397,419	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,548,272	71,910
Net difference between projected and actual earnings on pension plan investments	-	4,698,270
Employer contributions subsequent to the measurement date	<u>6,071,620</u>	<u>-</u>
Total	<u>\$ 12,017,311</u>	<u>\$ 7,254,968</u>

\$6,071,620 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

#### Year ended June 30

2024	\$ (377,913)
2025	(880,512)
2026	(2,420,477)
2027	2,369,625
2028	-
Thereafter	-



COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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Note 7–Pension Plan: (Continued)

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Component Unit School Board (Professional) (Continued)

*Actuarial Assumptions*

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation

Mortality rates:

Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 7—Pension Plan: (Continued)

#### Component Unit School Board (Professional) (Continued)

##### **Actuarial Assumptions: (Continued)**

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

##### **Net Pension Liability**

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<b><u>Teacher Employee Retirement Plan</u></b>
Total Pension Liability	\$ 54,732,329
Plan Fiduciary Net Position	<u>45,211,731</u>
Employers' Net Pension Liability (Asset)	<u><u>\$ 9,520,598</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

The long-term expected rate of return and discount rate information previously described also apply to this plan.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 7—Pension Plan: (Continued)

#### Component Unit School Board (Professional) (Continued)

##### ***Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the school division's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS			
Teacher Employee Retirement Plan			
Net Pension Liability (Asset)	\$ 64,362,101	\$ 36,035,466	\$ 12,971,356

#### ***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### **Primary Government, Component Unit School Board, and Component Unit Louisa County Water Authority**

#### **Aggregate Pension Information**

##### **VRS Pension Plans:**

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
<b>Primary Government</b>				
Primary Government	\$ 2,252,055	\$ 1,902,832	\$ (1,044,755)	\$ 1,071,065
Totals	\$ 2,252,055	\$ 1,902,832	\$ (1,044,755)	\$ 1,071,065
<b>Component Unit School Board</b>				
School Board Nonprofessional	\$ 157,011	\$ 663,787	\$ (2,293,206)	\$ (368,314)
School Board Professional	12,017,311	7,254,968	36,035,466	2,716,024
Totals	\$ 12,174,322	\$ 7,918,755	\$ 33,742,260	\$ 2,347,710
<b>Component Unit Louisa County Water Authority</b>				
Louisa County Water Authority	\$ 169,224	\$ 139,096	\$ (74,427)	\$ 87,428
	\$ 169,224	\$ 139,096	\$ (74,427)	\$ 87,428

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### **Note 8–Contingent Liabilities:**

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Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2 *U.S. Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards*. 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 9–Landfill Closure and Postclosure Care Cost:**

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The County of Louisa, Virginia owns and operates a landfill site which includes two permitted cells. The original cell (#194) accepts no further solid waste after December, 2013, while the newer cell (#567) came online in early 2013. Cell # 1 at cell 567 was filled in 2020 and two more cells (cells #2 and #3) which bridge the existing pair were opened. 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 \$8,423,696 reported as landfill closure, postclosure and corrective action liability on the June 30, 2023 Statement of Net Position is equal to the expected closure and postclosure costs. The landfill is closed as of June 30, 2023. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. 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.

### **Note 10–Risk Management:**

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

The County is a member of the Virginia 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.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 11–Litigation:

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The County has been named as a defendant in various matters. It is not known what liability, if any, the County faces.

### Note 12–Interfund Transfers:

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Interfund transfers for the year ended June 30, 2023, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 13,695,065
Capital Projects Fund	13,695,065	-
Total	<u>\$ 13,695,065</u>	<u>\$ 13,695,065</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.

### Note 13–Surety Bonds:

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	<u>Amount</u>
Public Officers Liability Insurance:	
All employees and volunteers, including Board of Supervisors	\$ 5,000,000
Henry B. Wash, Treasurer	400,000
Stacey C. Fletcher, Commissioner of the Revenue	3,000
Donald Lowe, Sheriff	30,000
Patty C. Madison, Clerk of the Court	1,630,000

### Note 14–Group Life Insurance (GLI) Plan (OPEB Plan):

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#### ***Plan Description***

The Group Life Insurance (GLI) Plan was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Plan upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 14–Group Life Insurance (GLI) Plan (OPEB Plan):

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#### ***Plan Description : (Continued)***

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured plan, it is not included as part of the GLI Plan OPEB.

The specific information for GLI Plan OPEB, including eligibility, coverage and benefits is described below:

#### ***Eligible Employees***

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

#### ***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

#### ***Contributions***

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$97,692 (made up of \$91,332 and \$6,360 for the County and LCWA respectively) and \$85,820 (made up of \$79,486 and \$6,334 for the County and LCWA respectively) for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to School Professional Plan were \$207,376 and \$190,973 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the School Nonprofessional Plan were \$27,166 and \$21,838 for the years ended June 30, 2023 and June 30, 2022, respectively.

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 14–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

### **GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB**

At June 30, 2023, the County, School Board (Professional) and School Board (Nonprofessional) reported liabilities of \$879,713 (made up of \$814,790 and \$64,923 for the County and LCWA respectively), \$1,957,620, and \$223,842, for their proportionate share of the Net GLI OPEB Liability, respectively. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, County, School Board (Professional) and School Board (Nonprofessional)'s proportion were .07310%, .16260% and .01860% respectively, as compared to .06980%, .15780% and .01790% at June 30, 2021.

For the year ended June 30, 2023, the County, School Board (Professional) and School Board (Nonprofessional) recognized GLI OPEB expense of \$54,176 (made up of \$50,178 and \$3,998 for the County and LCWA respectively), \$102,994, and \$2,254 respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	County Plan					
	County		LCWA		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,521	\$ 32,687	\$ 5,141	\$ 2,605	\$ 69,662	\$ 35,292
Net difference between projected and actual earnings on GLI OPEB plan investments	-	50,912	-	4,057	-	54,969
Change in assumptions	30,390	79,364	2,422	6,324	32,812	85,688
Changes in proportion	84,523	113	6,735	9	91,258	122
Employer contributions subsequent to the measurement date	91,332	-	6,360	-	97,692	-
Total	\$ 270,766	\$ 163,076	\$ 20,658	\$ 12,995	\$ 291,424	\$ 176,071



# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

### GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)

	School Professional		School Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 155,019	\$ 78,535	\$ 17,725	\$ 8,980
Net difference between projected and actual earnings on GLI OPEB plan investments	-	122,322	-	13,987
Change in assumptions	73,016	190,680	8,349	21,803
Changes in proportion	152,165	7,736	8,045	16,054
Employer contributions subsequent to the measurement date	207,376	-	27,166	-
Total	\$ 587,576	\$ 399,273	\$ 61,285	\$ 60,824

\$97,692 (made up of \$91,332 and \$6,360 for the County and LCWA, respectively), \$207,376, and \$27,166 reported as deferred outflows of resources related to the GLI OPEB resulting from the respective County/LCWA, School Board (Professional) and School Board (Nonprofessional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	County Plan			School Professional	School Nonprofessional
	County	LCWA	Total		
2024	\$ 9,191	\$ 732	\$ 9,923	\$ 6,164	\$ (8,818)
2025	8,377	667	9,044	877	(7,557)
2026	(22,458)	(1,790)	(24,248)	(67,589)	(12,863)
2027	20,283	1,616	21,899	45,056	2,698
2028	965	78	1,043	(3,581)	(165)
Thereafter	-	-	-	-	-

### Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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#### Actuarial Assumptions: (Continued)

Inflation	2.50%
Salary increases, including inflation:	
Teachers	3.50%-5.95%
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

#### Mortality Rates – Teachers

##### Pre-Retirement:

Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males

##### Post-Retirement:

Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females

##### Post-Disablement:

Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

##### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

##### Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 14–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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#### **Actuarial Assumptions: (Continued)**

##### **Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years

**Post-Retirement:**

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year

**Post-Disablement:**

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

##### **Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees**

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

#### Actuarial Assumptions: (Continued)

##### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

##### Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

##### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

##### Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

#### NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date June 30, 2022, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
Total GLI OPEB Liability	\$	3,672,085
Plan Fiduciary Net Position		2,467,989
GLI Net OPEB Liability (Asset)	\$	<u>1,204,096</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

### NET GLI OPEB Liability: (Continued)

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

### Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

#### Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

#### Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the employer's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of GLI Plan			
Net OPEB Liability:			
County Plan:			
County	\$ 1,185,615	\$ 814,790	\$ 515,113
LCWA	94,470	64,923	41,044
Total County Plan	1,280,085	879,713	556,157
School Professional	2,848,566	1,957,620	1,237,613
School Nonprofessional	325,716	223,842	141,513

#### GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.



## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### **Note 15–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):**

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#### ***Plan Description***

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (Professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Plan. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the Teacher HIC Plan OPEB, including eligibility, coverage, and benefits is described below:

#### ***Eligible Employees***

The Teacher Employee Retiree HIC Plan was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (Professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

#### ***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

#### ***HIC Plan Notes***

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

#### ***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$463,703 and \$427,251 for the years ended June 30, 2023 and June 30, 2022, respectively.



## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

#### **Contributions (Continued)**

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

#### **Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB**

At June 30, 2023, the school division reported a liability of \$4,732,138 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC Plan was .37886% as compared to .36801% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$435,290. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 192,889
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	4,750
Change in assumptions	138,250	12,084
Change in proportion	341,972	38,686
Employer contributions subsequent to the measurement date	463,703	-
Total	<u>\$ 943,925</u>	<u>\$ 248,409</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

Note 15–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

*Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Plan OPEB (Continued)*

\$463,703 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2024	\$	42,665
2025		46,977
2026		43,245
2027		51,300
2028		36,665
Thereafter		10,961

**Actuarial Assumptions**

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
Teacher employees	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates – Teachers

- Pre-Retirement:
  - Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
  - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
  - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

#### **Actuarial Assumptions: (Continued)**

Mortality Rates – Teachers: (Continued)

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

#### **Net Teacher Employee HIC OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the VRS Teacher Employee HIC Plan are as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,249,046</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		15.08%

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

#### **Net Teacher Employee HIC OPEB Liability: (Continued)**

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

#### **Long-Term Expected Rate of Return**

The long-term expected rate of return on the VRS System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 15–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

#### **Discount Rate**

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

#### **Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate**

The following presents the school division's proportionate share of the VRS Teacher Employee HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	5,333,173	\$ 4,732,138	\$ 4,222,655

#### **Teacher Employee HIC OPEB Fiduciary Net Position**

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### **Note 16–Health Insurance Credit (HIC) Plan:**

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#### ***Plan Description***

The Political Subdivision Health Insurance Credit (HIC) Plan was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

#### ***Eligible Employees***

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

#### ***Benefit Amounts***

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.

#### ***HIC Plan Notes***

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 16—Health Insurance Credit (HIC) Plan: (Continued)

#### *Employees Covered by Benefit Terms*

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>County and LCWA Plan</u>	<u>School Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	<u>11</u>	<u>43</u>
Inactive members:		
Vested inactive members	-	2
Non-vested inactive members	-	-
Inactive members active elsewhere in VRS	-	-
Total inactive members	<u>-</u>	<u>2</u>
Active members	<u>139</u>	<u>162</u>
Total covered employees	<u><u>150</u></u>	<u><u>207</u></u>

#### *Contributions*

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County and School Nonprofessional contractually required employer contribution rates for the year ended June 30, 2023 were .08% and .28% of covered employee compensation respectively. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the HIC Plan were \$7,603 (comprised of \$7,108 and \$495 for the County and LCWA respectively) and \$8,765 (comprised of \$8,118 and \$647 for the County and LCWA respectively) for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions from the School Board for the Nonprofessional plan were \$14,044 and \$17,355 for the years ended June 30, 2023 and June 30, 2022, respectively.



COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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**Note 16–Health Insurance Credit (HIC) Plan: (Continued)**

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***Net HIC OPEB Liability***

The County Plan and School Nonprofessional Plan net HIC OPEB liabilities were measured as of June 30, 2022. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

***Actuarial Assumptions***

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
Investment rate of return	6.75%, net of investment expenses, including inflation

**Mortality Rates – Non-Largest Ten Locality Employers – General Employees**

- Pre-Retirement:
  - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
  - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
  - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 16—Health Insurance Credit (HIC) Plan: (Continued)

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#### **Actuarial Assumptions: (Continued)**

#### **Mortality Rates – Non-Largest Ten Locality Employers – General Employees: (Continued)**

##### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

##### Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

#### **Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees**

##### Pre-Retirement:

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years

##### Post-Retirement:

Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years

##### Post-Disablement:

Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 16—Health Insurance Credit (HIC) Plan: (Continued)

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#### *Actuarial Assumptions: (Continued)*

#### **Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees: (Continued)**

##### Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years

##### Mortality Improvement Scale:

Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 16—Health Insurance Credit (HIC) Plan: (Continued)

#### **Long-Term Expected Rate of Return**

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
		Inflation	2.50%
		Expected arithmetic nominal return**	7.83%

\*The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

\*\*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

#### **Discount Rate**

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 16—Health Insurance Credit (HIC) Plan: (Continued)

### Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
<b>County Plan</b>			
Balances at June 30, 2021	\$ 128,230	\$ 139,267	\$ (11,037)
Changes for the year:			
Service cost	\$ 8,209	\$ -	\$ 8,209
Interest	8,833	-	8,833
Differences between expected and actual experience	(17,057)	-	(17,057)
Assumption changes	38,543	-	38,543
Contributions - employer	-	8,764	(8,764)
Net investment income	-	237	(237)
Benefit payments	(11,174)	(11,174)	-
Administrative expenses	-	(253)	253
Other changes	-	11,237	(11,237)
Net changes	\$ 27,354	\$ 8,811	\$ 18,543
Balances at June 30, 2022	\$ 155,584	\$ 148,078	\$ 7,506
<b>School Plan</b>			
Balances at June 30, 2021	\$ 403,928	\$ 326,608	\$ 77,320
Changes for the year:			
Service cost	\$ 4,638	\$ -	\$ 4,638
Interest	26,837	-	26,837
Differences between expected and actual experience	(28,382)	-	(28,382)
Assumption changes	295	-	295
Contributions - employer	-	17,460	(17,460)
Net investment income	-	417	(417)
Benefit payments	(21,956)	(21,956)	-
Administrative expenses	-	(558)	558
Other changes	-	2,057	(2,057)
Net changes	\$ (18,568)	\$ (2,580)	\$ (15,988)
Balances at June 30, 2022	\$ 385,360	\$ 324,028	\$ 61,332

The total net HIC OPEB Liability for the County Plan is allocated between the County \$6,952 and LCWA \$554.

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 16—Health Insurance Credit (HIC) Plan: (Continued)

### Sensitivity of the HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the County and School Nonprofessional HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
Net HIC OPEB Liability:				
County Plan:				
County	\$	25,069	\$ 6,952	\$ (8,204)
LCWA		1,998	554	(654)
Total County Plan		27,067	7,506	(8,858)
School Nonprofessional		99,878	61,332	28,155

### HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB

For the year ended June 30, 2023, the County recognized HIC Plan OPEB expense of (\$6,052) (comprised of (\$5,605) and (\$447) for the County and LCWA respectively). The School Nonprofessional plan recognized HIC Plan OPEB expense of (\$8,624). At June 30, 2023, the County and School Nonprofessional plans reported deferred outflows of resources and deferred inflows of resources related to their HIC Plan from the following sources:

	County Plan					
	Primary Government		LCWA		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 25,225	\$ -	\$ 2,010	\$ -	\$ 27,235
Net difference between projected and actual earnings on HIC OPEB plan investments	-	3,075	-	245	-	3,320
Change in assumptions	33,090	1,045	2,637	83	35,727	1,128
Employer contributions subsequent to the measurement date	7,108	-	495	-	7,603	-
Total	\$ 40,198	\$ 29,345	\$ 3,132	\$ 2,338	\$ 43,330	\$ 31,683

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 16—Health Insurance Credit (HIC) Plan: (Continued)

### HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB: (Continued)

	<b>School Nonprofessional</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 33,173
Net difference between projected and actual earnings on HIC OPEB plan investments	-	7,951
Change in assumptions	6,296	-
Employer contributions subsequent to the measurement date	14,044	-
Total	\$ 20,340	\$ 41,124

\$7,108, \$495, and \$14,044 reported by the County, LCWA, and School Nonprofessional plan as deferred outflows of resources related to the HIC OPEB resulting from the contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<b>Year Ended June 30</b>	<b>County Plan</b>			<b>School Nonprofessional</b>
	<b>County</b>	<b>LCWA</b>	<b>Total</b>	
2024	\$ (2,223)	\$ (177)	\$ (2,400)	\$ (13,341)
2025	(2,006)	(160)	(2,166)	(10,625)
2026	(2,293)	(183)	(2,476)	(10,531)
2027	2,708	216	2,924	(331)
2028	1,762	140	1,902	-
Thereafter	5,797	463	6,260	-

### HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.



## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

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### Note 17—Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan):

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#### ***Plan Description***

In addition to the pension and OPEB benefits described in Note 8, 15, 16, and 17 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.

#### ***Benefits Provided***

The County's and School Board establish 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.

#### ***Plan Membership***

At July 1, 2021 (valuation date), the following employees were covered by the benefit terms:

	<u>County</u>	<u>School Board</u>	<u>LCWA</u>
Retirees & spouses	-	22	-
Active employees	<u>275</u>	<u>795</u>	<u>18</u>
Total	<u><u>275</u></u>	<u><u>817</u></u>	<u><u>18</u></u>

#### ***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the Plan Board. The amount paid by the County, School Board, and LCWA for OPEB as the benefits came due during the year ended June 30, 2023 were \$28,578, \$159,797, and \$988, respectively.

#### ***Total OPEB Liability***

The total OPEB liability was measured as of June 30, 2023.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

### Note 17—Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

#### Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	0.00%
Discount Rate	3.86%
Investment Rate of Return	N/A

Mortality rates were based on Pub-2010 Public Retirement Plans mortality table projected generationally with Scale MP-2021.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

#### Discount Rate

As the Plan is not pre-funded and no OPEB Plan Fiduciary Net Position exists, GASB 75 requires that the discount rate reflect the yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The 3.69% rate used in the valuation is based on rates from the Fidelity GO AA 20 Yrs index as of the current measurement date and from the Bond Buyer 20-Bond GO index as of the prior measurement date. The final equivalent single discount rate used for this year's valuation is 3.69% as of the end of the fiscal year with the expectation that the entity will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

#### Changes in Total OPEB Liability

Changes in Total OPEB Liability			
	Primary Government Total OPEB Liability	School Board Total OPEB Liability	LCWA Total OPEB Liability
Balances at June 30, 2022	\$ 1,419,849	\$ 4,838,413	\$ 60,074
Changes for the year:			
Service cost	70,726	207,175	2,852
Interest	54,475	183,234	2,304
Difference between expected and actual experience	30,410	329,606	(2,753)
Changes in assumptions	(230,342)	(754,931)	(21,176)
Benefit payments	(28,578)	(159,797)	(988)
Net changes	(103,309)	(194,713)	(19,761)
Balances at June 30, 2023	\$ 1,316,540	\$ 4,643,700	\$ 40,313

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2023 (Continued)

**Note 17—Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)*****Sensitivity of the Total OPEB Liability to Changes in the Discount Rate***

The following amounts present the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.86%) or one percentage point higher (4.86%) than the current discount rate:

	Rate		
	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
County	\$ 1,513,345	\$ 1,316,540	\$ 1,149,092
School Board	5,218,655	4,643,700	4,138,647
LCWA	44,362	40,313	36,677

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.50% decreasing to an ultimate rate of 3.25%) or one percentage point higher (5.50% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (3.50% decreasing to 3.25%)	Healthcare Cost Trend (4.50% decreasing to 4.25%)	1% Increase (5.50% decreasing to 5.25%)
County	\$ 1,113,974	\$ 1,316,540	\$ 1,566,358
School Board	4,003,054	4,643,700	5,420,615
LCWA	35,758	40,313	45,597

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 17—Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

### *OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended June 30, 2023, the County, School Board, and LCWA recognized OPEB expense in the amount of \$8,120, \$255,855, and (\$3,965), respectively.

At June 30, 2023, the deferred outflows of resources and deferred inflows of resources related to the Pay-as-you-Go plan were as follows:

	County		School Board		LCWA	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 306,590	\$ 321,811	\$ 955,154	\$ 578,839	\$ 12,673	\$ 17,887
Changes in assumptions	305,754	348,310	841,422	1,180,493	10,322	22,327
Total	<u>\$ 612,344</u>	<u>\$ 670,121</u>	<u>\$ 1,796,576</u>	<u>\$ 1,759,332</u>	<u>\$ 22,995</u>	<u>\$ 40,214</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pay—as-you-Go plan will be recognized in the OPEB expense in future reporting periods as follows:

Year Ended June 30	County	School Board	LCWA
2024	\$ (117,081)	\$ (134,554)	\$ (9,121)
2025	(117,081)	(134,554)	(9,121)
2026	(87,984)	(101,115)	(6,854)
2027	11,143	12,805	868
Thereafter	294,053	337,936	22,908

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

## Note 17—Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

### Summary of OPEB Liability, Deferred Outflows of Resources and Deferred Inflows of Resources:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense</u>
<b>Primary Government</b>				
Pay-as-you-go (Note 17)	\$ 1,316,540	\$ 612,344	\$ 670,121	\$ 8,120
Group Life - County (Note 14)	814,790	270,766	163,076	50,178
HIC Program (Note 16)	6,952	40,198	29,345	(5,605)
Total	<u>\$ 2,138,282</u>	<u>\$ 923,308</u>	<u>\$ 862,542</u>	<u>\$ 52,693</u>
<b>Component Unit School Board</b>				
Pay-as-you-go (Note 17)	\$ 4,643,700	\$ 1,796,576	\$ 1,759,332	\$ 255,855
Group Life:				
- School Professional (Note 14)	1,957,620	587,576	399,273	102,994
- School Nonprofessional (Note 14)	223,842	61,285	60,824	2,254
Teacher HIC Program (Note 15)	4,732,138	943,925	248,409	435,290
HIC Program (Note 16)	61,332	20,340	41,124	(8,624)
Total	<u>\$ 11,618,632</u>	<u>\$ 3,409,702</u>	<u>\$ 2,508,962</u>	<u>\$ 787,769</u>
<b>Component Unit LCWA</b>				
Pay-as-you-go (Note 17)	\$ 40,313	\$ 22,995	\$ 40,214	\$ (3,965)
Group Life - County (Note 14)	64,923	20,658	12,995	3,998
HIC Program (Note 16)	554	3,132	2,338	(447)
Total	<u>\$ 105,790</u>	<u>\$ 46,785</u>	<u>\$ 55,547</u>	<u>\$ (414)</u>

## Note 18—Construction Commitments:

As of June 30, 2023, the County has the following construction commitments:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expenditures as of June 30, 2022</u>	<u>Contract Balance</u>	<u>Retainage Payable</u>
New Bridge Fire and Rescue Station	\$ 2,082,191	\$ 1,922,845	\$ 159,346	\$ 106,202
Total	<u>\$ 2,082,191</u>	<u>\$ 1,922,845</u>	<u>\$ 159,346</u>	<u>\$ 106,202</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2023 (Continued)

**Note 19–New Accounting Standards:**

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, provides more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability for accounting changes and error corrections. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Implementation Guide No. 2021-1, Implementation Guidance Update—2021, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, Implementation Guidance Update—2023, effective for fiscal years beginning after June 15, 2023.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

**Note 20–Restatement of Beginning Balances:**

The County restated beginning balances in fiscal year 2023 as follows:

	<u>Governmental Activities</u>
Net position, as previously reported	\$ 131,291,846
CIP costs not capitalized in prior year	<u>293,793</u>
Net position, as restated	<u><u>\$ 131,585,639</u></u>

### **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.



## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 74,493,718	\$ 74,493,718	\$ 77,646,823	\$ 3,153,105
Other local taxes	9,490,000	9,490,000	10,711,552	1,221,552
Permits, privilege fees, and regulatory licenses	1,031,000	1,031,000	1,213,203	182,203
Fines and forfeitures	70,000	70,000	123,308	53,308
Revenue from the use of money and property	562,000	768,845	1,918,624	1,149,779
Charges for services	2,900,500	2,985,660	3,353,359	367,699
Miscellaneous	190,000	307,789	410,103	102,314
Recovered costs	50,000	72,913	209,306	136,393
Intergovernmental:				
Commonwealth	9,245,566	9,623,802	8,809,905	(813,897)
Federal	2,780,527	6,842,584	5,093,459	(1,749,125)
Total revenues	\$ 100,813,311	\$ 105,686,311	\$ 109,489,642	\$ 3,803,331
EXPENDITURES				
General government administration:				
Legislative:				
Board of supervisors	\$ 188,482	\$ 196,018	\$ 168,874	\$ 27,144
General and financial administration:				
County administrator	\$ 713,058	\$ 749,924	\$ 723,352	\$ 26,572
County attorney	390,245	395,081	394,879	202
Administrative and human resources	196,091	197,478	190,161	7,317
Commissioner of revenue	481,681	525,814	460,607	65,207
Reassessment	523,162	535,929	522,952	12,977
Treasurer	499,235	544,287	543,618	669
Finance	589,792	600,030	600,006	24
Network administration	644,289	659,157	574,790	84,367
Total general and financial administration	\$ 4,037,553	\$ 4,207,700	\$ 4,010,365	\$ 197,335
Board of elections:				
Electoral board and officials	\$ 347,628	\$ 352,059	\$ 306,760	\$ 45,299
Total general government administration	\$ 4,573,663	\$ 4,755,777	\$ 4,485,999	\$ 269,778
Judicial administration:				
Courts:				
Circuit court	\$ 121,846	\$ 122,963	\$ 99,716	\$ 23,247
General district court	8,075	8,075	4,827	3,248
Juvenile domestic court	12,800	15,569	6,293	9,276
Clerk of the circuit court	597,789	606,669	593,051	13,618
Sheriff - courts	1,029,780	1,085,503	941,068	144,435
Total courts	\$ 1,770,290	\$ 1,838,779	\$ 1,644,955	\$ 193,824

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 965,663	\$ 1,091,853	\$ 1,009,556	\$ 82,297
Total judicial administration	\$ 2,735,953	\$ 2,930,632	\$ 2,654,511	\$ 276,121
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 5,932,709	\$ 6,469,348	\$ 5,818,679	\$ 650,669
Communications center	1,437,395	1,465,741	1,411,565	54,176
Emergency 911 system	374,976	623,821	615,387	8,434
Total law enforcement and traffic control	\$ 7,745,080	\$ 8,558,910	\$ 7,845,631	\$ 713,279
Fire and rescue services:				
Office of emergency services	\$ 766,723	\$ 863,093	\$ 808,874	\$ 54,219
Fire & rescue assistance	1,448,690	2,195,116	1,840,055	355,061
Revenue recovery	328,709	344,266	302,853	41,413
Emergency services	5,287,620	8,068,521	6,583,656	1,484,865
Total fire and rescue services	\$ 7,831,742	\$ 11,470,996	\$ 9,535,438	\$ 1,935,558
Correction and detention:				
Sheriff - correction and detention	\$ 3,175,236	\$ 3,143,709	\$ 2,902,217	\$ 241,492
Other protection:				
Animal control	\$ 332,507	\$ 337,588	\$ 323,118	\$ 14,470
Animal shelter	306,959	359,931	335,905	24,026
COVID-19 emergency acts	-	5,345,254	1,569,187	3,776,067
Emergency services (civil defense)	18,865	18,865	18,865	-
Forest fire prevention and extinction	30,660	30,660	17,981	12,679
Transportation safety commission	1,200	1,200	965	235
Transportation department	416,600	621,290	617,795	3,495
Total other protection	\$ 1,106,791	\$ 6,714,788	\$ 2,883,816	\$ 3,830,972
Total public safety	\$ 19,858,849	\$ 29,888,403	\$ 23,167,102	\$ 6,721,301

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Public works:				
Sanitation and waste removal:				
Refuse collection-solid waste control	\$ 1,547,299	\$ 1,628,726	\$ 1,568,968	\$ 59,758
Maintenance of general buildings and grounds:				
General properties	\$ 2,429,310	\$ 2,592,783	\$ 2,425,986	\$ 166,797
Water and wastewater	527,000	764,566	707,293	57,273
Total maintenance of general buildings and grounds	\$ 2,956,310	\$ 3,357,349	\$ 3,133,279	\$ 224,070
Total public works	\$ 4,503,609	\$ 4,986,075	\$ 4,702,247	\$ 283,828
Health and human services:				
Health:				
Supplement of local health department	\$ 703,564	\$ 703,564	\$ 704,141	\$ (577)
Total health	\$ 703,564	\$ 703,564	\$ 704,141	\$ (577)
Mental health and mental retardation:				
Region 10	\$ 145,000	\$ 145,000	\$ 145,000	\$ -
Human services:				
Administration and public assistance	\$ 6,616,907	\$ 6,663,197	\$ 5,154,379	\$ 1,508,818
At risk youth	4,085,517	4,247,846	4,202,137	45,709
Monticello Area Community Action Agency	37,500	37,500	37,500	-
Jefferson Area Board for Aging	269,110	269,110	269,110	-
Housing assistance	31,650	31,650	31,650	-
Human service agency donations	70,000	96,468	96,468	-
Total human services	\$ 11,110,684	\$ 11,345,771	\$ 9,791,244	\$ 1,554,527
Total health and human services	\$ 11,959,248	\$ 12,194,335	\$ 10,640,385	\$ 1,553,950
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 43,546,522	\$ 43,546,522	\$ 38,781,312	\$ 4,765,210
Contributions to local community college	33,692	33,692	33,692	-
Total education	\$ 43,580,214	\$ 43,580,214	\$ 38,815,004	\$ 4,765,210
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 724,033	\$ 993,579	\$ 920,027	\$ 73,552
Parks and recreation - self supporting	342,980	318,759	318,758	1
Swimming pools	113,260	132,736	131,189	1,547
Total parks and recreation	\$ 1,180,273	\$ 1,445,074	\$ 1,369,974	\$ 75,100

## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Community organizations	67,500	72,000	72,000	-
Total cultural enrichment	\$ 72,500	\$ 77,000	\$ 77,000	\$ -
Library:				
Contribution to regional library	\$ 391,956	\$ 391,956	\$ 391,566	\$ 390
Total parks, recreation, and cultural	\$ 1,644,729	\$ 1,914,030	\$ 1,838,540	\$ 75,490
Community development:				
Planning and community development:				
Planning	\$ 1,498,988	\$ 1,543,465	\$ 1,395,758	\$ 147,707
Planning District Commission	83,641	83,641	83,641	-
Industrial Development Authority	219,305	219,305	219,305	-
Broadband Authority	20,000	20,000	10,254	9,746
Economic development	204,976	197,755	180,484	17,271
Tourism	40,500	48,888	42,856	6,032
Total planning and community development	\$ 2,084,410	\$ 2,130,054	\$ 1,949,298	\$ 180,756
Environmental management:				
Soil and water conservation	\$ 52,705	\$ 52,705	\$ 52,705	\$ -
Cooperative extension program:				
VPI extension	\$ 149,175	\$ 150,276	\$ 145,961	\$ 4,315
Total community development	\$ 2,286,290	\$ 2,333,035	\$ 2,147,964	\$ 185,071
Nondepartmental:				
Miscellaneous	\$ 848,055	\$ 2,069	\$ -	\$ 2,069
Debt service:				
Principal retirement	\$ 2,730,442	\$ 2,730,442	\$ 2,730,442	\$ -
Interest and other fiscal charges	2,411,012	2,411,012	2,403,462	7,550
Total debt service	\$ 5,141,454	\$ 5,141,454	\$ 5,133,904	\$ 7,550
Total Expenditures	\$ 97,132,064	\$ 107,726,024	\$ 93,585,656	\$ 14,140,368
Excess (deficiency) of revenues over (under) expenditures	\$ 3,681,247	\$ (2,039,713)	\$ 15,903,986	\$ 17,943,699
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 430,538	\$ -	\$ (430,538)
Transfers out	(6,853,205)	(6,964,017)	(13,695,065)	(6,731,048)
Total other financing sources (uses)	\$ (6,853,205)	\$ (6,533,479)	\$ (13,695,065)	\$ (7,161,586)
Net change in fund balances	\$ (3,171,958)	\$ (8,573,192)	\$ 2,208,921	\$ 10,782,113
Fund balances - beginning	3,171,958	8,573,192	73,659,412	65,086,220
Fund balances - ending	\$ -	\$ -	\$ 75,868,333	\$ 75,868,333

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Primary Government  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 1,717,081	\$ 1,426,009	\$ 1,428,118	\$ 1,282,379	\$ 1,297,792	\$ 1,264,184	\$ 1,188,987	\$ 1,199,717	\$ 1,192,189
Interest	3,179,070	2,817,498	2,518,880	2,424,069	2,226,166	2,151,814	2,013,571	1,926,333	1,807,709
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(418,756)	(612,068)	1,749,878	(613,250)	851,825	(698,869)	99,738	(560,194)	-
Impact of change in proportion	114,142	388,766	57,852	(26,933)	(70,518)	(71,283)	(82,531)	(66,793)	-
Changes of assumptions	-	1,690,282	-	1,163,145	-	(253,486)	-	-	-
Benefit payments	(1,893,265)	(1,699,415)	(1,623,896)	(1,630,139)	(1,413,194)	(1,248,719)	(1,263,487)	(1,210,657)	(1,266,461)
<b>Net change in total pension liability</b>	\$ 2,698,272	\$ 4,011,072	\$ 4,130,832	\$ 2,599,271	\$ 2,892,071	\$ 1,143,641	\$ 1,956,278	\$ 1,288,406	\$ 1,733,437
<b>Total pension liability - beginning</b>	46,212,735	42,201,663	38,070,831	35,471,560	32,579,489	31,435,848	29,479,570	28,191,164	26,457,727
<b>Total pension liability - ending (a)</b>	<u>\$ 48,911,007</u>	<u>\$ 46,212,735</u>	<u>\$ 42,201,663</u>	<u>\$ 38,070,831</u>	<u>\$ 35,471,560</u>	<u>\$ 32,579,489</u>	<u>\$ 31,435,848</u>	<u>\$ 29,479,570</u>	<u>\$ 28,191,164</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 1,188,403	\$ 1,072,184	\$ 911,915	\$ 858,438	\$ 699,454	\$ 740,275	\$ 969,141	\$ 931,445	\$ 1,273,042
Contributions - employee	710,213	649,936	611,628	568,215	542,419	528,473	512,607	505,307	490,304
Impact of change in proportion	123,307	357,230	57,910	(27,303)	(73,025)	(68,309)	(82,526)	(66,443)	-
Net investment income	(66,395)	10,789,777	737,081	2,404,924	2,490,104	3,685,703	529,237	1,291,796	3,795,835
Benefit payments	(1,893,265)	(1,699,415)	(1,623,896)	(1,630,139)	(1,413,194)	(1,248,719)	(1,263,487)	(1,210,657)	(1,266,461)
Administrator charges	(30,748)	(26,080)	(24,443)	(23,381)	(21,181)	(20,846)	(17,993)	(17,180)	(19,837)
Other	1,174	1,025	(876)	(1,521)	(2,231)	(3,297)	(222)	(274)	199
<b>Net change in plan fiduciary net position</b>	\$ 32,689	\$ 11,144,657	\$ 669,319	\$ 2,149,233	\$ 2,222,346	\$ 3,613,280	\$ 646,757	\$ 1,433,994	\$ 4,273,082
<b>Plan fiduciary net position - beginning</b>	49,923,073	38,778,416	38,109,097	35,959,864	33,737,518	30,124,238	29,477,481	28,043,487	23,770,405
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 49,955,762</u>	<u>\$ 49,923,073</u>	<u>\$ 38,778,416</u>	<u>\$ 38,109,097</u>	<u>\$ 35,959,864</u>	<u>\$ 33,737,518</u>	<u>\$ 30,124,238</u>	<u>\$ 29,477,481</u>	<u>\$ 28,043,487</u>
<b>County's net pension liability (asset) - ending (a) - (b)</b>	\$ (1,044,755)	\$ (3,710,338)	\$ 3,423,247	\$ (38,266)	\$ (488,304)	\$ (1,158,029)	\$ 1,311,610	\$ 2,089	\$ 147,677
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	102.14%	108.03%	91.89%	100.10%	101.38%	103.55%	95.83%	99.99%	99.48%
<b>Covered payroll</b>	\$ 14,795,017	\$ 13,284,391	\$ 12,696,708	\$ 11,807,196	\$ 11,180,438	\$ 10,790,355	\$ 10,446,153	\$ 9,848,937	\$ 10,447,235
<b>County's net pension liability (asset) as a percentage of covered payroll</b>	-7.06%	-27.93%	26.96%	-0.32%	-4.37%	-10.73%	12.56%	0.02%	1.41%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Component Unit School Board (nonprofessional)  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>									
Service cost	\$ 289,218	\$ 330,728	\$ 331,283	\$ 342,311	356,903	\$ 359,891	\$ 374,789	\$ 385,090	\$ 389,308
Interest	1,109,936	1,043,276	1,000,107	988,452	941,538	912,259	869,625	815,270	764,024
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(5,640)	(328,722)	(57,507)	(433,233)	(110,460)	(122,684)	(104,174)	41,954	-
Changes in assumptions	-	358,862	-	398,169	-	(191,733)	-	-	-
Benefit payments, including refunds of employee contributions	(831,078)	(580,529)	(688,159)	(511,922)	(523,627)	(555,289)	(507,083)	(424,544)	(417,952)
<b>Net change in total pension liability</b>	\$ 562,436	\$ 823,615	\$ 585,724	\$ 783,777	664,354	\$ 402,444	\$ 633,157	\$ 817,770	\$ 735,380
<b>Total pension liability - beginning</b>	16,569,824	15,746,209	15,160,485	14,376,708	13,712,354	13,309,910	12,676,753	11,858,983	11,123,603
<b>Total pension liability - ending (a)</b>	<u>\$ 17,132,260</u>	<u>\$ 16,569,824</u>	<u>\$ 15,746,209</u>	<u>\$ 15,160,485</u>	<u>14,376,708</u>	<u>\$ 13,712,354</u>	<u>\$ 13,309,910</u>	<u>\$ 12,676,753</u>	<u>\$ 11,858,983</u>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 129,989	\$ 117,188	\$ 140,651	\$ 146,148	178,758	\$ 185,122	\$ 259,053	\$ 258,841	\$ 323,654
Contributions - employee	209,350	171,082	172,169	174,972	179,128	182,471	178,558	179,082	180,165
Net investment income	(18,198)	4,337,848	308,153	1,011,864	1,053,482	1,568,784	222,861	560,686	1,660,301
Benefit payments, including refunds of employee contributions	(831,078)	(580,529)	(688,159)	(511,922)	(523,627)	(555,289)	(507,083)	(424,544)	(417,952)
Administrative expense	(12,456)	(10,780)	(10,451)	(9,931)	(9,043)	(9,049)	(7,878)	(7,549)	(8,790)
Other	456	409	(359)	(638)	(942)	(1,399)	(95)	(119)	87
<b>Net change in plan fiduciary net position</b>	\$ (521,937)	\$ 4,035,218	\$ (77,996)	\$ 810,493	877,756	\$ 1,370,640	\$ 145,416	\$ 566,397	\$ 1,737,465
<b>Plan fiduciary net position - beginning</b>	19,947,403	15,912,185	15,990,181	15,179,688	14,301,932	12,931,292	12,785,876	12,219,479	10,482,014
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 19,425,466</u>	<u>\$ 19,947,403</u>	<u>\$ 15,912,185</u>	<u>\$ 15,990,181</u>	<u>15,179,688</u>	<u>\$ 14,301,932</u>	<u>\$ 12,931,292</u>	<u>\$ 12,785,876</u>	<u>\$ 12,219,479</u>
<b>School Division's net pension liability/(asset) - ending (a) - (b)</b>	\$ (2,293,206)	\$ (3,377,579)	\$ (165,976)	\$ (829,696)	(802,980)	\$ (589,578)	\$ 378,618	\$ (109,123)	\$ (360,496)
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	113.39%	120.38%	101.05%	105.47%	105.59%	104.30%	97.16%	100.86%	103.04%
<b>Covered payroll</b>	\$ 4,037,383	\$ 3,697,599	\$ 3,683,807	\$ 3,702,839	3,775,794	\$ 3,797,949	\$ 3,662,431	\$ 3,625,558	\$ 3,601,258
<b>School Division's net pension liability as a percentage of covered payroll</b>	-56.80%	-91.35%	-4.51%	-22.41%	-21.27%	-15.52%	10.34%	-9.94%	-10.01%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2022

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2022	0.37850%	\$ 36,035,466	\$ 35,309,976	102.05%	82.61%
2021	0.36761%	28,537,922	32,546,646	87.68%	85.46%
2020	0.35250%	51,292,186	30,853,962	166.24%	71.47%
2019	0.34893%	45,921,171	29,278,106	156.84%	73.51%
2018	0.35104%	41,282,000	28,641,191	144.14%	74.81%
2017	0.34301%	42,184,000	27,076,954	155.79%	72.92%
2016	0.34631%	48,532,000	26,396,654	183.86%	68.28%
2015	0.34524%	43,453,000	27,016,456	160.84%	70.68%
2014	0.34084%	41,190,000	27,382,926	150.42%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.



Schedule of Employer Contributions  
Pension Plans

For the Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2023	\$ 1,611,943	\$ 1,611,943	\$ -	\$ 16,876,514	9.55%
2022	1,189,582	1,189,582	-	14,795,017	8.04%
2021	1,066,072	1,066,072	-	13,284,391	8.02%
2020	915,354	915,354	-	12,696,708	7.21%
2019	861,968	861,968	-	11,807,196	7.30%
2018	764,920	764,920	-	11,180,438	6.84%
2017	759,641	759,641	-	10,790,355	7.04%
2016	982,983	982,983	-	10,446,153	9.41%
2015	926,785	926,785	-	9,848,937	9.41%
2014	1,348,738	1,348,738	-	10,447,235	12.91%
<b>Component Unit School Board (nonprofessional)</b>					
2023	\$ 62,991	\$ 62,991	\$ -	\$ 5,015,756	1.26%
2022	128,859	128,859	-	4,037,383	3.19%
2021	117,186	117,186	-	3,697,599	3.17%
2020	141,407	141,407	-	3,683,807	3.84%
2019	146,016	146,016	-	3,702,839	3.94%
2018	179,470	179,470	-	3,775,794	4.75%
2017	194,075	194,075	-	3,797,949	5.11%
2016	263,695	263,695	-	3,662,431	7.20%
2015	261,040	261,040	-	3,625,558	7.20%
2014	323,393	323,393	-	3,601,258	8.98%
<b>Component Unit School Board (professional) (1)</b>					
2023	\$ 6,071,620	\$ 6,071,620	\$ -	\$ 38,322,530	15.84%
2022	5,622,815	5,622,815	-	35,309,976	15.92%
2021	5,200,642	5,200,642	-	32,546,646	15.98%
2020	4,683,607	4,683,607	-	30,853,962	15.18%
2019	4,407,086	4,407,086	-	29,278,106	15.05%
2018	4,536,723	4,536,723	-	28,641,191	15.84%
2017	3,965,868	3,965,868	-	27,076,954	14.65%
2016	3,669,249	3,669,249	-	26,396,654	13.90%
2015	3,917,386	3,917,386	-	27,016,456	14.50%
<b>Component Unit LCWA (1)</b>					
2023	\$ 114,830	\$ 114,830	\$ -	\$ 1,202,237	9.55%
2022	87,890	87,890	-	1,093,103	8.04%
2021	89,311	89,311	-	1,112,911	8.02%
2020	78,192	78,192	-	1,084,588	7.21%
2019	72,921	72,921	-	998,873	7.30%
2018	62,916	62,916	-	919,603	6.84%
2017	60,617	60,617	-	861,033	7.04%
2016	75,077	75,077	-	797,847	9.41%
2015	81,481	81,481	-	865,895	9.41%

\*Excludes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid plan.

(1) Schedule is intended to show information for 10 years. Information prior to 2015 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
Pension Plans  
For the Year Ended June 30, 2023

**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of County of Louisa, Virginia and Component Unit School Board's Share of Net OPEB Liability  
Group Life Insurance (GLI) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2022

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Primary Government</b>					
2022	0.06834% \$	814,790 \$	14,719,766	5.54%	67.21%
2021	0.06431%	748,383	13,284,391	5.63%	67.45%
2020	0.06171%	1,029,817	12,696,708	8.11%	52.64%
2019	0.06023%	980,172	11,807,196	8.30%	52.00%
2018	0.05879%	892,584	11,180,438	7.98%	51.22%
2017	0.05853%	880,721	10,790,355	8.16%	48.86%
<b>Component Unit School Board (nonprofessional)</b>					
2022	0.01860% \$	223,842 \$	4,044,143	5.53%	67.21%
2021	0.01790%	208,871	3,697,599	5.65%	67.45%
2020	0.01790%	298,722	3,683,807	8.11%	52.64%
2019	0.01889%	307,391	3,702,839	8.30%	52.00%
2018	0.01986%	301,000	3,775,794	7.97%	51.22%
2017	0.02060%	310,000	3,800,074	8.16%	48.86%
<b>Component Unit School Board (professional)</b>					
2022	0.16260% \$	1,957,620 \$	35,365,399	5.54%	67.21%
2021	0.15780%	1,837,337	32,546,646	5.65%	67.45%
2020	0.14992%	2,501,919	30,853,962	8.11%	52.64%
2019	0.14935%	2,430,322	29,278,106	8.30%	52.00%
2018	0.15063%	2,288,000	28,641,191	7.99%	51.22%
2017	0.14677%	2,209,000	27,071,164	8.16%	48.86%
<b>Component Unit LCWA</b>					
2022	0.00476% \$	64,923 \$	1,172,877	5.54%	67.21%
2021	0.00549%	63,929	1,112,911	5.74%	67.45%
2020	0.00527%	87,970	1,084,588	8.11%	52.64%
2019	0.00510%	82,921	998,873	8.30%	52.00%
2018	0.00484%	73,416	919,603	7.98%	51.22%
2017	0.00467%	70,279	861,033	8.16%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2023	\$ 91,332	\$ 91,332	\$ -	\$ 16,913,462	0.54%
2022	79,486	79,486	-	14,719,766	0.54%
2021	71,807	71,807	-	13,284,391	0.54%
2020	66,040	66,040	-	12,696,708	0.52%
2019	61,774	61,774	-	11,807,196	0.52%
2018	58,212	58,212	-	11,180,438	0.52%
2017	55,722	55,722	-	10,790,355	0.52%
2016	54,017	54,017	-	10,446,153	0.52%
2015	51,444	51,444	-	9,848,937	0.52%
2014	50,260	50,260	-	10,447,235	0.48%
2013	48,865	48,865	-	10,170,304	0.48%
<b>Component Unit School Board (nonprofessional)</b>					
2023	\$ 27,166	\$ 27,166	\$ -	\$ 5,030,753	0.54%
2022	21,838	21,838	-	4,044,143	0.54%
2021	20,007	20,007	-	3,697,599	0.54%
2020	19,156	19,156	-	3,683,807	0.52%
2019	19,255	19,255	-	3,702,839	0.52%
2018	19,634	19,634	-	3,775,794	0.52%
2017	19,760	19,760	-	3,800,074	0.52%
2016	17,631	17,631	-	3,673,054	0.48%
2015	17,449	17,449	-	3,635,118	0.48%
2014	17,286	17,286	-	3,601,258	0.48%
2013	16,925	16,925	-	3,525,972	0.48%
<b>Component Unit School Board (professional)</b>					
2023	\$ 207,376	\$ 207,376	\$ -	\$ 38,403,020	0.54%
2022	190,973	190,973	-	35,365,399	0.54%
2021	175,946	175,946	-	32,546,646	0.54%
2020	160,441	160,441	-	30,853,962	0.52%
2019	152,246	152,246	-	29,278,106	0.52%
2018	148,934	148,934	-	28,641,191	0.52%
2017	140,770	140,770	-	27,071,164	0.52%
2016	126,744	126,744	-	26,404,973	0.48%
2015	123,264	123,264	-	25,679,905	0.48%
2014	119,990	119,990	-	24,997,865	0.48%
2013	115,953	115,953	-	24,156,868	0.48%
<b>Component Unit LCWA (1)</b>					
2023	\$ 6,360	\$ 6,360	\$ -	\$ 1,177,737	0.54%
2022	6,334	6,334	-	1,172,877	0.54%
2021	5,982	5,982	-	1,112,911	0.54%
2020	5,641	5,641	-	1,084,588	0.52%
2019	5,226	5,226	-	998,873	0.52%
2018	4,788	4,788	-	919,603	0.52%
2017	4,477	4,477	-	861,033	0.52%
2016	4,149	4,149	-	797,847	0.52%
2015	4,503	4,503	-	865,895	0.52%

(1) Schedule is intended to show information for 10 years. Information prior to 2015 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
Group Life Insurance (GLI) Plan  
For the Year Ended June 30, 2023

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Teachers**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Louisa School Board's Share of Net OPEB Liability  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2022

<b>Date</b>	<b>Employer's Proportion of the Net HIC OPEB Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
2022	0.37886%	\$ 4,732,138	\$ 35,309,976	13.40%	15.08%
2021	0.36801%	4,723,663	32,546,646	14.51%	13.15%
2020	0.35194%	4,591,115	30,853,962	14.88%	9.95%
2019	0.34891%	4,567,571	29,278,106	15.60%	8.97%
2018	0.35382%	4,492,000	28,614,923	15.70%	8.08%
2017	0.34290%	4,351,000	27,061,875	16.08%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2014 through June 30, 2023

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Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)			
2023	\$ 463,703	\$ 463,703	-	\$ 38,322,530	1.21%
2022	427,251	427,251	-	35,309,976	1.21%
2021	393,814	393,814	-	32,546,646	1.21%
2020	370,248	370,248	-	30,853,962	1.20%
2019	351,183	351,183	-	29,278,106	1.20%
2018	351,964	351,964	-	28,614,923	1.23%
2017	300,387	300,387	-	27,061,875	1.11%
2016	279,893	279,893	-	26,404,973	1.06%
2015	272,083	272,083	-	25,668,214	1.06%
2014	276,675	276,675	-	24,925,690	1.11%



Notes to Required Supplementary Information  
Teacher Employee Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2023

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios  
Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2022

	Primary Government and LCWA 2022	School Nonprofessional 2022	Primary Government and LCWA 2021	School Nonprofessional 2021	Primary Government and LCWA 2020	School Nonprofessional 2020	Primary Government and LCWA 2019	School Nonprofessional 2019	Primary Government and LCWA 2018	School Nonprofessional 2018	Primary Government and LCWA 2017	School Nonprofessional 2017
<b>Total HIC OPEB Liability</b>												
Service cost	\$ 8,209	\$ 4,638	6,215	\$ 6,529	\$ 6,497	\$ 6,937	\$ 6,081	\$ 6,533	\$ 6,532	\$ 7,186	\$ 5,975	\$ 7,405
Interest	8,833	26,837	8,106	25,286	8,472	24,554	8,629	24,841	8,529	24,934	7,594	24,414
Changes of benefit terms	-	-	-	-	-	17,616	-	-	-	-	-	-
Differences between expected and actual experience	(17,057)	(28,382)	(915)	(1,245)	(9,451)	(20,609)	(7,381)	(14,146)	(7,377)	(15,756)	-	-
Impact of change in proportion	-	-	-	-	-	-	-	-	-	-	(106)	-
Changes of assumptions	38,543	295	307	7,708	-	-	3,298	8,319	-	-	(5,095)	(9,218)
Benefit payments	(11,174)	(21,956)	(11,152)	(17,917)	(10,724)	(17,391)	(6,037)	(15,930)	(6,475)	(19,442)	(2,249)	(10,895)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 27,354</b>	<b>\$ (18,568)</b>	<b>2,561</b>	<b>\$ 20,361</b>	<b>\$ (5,206)</b>	<b>\$ 11,107</b>	<b>\$ 4,590</b>	<b>\$ 9,617</b>	<b>\$ 1,209</b>	<b>\$ (3,078)</b>	<b>\$ 6,119</b>	<b>\$ 11,706</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>128,230</b>	<b>403,928</b>	<b>125,669</b>	<b>383,567</b>	<b>130,875</b>	<b>372,460</b>	<b>126,285</b>	<b>362,843</b>	<b>125,076</b>	<b>365,921</b>	<b>109,915</b>	<b>354,215</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 155,584</b>	<b>\$ 385,360</b>	<b>128,230</b>	<b>\$ 403,928</b>	<b>\$ 125,669</b>	<b>\$ 383,567</b>	<b>\$ 130,875</b>	<b>\$ 372,460</b>	<b>\$ 126,285</b>	<b>\$ 362,843</b>	<b>\$ 116,034</b>	<b>\$ 365,921</b>
<b>Plan fiduciary net position</b>												
Contributions - employer	\$ 8,764	\$ 17,460	7,686	\$ 15,899	\$ 9,451	\$ 14,735	\$ 8,616	\$ 14,822	\$ 9,726	\$ 16,552	\$ 8,645	\$ 16,711
Net investment income	237	417	29,376	68,120	2,279	5,159	6,846	15,700	6,785	16,413	8,736	23,683
Benefit payments	(11,174)	(21,956)	(11,152)	(17,917)	(10,724)	(17,391)	(6,037)	(15,930)	(6,475)	(19,442)	(2,249)	(10,895)
Administrator charges	(253)	(558)	(340)	(807)	(216)	(497)	(151)	(342)	(164)	(385)	(152)	(389)
Other	11,237	2,057	-	-	(1)	(2)	(8)	(18)	(452)	(1,178)	419	1,178
<b>Net change in plan fiduciary net position</b>	<b>\$ 8,811</b>	<b>\$ (2,580)</b>	<b>25,570</b>	<b>\$ 65,295</b>	<b>\$ 789</b>	<b>\$ 2,004</b>	<b>\$ 9,266</b>	<b>\$ 14,232</b>	<b>\$ 9,420</b>	<b>\$ 11,960</b>	<b>\$ 15,399</b>	<b>\$ 30,288</b>
<b>Plan fiduciary net position - beginning</b>	<b>139,267</b>	<b>326,608</b>	<b>113,697</b>	<b>261,313</b>	<b>112,908</b>	<b>259,309</b>	<b>103,642</b>	<b>245,077</b>	<b>94,222</b>	<b>233,117</b>	<b>72,061</b>	<b>202,829</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 148,078</b>	<b>\$ 324,028</b>	<b>139,267</b>	<b>\$ 326,608</b>	<b>\$ 113,697</b>	<b>\$ 261,313</b>	<b>\$ 112,908</b>	<b>\$ 259,309</b>	<b>\$ 103,642</b>	<b>\$ 245,077</b>	<b>\$ 87,460</b>	<b>\$ 233,117</b>
<b>Net HIC OPEB liability (asset) - ending (a) - (b)</b>	<b>\$ 7,506</b>	<b>\$ 61,332</b>	<b>(11,037)</b>	<b>\$ 77,320</b>	<b>\$ 11,972</b>	<b>\$ 122,254</b>	<b>\$ 17,967</b>	<b>\$ 113,151</b>	<b>\$ 22,643</b>	<b>\$ 117,766</b>	<b>\$ 28,574</b>	<b>\$ 132,804</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>95.18%</b>	<b>84.08%</b>	<b>108.61%</b>	<b>80.86%</b>	<b>90.47%</b>	<b>68.13%</b>	<b>86.27%</b>	<b>69.62%</b>	<b>82.07%</b>	<b>67.54%</b>	<b>75.37%</b>	<b>63.71%</b>
<b>Covered payroll</b>	<b>\$ 7,967,739</b>	<b>\$ 4,036,121</b>	<b>6,987,558</b>	<b>\$ 3,697,599</b>	<b>\$ 6,751,480</b>	<b>\$ 3,683,807</b>	<b>\$ 6,153,979</b>	<b>\$ 3,702,839</b>	<b>\$ 5,709,143</b>	<b>\$ 3,775,794</b>	<b>\$ 5,490,913</b>	<b>\$ 3,797,949</b>
<b>Net HIC OPEB liability (asset) as a percentage of covered payroll</b>	<b>0.09%</b>	<b>1.52%</b>	<b>-0.16%</b>	<b>2.09%</b>	<b>0.18%</b>	<b>3.32%</b>	<b>0.29%</b>	<b>3.06%</b>	<b>0.40%</b>	<b>3.12%</b>	<b>0.52%</b>	<b>3.50%</b>

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions  
Health Insurance Credit (HIC) Plan  
For the Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2023	\$ 7,108	\$ 7,108	-	\$ 8,885,529	0.08%
2022	8,118	8,118	-	7,379,720	0.11%
2021	7,095	7,095	-	6,450,215	0.11%
2020	8,708	8,708	-	6,220,139	0.14%
2019	7,944	7,944	-	5,673,969	0.14%
2018	8,989	8,989	-	5,287,237	0.17%
2017	8,669	8,669	-	5,099,411	0.17%
2016	8,829	8,829	-	5,193,409	0.17%
2015	8,069	8,069	-	4,746,288	0.17%
2014	3,715	3,715	-	4,643,962	0.08%
<b>Component Unit School Board (nonprofessional)</b>					
2023	\$ 14,044	\$ 14,044	-	\$ 5,015,756	0.28%
2022	17,355	17,355	-	4,036,121	0.43%
2021	15,900	15,900	-	3,697,599	0.43%
2020	14,735	14,735	-	3,683,807	0.40%
2019	14,811	14,811	-	3,702,839	0.40%
2018	16,613	16,613	-	3,775,794	0.44%
2017	16,711	16,711	-	3,797,949	0.44%
2016	16,481	16,481	-	3,662,431	0.45%
2015	16,315	16,315	-	3,625,558	0.45%
2014	19,807	19,807	-	3,601,258	0.55%
<b>Component Unit LCWA (1)</b>					
2023	\$ 495	\$ 495	-	\$ 618,727	0.08%
2022	647	647	-	588,019	0.11%
2021	591	591	-	537,343	0.11%
2020	744	744	-	531,341	0.14%
2019	672	672	-	480,010	0.14%
2018	717	717	-	421,906	0.17%
2017	666	666	-	391,502	0.17%

(1) Schedule is intended to show information for 10 years. Information prior to 2017 is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
Health Insurance Credit (HIC) Plan  
For the Year Ended June 30, 2023

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**Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

**Changes of assumptions** – The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
 Pay-As-You-Go Plan  
 For the Measurement Dates of June 30, 2018 through June 30, 2023

	Primary Government 2023	School Nonprofessional 2023	Primary Government 2022	School Nonprofessional 2022	Primary Government 2021	School Nonprofessional 2021	Primary Government 2020	School Nonprofessional 2020	Primary Government 2019	School Nonprofessional 2019	Primary Government 2018	School Nonprofessional 2018
<b>Total OPEB liability</b>												
Service cost	\$ 70,726	\$ 207,175	93,240	\$ 273,950	\$ 86,721	\$ 216,845	73,500	\$ 183,787	\$ 71,707	\$ 179,304	\$ 69,958	\$ 174,931
Interest	54,475	183,234	36,071	121,327	46,942	129,642	52,273	147,082	37,643	127,223	32,201	116,168
Changes in assumptions	(230,342)	(754,931)	(273,392)	(821,623)	441,116	1,509,291	122,886	343,348	71,878	(135,810)	-	-
Differences between expected and actual experience	30,410	329,606	-	-	(804,526)	(1,447,096)	-	-	458,677	1,123,634		
Benefit payments	(28,578)	(159,797)	(25,367)	(156,602)	(20,544)	(123,926)	(11,168)	(105,045)	(37,241)	(242,612)	(19,606)	(95,487)
<b>Net change in total OPEB liability</b>	<b>\$ (103,309)</b>	<b>\$ (194,713)</b>	<b>(169,448)</b>	<b>\$ (582,948)</b>	<b>\$ (250,291)</b>	<b>\$ 284,756</b>	<b>237,491</b>	<b>\$ 569,172</b>	<b>\$ 602,664</b>	<b>\$ 1,051,739</b>	<b>\$ 82,553</b>	<b>\$ 195,612</b>
<b>Total OPEB liability - beginning</b>	<b>1,419,849</b>	<b>4,838,413</b>	<b>1,589,297</b>	<b>5,421,361</b>	<b>1,839,588</b>	<b>5,136,605</b>	<b>1,602,097</b>	<b>4,567,433</b>	<b>999,433</b>	<b>3,515,694</b>	<b>916,880</b>	<b>3,320,082</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,316,540</b>	<b>\$ 4,643,700</b>	<b>\$ 1,419,849</b>	<b>\$ 4,838,413</b>	<b>\$ 1,589,297</b>	<b>\$ 5,421,361</b>	<b>\$ 1,839,588</b>	<b>\$ 5,136,605</b>	<b>\$ 1,602,097</b>	<b>\$ 4,567,433</b>	<b>\$ 999,433</b>	<b>\$ 3,515,694</b>
<b>Covered-employee payroll</b>	<b>\$ 20,843,884</b>	<b>\$ 48,215,314</b>	<b>16,420,957</b>	<b>\$ 37,140,835</b>	<b>\$ 13,833,121</b>	<b>\$ 37,023,398</b>	<b>13,006,546</b>	<b>\$ 35,362,952</b>	<b>\$ 11,585,132</b>	<b>\$ 24,314,340</b>	<b>\$ 12,109,574</b>	<b>\$ 33,572,727</b>
<b>Total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>6.32%</b>	<b>9.63%</b>	<b>8.65%</b>	<b>13.03%</b>	<b>11.49%</b>	<b>14.64%</b>	<b>14.14%</b>	<b>14.53%</b>	<b>13.83%</b>	<b>18.78%</b>	<b>8.25%</b>	<b>10.47%</b>

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

Notes to Required Supplementary Information  
Pay-As-You-Go Plan  
For the Year Ended June 30, 2023

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Valuation Date: 7/1/2022  
Measurement Date: 6/30/2023

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.86%
Inflation	2.50%
Healthcare Trend Rate	7.50% for 2023, grading down to 4.50% ultimate.
Salary Increase Rates	Not applicable
Retirement Age	15 years of service and VRS eligibility
Mortality Rates	The mortality rates are based on the Pub-2010 with Scale MP-2021.

**OTHER SUPPLEMENTARY INFORMATION**



## **Combining and Individual Fund Statements and Schedules**

## Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other local taxes	\$ 1,520,000	\$ 1,520,000	\$ 1,933,138	\$ 413,138
Revenue from the use of money and property	100,000	100,000	534,637	434,637
Miscellaneous	100,000	226,128	647,962	421,834
Recovered costs	-	-	500	500
Intergovernmental:				
Commonwealth	-	-	817,006	817,006
Total revenues	<u>\$ 1,720,000</u>	<u>\$ 1,846,128</u>	<u>\$ 3,933,243</u>	<u>\$ 2,087,115</u>
<b>EXPENDITURES</b>				
Current:				
Economic development projects	\$ 799,500	\$ 8,918,483	\$ 1,990,260	\$ 6,928,223
Emergency services projects	2,325,120	5,048,538	3,622,739	1,425,799
County administration	58,085	739,296	146,705	592,591
Parks and recreation	616,000	1,442,174	3,245	1,438,929
Sheriff's department	565,000	626,023	620,841	5,182
Public works	1,151,500	6,230,540	1,375,194	4,855,346
Community development	2,983,000	3,024,375	1,913,551	1,110,824
School capital projects	-	4,780,373	5,536,597	(756,224)
Total expenditures	<u>\$ 8,498,205</u>	<u>\$ 30,809,802</u>	<u>\$ 15,209,132</u>	<u>\$ 15,600,670</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (6,778,205)</u>	<u>\$ (28,963,674)</u>	<u>\$ (11,275,889)</u>	<u>\$ 17,687,785</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 6,778,205	\$ 23,884,020	\$ 13,695,065	\$ (10,188,955)
Transfers out	-	(430,538)	-	430,538
Total other financing sources (uses)	<u>\$ 6,778,205</u>	<u>\$ 23,453,482</u>	<u>\$ 13,695,065</u>	<u>\$ (9,758,417)</u>
Net change in fund balances	\$ -	\$ (5,510,192)	\$ 2,419,176	\$ 7,929,368
Fund balances - beginning	-	5,510,192	24,761,980	19,251,788
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,181,156</u>	<u>\$ 27,181,156</u>

Combining Statement of Fiduciary Net Position  
 Custodial Funds  
 June 30, 2023

	Custodial Funds			
	Special Welfare Fund	Bond Escrow Fund	Spencer Scholarship Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,072	\$ 3,238,271	\$ 50,050	\$ 3,292,393
Total assets	<u>\$ 4,072</u>	<u>\$ 3,238,271</u>	<u>\$ 50,050</u>	<u>\$ 3,292,393</u>
<b>NET POSITION</b>				
Restricted for:				
Special welfare	\$ 4,072	\$ -	\$ -	\$ 4,072
Bond escrow	-	3,238,271	-	3,238,271
Spencer scholarship	-	-	50,050	50,050
Total net position	<u>\$ 4,072</u>	<u>\$ 3,238,271</u>	<u>\$ 50,050</u>	<u>\$ 3,292,393</u>

Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Year Ended June 30, 2023

	<b>Custodial Funds</b>			
	<b>Special Welfare Fund</b>	<b>Bond Escrow Fund</b>	<b>Spencer Scholarship Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Special welfare collections	\$ 26,784	\$ -	\$ -	\$ 26,784
Interest	-	8,678	246	8,924
Current year bonds	-	394,582	-	394,582
Total additions	\$ 26,784	\$ 403,260	\$ 246	\$ 430,290
<b>DEDUCTIONS</b>				
Welfare costs	\$ 23,561	\$ -	\$ -	\$ 23,561
Bonds released in current year	-	318,268	-	318,268
Scholarship payments	-	-	2,000	2,000
Total deductions	\$ 23,561	\$ 318,268	\$ 2,000	\$ 343,829
Net increase (decrease) in fiduciary net position	\$ 3,223	84,992	(1,754)	86,461
Net position, beginning of year	\$ 849	\$ 3,153,279	51,804	\$ 3,205,932
Net position, end of year	\$ 4,072	\$ 3,238,271	\$ 50,050	\$ 3,292,393

**Discretely Presented Component Unit-School Board**

Balance Sheet  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 June 30, 2023

	School Operating Fund	School Activity Fund	School Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,341,871	\$ 556,303	\$ 4,501,003	\$ 8,399,177
Receivables (net of allowance for uncollectibles):				
Accounts receivable	5,015	-	-	5,015
Due from other funds	-	-	452,763	452,763
Due from other governmental units	5,963,353	-	-	5,963,353
Prepaid items	644,372	-	-	644,372
Total assets	<u>\$ 9,954,611</u>	<u>\$ 556,303</u>	<u>\$ 4,953,766</u>	<u>\$ 15,464,680</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,509,023	\$ -	\$ 52,733	\$ 2,561,756
Accrued liabilities	5,646,000	-	-	5,646,000
Due to other funds	452,763	-	-	452,763
Total liabilities	<u>\$ 8,607,786</u>	<u>\$ -</u>	<u>\$ 52,733</u>	<u>\$ 8,660,519</u>
<b>FUND BALANCE:</b>				
Nonspendable:				
Prepaid items	\$ 644,372	\$ -	\$ -	\$ 644,372
Restricted:				
Capital projects	-	-	1,919,529	1,919,529
Committed:				
School food operations	1,346,825	-	-	1,346,825
Education	-	556,303	-	556,303
Capital projects	-	-	2,981,504	2,981,504
Unassigned	(644,372)	-	-	(644,372)
Total fund balances	<u>\$ 1,346,825</u>	<u>\$ 556,303</u>	<u>\$ 4,901,033</u>	<u>\$ 6,804,161</u>
Total liabilities and fund balances	<u>\$ 9,954,611</u>	<u>\$ 556,303</u>	<u>\$ 4,953,766</u>	<u>\$ 15,464,680</u>

Amounts reported for governmental activities in the statement of net position  
 (Exhibit 1) are different because:

Total fund balances per above	\$ 6,804,161
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	90,505,548
The net pension asset is not an available resource and, therefore is not reported in the funds.	2,293,206
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	15,584,024
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(48,538,756)
Deferred inflows of resources are not due and payable in the current-period and, therefore, are not reported in the funds.	(10,427,717)
Net position of governmental activities	<u>\$ 56,220,466</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2023

	School Operating Fund	School Activity Fund	School Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 28,062	\$ -	\$ -	\$ 28,062
Charges for services	283,990	-	-	283,990
Miscellaneous	2,113,559	1,426,302	-	3,539,861
Recovered costs	141,535	-	-	141,535
Intergovernmental:				
Local government	38,781,312	-	5,536,597	44,317,909
Commonwealth	31,774,733	-	1,919,529	33,694,262
Federal	10,594,077	-	985,012	11,579,089
Total revenues	<u>\$ 83,717,268</u>	<u>\$ 1,426,302</u>	<u>\$ 8,441,138</u>	<u>\$ 93,584,708</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 83,479,705	\$ 1,350,277	\$ -	\$ 84,829,982
Capital projects	-	-	3,540,105	3,540,105
Total expenditures	<u>\$ 83,479,705</u>	<u>\$ 1,350,277</u>	<u>\$ 3,540,105</u>	<u>\$ 88,370,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 237,563</u>	<u>\$ 76,025</u>	<u>\$ 4,901,033</u>	<u>\$ 5,214,621</u>
Net change in fund balances	\$ 237,563	\$ 76,025	\$ 4,901,033	\$ 5,214,621
Fund balances - beginning	1,109,262	480,278	-	1,589,540
Fund balances - ending	<u>\$ 1,346,825</u>	<u>\$ 556,303</u>	<u>\$ 4,901,033</u>	<u>\$ 6,804,161</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				\$ 5,214,621
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:				
Capital outlay		\$ 5,044,047		
Depreciation expense		(4,659,347)		
Transfer of joint tenancy assets from Primary Government to the Component Unit		<u>1,396,067</u>		\$ 1,780,767
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:				
Change in compensated absences		\$ 43,045		
Pension expense		5,462,407		
OPEB expense		<u>185,081</u>		\$ 5,690,533
Change in net position of governmental activities				<u>\$ 12,685,921</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board  
For the Year Ended June 30, 2023

	School Operating Fund				School Activity Fund				School Capital Projects Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
REVENUES												
Revenue from the use of money and property	\$ 13,200	\$ 13,200	\$ 28,062	\$ 14,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,146,200	1,146,200	283,990	(862,210)	-	-	-	-	-	-	-	-
Miscellaneous	694,400	694,400	2,113,559	1,419,159	-	-	1,426,302	1,426,302	-	-	-	-
Recovered costs	90,000	90,000	141,535	51,535	-	-	-	-	-	-	-	-
Intergovernmental:												
Local government	43,718,430	45,357,657	38,781,312	(6,576,345)	-	-	-	-	2,342,770	5,536,597	5,536,597	-
Commonwealth	29,573,132	30,105,235	31,774,733	1,669,498	-	-	-	-	-	1,919,539	1,919,529	(10)
Federal	6,496,627	6,909,524	10,594,077	3,684,553	-	-	-	-	-	-	985,012	985,012
Total revenues	\$ 81,731,989	\$ 84,316,216	\$ 83,717,268	\$ (598,948)	\$ -	\$ -	\$ 1,426,302	\$ 1,426,302	\$ 2,342,770	\$ 7,456,136	\$ 8,441,138	\$ 985,002
EXPENDITURES												
Current:												
Education:												
Instruction	\$ 58,094,238	\$ 57,783,181	\$ 57,439,813	\$ 645,062	\$ -	\$ -	\$ 1,350,277	\$ (1,350,277)	\$ -	\$ -	\$ -	\$ -
Administration, attendance and health	4,405,920	4,406,720	3,953,355	453,365	-	-	-	-	-	-	-	-
Pupil transportation	6,435,321	6,335,321	6,488,128	(152,807)	-	-	-	-	-	-	-	-
Operation and maintenance services	6,267,420	7,284,751	7,434,045	(149,294)	-	-	-	-	-	-	-	-
Technology	3,580,181	3,940,072	4,310,609	(370,537)	-	-	-	-	-	-	-	-
School food services	2,948,909	4,256,171	3,526,855	729,316	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	2,342,770	7,456,136	3,540,105	3,916,031
Total expenditures	\$ 81,731,989	\$ 84,316,216	\$ 83,479,705	\$ 1,138,205	\$ -	\$ -	\$ 1,350,277	\$ (1,350,277)	\$ 2,342,770	\$ 7,456,136	\$ 3,540,105	\$ 3,916,031
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 237,563	\$ 539,257	\$ -	\$ -	\$ 76,025	\$ 76,025	\$ -	\$ -	\$ 4,901,033	\$ 4,901,033
OTHER FINANCING SOURCES (USES)												
Insurance proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other financing sources and uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 237,563	\$ 539,257	\$ -	\$ -	\$ 76,025	\$ 76,025	\$ -	\$ -	\$ 4,901,033	\$ 4,901,033
Fund balances - beginning	-	-	1,109,262	1,109,262	-	-	480,278	480,278	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 1,346,825	\$ 1,648,519	\$ -	\$ -	\$ 556,303	\$ 556,303	\$ -	\$ -	\$ 4,901,033	\$ 4,901,033



## **Supporting Schedules**

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 44,983,285	\$ 44,983,285	\$ 46,312,043	\$ 1,328,758
Real and personal public service corporation taxes	16,550,000	16,550,000	16,363,937	(186,063)
Personal property taxes	11,240,433	11,240,433	13,185,546	1,945,113
Mobile home taxes	65,000	65,000	65,372	372
Machinery and tools taxes	330,000	330,000	363,004	33,004
Other taxes	525,000	525,000	468,312	(56,688)
Penalties	400,000	400,000	530,079	130,079
Interest	400,000	400,000	358,530	(41,470)
Total general property taxes	\$ 74,493,718	\$ 74,493,718	\$ 77,646,823	\$ 3,153,105
Other local taxes:				
Local sales and use taxes	\$ 5,700,000	\$ 5,700,000	\$ 6,512,542	\$ 812,542
Consumers' utility taxes	670,000	670,000	696,134	26,134
Business license taxes	300,000	300,000	524,558	224,558
Utility license taxes	20,000	20,000	4,705	(15,295)
Motor vehicle licenses	1,500,000	1,500,000	1,475,090	(24,910)
Taxes on recordation and wills	1,000,000	1,000,000	1,009,304	9,304
Hotel and motel room taxes	300,000	300,000	489,219	189,219
Total other local taxes	\$ 9,490,000	\$ 9,490,000	\$ 10,711,552	\$ 1,221,552
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 11,000	\$ 11,000	\$ 11,465	\$ 465
Land use application fees	1,500	1,500	690	(810)
Transfer fees	2,500	2,500	2,012	(488)
Building and other related permits	833,000	833,000	999,664	166,664
Zoning and use permits	130,000	130,000	151,974	21,974
Erosion and sediment control	50,000	50,000	44,692	(5,308)
Permits and other licenses	3,000	3,000	2,706	(294)
Total permits, privilege fees, and regulatory licenses	\$ 1,031,000	\$ 1,031,000	\$ 1,213,203	\$ 182,203
Fines and forfeitures:				
Court fines and forfeitures	\$ 70,000	\$ 70,000	\$ 123,308	\$ 53,308
Revenue from use of money and property:				
Revenue from use of money	\$ 350,000	\$ 556,845	\$ 1,700,278	\$ 1,143,433
Revenue from use of property	212,000	212,000	218,346	6,346
Total revenue from use of money and property	\$ 562,000	\$ 768,845	\$ 1,918,624	\$ 1,149,779
Charges for services:				
Excess fees of clerk	\$ -	\$ -	\$ 57,032	\$ 57,032
Charges for law enforcement and traffic control	5,000	5,000	3,628	(1,372)
Charges for courthouse maintenance	10,000	10,000	8,662	(1,338)
Charges for Commonwealth's Attorney	2,500	2,500	2,862	362
Ambulance services	1,800,000	1,800,000	1,920,488	120,488
Charges for sanitation and waste removal	520,000	520,000	673,554	153,554
Charges for parks and recreation	500,000	556,300	566,603	10,303
Charges for telecommunication review	5,000	5,000	6,300	1,300
Other court charges	48,000	48,000	66,226	18,226
Other charges for services	10,000	38,860	45,240	6,380
Court fees law library	-	-	2,764	2,764
Total charges for services	\$ 2,900,500	\$ 2,985,660	\$ 3,353,359	\$ 367,699

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 190,000	\$ 307,789	\$ 410,103	\$ 102,314
Recovered costs:				
Juvenile and domestic relations court costs	\$ 25,000	\$ 25,000	\$ 31,217	\$ 6,217
Expenditure refunds	-	-	4,269	4,269
Other recovered costs	25,000	47,913	173,820	125,907
Total recovered costs	\$ 50,000	\$ 72,913	\$ 209,306	\$ 136,393
Total revenue from local sources	\$ 88,787,218	\$ 89,219,925	\$ 95,586,278	\$ 6,366,353
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 25,000	\$ 25,000	\$ 3,348	\$ (21,652)
Mobile home titling tax	50,000	50,000	82,182	32,182
Motor vehicle rental tax	20,000	20,000	46,596	26,596
Communication sales tax	275,000	275,000	241,643	(33,357)
Personal property tax relief funds	1,620,227	1,620,227	1,620,227	-
Total noncategorical aid	\$ 1,990,227	\$ 1,990,227	\$ 1,993,996	\$ 3,769
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 467,250	\$ 467,250	\$ 483,594	\$ 16,344
Sheriff	1,530,650	1,530,650	1,540,149	9,499
Commissioner of revenue	142,800	142,800	164,809	22,009
Treasurer	156,450	156,450	156,592	142
Registrar/electoral board	82,836	82,836	74,731	(8,105)
Clerk of the Circuit Court	334,750	334,750	340,433	5,683
Total shared expenses	\$ 2,714,736	\$ 2,714,736	\$ 2,760,308	\$ 45,572
Other categorical aid:				
Welfare administration and assistance	\$ 2,390,603	\$ 2,390,603	\$ 1,433,069	\$ (957,534)
Wireless E-911 grant	-	-	133,060	133,060
Juvenile justice - crime control	-	9,905	9,905	-
At risk youth - children's services act	2,150,000	2,200,400	2,084,500	(115,900)
Four 4 life grant	-	46,094	46,094	-
Litter control grant	-	-	17,438	17,438
Radiological preparedness grant	-	30,000	30,000	-
Fire programs fund	-	140,981	140,981	-
Victim-witness grant	-	20,795	25,993	5,198
Other categorical aid	-	80,061	134,561	54,500
Total other categorical aid	\$ 4,540,603	\$ 4,918,839	\$ 4,055,601	\$ (863,238)
Total categorical aid	\$ 7,255,339	\$ 7,633,575	\$ 6,815,909	\$ (817,666)
Total revenue from the Commonwealth	\$ 9,245,566	\$ 9,623,802	\$ 8,809,905	\$ (813,897)
Revenue from the federal government:				
Categorical aid:				
Welfare public assistance	\$ 2,560,527	\$ 2,560,527	\$ 2,360,223	\$ (200,304)
Victim witness	-	48,523	43,325	(5,198)
Assistance to firefighters	-	-	121,782	121,782
Federal DMV grants	-	6,402	2,246	(4,156)
Staffing for adequate fire and emergency response (SAFER)	-	-	757,818	757,818
Bulletproof vest partnership program	-	5,600	2,782	(2,818)
Juvenile justice and delinquency prevention	-	70,980	31,212	(39,768)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Edward Byrne memorial justice assistance grant program	-	3,097	4,966	1,869
Violence against women	-	27,350	27,350	-
Federal interest subsidy	220,000	220,000	280,508	60,508
Coronavirus relief fund	-	-	13,221	13,221
Coronavirus state and local fiscal recovery funds	-	3,878,291	1,394,794	(2,483,497)
Emergency management preparedness	-	21,814	53,232	31,418
Total categorical aid	\$ 2,780,527	\$ 6,842,584	\$ 5,093,459	\$ (1,749,125)
Total revenue from the federal government	\$ 2,780,527	\$ 6,842,584	\$ 5,093,459	\$ (1,749,125)
Total General Fund	\$ 100,813,311	\$ 105,686,311	\$ 109,489,642	\$ 3,803,331
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Meals tax	\$ 1,520,000	\$ 1,520,000	\$ 1,933,138	\$ 413,138
Revenue from use of money and property:				
Revenue from the use of money	\$ 100,000	\$ 100,000	\$ 534,637	\$ 434,637
Miscellaneous revenue:				
Other miscellaneous	\$ 100,000	\$ 226,128	\$ 647,962	\$ 421,834
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 500	\$ 500
Total revenue from local sources	\$ 1,720,000	\$ 1,846,128	\$ 3,116,237	\$ 1,270,109
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 817,006	\$ 817,006
Total categorical aid	\$ -	\$ -	\$ 817,006	\$ 817,006
Total revenue from the Commonwealth	\$ -	\$ -	\$ 817,006	\$ 817,006
Total County Capital Improvements Fund	\$ 1,720,000	\$ 1,846,128	\$ 3,933,243	\$ 2,087,115
Total Primary Government	\$ 102,533,311	\$ 107,532,439	\$ 113,422,885	\$ 5,890,446
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from the use of money	\$ 1,200	\$ 1,200	\$ 21,044	\$ 19,844
Revenue from the use of property	12,000	12,000	7,018	(4,982)
Total revenue from use of money and property	\$ 13,200	\$ 13,200	\$ 28,062	\$ 14,862
Charges for services:				
Tuition	\$ 13,200	\$ 13,200	\$ 66,750	\$ 53,550
Cafeteria sales	1,133,000	1,133,000	217,240	(915,760)
Total charges for services	\$ 1,146,200	\$ 1,146,200	\$ 283,990	\$ (862,210)
Miscellaneous revenue:				
Other miscellaneous	\$ 694,400	\$ 694,400	\$ 2,113,559	\$ 1,419,159
Recovered costs:				
Other recovered costs	\$ 90,000	\$ 90,000	\$ 141,535	\$ 51,535
Total revenue from local sources	\$ 1,943,800	\$ 1,943,800	\$ 2,567,146	\$ 623,346
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 43,718,430	\$ 45,357,657	\$ 38,781,312	\$ (6,576,345)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 6,940,178	\$ 6,940,178	\$ 7,180,046	\$ 239,868
Basic school aid	11,928,629	12,460,732	13,383,986	923,254
Remedial summer education	76,076	76,076	165,984	89,908
Regular foster care	168,650	168,650	105,948	(62,702)
Gifted and talented	128,657	128,657	131,348	2,691
Remedial education	427,725	427,725	424,534	(3,191)
Special education	1,755,248	1,755,248	1,791,956	36,708
Textbook payment	304,136	304,136	310,496	6,360
Vocational SOQ payments	346,914	346,914	354,169	7,255
Social security fringe benefits	758,157	758,157	781,049	22,892
Retirement fringe benefits	1,769,033	1,769,033	1,817,757	48,724
Group life insurance benefits	52,841	52,841	53,946	1,105
State lottery payments	895,234	895,234	174,477	(720,757)
Early reading intervention	293,840	293,840	113,288	(180,552)
Homebound education	20,169	20,169	36,287	16,118
Regional program tuition	445,132	445,132	815,386	370,254
Vocation education - equipment	-	-	10,207	10,207
Salary supplement	833,591	833,591	798,334	(35,257)
Special education - foster children	-	-	72,040	72,040
Technology	206,000	206,000	207,387	1,387
Standards of Learning algebra readiness	57,574	57,574	52,475	(5,099)
At risk four-year olds	334,360	334,360	417,951	83,591
English as a second language	108,499	108,499	109,580	1,081
Other state funds	1,722,489	1,722,489	2,466,102	743,613
Total categorical aid	\$ 29,573,132	\$ 30,105,235	\$ 31,774,733	\$ 1,669,498
Total revenue from the Commonwealth	\$ 29,573,132	\$ 30,105,235	\$ 31,774,733	\$ 1,669,498
Revenue from the federal government:				
Categorical aid:				
Title I: Grants to local educational agencies	\$ 1,270,821	\$ 1,270,821	\$ 1,010,050	\$ (260,771)
Language grant	12,000	12,000	15,424	3,424
Title VI-B: Special education grants	962,480	962,480	986,761	24,281
Title VI-B: Special education preschool grants	19,308	19,308	15,365	(3,943)
Vocational education	82,483	82,483	178,083	95,600
Title II, part A: Improving teacher quality	165,000	165,000	139,130	(25,870)
School lunch and breakfast program	1,482,556	1,482,556	3,233,747	1,751,191
Pandemic EBT administrative costs	-	-	3,135	3,135
Title IV Part A	74,500	74,500	24,833	(49,667)
Education stabilization fund	2,427,479	2,840,376	4,375,446	1,535,070
Coronavirus state and local fiscal recovery funds	-	-	532,103	532,103
Public health crisis response	-	-	80,000	80,000
Total categorical aid	\$ 6,496,627	\$ 6,909,524	\$ 10,594,077	\$ 3,684,553
Total revenue from the federal government	\$ 6,496,627	\$ 6,909,524	\$ 10,594,077	\$ 3,684,553
Total School Operating Fund	\$ 81,731,989	\$ 84,316,216	\$ 83,717,268	\$ (598,948)
<b>School Activity Fund:</b>				
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 1,426,302	\$ 1,426,302
Total miscellaneous revenue	\$ -	\$ -	\$ 1,426,302	\$ 1,426,302
Total School Activity Fund	\$ -	\$ -	\$ 1,426,302	\$ 1,426,302
<b>School Capital Projects Fund:</b>				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 2,342,770	\$ 5,536,597	\$ 5,536,597	\$ -
Total revenues from local governments	\$ 2,342,770	\$ 5,536,597	\$ 5,536,597	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ 1,919,539	\$ 1,919,529	\$ (10)
Total revenue from the Commonwealth	\$ -	\$ 1,919,539	\$ 1,919,529	\$ (10)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 985,012	\$ 985,012
Total revenue from the federal government	\$ -	\$ -	\$ 985,012	\$ 985,012
Total School Capital Projects Fund	\$ 2,342,770	\$ 7,456,136	\$ 8,441,138	\$ 985,002
Total Discretely Presented Component Unit - School Board	\$ 84,074,759	\$ 91,772,352	\$ 93,584,708	\$ 2,797,358

## 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.

11-13

#### 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.

14-15

#### 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.

16-18

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

COUNTY OF LOUISA, VIRGINIA

Table 1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 18,464,264	\$ 24,664,433	\$ 23,278,507	\$ 25,809,816	\$ 30,809,285	\$ 36,910,984	\$ 40,859,610	\$ 39,452,422	\$ 41,216,188	\$ 47,750,434
Restricted	1,571,038	1,527,892	1,483,266	-	1,016,602	-	-	-	3,720,506	1,584,221
Unrestricted	51,610,080	47,904,898	53,460,871	61,946,226	63,190,810	64,993,131	71,999,854	84,533,577	86,355,152	94,998,615
Total governmental activities net position	\$ 71,645,382	\$ 74,097,223	\$ 78,222,644	\$ 87,756,042	\$ 95,016,697	\$ 101,904,115	\$ 112,859,464	\$ 123,985,999	\$ 131,291,846	\$ 144,333,270
Primary government										
Net investment in capital assets	\$ 18,464,264	\$ 24,664,433	\$ 23,278,507	\$ 25,809,816	\$ 30,809,285	\$ 36,910,984	\$ 40,859,610	\$ 39,452,422	\$ 41,216,188	\$ 47,750,434
Restricted	1,571,038	1,527,892	1,483,266	-	1,016,602	-	-	-	3,720,506	1,584,221
Unrestricted	51,610,080	47,904,898	53,460,871	61,946,226	63,190,810	64,993,131	71,999,854	84,533,577	86,355,152	94,998,615
Total primary government net position	\$ 71,645,382	\$ 74,097,223	\$ 78,222,644	\$ 87,756,042	\$ 95,016,697	\$ 101,904,115	\$ 112,859,464	\$ 123,985,999	\$ 131,291,846	\$ 144,333,270

COUNTY OF LOUISA, VIRGINIA

Table 2  
Page 1 of 2

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government administration	\$ 3,506,219	\$ 3,435,934	\$ 3,478,169	\$ 3,542,581	\$ 3,464,123	\$ 3,627,043	\$ 2,558,510	\$ 3,348,314	\$ 4,021,168	\$ 4,724,255
Judicial administration	2,064,058	1,880,796	1,979,935	1,938,254	1,972,016	1,928,527	1,689,088	2,158,013	2,311,888	2,618,347
Public safety	13,522,591	12,293,528	12,929,011	14,179,090	14,740,930	15,682,242	17,549,237	19,814,048	21,673,228	23,716,184
Public works	5,705,451	4,910,275	4,764,676	3,754,577	4,361,917	4,492,282	3,661,377	5,002,699	6,476,986	6,659,179
Health and welfare	7,310,884	7,594,943	7,838,939	8,593,657	8,525,097	9,078,677	10,114,054	10,564,986	7,927,207	9,278,530
Education	48,664,735	55,404,276	35,829,452	32,406,304	36,222,607	36,505,174	36,063,565	41,262,789	46,666,236	45,872,914
Parks, recreation and cultural	1,551,528	1,480,517	1,090,803	1,549,298	1,662,120	1,705,534	1,711,390	1,328,234	1,387,002	1,863,325
Community development	2,616,432	3,194,504	3,897,447	1,453,747	1,446,422	2,739,172	3,405,258	2,155,710	2,691,615	4,512,151
Interest on long-term debt	1,198,401	1,168,271	1,848,496	2,577,258	2,218,932	2,102,816	2,011,892	1,980,994	2,062,600	1,910,095
Total governmental activities expenses	\$ 86,140,299	\$ 91,363,044	\$ 73,656,928	\$ 69,994,766	\$ 74,614,164	\$ 77,861,467	\$ 78,764,371	\$ 87,615,787	\$ 95,217,930	\$ 101,154,980
Total primary government expenses	\$ 86,140,299	\$ 91,363,044	\$ 73,656,928	\$ 69,994,766	\$ 74,614,164	\$ 77,861,467	\$ 78,764,371	\$ 87,615,787	\$ 95,217,930	\$ 101,154,980
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government administration	\$ 41,008	\$ 7,797	\$ 15,870	\$ 7,134	\$ 5,418	\$ 3,801	\$ 4,274	\$ 3,319	\$ 4,582	\$ 2,702
Judicial administration	165,625	119,779	97,417	108,997	134,358	171,191	162,268	120,238	254,809	260,854
Public safety	1,389,958	1,354,341	1,792,809	1,607,597	1,729,000	1,855,654	2,024,140	2,474,682	2,635,789	3,132,459
Public works	211,043	230,633	338,143	323,192	347,972	373,771	441,198	534,490	638,907	720,952
Parks, recreation and cultural	405,649	399,985	405,900	497,948	472,316	549,782	459,013	209,458	470,188	566,603
Community development	24,000	27,250	20,270	12,400	35,770	6,300	4,250	3,000	11,500	6,300
Operating grants and contributions	7,020,212	7,282,136	7,291,389	7,856,460	8,130,118	8,391,214	9,170,772	9,411,512	13,446,344	10,801,500
Capital grants and contributions	13,772,275	25,227,045	2,795,787	103,629	53,472	290,840	320,750	299,798	210,285	1,924,874
Total governmental activities program revenues	\$ 23,029,770	\$ 34,648,966	\$ 12,757,585	\$ 10,517,357	\$ 10,908,424	\$ 11,642,553	\$ 12,586,665	\$ 13,056,497	\$ 17,672,404	\$ 17,416,244
Total primary government program revenues	\$ 23,029,770	\$ 34,648,966	\$ 12,757,585	\$ 10,517,357	\$ 10,908,424	\$ 11,642,553	\$ 12,586,665	\$ 13,056,497	\$ 17,672,404	\$ 17,416,244
Net (expense) / revenue										
Governmental activities	\$ (63,110,529)	\$ (56,714,078)	\$ (60,899,343)	\$ (59,477,409)	\$ (63,705,740)	\$ (66,218,914)	\$ (66,177,706)	\$ (74,559,290)	\$ (77,545,526)	\$ (83,738,736)
Total primary government net expense	\$ (63,110,529)	\$ (56,714,078)	\$ (60,899,343)	\$ (59,477,409)	\$ (63,705,740)	\$ (66,218,914)	\$ (66,177,706)	\$ (74,559,290)	\$ (77,545,526)	\$ (83,738,736)



COUNTY OF LOUISA, VIRGINIA

Table 2

Page 2 of 2

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 48,680,852	\$ 52,232,855	\$ 55,134,815	\$ 58,183,294	\$ 60,114,485	\$ 61,193,152	\$ 63,397,886	\$ 65,833,441	\$ 69,479,803	\$ 77,912,471
Local sales and use taxes	3,020,623	2,879,726	3,309,977	3,673,209	3,622,340	3,859,107	4,557,042	5,520,260	5,782,979	6,512,542
Taxes on recordation and wills	444,333	476,414	559,854	579,547	644,987	667,383	774,923	1,218,105	1,323,934	1,009,304
Motor vehicle licenses taxes	647,134	674,854	1,193,414	1,329,437	1,376,881	1,439,736	1,438,729	1,494,903	1,439,846	1,475,090
Consumer utility taxes	604,328	613,142	609,137	610,599	679,384	652,128	657,398	675,285	687,862	696,134
Meals taxes	794,167	853,460	971,798	1,094,835	1,159,976	1,225,806	1,208,373	1,444,670	1,717,277	1,933,138
Other local taxes	333,699	259,704	329,019	355,113	416,936	414,725	470,195	643,116	727,282	1,018,482
Unrestricted grants and contributions	2,021,312	1,944,776	1,995,279	2,000,254	2,015,325	1,986,575	2,999,430	7,552,404	1,972,853	1,993,996
Unrestricted revenues from use of money and property	305,361	320,025	399,957	741,813	938,195	1,317,159	1,216,802	612,945	532,004	2,453,261
Miscellaneous	335,198	325,243	510,160	442,706	448,079	350,561	412,277	690,696	1,008,791	1,481,949
Insurance proceeds	2,074,630	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 59,261,637	\$ 60,580,199	\$ 65,013,410	\$ 69,010,807	\$ 71,416,588	\$ 73,106,332	\$ 77,133,055	\$ 85,685,825	\$ 84,672,631	\$ 96,486,367
Total primary government	\$ 59,261,637	\$ 60,580,199	\$ 65,013,410	\$ 69,010,807	\$ 71,416,588	\$ 73,106,332	\$ 77,133,055	\$ 85,685,825	\$ 84,672,631	\$ 96,486,367
<b>Change in Net Position</b>										
Governmental activities	\$ (3,848,892)	\$ 3,866,121	\$ 4,114,067	\$ 9,533,398	\$ 7,710,848	\$ 6,887,418	\$ 10,955,349	\$ 11,126,535	\$ 7,127,105	\$ 12,747,631
Total primary government	\$ (3,848,892)	\$ 3,866,121	\$ 4,114,067	\$ 9,533,398	\$ 7,710,848	\$ 6,887,418	\$ 10,955,349	\$ 11,126,535	\$ 7,127,105	\$ 12,747,631

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	Meals Tax	Other Local Taxes	Total
2023	\$ 77,912,471	\$ 6,512,542	\$ 696,134	\$ 1,475,090	\$ 1,009,304	\$ 1,933,138	\$ 1,018,482	\$ 90,557,161
2022	69,479,803	5,782,979	687,862	1,439,846	1,323,934	1,717,277	727,282	81,158,983
2021	65,833,441	5,520,260	675,285	1,494,903	1,218,105	1,444,670	643,116	76,829,780
2020	63,397,886	4,557,042	657,398	1,438,729	774,923	1,208,373	470,195	72,504,546
2019	61,193,152	3,859,107	652,128	1,439,736	667,383	1,225,806	414,725	69,452,037
2018	60,114,485	3,622,340	644,987	1,376,881	679,384	1,159,976	416,936	68,014,989
2017	58,183,294	3,673,209	610,599	1,329,437	579,547	1,094,835	355,113	65,826,034
2016	55,134,815	3,309,977	609,137	1,193,414	559,854	971,798	329,019	62,108,014
2015	52,232,855	2,879,726	613,142	674,854	476,414	853,460	259,704	57,990,155
2014	48,680,852	3,020,623	604,328	647,134	444,333	794,167	333,699	54,525,136

COUNTY OF LOUISA, VIRGINIA

Table 4

Fund Balances of Governmental Funds (1)  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ 13,173	\$ 16,298	\$ 47,160	\$ 255,671	\$ 260,902	\$ 248,433	\$ 249,202	\$ 248,574	\$ 249,290	\$ 249,290
Restricted	1,571,038	1,527,892	1,483,266	-	1,016,602	-	-	-	-	167,862
Committed	16,127,572	16,043,455	16,065,184	15,800,000	15,800,000	15,800,000	15,800,000	15,800,000	15,800,000	15,800,000
Assigned	3,142,020	1,319,725	1,368,802	1,653,829	477,488	14,148,558	15,920,066	15,920,066	17,709,411	17,709,411
Unassigned	<u>31,808,588</u>	<u>29,559,129</u>	<u>26,063,587</u>	<u>28,887,913</u>	<u>40,296,734</u>	<u>24,870,916</u>	<u>29,679,972</u>	<u>33,660,643</u>	<u>39,900,711</u>	<u>41,941,770</u>
Total general fund	<u>\$ 52,662,391</u>	<u>\$ 48,466,499</u>	<u>\$ 45,027,999</u>	<u>\$ 46,597,413</u>	<u>\$ 57,851,726</u>	<u>\$ 55,067,907</u>	<u>\$ 61,649,240</u>	<u>\$ 65,629,283</u>	<u>\$ 73,659,412</u>	<u>\$ 75,868,333</u>
All other governmental funds										
Committed for capital projects funds	\$ 14,116,425	\$ 7,922,833	\$ 49,899,791	\$ 33,238,865	\$ 7,893,548	\$ 1,095,139	\$ -	\$ -	\$ -	\$ -
Assigned for capital projects funds	<u>99,583</u>	<u>-</u>	<u>11,264,363</u>	<u>18,317,409</u>	<u>16,490,602</u>	<u>18,897,973</u>	<u>20,074,897</u>	<u>32,893,143</u>	<u>24,761,980</u>	<u>27,181,156</u>
Total all other governmental funds	<u>\$ 14,216,008</u>	<u>\$ 7,922,833</u>	<u>\$ 61,164,154</u>	<u>\$ 51,556,274</u>	<u>\$ 24,384,150</u>	<u>\$ 19,993,112</u>	<u>\$ 20,074,897</u>	<u>\$ 32,893,143</u>	<u>\$ 24,761,980</u>	<u>\$ 27,181,156</u>

COUNTY OF LOUISA, VIRGINIA

Table 5

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
General property taxes	\$ 48,994,477	\$ 52,205,038	\$ 55,027,281	\$ 58,357,514	\$ 60,518,750	\$ 60,874,073	\$ 63,583,869	\$ 65,807,819	\$ 69,184,457	\$ 77,646,823
Other local taxes	5,844,284	5,757,300	6,973,199	7,642,740	7,900,504	8,258,885	9,106,660	10,996,339	11,679,180	12,644,690
Permits, privilege fees and regulatory licenses	428,901	444,544	645,658	506,821	523,651	560,491	688,088	834,857	876,233	1,213,203
Fines and forfeitures	85,254	48,357	37,974	29,299	59,530	89,689	83,809	67,068	104,763	123,308
Revenue from use of money and property	305,361	320,025	399,957	741,813	938,195	1,317,159	1,216,802	612,945	532,004	2,453,261
Charges for services	1,723,128	1,646,884	1,986,777	2,021,148	2,141,653	2,310,319	2,323,246	2,443,262	3,034,779	3,353,359
Miscellaneous	335,198	325,243	510,160	442,706	497,660	350,561	412,277	690,696	501,420	1,058,065
Recovered costs	93,425	181,956	231,852	578,182	190,225	293,081	740,171	523,427	514,312	209,806
Intergovernmental revenues:										
Contribution from School Board	-	1,167,485	-	-	-	-	-	-	-	-
Commonwealth	9,745,431	11,605,371	7,779,886	7,585,218	7,877,912	8,265,913	8,674,297	8,915,391	8,876,145	9,626,911
Federal	13,068,368	22,848,586	4,302,569	2,375,125	2,321,003	2,402,716	3,816,655	8,348,323	6,753,337	5,093,459
Total revenues	\$ 80,623,827	\$ 96,550,789	\$ 77,895,313	\$ 80,280,566	\$ 82,969,083	\$ 84,722,887	\$ 90,645,874	\$ 99,240,127	\$ 102,056,630	\$ 113,422,885
<b>Expenditures</b>										
General government administration	\$ 3,295,339	\$ 3,259,357	\$ 3,318,595	\$ 3,272,417	\$ 3,346,110	\$ 3,552,047	\$ 3,524,331	\$ 3,707,461	\$ 3,960,958	\$ 4,485,999
Judicial administration	1,926,261	1,886,765	1,971,782	1,952,842	2,022,300	2,102,555	2,145,677	2,200,437	2,550,621	2,654,511
Public safety	11,797,370	11,747,197	12,274,568	13,054,257	13,784,687	14,398,973	15,396,515	18,405,005	21,335,454	23,167,102
Public works	3,789,408	6,243,301	3,028,924	3,089,009	3,247,038	3,443,670	3,567,547	3,788,460	3,987,496	4,702,247
Health and welfare	7,298,502	7,629,321	8,025,122	8,678,611	8,641,127	9,143,686	10,133,525	10,466,920	10,044,402	10,640,385
Education	29,382,401	28,287,198	30,915,671	29,057,136	32,174,796	32,225,642	32,718,899	35,807,601	35,708,492	38,815,004
Parks, recreation and cultural	1,432,249	1,409,646	1,467,662	1,471,176	1,530,342	1,586,661	1,567,568	1,281,730	1,711,369	1,838,540
Community development	1,384,468	1,434,971	1,361,644	1,305,182	1,391,126	2,555,026	1,659,348	1,660,084	2,560,118	2,147,964
Capital projects	34,433,009	43,222,067	11,612,022	13,319,089	26,391,734	17,673,080	8,205,653	8,652,863	15,426,890	15,209,132
Debt service:										
Principal retirement	2,220,442	1,885,442	2,204,441	10,490,358	3,594,820	2,600,442	2,640,442	2,695,442	2,420,442	2,730,442
Interest and other fiscal charges	1,331,414	1,434,105	1,951,423	2,843,615	2,762,814	2,615,962	2,504,575	2,402,232	2,451,422	2,403,462
Total expenditures	\$ 98,290,863	\$ 108,439,370	\$ 78,131,854	\$ 88,533,692	\$ 98,886,894	\$ 91,897,744	\$ 84,064,080	\$ 91,068,235	\$ 102,157,664	\$ 108,794,788
Excess of revenues over (under) expenditure	\$ (17,667,036)	\$ (11,888,581)	\$ (236,541)	\$ (8,253,126)	\$ (15,917,811)	\$ (7,174,857)	\$ 6,581,794	\$ 8,171,892	\$ (101,034)	\$ 4,628,097
<b>Other financing sources (uses)</b>										
Transfers in	\$ 5,445,273	\$ 8,892,894	\$ 15,083,118	\$ 17,465,439	\$ 11,613,465	\$ 11,306,259	\$ 6,261,769	\$ 10,674,956	\$ 5,302,102	\$ 13,695,065
Transfers out	(5,445,273)	(8,892,894)	(15,083,118)	(17,465,439)	(11,613,465)	(11,306,259)	(6,261,769)	(10,674,956)	(5,302,102)	(13,695,065)
Debt issued	-	500,000	44,830,000	-	-	-	-	7,775,000	-	-
Premium on bonds issued	-	-	5,209,362	-	-	-	-	783,304	-	-
Cost of bond issuance	-	-	-	-	-	-	-	(55,203)	-	-
Insurance proceeds	-	-	-	-	-	-	81,324	123,296	-	-
Issuance of capital leases	-	899,514	-	214,660	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 1,399,514	\$ 50,039,362	\$ 214,660	\$ -	\$ -	\$ 81,324	\$ 8,626,397	\$ -	\$ -
<b>Extraordinary items:</b>										
Insurance proceeds	\$ 9,913,837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ (7,753,199)	\$ (10,489,067)	\$ 49,802,821	\$ (8,038,466)	\$ (15,917,811)	\$ (7,174,857)	\$ 6,663,118	\$ 16,798,289	\$ (101,034)	\$ 4,628,097
Debt service as a percentage of noncapital expenditures	3.90%	3.63%	5.11%	16.74%	8.47%	6.75%	6.61%	5.97%	5.18%	5.15%

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	Meals Tax	Other Local Taxes	Total
2023	\$ 77,646,823	\$ 6,512,542	\$ 696,134	\$ 1,475,090	\$ 1,009,304	\$ 1,933,138	\$ 1,018,482	\$ 90,291,513
2022	69,184,457	5,782,979	687,863	1,439,846	1,323,934	1,717,277	727,281	80,863,637
2021	65,807,819	5,520,260	675,285	1,494,903	1,218,105	1,444,670	643,116	76,804,158
2020	63,583,869	4,557,042	657,398	1,438,729	774,923	1,208,373	470,195	72,690,529
2019	60,874,073	3,859,107	652,128	1,439,736	667,383	1,225,806	414,725	69,132,958
2018	60,518,750	3,622,340	679,384	1,376,881	644,987	1,159,976	416,936	68,419,254
2017	58,357,514	3,673,209	610,599	1,329,437	579,547	1,094,835	355,113	66,000,254
2016	55,027,281	3,309,977	609,137	1,193,414	559,854	971,798	329,019	62,000,480
2015	52,205,038	2,879,726	613,142	674,854	476,414	853,460	259,704	57,962,338
2014	48,994,477	3,020,623	604,328	647,134	444,333	794,167	333,699	54,838,761

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	Total Direct Tax Rate
2023	\$ 8,124,468,100	\$ 553,275,940	\$ 10,386,200	\$ 20,322,105	\$ 85,121,650	\$ 2,268,126,360	\$ 11,061,700,355	\$ 11,061,700,355	100.00%	0.81
2022	7,058,844,400	539,984,870	10,652,100	19,620,295	77,648,870	2,271,258,210	9,978,008,745	9,978,008,745	100.00%	0.81
2021	5,823,397,500	471,633,800	10,550,200	17,778,425	76,577,660	2,366,789,607	8,766,727,192	8,766,727,192	100.00%	0.81
2020	5,580,091,000	451,392,200	10,472,400	16,737,000	76,954,080	2,310,302,210	8,445,948,890	8,445,948,890	100.00%	0.81
2019	5,302,153,400	423,329,290	10,539,000	16,435,030	74,972,600	2,341,951,920	8,169,381,240	8,169,381,240	100.00%	0.81
2018	5,089,628,000	399,966,165	10,552,700	16,563,700	80,726,020	2,450,619,920	8,048,056,505	8,048,056,505	100.00%	0.81
2017	4,941,166,100	382,171,780	10,733,900	17,240,925	78,425,865	2,449,442,640	7,879,181,210	7,879,181,210	100.00%	0.78
2016	4,837,891,500	357,158,820	10,267,300	16,405,760	80,784,420	2,511,655,800	7,814,163,600	7,814,163,600	100.00%	0.78
2015	4,777,630,500	341,372,490	10,600,100	19,422,485	71,385,195	2,617,150,420	7,837,561,190	7,837,561,190	100.00%	0.76
2014	4,684,098,800	322,098,985	10,774,500	18,075,150	73,809,620	2,550,898,590	7,659,755,645	7,659,755,645	100.00%	0.73

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						Total Direct Tax Rate	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
2023	0.72	2.43	(2)	0.72	1.90	0.65	0.81	0.1635	0.71	0.22	0.48
2022	0.72	2.43	(2)	0.72	1.90	0.65	0.81	0.1635	0.71	0.22	0.48
2021	0.72	2.43	(2)	0.72	1.90	0.65	0.81	0.1635	0.71	0.24	0.48
2020	0.72	2.43	(2)	0.72	1.90	0.65	0.81	0.1635	0.71	0.24	0.48
2019	0.72	2.43	(2)	0.72	1.90	0.65	0.81	0.1635	0.71	0.24	0.48
2018	0.72	2.43	(2)	0.72	1.90	0.65	0.81	0.1635	0.71	0.24	0.48
2017	0.72	2.43	(2)	0.72	1.90	0.65	0.78	0.1635	0.71	0.24	0.48
2016	0.72	1.90		0.72	1.90	0.65	0.78	0.1635	0.71	0.24	0.48
2015	0.68	1.90		0.65	1.90	0.65	0.76	0.1635	0.71	0.24	0.48
2014	0.65	1.90		0.65	1.90	0.65	0.73	0.1635	0.71	0.24	0.48

(1) Per \$100 of assessed value

(2) Business personal property is \$1.90

COUNTY OF LOUISA, VIRGINIA

Table 9

Principal Property Taxpayers  
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2023		Fiscal Year 2014	
		2022 Assessed Valuation	% of Total Assessed Valuation	2013 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	1,725,745,020	0.15601083	1,961,583,700	0.25608963
Old Dominion	Electric	357,851,720	0.03235052	462,284,680	0.06035241
Walmart	Retailer	106,848,570	0.00965933	113,458,425	0.01481228
Rappahannock Electric Co-op	Electric	61,308,990	0.00554246	47,432,020	0.00619237
Columbia Gas	Pipeline	39,244,340	0.00354777	23,115,690	0.00301781
Central Virginia Electric	Electric	29,763,970	0.00269072	N/A	N/A
Klockner Pentaplast	Manufacturing	25,847,025	0.00233662	29,679,545	0.00387474
Faulconer Construction	Civil Contractor	23,597,265	0.00213324	N/A	N/A
Lowes	Retailer	19,883,790	0.00179753	17,327,360	0.00226213
Spring Creek Land Development	Land Developer	16,716,680	0.00151122	18,597,495	0.00242795
Colonial Pipeline	Pipeline	N/A	N/A	N/A	N/A
William A. Cooke Inc.	Land Developer/Realtor	N/A	N/A	15,628,515	0.00204034
Verizon	Telecom	N/A	N/A	16,224,090	0.00211810
		<u>2,406,807,370</u>	<u>21.76%</u>	<u>2,705,331,520</u>	<u>35.52%</u>

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
2023	\$	78,811,458	\$ 74,774,525	94.88%	\$ -	\$ 74,774,525	94.88%
2022		70,342,703	66,943,346	95.17%	1,248,640	68,191,986	96.94%
2021		66,541,356	62,755,390	94.31%	1,380,725	64,136,115	96.39%
2020		63,646,832	60,669,902	95.32%	1,725,381	62,395,283	98.03%
2019		61,502,462	58,005,777	94.31%	1,855,084	59,860,861	97.33%
2018		60,416,810	57,203,734	94.68%	1,694,527	58,898,261	97.49%
2017		60,264,469	55,636,434	92.32%	1,847,607	57,484,041	95.39%
2016		56,121,507	52,909,359	94.28%	1,608,889	54,518,248	97.14%
2015		53,205,562	50,018,137	94.01%	1,498,667	51,516,804	96.83%
2014		49,703,063	46,649,864	93.86%	1,136,961	47,786,825	96.14%

Source: Commissioner of Revenue, County Treasurer's office

(1) Exclusive of penalties & interest.

(2) Does not include land rollbacks.

(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	Lease Revenue Bonds	Bond Premium	Revenue Anticipation Notes	Capital Leases			
2023	\$ 21,825,296	\$ 32,810,000	\$ 4,486,767	\$ -	\$ -	59,122,063	3038.35%	\$ 1,474
2022	23,745,738	33,620,000	4,932,184	-	-	62,297,922	3201.56%	1,604
2021	25,396,180	34,390,000	5,383,909	-	-	65,170,089	3349.17%	1,709
2020	19,586,622	35,120,000	5,027,766	-	-	59,734,388	3332.50%	1,589
2019	21,532,064	35,815,000	5,476,004	-	-	62,823,068	4021.50%	1,708
2018	23,467,506	36,480,000	5,943,897	-	-	65,891,403	4527.84%	1,837
2017	25,392,948	37,115,000	6,430,908	-	1,034,378	69,973,234	5076.28%	1,986
2016	27,303,390	37,830,000	6,916,922	7,500,000	1,184,634	80,734,946	5996.37%	2,333
2015	29,198,832	-	1,932,473	500,000	899,514	32,530,819	2580.24%	948
2014	31,084,274	-	2,168,822	-	-	33,253,096	2769.98%	978

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

<b>Fiscal Year</b>		<b>Gross Bonded Debt</b>		<b>Net Bonded Debt (3)</b>	<b>Ratio of Net General Obligation Debt to Assessed Value (2)</b>		<b>Net Bonded Debt per Capita (1)</b>
2023	\$	23,014,344	\$	23,014,344	0.21%	\$	574
2022		25,124,151		25,124,151	0.25%		647
2021		26,962,853		26,962,853	0.31%		707
2020		20,526,651		20,526,651	0.24%		546
2019		22,643,345		22,643,345	0.28%		616
2018		24,763,900		24,763,900	0.31%		691
2017		26,888,225		26,888,225	0.34%		763
2016		29,010,950		29,010,950	0.37%		838
2015		31,131,305		31,131,305	0.40%		907
2014		33,253,096		33,253,096	0.43%		978

- (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**

Direct and Overlapping Governmental Activities Debt  
At June 30, 2023

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Direct:(1)

County of Louisa, Virginia	\$	59,122,063	100%	\$	59,122,063
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(1) The County of Louisa has no overlapping debt.

COUNTY OF LOUISA, VIRGINIA

Table 14

Demographic and Economic Statistics  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (3)</b>	<b>School Enrollment (4)</b>	<b>Unemploy- ment Rate (5)</b>
2023	40,116	\$ 1,945,859	\$ 50,089		4,863	2.60%
2022	38,848	1,945,859	50,089		4,829	2.60%
2021	38,132	1,945,859	50,089		4,784	3.70%
2020	37,596	1,792,478	47,474	45.3	4,775	6.90%
2019	36,778	1,562,180	42,476		4,716	2.70%
2018	35,860	1,455,249	40,581		4,853	3.00%
2017	35,236	1,378,434	39,076		4,795	3.50%
2016	34,602	1,346,397	38,893		4,833	3.60%
2015	34,312	1,260,768	36,737		4,817	4.80%
2014	33,984	1,200,483	35,316		4,595	5.80%

Source: (1) US Census Quick Facts  
 (2) U.S. Bureau of Economic Analysis  
 (3) Median Age at the County level is not data that is updated annually, but only with decennial census  
 (4) Annual School Report as prepared by the Louisa County Public Schools  
 (5) Virginia Employment Commission- Labor Market Information

COUNTY OF LOUISA, VIRGINIA

Table 15

Principal Employers  
Current Year and the Period Nine Years Prior

Employer	Fiscal Year 2023			Fiscal Year 2014	
	Employees	Rank	% of Total County Employment	Employees	Rank
Walmart, Inc.	1,329	1	13.05%	Walmart, Inc.	1
Louisa County Public Schools	949	2	9.32%	Dominion Virginia Power	2
Dominion Energy	832	3	8.17%	Louisa County Public Schools	3
County of Louisa	487	4	2.12%	Klockner - Pentaplast of America	4
Klockner-Pentaplast of America	453	5	4.78%	County of Louisa	5
Tri-Dim Filter Corporation	216	6	4.45%	Tri-Dim Filter Corporation	6
Food Lion	206	7	2.02%	Lowes	7
Lowes	150	8	1.47%	Food Lion	8
McDonalds	108	9	1.06%	McDonalds	9
Shenandoah Crossings Resort	101	10	0.99%	Shenandoah Crossings Resort*	10
Louisa Health Care Center	96	11	0.79%	Louisa Health Care Center	11
Chips, Inc.	80	12	0.79%	Patriot Aluminum	12
Totals	10,181		49.02%		

Source: Virginia Employment Commission, Individual Companies HR Depts.

\*Seasonal

COUNTY OF LOUISA, VIRGINIA

Table 16

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	32	32	32	34	34	36	34	33	37	34
Judicial administration	15	15	15	15	16	17	18	18	18	18
Public safety										
Sheriffs department	62	60	57	62	62	66	69	66	64	71
Fire & rescue	35	41	43	46	46	48	51	58	69	74
Building inspections	6	6	6	5	5	6	6	6	7	7
Animal control	4	3	3	3	6	6	6	6	6	6
Public works										
General maintenance	11	11	12	12	12	14	15	15	16	17
Landfill	1	1	5	5	6	6	6	7	7	7
Health and welfare										
Department of social services	41	38	42	41	43	46	47	43	42	42
Culture and recreation										
Parks and recreation	5	5	5	5	5	6	6	4	5	8
Community development										
Planning	8	8	9	10	9	9	10	9	9	10
Totals	220	220	229	238	244	260	268	265	280	294

Source: Payroll Records

COUNTY OF LOUISA, VIRGINIA

Table 17

Operating Indicators by Function  
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Sheriffs department:										
Physical arrests	1,751	1,850	1,764	1,822	1,701	1,914	1,830	1,923	1,651	1,827
Traffic violations	1,277	937	920	1,025	1,419	1,902	1,816	1,384	2,431	2,606
Civil papers	11,187	9,443	10,640	8,718	8,558	8,941	8,809	8,536	8,196	7,378
Fire and rescue:										
Fire	4,723	4,565	4,723	7,289	4,441	4,411	3,874	3,373	3,660	3,016
Rescue	5,553	5,133	6,554	6,735	6,337	7,359	6,868	3,995	4,334	4,853
Total Number of calls for service	10,276	9,698	11,277	14,024	10,778	11,770	10,742	7,368	7,994	7,869
Total Number of actual rescue transports	3,464	3,374	3,630	3,504	3,299	3,543	3,601	3,724	4,095	4,223
Building inspections:										
Permits issued	1,245	1,099	1,386	1,571	1,460	1,417	1,609	1,920	2,248	2,064
Animal control:										
Number of calls answered	3,521	3,400	3,362	3,570	3,399	3,095	2,998	2,639	2,546	3,561
Public works										
General maintenance:										
Trucks/vehicles	12	10	11	11	11	12	10	12	11	11
Landfill:										
Refuse collected (tons/day)	109.43	55.11	61.64	64.09	68.08	77.10	77.10	57.00	65.17	65.29
Recycling (tons/day)	*	*	*	*	*	2.46	2.39	2.71	2.66	2.62
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps	2,269	1,992	1,786	1,769	1,609	1,530	1,609	2,172	1,886	2,126
Medicaid	2,845	3,018	2,946	2,917	3,039	4,767	4,237	5,504 **	10,361 **	11,101
Temporary Asst. Needy Families	118	100	91	83	71	66	64	85	66	63
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued	167	206	198	179	251	223	119	53	80	85
After-school program participants	225	229	253	250	256	343	302	118	236	171
Aquatic Facility Participants	9,170	9,329	11,734	13,027	11,071	10,712	4,729	4,857	5,819	9,139
Youth sports participants	6,051	4,956	5,676	5,972	7,034	7,556	4,164	3,462	8,096	6,106
Community development										
Planning:										
Zoning permits issued	566	926	870	979	878	1,045	1,250	1,310	1,253	891
Component Unit - School Board										
Education:										
School age population	6,124	6,056	6,059	6,148	6,012	6,014	6,087	6,209	6,685	6,630
Av. Daily Membership (March)	4,595	4,817	4,833	4,795	4,853	4,716	4,775	4,784	4,829	4,863
Number of teachers	374	379	374	405	393	417	419	427	446	447
Local expenditures per pupil	5,810	6,652	6,593	6,195	7,016	7,644	7,309	7,420	8,530	9,091
Total expenditures per pupil	11,628	11,469	11,324	11,428	12,325	13,074	12,667	13,027	14,074	16,572

Source: Individual County departments

NOTE: School Age Population Based on Actual School Census done every three years until 2011 and now provided by Weldon Cooper.



Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government administration										
Administration buildings	9	9	9	9	10	10	11	12	13	14
Vehicles	10	10	10	10	10	10	10	10	10	10
Public safety										
Sheriffs department:										
Total vehicles	77	77	80	80	82	86	83	87	88	92
Animal control:										
Vehicles	5	5	4	6	7	7	5	5	6	6
Emergency Services:										
Vehicles	7	7	6	5	6	5	5	3	2	2
Ambulances	6	6	6	5	5	6	6	6	7	7
First Response Vehicles	0	0	0	0	0	0	0	5	8	8
Fire Truck	0	0	0	0	1	1	1	1	3	6
Public works										
General maintenance:										
Trucks/vehicles	12	11	8	10	10	10	10	10	11	12
Landfill:										
Vehicles	0	0	3	4	5	6	10	11	11	11
Sites	1	1	1	1	1	1	1	1	1	1
Refuse & Recycling Sites	9	9	9	9	9	9	9	9	9	9
Health and welfare										
Department of Social Services:										
Vehicles	8	8	9	9	9	9	9	8	8	8
Culture and recreation										
Parks and recreation:										
Community centers	2	2	2	2	2	2	2	2	2	2
Vehicles	8	9	9	8	8	6	6	6	7	7
Aquatic facilities	1	1	1	1	1	1	1	1	1	1
Parks acreage	104.62	104.62	104.62	104.62	104.62	104.62	104.62	104.62	104.62	104.62
Community development										
Planning:										
Vehicles	7	10	6	5	5	6	8	8	9	10
Component Unit - School Board										
Education:										
Schools	6	6	6	6	6	6	6	6	6	6
School buses	126	119	127	128	135	133	143	151	135	130

Source: Insurance Renewal Schedules



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

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

We have audited, in accordance with the 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, 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, 2023, and the related notes to the financial statements, which collectively comprise the County of Louisa, Virginia's basic financial statements, and have issued our report thereon dated December 4, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County of Louisa, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County of Louisa, Virginia's internal control.

*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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Louisa, Virginia's financial statements are free from 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 financial statements. 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 4, 2023



**Independent Auditors' Report on Compliance For Each Major Program and on  
Internal Control over Compliance Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the County of Louisa, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Louisa, Virginia's major federal programs for the year ended June 30, 2023. The County of Louisa, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Louisa, Virginia complied, in all material respects, with the types of 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of Louisa, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Louisa, Virginia's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Louisa, Virginia's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Louisa, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Louisa, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Louisa, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Louisa, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Louisa, Virginia's internal control over compliance. Accordingly, no such opinion is expressed

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## ***Report on Internal Control over Compliance***

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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

***Report on Internal Control over Compliance: (Continued)***

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia

December 4, 2023

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Temporary assistance for needy families	93.558	0400122/0400123	\$ 241,850	\$ -
CCDF Cluster:				
Child care mandatory and matching funds of the child care and development fund	93.596	0760122/0760123	\$ 57,129	\$ -
Total CCDF cluster			\$ 57,129	\$ -
Medicaid Cluster:				
Medical assistance program	93.778	1200122/1200123	\$ 327,892	\$ -
Total medicaid cluster			\$ 327,892	\$ -
Guardianship assistance	93.090	1110122/1110123	\$ 2,334	\$ -
Title IV-E prevention program	93.472	1140123	5,389	-
MaryLee Allen promoting safe and stable families program	93.556	0950122/0950123	26,423	-
Refugee and entrant assistance state/replacement designee administered programs	93.566	0500122/0500123	798	-
Low-income home energy assistance	93.568	0600422/0600423	47,599	-
Stephanie Tubbs Jones child welfare services program	93.645	0900122	506	-
Foster care - Title IV-E	93.658	1100122/1100123	243,645	-
Adoption assistance	93.659	1120122/1120123	531,172	-
Social services block grant	93.667	1000122/1000123	215,263	-
John H. Chafee foster care program for successful transition to adulthood	93.674	9150122	13,300	-
Elder abuse prevention interventions program	93.747	8000222	6,442	-
Children's health insurance program (CHIP)	93.767	0540122/0540123	2,778	-
Department of Education:				
Public health emergency response	93.354	APE402970000	\$ 80,000	\$ -
Total Department of Health and Human Services			\$ 1,802,520	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Disaster grants - public assistance (presidentially declared disasters)	97.036	Unavailable	\$ 35,625	\$ -
Emergency management performance grants	97.042	114363	17,607	-
Assistance to firefighters grant	97.044	Unavailable	121,782	-
Staffing for adequate fire and emergency response (SAFER)	97.083	Unavailable	757,818	-
Total Department of Homeland Security			\$ 932,832	\$ -
Department of Agriculture:				
Child Nutrition Cluster:				
Pass Through Payments:				
Department of Agriculture:				
Food distribution	10.555	APE402540000	\$ 197,883	\$ -
Department of Education:				
National school lunch program	10.555	APE402540000	1,921,149	-
Total 10.555			\$ 2,119,032	\$ -
School breakfast program	10.553	APE402530000	\$ 840,160	-
Total 10.553			\$ 840,160	\$ -
Summer food service program for children	10.559	APE603020000/APE603030000	197,455	-
Food distribution	10.559	APE603020000/APE603030000	4,434	-
Total 10.559			\$ 201,889	\$ -
Total child nutrition cluster			\$ 3,161,081	\$ -
Child and adult care food program	10.558	APE700270000/APE700280000	\$ 72,666	\$ -
COVID-19 - Pandemic EBT Administrative Costs	10.649	DOE865560000	\$ 3,135	\$ -

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Agriculture: (Continued)				
Department of Social Services:				
SNAP Cluster:				
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010122/0010123/ 0040122/0040123	\$ 637,703	\$ -
Total SNAP cluster			\$ 637,703	\$ -
Total Department of Agriculture			\$ 3,874,585	\$ -
Department of Justice:				
Direct payments:				
Bulletproof vest partnership program	16.607	N/A	\$ 2,782	\$ -
Pass Through Payments:				
Department of Criminal Justice Services:				
COVID-19 - Coronavirus emergency supplemental funding program	16.034	20VDBX0141	\$ 13,221	\$ -
Juvenile justice and delinquency prevention	16.540	2019JXF0007	31,212	-
Crime victim assistance	16.575	18VAGX0011	43,325	-
Violence against women formula grants	16.588	20WFAX0011	27,350	-
Edward Byrne memorial justice assistance grant program	16.738	2020MUBX0035	4,966	-
Total Department of Justice			\$ 122,856	\$ -
Department of Transportation:				
Pass Through Payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and community highway safety	20.600	FSC-21-50115	\$ 2,246	\$ -
Total highway safety cluster			\$ 2,246	\$ -
Department of Treasury:				
Direct payments:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	\$ 1,394,794	\$ -
Pass Through Payments:				
Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	APE600540000/APE452770000	1,517,115	-
Total 21.027			\$ 2,911,909	\$ -
Total Department of Treasury			\$ 2,911,909	\$ -
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I grants to local educational agencies	84.010	APE429010000	\$ 1,010,050	\$ -
Special Education Cluster (IDEA):				
Special education - grants to states	84.027	APE402870000/APE430710000	\$ 986,761	-
Special education - preschool grants	84.173	APE625210000	15,365	-
Total special education cluster (IDEA)			\$ 1,002,126	\$ -
Career and technical education - basic grants to states (Perkins IV)	84.048	APE600310000	178,083	-
Supporting effective instruction state grants	84.367	APE614800000	139,130	-
Student support and academic enrichment program	84.424	APE602810000	24,833	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	APE501850000/APE501950000	\$ 2,420,404	-
COVID-19 - ARPA Elementary and Secondary School Emergency Relief Fund	84.425U	APE501750000	1,955,042	-
Total Education Stabilization Fund			\$ 4,375,446	-
English language acquisition state grants	84.365	APE605120000	15,424	-
Total Department of Education			\$ 6,745,092	\$ -
Total Expenditures of Federal Awards			\$ 16,392,040	\$ -

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, 2023

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#### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Louisa, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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 position, 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

(3) The County did not elect to use the 10% de minimis indirect cost rate.

#### 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	\$ <u>5,093,459</u>
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Component Unit School Board:

School Operating Fund	\$ 10,594,077
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School Capital Projects Fund	985,012
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Total component unit school board	\$ <u>11,579,089</u>
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Total federal expenditures per basic financial statements	\$ <u>16,672,548</u>
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Less: Federal interest subsidy	\$ <u>(280,508)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u>16,392,040</u>
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## COUNTY OF LOUISA, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

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### **SECTION I - SUMMARY OF AUDITORS' RESULTS:**

#### **Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	None noted

#### **Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)?	No

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
10.553 / 10.555 / 10.559	Child Nutrition Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.027 / 84.173	Special Education Cluster (IDEA)
84.425	Education Stabilization Fund
93.778	Medical Assistance Program
97.083	Staffing for Adequate Fire and Emergency Response

Dollar threshold used to distinguish between Type A and Type B programs:	750,000
Auditee qualified as low-risk auditee?	Yes

### **SECTION II – FINANCIAL STATEMENT FINDINGS:**

There are no financial statement findings to report.

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:**

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

### **SECTION IV – PRIOR AUDIT FINDINGS:**

There are no prior audit findings.