

**County of Louisa, Virginia**

**Annual Comprehensive  
Financial Report**



**Year Ended June 30, 2021**

**County of Louisa, Virginia**

**Annual Comprehensive  
Financial Report**

**For the Year Ended June 30, 2021**

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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, 2021

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December 8, 2021

**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, 2021.

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 unqualified opinion on the County's financial statements for the year ended June 30, 2021. 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.

With the outbreak of the COVID-19 pandemic, county revenues were expected to drop during FY2021, but Louisa County continued to thrive and exceeded budgeted revenue projections. The County also received Coronavirus Relief Funding which was a tremendous help to the County in fighting the spread of the virus.

Employment in Louisa has begun to recover from the effects of the COVID-19 pandemic during 2021. Although the local unemployment rate has dropped to 3.7% as of June 2021, which is down from 6.9% in the prior year<sup>1</sup>, we are still not at the pre-pandemic level of 2.7% from June 2019. Louisa County’s population continues to increase. Since the 2010 census, Louisa County’s population is estimated to have increased by 13.3%. 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.

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<sup>1</sup> United States Department of Labor, Bureau of Labor Statistics: June 2021 data.

## **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, 2021, 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:

- 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 is currently underway on the new site and should be finalized by the end of the 2021 calendar year. Physical construction at the new site is anticipated to start in June 2022, subject to full permitting, with a completion date of June 2024.
- 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.
- The Spring Creek Business Park continues to see growth in the commercial and medical service areas.
- In 2018, the County led the effort to establish the Shannon Hill Regional Business Park (“SHRBP”) in the Shannon Hill area of the County. To date, the County has completed initial site due diligence and phase II 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. 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. All projects are currently underway. All projects serve to improve the site readiness of the SHRBP, improving 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, much sooner than we anticipated and expected. Available industrial site inventory in the Commonwealth is very low, the SHRBP will help fill that void.
- In 2021, Bio-Cat announced a major expansion in Louisa County. The project consists of a \$16 Million Capital Investment in a new building and equipment for Bio-Cat Microbials (“BCM”). BCM manufactures probiotics for use in consumer and animal products across many industry sectors. The expansion will result 21 net new jobs with an average compensation package of \$64,107. Bio-Cat has been manufacturing enzyme products in Louisa County for over three decades
- In 2021, solar development projects produced a steady stream of activity in the County. The activity is spurred along by new “green” energy regulation(s) passed by the Virginia General Assembly and the County’s robust infrastructure that supports solar development.
- 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 \$15 Million dollars to the project, which is expected to be completed in 2024.

## **Awards and Achievements**

The County received its 19<sup>th</sup> consecutive Certificate of Achievement on its fiscal year 2020 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 fifth year in a row for its FY2021 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 2022, the Board of Supervisors has approved a General Fund Operating Budget of \$121,414,127. The approved CIP Budget is \$7,414,840. The real estate tax rate was set at \$0.72 per \$100 of assessed value. The FY2022 Budget will required \$1,380,641 in fund balance reserves to support operations or capital improvement projects.

The County faces continued financial pressures in FY2022 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.

The economic effects in FY 2022 in the midst of the ongoing COVID-19 pandemic are still unknown, but based on how the County has been affected since the beginning of the pandemic, 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 during this unprecedented time.

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.

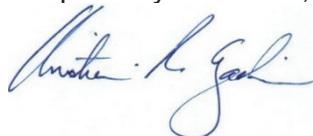
Louisa County real estate values increased in FY2021. This increase will generate additional tax revenues in future years. Construction and home improvements have increased in the County and we anticipate additional steady growth in this area over the next several years.

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 few years to a 20 year plan has become a valuable asset for future planning and budgeting. In FY2019, a Long Term Capital Projects Reserve was established. 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,

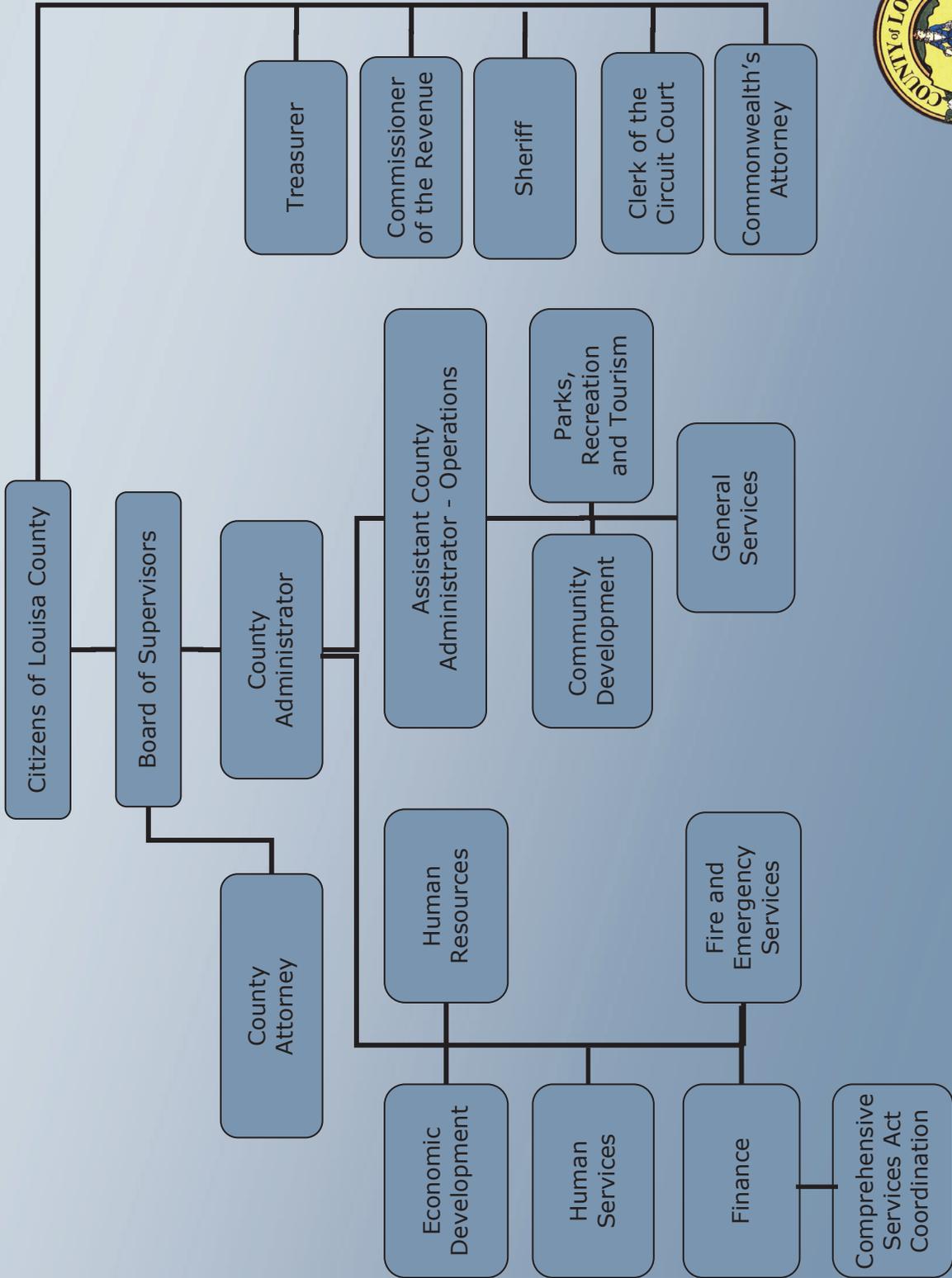


*Christian R. Goodwin*  
*County Administrator*



# COUNTY OF LOUISA

## Organizational Structure



**COUNTY OF LOUISA, VIRGINIA  
JUNE 30, 2021**

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**BOARD OF SUPERVISORS**

Robert F. Babyok, Jr., Chairman  
Duane A. Adams, Vice-Chairman

Fitzgerald A. Barnes  
Tommy J. Barlow

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  
Sherman T. Shifflett

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

Certificate of  
Achievement  
for Excellence  
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Reporting

Presented to

**County of Louisa  
Virginia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



**Independent Auditors' Report**

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

**Report on the Financial Statements**

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, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility 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.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia, as of June 30, 2021, 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.

## **Change in Accounting Principle**

As described in Note 1 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## **Restatement of Beginning Balances**

As described in Note 20 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***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 on pages 4-13, 91-94, and 95-110 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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 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 and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Louisa, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

**Other Matters: (Continued)**

*Supplementary and Other Information: (Continued)*

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund financial statements and schedules 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, 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 8, 2021

## 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, 2021. 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-vi of this report.

#### **Financial Highlights FY 2021<sup>1</sup>**

- The general fund balance increased \$3,980,043.
- Revenues exceeded the original budget estimate by \$9,928,208 and revenues exceeded the amended budget by \$1,939,736.
- Expenditures were less than the original budget estimate by \$1,594,530 and expenditures were less than the amended budget by \$10,749,328.
- 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 \$123,985,999, (net position). Of this amount, \$84,533,577 (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 \$98,522,426, an increase of \$16,798,289 in comparison with the prior year. Approximately 34% of this total amount, or \$33,660,643, is available for spending at the County's discretion (unassigned fund balance), and 66%, or \$64,861,783, is non-spendable, restricted, committed, or assigned for specific projects. The overall increase in fund balance is largely attributable to increased collection of prior years' real property and personal property taxes, increased sales and use tax collections, CARES funding that was available to be used towards public safety salaries, increased collection of recordation taxes and budgeted savings within departmental budgets.
- Unassigned fund balance comprised 40.8% of total general fund expenditures.
- The County of Louisa, Virginia's total long-term obligations increased by \$8,827,793, mostly from debt issuance to fund the Jouett Elementary School Addition capital project. Obligations for Other Post Retirement Benefits (OBEP) increased significantly.

#### **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, 2021.

## **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 present for the primary government itself.

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

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

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

The County maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and 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 \$123,985,999 at the close of the most recent fiscal year.

A significant portion (32 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>2021</b>	<b>2020</b>
Current and other assets	\$ 178,919,288	\$ 156,948,212
Capital assets	98,774,672	97,889,932
Total assets	\$ 277,693,960	\$ 254,838,144
Deferred outflows of resources	\$ 5,069,325	\$ 2,861,434
Long-term liabilities outstanding	\$ 76,496,356	\$ 67,437,170
Current liabilities	10,994,224	10,110,820
Total liabilities	\$ 87,490,580	\$ 77,547,990
Deferred inflows of resources	\$ 71,286,706	\$ 67,292,124
Net position:		
Net investment in capital assets	\$ 39,452,422	\$ 40,859,610
Restricted	-	-
Unrestricted	84,533,577	71,999,854
Total net position	\$ 123,985,999	\$ 112,859,464

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 2021, the County's net position increased by \$11,126,535. Key elements of this increase are as follows:

<b>County of Louisa, Virginia's Changes in Net Position</b>		
	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Revenues:		
Program revenues:		
Charges for services	\$ 3,345,187	\$ 3,095,143
Operating grants and contributions	9,411,512	9,170,772
Capital grants and contributions	299,798	320,750
General revenues:		
Property taxes	65,833,441	63,397,886
Other local taxes	10,996,339	9,106,660
Other	8,856,045	4,628,509
Total revenues	<u>\$ 98,742,322</u>	<u>\$ 89,719,720</u>
Expenses:		
General government	\$ 3,348,314	\$ 2,558,510
Judicial administration	2,158,013	1,689,088
Public safety	19,814,048	17,549,237
Public works	5,002,699	3,661,377
Health and welfare	10,564,986	10,114,054
Education	41,262,789	36,063,565
Parks, recreation and culture	1,328,234	1,711,390
Community development	2,155,710	3,405,258
Interest	1,980,994	2,011,892
Total expenses	<u>\$ 87,615,787</u>	<u>\$ 78,764,371</u>
Increase (decrease) in net position	\$ 11,126,535	\$ 10,955,349
Net position – beginning	112,859,464	101,904,115
Net position - ending	<u>\$ 123,985,999</u>	<u>\$ 112,859,464</u>

- Local revenues increased by \$9,548,540 and were driven by a combination of increased real property tax collections, including increased collection of delinquent taxes, increased tax collections for sales taxes, building/zoning fees, recordation and wills, and an average property value increase of approximately 6.6%. Also, the County received Federal CARES funding during FY2020 and FY 2021 to help offset costs of expenditures incurred during the COVID-19 pandemic.
- Operating grants and contributions decreased by \$736,740 as a result of decreased state and federal cost recoveries collected which were lower than projected due to decreased expenditures in 2021 for health and human services, such as public assistance programs. Also, CARES funding was allocated in grants and contributions in FY20 and was changed to a non-categorical funding source in FY21 and shown in numbers above.
- General government related costs increased by \$789,804. This was a result of COVID related grants and related expenses, increased personnel costs, as well as an increase in information technology operating and capital project expenses in FY2021.

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

- Public Works related costs increased by \$1,341,322, primarily due to increase in landfill closure and post-closure liability as well as savings for landfill and other general services projects for which funding had been appropriated, but work had not yet been completed. There was also an increase due to building purchases and renovation projects to help with spacing in order to fight the spread of COVID-19.
- Education related costs increased by \$5,199,224, primarily as a result of increased personnel costs, increase in COVID related spending in order to address learning needs and a hybrid school model during the year and increased capital project costs associated with the Jouett Elementary School addition.
- Health & welfare related costs increased \$450,932. This was a result of an increase in CSA program costs.
- Public safety related costs increased \$2,283,101 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 one-time costs in FY 2021 associated with purchasing additional rescue vehicles and public safety equipment to fight the COVID-19 pandemic.
- Community development related costs decreased \$1,249,548 as a result of costs associated with the James River Water project being less in FY21 than FY20 as work has paused while awaiting final decisions on the final phase of the project. Also, economic development department's Go Virginia grant for site due diligence for the Regional Business Park project increased.

## **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 \$98,522,426, which represents an increase of \$16,798,289 in comparison with the prior year. Approximately 34% of this total amount, (\$33,660,643), constitutes unassigned general fund balance, which is available for spending at the County's discretion. \$248,574 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 79.6% of the total general fund expenditures.

The general fund balance increased \$3,980,043 during the current fiscal year. The change is linked to a combination of increased prior year real estate and personal property tax revenue collections, increased sales tax collections, receipt of CARES funding that could be used towards public safety salaries, 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.

## **Financial Analysis of the County's Funds (Continued)**

The fund balance for the capital projects fund increased by \$12,818,246 due to the additional funding for the Jouett Elementary School addition capital project, funding for the Shannon Hill Regional Business Park Utility Design and Easement Acquisition capital project, funding for spacing improvements within County facilities, and other approved capital projects proceeding as planned.

### **General Fund Budgetary Highlights**

Differences between the original expenditure budget and the final amended budget totaled an increase of \$9,154,798. The increase in appropriations can be briefly summarized as follows:

- \$208,100 increase in general government administration results primarily from additional CARES funding from the state for elections, private grant donations for CARES related election expenses, FY 2020 carryover of funding for elections for pollbook purchases, and additional expenses for IBM server maintenance for Information Technology.
- \$133,580 increase in judicial administration expenditures are the expenses related to funds received from the Victim Witness and the VSTOP Assistant Attorney grants.
- \$5,021,736 increase in public safety expenditures results from funding received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding for COVID-19 related expenses, insurance proceeds received for accident repairs, increased costs at the Regional Detention Center, 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 FY20 funding.
- \$404,019 increase in public works expenditures is primarily the result of re-appropriation of FY2020 carryover for completion facilities upgrades and solid waste operations, and funding received from the Louisa Health Care Commission to cover Louisa Medical Center building expenses.
- \$1,070,429 increase in human services expenditures was primarily due to costs associated with an increase in caseloads handled by CSA.
- \$1,855,320 increase in education expenditures were primarily due to re-appropriation of FY2020 carryover for COVID related expenses and computers that were delayed arriving in FY20 as well as CARES grant funding received during the year.
- \$1,167,768 increase in community development's budget was primary due to providing funding to the Louisa County Industrial Authority (IDA) for a temporary loan for an airport hangar, payment to IDA for Klockner as per agreement, and two CARES Broadband grants that were received. Also, proceeds received for a Virginia Telecom Initiative (VATI) grant that were carried over from FY 2020 were transferred from Administration (Technology) to Community Development (Broadband) during FY 2021.
- \$777,651 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.

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

During the year revenues exceeded the original budget estimate by \$9,928,208 and actual revenues exceeded the amended budget by \$1,939,736. Expenditures were less than the original budget estimate by \$1,594,530 and less than the amended budget by \$10,749,328. Savings in school operating expenditures accounted for 43%, savings in public safety expenditures accounted for 17%, savings in community development accounted for 13%, savings in health and human services accounted for 12%, savings in public works operating expenditures accounted for 5%, savings in parks and recreation accounted for 5%, savings in general government accounted for 3%, and savings in judicial services accounted for 2% of this positive variance. Much of the savings is attributed to in-process building enhancements and projects, 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:

### **Revenue**

- \$1,095,566 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.
- \$2,491,669 is associated with increased tax collection of sales and use tax, motor vehicle tax, recordation of wills, business license tax, and other local taxes.
- \$276,357 increase in permit, fees, and license revenue is primarily attributed in an increase in collection of building and zoning permits.
- \$343,098 decrease in interest on bank deposits and use of money is attributed to lower interest rates being earned on fund cash balances.
- \$480,322 decrease in charges for services is attributed to loss of Parks and Recreation revenues due to cancelled programs and reduced emergency services call volumes which reduced collection of ambulance fees during the pandemic. Recovered ambulance fees help support the expenses of our fire and emergency management departments.
- \$406,468 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 public entities being higher than originally planned.
- \$1,432,710 decrease in federal revenues is attributed to unearned CARES funding that will be considered earned revenue in FY 2022 instead of FY 2021 once funds are expended and Human Services state public assistance funding that was less than originally expected.

### **Expenditures:**

- \$301,150 under budget in General Government Administration is attributable to unspent funding that will be carried over into fiscal year 2021 for purchase order commitments not yet complete, savings associated with staff turnover, and reduced contractual expenses.
- \$235,757 under budget in Judicial Administration is attributable to savings in unfilled positions for a portion of the year as well as staff turnover savings and reduced supply and contractual expenses. Also, due to unspent grant funding that will be reappropriated in FY2022.

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

- \$1,815,009 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 repairs, other unspent grant funds, and unspent CARES funding that are being carried over into FY21.
- \$479,421 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 reduced contractual service expenses.
- \$1,214,661 under budget in Health and Human Services is attributed to savings associated with staff turnover and unfilled positions, operational savings in supplies, special needs adoptions and other assistance program costs were less than expected.
- \$4,615,958 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 FY22, the purchases of goods for which funding had been appropriated, but delays in deliveries resulted in the carryover of funds into FY22, reduced transportation costs, savings from staff turnover and vacancies and savings in contractual services and supplies.
- \$473,968 under budget in Parks and Recreation is attributed to personnel and program savings due to reduced costs associated with cancelled programs during the COVID-19 pandemic.
- \$1,349,613 under budget in Community Development is attributed to savings in personnel costs, funding set aside for a temporary loan to the IDA was not needed, and savings in contractual services, marketing and advertising expenses.
- \$228,442 under budget is associated with Jouett Debt issuance being done later in the fiscal year than originally planned.

**Capital Asset and Debt Administration**

Capital assets - The County's investment in capital assets for its governmental funds as of June 30, 2021 amounts to \$98,774,672 (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 \$884,740 (net of accumulated depreciation) and is largely associated with the Emergency Services Communication System (Radio) Replacement, the Development of Cell 2 and 3 at the landfill, new vehicles, purchase of modular buildings, purchase of airport hangars and building renovations.

<b>County of Louisa, Virginia's Capital Assets</b>		
	<b>Governmental Activities</b>	
	<b>2021</b>	<b>2020</b>
Land	\$ 5,235,064	\$ 5,235,064
Buildings and improvements	31,922,586	28,429,724
Equipment	23,755,915	13,905,510
Construction in progress	50,653,571	58,673,812
Tenancy in common	15,022,190	16,987,632
Total	<u>\$ 126,589,326</u>	<u>\$ 123,231,742</u>
Less: accumulated depreciation	<u>(27,814,654)</u>	<u>(25,341,810)</u>
Net capital assets	<u><u>\$ 98,774,672</u></u>	<u><u>\$ 97,889,932</u></u>

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

## **Capital Asset and Debt Administration: (Continued)**

Long-term debt - At the end of the current fiscal year, General Obligation Bonds, Revenue Bonds and premium on bonds payable outstanding totaled \$65,170,089. During the current fiscal year, the County's long-term obligations increased by \$5,435,701 due to the net of an increase from general obligation bond debt issuance for Jouett Elementary School and a decrease due to payments made on general obligation and lease revenue bonds.

The County did acquire new Virginia Public School Authority Debt during the year for the Jouett Elementary School Addition capital project.

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 3.7% in June 2021, down from 6.9%<sup>2</sup> for June 2020.
- 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.
- The Spring Creek Business Park continues to see growth in the commercial and medical service areas.
- In 2018, the County led the effort to establish the Shannon Hill Regional Business Park ("SHRBP") in the Shannon Hill area of the County. To date, the County has completed initial site due diligence and phase II 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. 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. All projects are currently underway. All projects serve to improve the site readiness of the SHRBP, improving 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, much sooner than we anticipated and expected. Available industrial site inventory in the Commonwealth is very low, the SHRBP will help fill that void.
- In 2021, Bio-Cat announced a major expansion in Louisa County. The project consists of a \$16 Million Capital Investment in a new building and equipment for Bio-Cat Microbials ("BCM"). BCM manufactures probiotics for use in consumer and animal products across many industry sectors. The expansion will result 21 net new jobs with an average compensation package of \$64,107. Bio-Cat has been manufacturing enzyme products in Louisa County for over three decades
- In 2021, solar development projects produced a steady stream of activity in the County. The activity is spurred along by new "green" energy regulation(s) passed by the Virginia General Assembly and the County's robust infrastructure that supports solar development.
- 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 \$15 Million dollars to the project, which is expected to be completed in 2024.

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<sup>2</sup> United States Department of Labor, Bureau of Labor Statistics: June 2021 data

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

- The County's population continues to increase. Since the 2010 census, the County's population has increased by over 13.3%. 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 FY22 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.
- County revenues were expected to drop during FY2021, but instead Louisa County continued to thrive and exceeded budgeted revenue projections. The County received Coronavirus Relief Funding which was a tremendous help to the County in fighting the spread of the virus.
- Federal Coronavirus Local Fiscal Recovery (SLFRF) funding from the American Rescue Plan Act (ARPA) are available for use in Fiscal Year 2022 through FY 2025. These funds can be used to (1) respond to the COVID-19 public health emergency or its negative economic impacts (2) respond to workers performing essential work during the COVID-19 public health emergency (3) government services to the extent of County revenue loss due to the COVID-19 health emergency and (4) to make necessary investments in water, sewer, or broadband infrastructure.
- 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 FY2021. This increase will likely 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.

All of these factors were considered in preparing the County's budget for the 2022 fiscal year.

For fiscal year 2022, the Board of Supervisors has approved a General Fund Operating Budget of \$121,414,127. The approved CIP Budget is \$7,414,840. The approved FY 2022 budget retained the prior year real estate tax rate at \$0.72 per \$100 of assessed value, and the budget was balanced using \$1,380,641 of general fund reserves, \$193,008 of wellness program reserves and \$1,619,755 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, 2021

	Primary Government		Component Units	
	Governmental Activities	School Board	Louisa County Water Authority	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 101,479,711	\$ 6,133,307	\$ 1,441,257	
Receivables (net of allowance for uncollectibles):				
Taxes receivable	73,524,717	-	-	
Accounts receivable	891,956	32,172	245,647	
Landfill accounts	39,549	-	-	
Due from other governmental units	2,516,577	1,630,243	-	
Prepaid items	466,778	377,066	337	
Net pension asset	-	165,976	-	
Restricted assets:				
Cash and cash equivalents	-	-	461,416	
Capital assets (net of accumulated depreciation):				
Land	5,235,064	1,366,127	913,325	
Buildings and system	31,163,007	72,390,875	205,638	
Machinery and equipment	11,723,030	5,540,947	74,413	
Intangible assets	-	-	21,654,665	
Infrastructure	-	-	436,054	
Construction in progress	50,653,571	1,457,002	270,201	
Total assets	\$ 277,693,960	\$ 89,093,715	\$ 25,702,953	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 3,928,403	\$ 14,203,015	\$ 330,472	
OPEB related items	1,140,922	3,656,426	56,972	
Total deferred outflows of resources	\$ 5,069,325	\$ 17,859,441	\$ 387,444	
<b>LIABILITIES</b>				
Accounts payable	\$ 2,292,835	\$ 1,213,415	\$ 20,709	
Retainage payable	48,741	-	-	
Accrued liabilities	380,624	6,237,737	2,500	
Amounts held for future projects	-	-	10,000	
Customers' deposits	-	-	96,104	
Accrued interest payable	682,150	-	-	
Unearned revenue	4,439,720	-	97,656	
Long-term liabilities:				
Due within one year	3,174,718	88,525	91,169	
Due in more than one year	76,471,792	65,024,286	440,010	
Total liabilities	\$ 87,490,580	\$ 72,563,963	\$ 758,148	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	\$ 222,689	\$ 3,489,908	\$ 19,019	
OPEB related items	693,343	1,574,786	35,728	
Deferred revenue - property taxes	70,370,674	-	-	
Total deferred inflows of resources	\$ 71,286,706	\$ 5,064,694	\$ 54,747	
<b>NET POSITION</b>				
Net investment in capital assets	\$ 39,452,422	\$ 80,754,951	\$ 23,554,296	
Restricted:				
Future capital expenses	-	-	363,753	
Unrestricted (deficit)	84,533,577	(51,430,452)	1,359,453	
Total net position	\$ 123,985,999	\$ 29,324,499	\$ 25,277,502	

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

Statement of Activities  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 3,348,314	\$ 3,319	\$ 382,173	\$ -
Judicial administration	2,158,013	120,238	749,126	-
Public safety	19,814,048	2,474,682	1,827,966	-
Public works	5,002,699	534,490	9,268	-
Health and welfare	10,564,986	-	6,071,200	-
Education	41,262,789	-	-	-
Parks, recreation, and cultural	1,328,234	209,458	-	-
Community development	2,155,710	3,000	-	299,798
Interest on long-term debt	1,980,994	-	371,779	-
Total governmental activities	\$ 87,615,787	\$ 3,345,187	\$ 9,411,512	\$ 299,798
<b>COMPONENT UNITS:</b>				
School Board	\$ 73,258,482	\$ 857,424	\$ 31,873,449	\$ 15,052
Louisa County Water Authority	3,523,261	2,656,900	4,000	855,764
Total component units	\$ 76,781,743	\$ 3,514,324	\$ 31,877,449	\$ 870,816

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

Statement of Activities  
For the Year Ended June 30, 2021

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	\$ (2,962,822)		
Judicial administration	(1,288,649)		
Public safety	(15,511,400)		
Public works	(4,458,941)		
Health and welfare	(4,493,786)		
Education	(41,262,789)		
Parks, recreation, and cultural	(1,118,776)		
Community development	(1,852,912)		
Interest on long-term debt	(1,609,215)		
Total governmental activities	\$ (74,559,290)		
<b>COMPONENT UNITS:</b>			
School Board		\$ (40,512,557)	\$ -
Louisa County Water Authority			(6,597)
Total component units		\$ (40,512,557)	\$ (6,597)
General revenues:			
General property taxes	\$ 65,833,441	\$ -	\$ -
Local sales and use taxes	5,520,260	-	-
Taxes on recordation and wills	1,218,105	-	-
Motor vehicle licenses taxes	1,494,903	-	-
Consumers' utility taxes	675,285	-	-
Meals taxes	1,444,670	-	-
Other local taxes	643,116	-	-
Unrestricted revenues from use of money and property	612,945	374	2,051
Miscellaneous	690,696	1,246,428	-
Payment from primary government	-	40,826,802	-
Grants and contributions not restricted to specific programs	7,552,404	-	-
Total general revenues	\$ 85,685,825	\$ 42,073,604	\$ 2,051
Change in net position	\$ 11,126,535	\$ 1,561,047	\$ (4,546)
Net position - beginning, as restated	112,859,464	27,763,452	25,282,048
Net position - ending	\$ 123,985,999	\$ 29,324,499	\$ 25,277,502

## **Fund Financial Statements**

Balance Sheet  
 Governmental Funds  
 June 30, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 68,270,678	\$ 33,209,033	\$ 101,479,711
Receivables (net of allowance for uncollectible):			
Taxes receivable	73,524,717	-	73,524,717
Accounts receivable	688,795	203,161	891,956
Landfill accounts	39,549	-	39,549
Due from other governmental units	2,376,577	140,000	2,516,577
Prepaid items	13,430	453,348	466,778
Total assets	<u>\$ 144,913,746</u>	<u>\$ 34,005,542</u>	<u>\$ 178,919,288</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,234,177	\$ 1,058,658	\$ 2,292,835
Accrued liabilities	380,624	-	380,624
Retainage payable	-	48,741	48,741
Unearned revenue	4,434,720	5,000	4,439,720
Total liabilities	<u>\$ 6,049,521</u>	<u>\$ 1,112,399</u>	<u>\$ 7,161,920</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	<u>\$ 73,234,942</u>	<u>\$ -</u>	<u>\$ 73,234,942</u>
Fund balances:			
Nonspendable:			
Prepays	\$ 13,430	\$ 453,348	\$ 466,778
JRWA receivable	235,144	-	235,144
Committed:			
NAPS stabilization	15,800,000	-	15,800,000
Assigned:			
Zion Crossroads development debt	357,130	-	357,130
OPEB	14,281,802	-	14,281,802
Leave	1,281,134	-	1,281,134
Capital projects	-	32,439,795	32,439,795
Unassigned	33,660,643	-	33,660,643
Total fund balances	<u>\$ 65,629,283</u>	<u>\$ 32,893,143</u>	<u>\$ 98,522,426</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 144,913,746</u>	<u>\$ 34,005,542</u>	<u>\$ 178,919,288</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, 2021

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Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	98,522,426
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.		98,774,672
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	\$	3,928,403
OPEB related items		<u>1,140,922</u>
		5,069,325
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid.		(682,150)
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.		2,864,268
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.		(79,646,510)
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	\$	(222,689)
OPEB related items		<u>(693,343)</u>
		<u>(916,032)</u>
Net position of governmental activities	\$	<u><u>123,985,999</u></u>

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, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>			
General property taxes	\$ 65,807,819	\$ -	\$ 65,807,819
Other local taxes	9,551,669	1,444,670	10,996,339
Permits, privilege fees, and regulatory licenses	834,857	-	834,857
Fines and forfeitures	67,068	-	67,068
Revenue from the use of money and property	511,902	101,043	612,945
Charges for services	2,443,262	-	2,443,262
Miscellaneous	330,550	360,146	690,696
Recovered costs	461,468	61,959	523,427
Intergovernmental:			
Commonwealth	8,590,157	325,234	8,915,391
Federal	8,348,323	-	8,348,323
Total revenues	<u>\$ 96,947,075</u>	<u>\$ 2,293,052</u>	<u>\$ 99,240,127</u>
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 3,707,461	\$ -	\$ 3,707,461
Judicial administration	2,200,437	-	2,200,437
Public safety	18,405,005	-	18,405,005
Public works	3,788,460	-	3,788,460
Health and welfare	10,466,920	-	10,466,920
Education	35,807,601	-	35,807,601
Parks, recreation, and cultural	1,281,730	-	1,281,730
Community development	1,660,084	-	1,660,084
Capital projects	-	8,652,863	8,652,863
Debt service:			
Principal retirement	2,695,442	-	2,695,442
Interest and other fiscal charges	2,402,232	-	2,402,232
Total expenditures	<u>\$ 82,415,372</u>	<u>\$ 8,652,863</u>	<u>\$ 91,068,235</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 14,531,703</u>	<u>\$ (6,359,811)</u>	<u>\$ 8,171,892</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 10,674,956	\$ 10,674,956
Transfers out	(10,674,956)	-	(10,674,956)
Insurance proceeds	123,296	-	123,296
Issuance of bonds	-	7,775,000	7,775,000
Bond premium	-	783,304	783,304
Cost of bond issuance	-	(55,203)	(55,203)
Total other financing sources (uses)	<u>\$ (10,551,660)</u>	<u>\$ 19,178,057</u>	<u>\$ 8,626,397</u>
Net change in fund balances	\$ 3,980,043	\$ 12,818,246	\$ 16,798,289
Fund balances - beginning	61,649,240	20,074,897	81,724,137
Fund balances - ending	<u>\$ 65,629,283</u>	<u>\$ 32,893,143</u>	<u>\$ 98,522,426</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, 2021

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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 \$ 16,798,289

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	\$ 5,642,831	
Depreciation expense	(3,100,774)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	(1,657,317)	884,740

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

Property taxes 25,622

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	\$ 1,965,442	
Principal retired on lease revenue bonds	730,000	
Amortization of premiums on bonds payable	427,161	
Issuance of bonds	(7,775,000)	
Bond premium	(783,304)	(5,435,701)

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	\$ (88,951)	
OPEB expense	(65,327)	
Change in accrued interest payable	49,280	
Pension expense	(955,342)	
Change in compensated absences	(86,075)	(1,146,415)

Change in net position of governmental activities \$ 11,126,535

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

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2021

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	<b>Custodial Funds</b>
	<u>                    </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,317,799
Total assets	<u>\$ 1,317,799</u>
<b>NET POSITION</b>	
Restricted for:	
Special welfare	\$ 3,042
Bond escrow	1,263,057
Spencer scholarship	<u>51,700</u>
Total net position	<u>\$ 1,317,799</u>

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

Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2021

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	<b>Custodial Funds</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Special welfare collections	\$ 38,166
Interest	2,087
Current year bonds	516,423
Total additions	<u>\$ 556,676</u>
<b>DEDUCTIONS</b>	
Welfare costs	\$ 59,941
Bonds released in current year	182,045
Scholarship payments	1,000
Total deductions	<u>\$ 242,986</u>
Net increase (decrease) in fiduciary net position	<u>\$ 313,690</u>
Net position, beginning of year, as restated	<u>\$ 1,004,109</u>
Net position, end of year	<u><u>\$ 1,317,799</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, 2021

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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, 2021 (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, 2021.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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 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, 2021 (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 budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts.

Property taxes not collected within 60 days after year-end are reflected as 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, 2021 (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, 2021 (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 \$173,887 at June 30, 2021 and is comprised of the following:

Property taxes	\$ 171,008
Landfill billings	2,879
Total	<u>\$ 173,887</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, 2021 (Continued)

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

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### H. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The County reported no capitalized interest as of June 30, 2021.

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

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

### I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 the measurement of the net pension and OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability measurement date. For more detailed information on these items, reference the pension and OPEB notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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 items related to the measurement of the net pension and OPEB or liabilities are reported as deferred inflows of resources.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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, 2021 (Continued)

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

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

The following classifications of fund balance describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

Committed fund balance – Amounts that can only be used for specific purposes 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, 2021 (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 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.

#### R. Adoption of Accounting Principles

In 2021, the County adopted Statement No. 84, *Fiduciary Activities*, which established criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### 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 and 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.

#### Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2021 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	\$ 18,523,371
State Non-Arbitrage Pool (SNAP)	<u>9,377,672</u>
Total	<u>\$ 27,901,043</u>

#### External Investment Pools

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 2–Deposits and Investments: (Continued)**

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.

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ 18,523,371	\$ 18,523,371
State Non-Arbitrage Pool (SNAP)	<u>9,377,672</u>	<u>9,377,672</u>
Total	<u>\$ 27,901,043</u>	<u>\$ 27,901,043</u>

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

At June 30, 2021, the County and School Board had receivables from other governments as follows:

	<u>Primary Government</u>	<u>Discretely Presented Component Unit School Board</u>
Commonwealth of Virginia:		
State Sales Taxes	\$ -	\$ 851,657
Local Sales Taxes	1,063,620	-
Communication Tax	20,894	-
VPA Funds	152,612	-
Shared Expenses	206,343	-
Children's Services Act Reimbursement	579,156	-
Other State Aid	296,579	179,478
Federal Government:		
School Funds	-	599,108
Public Safety Grants	26,281	-
VPA Funds	<u>171,092</u>	<u>-</u>
Total	<u>\$ 2,516,577</u>	<u>\$ 1,630,243</u>

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 4—Capital Assets:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Government Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,235,064	\$ -	\$ -	\$ 5,235,064
Construction in Progress	<u>58,673,812</u>	<u>2,538,215</u>	<u>10,558,456</u>	<u>50,653,571</u>
Total capital assets not being depreciated	<u>\$ 63,908,876</u>	<u>\$ 2,538,215</u>	<u>\$ 10,558,456</u>	<u>\$ 55,888,635</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 45,417,356	\$ 3,492,862	\$ 1,965,442	\$ 46,944,776
Machinery and equipment	<u>13,905,510</u>	<u>10,170,210</u>	<u>319,805</u>	<u>23,755,915</u>
Total capital assets being depreciated	<u>\$ 59,322,866</u>	<u>\$ 13,663,072</u>	<u>\$ 2,285,247</u>	<u>\$ 70,700,691</u>
Accumulated depreciation:				
Buildings and improvements	\$ 14,899,663	\$ 1,190,231	\$ 308,125	\$ 15,781,769
Machinery and equipment	<u>10,442,147</u>	<u>1,910,543</u>	<u>319,805</u>	<u>12,032,885</u>
Total accumulated depreciation	<u>\$ 25,341,810</u>	<u>\$ 3,100,774</u>	<u>\$ 627,930</u>	<u>\$ 27,814,654</u>
Total capital assets being depreciated, net	<u>\$ 33,981,056</u>	<u>\$ 10,562,298</u>	<u>\$ 1,657,317</u>	<u>\$ 42,886,037</u>
Governmental activities capital assets, net	<u>\$ 97,889,932</u>	<u>\$ 13,100,513</u>	<u>\$ 12,215,773</u>	<u>\$ 98,774,672</u>

The following is a summary of changes in School Board capital assets for the fiscal year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets, not being depreciated:				
Land	\$ 1,366,127	\$ -	\$ -	\$ 1,366,127
Construction in progress	<u>153,512</u>	<u>2,108,870</u>	<u>805,380</u>	<u>1,457,002</u>
Total capital assets not being depreciated	<u>\$ 1,519,639</u>	<u>\$ 2,108,870</u>	<u>\$ 805,380</u>	<u>\$ 2,823,129</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 107,715,528	\$ 4,136,334	\$ -	\$ 111,851,862
Machinery and equipment	<u>18,363,561</u>	<u>1,161,161</u>	<u>-</u>	<u>19,524,722</u>
Total capital assets being depreciated	<u>\$ 126,079,089</u>	<u>\$ 5,297,495</u>	<u>\$ -</u>	<u>\$ 131,376,584</u>
Accumulated depreciation:				
Buildings and improvements	\$ 35,945,252	\$ 3,515,735	\$ -	\$ 39,460,987
Machinery and equipment	<u>13,207,609</u>	<u>776,166</u>	<u>-</u>	<u>13,983,775</u>
Total accumulated depreciation	<u>\$ 49,152,861</u>	<u>\$ 4,291,901</u>	<u>\$ -</u>	<u>\$ 53,444,762</u>
Total capital assets being depreciated, net	<u>\$ 76,926,228</u>	<u>\$ 1,005,594</u>	<u>\$ -</u>	<u>\$ 77,931,822</u>
School Board capital assets, net	<u>\$ 78,445,867</u>	<u>\$ 3,114,464</u>	<u>\$ 805,380</u>	<u>\$ 80,754,951</u>

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**Note 4—Capital Assets: (Continued)**

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Capital asset activity for the School Board for the year ended June 30, 2021 was as follows:

Depreciation expense	\$	3,983,776
Depreciation on joint tenancy assets-transferred to School Board		<u>308,125</u>
Net increases in accumulated depreciation	\$	<u><u>4,291,901</u></u>

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

Governmental activities:		
General Government Administration	\$	358,245
Judicial Administration		158,280
Public Safety		1,496,225
Public Works		544,274
Health and Welfare		36,596
Education		198,625
Parks, Recreation and Cultural		140,635
Community Development		<u>167,894</u>
Total	\$	<u><u>3,100,774</u></u>
Component Unit School Board	\$	<u><u>3,983,776</u></u>

(1) Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Louisa, Virginia for the year ended June 30, 2021, is that school financed assets in the amount of \$15,022,190 are reported in the Primary Government for financial reporting purposes.

Assets acquired under capital leases:

	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>
Equipment:			
Governmental activities	\$ 1,820,255	\$ 106,341	\$ 1,468,450

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**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, 2021:

	<b>Balance July 1, 2020</b>	<b>Issuances/ Increases</b>	<b>Retirements/ Decreases</b>	<b>Balance June 30, 2021</b>	<b>Amounts Due Within One Year</b>
Compensated absences	\$ 815,437	\$ 249,162	\$ 163,087	\$ 901,512	\$ 90,151
Direct Borrowings and Direct Placements:					
General obligation bonds	19,586,622	7,775,000	1,965,442	25,396,180	1,650,442
Lease revenue bonds	35,120,000	-	730,000	34,390,000	770,000
Premium on bonds payable	5,027,766	783,304	427,161	5,383,909	451,725
Net OPEB liability	2,836,325	893,507	1,099,688	2,630,144	-
Net pension liability	-	5,780,046	2,356,799	3,423,247	-
Landfill closure and postclosure care	7,432,567	88,951	-	7,521,518	212,400
<b>Total</b>	<b>\$ 70,818,717</b>	<b>\$ 15,569,970</b>	<b>\$ 6,742,177</b>	<b>\$ 79,646,510</b>	<b>\$ 3,174,718</b>

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.

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

Year Ending June 30,	<b>Direct Borrowings and Direct Placements</b>			
	<b>General Obligation Bonds</b>		<b>Premium on Bonds Payable</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 1,650,442	\$ 1,009,361	\$ 451,725	\$ -
2023	1,920,442	1,002,443	445,417	-
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	8,346	2,217	-
2051	265,000	2,882	739	-
<b>Total</b>	<b>\$ 25,396,180</b>	<b>\$ 9,175,336</b>	<b>\$ 5,383,909</b>	<b>\$ -</b>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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
2022	\$ 770,000	\$ 1,439,056
2023	810,000	1,398,569
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>34,390,000</u>	\$ <u>20,849,938</u>

# COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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%	\$ 1,330,000	\$ 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%	6,615,000	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%	3,436,180	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	6,240,000	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>7,775,000</u>	<u>-</u>
Total General Obligation Bonds	<u>\$ 25,396,180</u>	<u>\$ 1,650,442</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>\$ 34,390,000</u>	<u>\$ 770,000</u>
Premium on Bonds Payable	\$ 5,383,909	\$ 451,725
Compensated absences	901,512	90,151
Net OPEB liability	2,630,144	-
Net pension liability	3,423,247	-
Landfill closure and postclosure care	<u>7,521,518</u>	<u>212,400</u>
Total Long-Term Obligations	<u>\$ 79,646,510</u>	<u>\$ 3,174,718</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, 2021 (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, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 688,542	\$ 334,420	\$ 137,708	\$ 885,254	\$ 88,525
Net pension liability	45,921,171	18,683,401	13,312,386	51,292,186	-
Net OPEB liabilities	<u>12,555,040</u>	<u>3,430,692</u>	<u>3,050,361</u>	<u>12,935,371</u>	<u>-</u>
Total	<u>\$ 59,164,753</u>	<u>\$ 22,448,513</u>	<u>\$ 16,500,455</u>	<u>\$ 65,112,811</u>	<u>\$ 88,525</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	\$ -	\$ 2,864,268
2nd half assessments due in December 2021	70,143,802	70,143,802
Prepaid property taxes due in December 2021, but paid in advance by the taxpayers	<u>226,872</u>	<u>226,872</u>
Total deferred revenue/unavailable revenue	<u>\$ 70,370,674</u>	<u>\$ 73,234,942</u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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, 2021 (Continued)

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### Note 7—Pension Plan: (Continued)

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#### ***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, 2019 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	146	103
Inactive members:		
Vested inactive members	57	28
Non-vested inactive members	90	52
Inactive members active elsewhere in VRS	<u>152</u>	<u>31</u>
Total inactive members	299	111
Active members	<u>265</u>	<u>171</u>
Total covered employees	<u><u>710</u></u>	<u><u>385</u></u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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, 2021 was 8.51% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$1,066,072 and \$915,354 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the pension plan from the Component Unit Louisa County Water Authority were \$89,311 and \$78,192 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 3.82% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

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 \$117,186 and \$141,407 for the years ended June 30, 2021 and June 30, 2020, 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, 2020. The total pension liabilities used to calculate the net pension liabilities (assets) were determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

#### Mortality rates:

All Others (Non-10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

##### Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

##### Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

##### Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**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, 2019, 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, 2020.

Inflation	2.50%
Salary increases, including inflation	3.50% – 5.75%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

\* The above allocation provides a one-year return of 7.14%. 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 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

**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, 2020, 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, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2020, the rate contributed by the school division for the VRS Teacher Retirement 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, 2020 on, participating

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 7—Pension Plan: (Continued)**

**Discount Rate: (Continued)**

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ 38,070,831	\$ 38,109,096	\$ (38,265)	\$ 3,252,115	\$ 3,255,384	\$ (3,269)
Changes for the year:						
Service cost	\$ 1,428,118	\$ -	\$ 1,428,118	\$ 119,642	\$ -	\$ 119,642
Interest	2,518,880	-	2,518,880	211,021	-	211,021
Change in assumptions	-	-	-	-	-	-
Differences between expected and actual experience	1,749,878	-	1,749,878	146,598	-	146,598
Impact of change in proportion	57,852	57,910	(58)	(57,852)	(57,910)	58
Contributions - employer	-	911,915	(911,915)	-	76,396	(76,396)
Contributions - employee	-	611,628	(611,628)	-	51,240	(51,240)
Net investment income	-	737,081	(737,081)	-	61,750	(61,750)
Benefit payments, including refunds of employee contributions	(1,623,896)	(1,623,896)	-	(136,043)	(136,043)	-
Administrative expenses	-	(24,443)	24,443	-	(2,048)	2,048
Other changes	-	(875)	875	-	(73)	73
Net changes	\$ 4,130,832	\$ 669,320	\$ 3,461,512	\$ 283,366	\$ (6,688)	\$ 290,054
Balances at June 30, 2020	\$ 42,201,663	\$ 38,778,416	\$ 3,423,247	\$ 3,535,481	\$ 3,248,696	\$ 286,785

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 7—Pension Plan: (Continued)**

**Changes in Net Pension Liability (Asset)**

	<b>Component School Board (nonprofessional)</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at June 30, 2019	\$ 15,160,485	\$ 15,990,181	\$ (829,696)
Changes for the year:			
Service cost	\$ 331,283	\$ -	\$ 331,283
Interest	1,000,107	-	1,000,107
Change of assumptions	-	-	-
Differences between expected and actual experience	(57,507)	-	(57,507)
Contributions - employer	-	140,651	(140,651)
Contributions - employee	-	172,169	(172,169)
Net investment income	-	308,153	(308,153)
Benefit payments, including refunds of employee contributions	(688,159)	(688,159)	-
Administrative expenses	-	(10,451)	10,451
Other changes	-	(359)	359
Net changes	\$ 585,724	\$ (77,996)	\$ 663,720
Balances at June 30, 2020	\$ 15,746,209	\$ 15,912,185	\$ (165,976)

**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:

	<b>Rate</b>		
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
County Net Pension Liability (Asset)	\$ 9,061,428	\$ 3,423,247	\$ (1,213,067)
Component Unit Louisa County Water Authority Net Pension Liability (Asset)	759,129	286,785	(101,626)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	1,580,315	(165,976)	(1,643,557)

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2021 the County, Component Unit Louisa County Water Authority and Component Unit School Board (nonprofessional) recognized pension expense of \$2,017,695, \$168,995 and \$153,824, respectively. At June 30, 2021, 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:

	<b>Primary Government</b>		<b>Component Unit School Board (Nonprofessional)</b>		<b>Component Unit Louisa County Water Authority</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,283,215	\$ 222,645	\$ -	\$ 183,615	\$ 107,592	\$ 19,019
Change in assumptions	422,288	-	130,941	-	36,073	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	44	-	-	44	-
Net difference between projected and actual earnings on pension plan investments	1,156,828	-	475,216	-	97,452	-
Employer contributions subsequent to the measurement date	<u>1,066,072</u>	<u>-</u>	<u>117,186</u>	<u>-</u>	<u>89,311</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 3,928,403</u></b>	<b><u>\$ 222,689</u></b>	<b><u>\$ 723,343</u></b>	<b><u>\$ 183,615</u></b>	<b><u>\$ 330,472</u></b>	<b><u>\$ 19,019</u></b>

\$1,066,072, \$89,311, and \$117,186 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, 2022. 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:

<b>Year ended June 30</b>	<b>Primary Government</b>	<b>Component Unit School Board (Nonprofessional)</b>	<b>Component Unit Louisa County Water Authority</b>
2022	\$ 902,679	\$ (25,188)	\$ 76,510
2023	959,503	135,735	80,450
2024	410,473	160,364	34,438
2025	366,990	151,631	30,745
Thereafter	-	-	-

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$5,200,642 and \$4,683,607 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$51,292,186 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was .35250% as compared to .34893% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$6,025,308. 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.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2021, 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	\$ -	\$ 3,006,513
Change in assumptions	3,501,335	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	876,356	299,780
Net difference between projected and actual earnings on pension plan investments	3,901,339	-
Employer contributions subsequent to the measurement date	<u>5,200,642</u>	<u>-</u>
Total	<u>\$ 13,479,672</u>	<u>\$ 3,306,293</u>

\$5,200,642 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, 2022. 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>	
2022	\$ 210,121
2023	1,537,348
2024	1,869,717
2025	1,396,385
2026	(40,834)
Thereafter	-

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2019, 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, 2020.

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*

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

**Mortality rates:**

**Pre-Retirement:**

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

**Post-Retirement:**

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.

**Post-Disablement:**

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**Note 7–Pension Plan: (Continued)**

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

***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, 2020, 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	\$ 51,001,855
Plan Fiduciary Net Position	<u>36,449,229</u>
Employers' Net Pension Liability (Asset)	<u>\$ 14,552,626</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%

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, 2021 (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:

	<b>Rate</b>		
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 75,257,156	\$ 51,292,186	\$ 31,470,126

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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:**

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability (Asset)</u>	<u>Pension Expense</u>
<b>Primary Government</b>				
Primary Government	\$ 3,928,403	\$ 222,689	\$ 3,423,247	\$ 2,017,695
Totals	<u>\$ 3,928,403</u>	<u>\$ 222,689</u>	<u>\$ 3,423,247</u>	<u>\$ 2,017,695</u>
<b>Component Unit School Board</b>				
School Board Nonprofessional	\$ 723,343	\$ 183,615	\$ (165,976)	\$ 153,824
School Board Professional	<u>13,479,672</u>	<u>3,306,293</u>	<u>51,292,186</u>	<u>6,025,308</u>
Totals	<u>\$ 14,203,015</u>	<u>\$ 3,489,908</u>	<u>\$ 51,126,210</u>	<u>\$ 6,179,132</u>
<b>Component Unit Louisa County Water Authority</b>				
Louisa County Water Authority	\$ 330,472	\$ 19,019	\$ 286,785	\$ 168,995
	<u>\$ 330,472</u>	<u>\$ 19,019</u>	<u>\$ 286,785</u>	<u>\$ 168,995</u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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 \$7,521,518 reported as landfill closure, postclosure and corrective action liability on the June 30, 2021 Statement of Net Position is equal to the expected closure and postclosure costs. The landfill is closed as of June 30, 2021. 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, 2021 (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, 2021, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 10,674,956
Capital Projects Fund	<u>10,674,956</u>	<u>-</u>
Total	<u>\$ 10,674,956</u>	<u>\$ 10,674,956</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
Ashland D. Fortune, 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, 2021 (Continued)

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

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

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, safety belt 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 \$8,616 as of June 30, 2021.

#### ***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, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 \$77,789 (made up of \$71,807 and \$5,982 for the County and LCWA respectively) and \$71,681 (made up of \$66,040 and \$5,641 for the County and LCWA respectively) for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to School Professional Plan were \$175,946 and \$160,441 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the School Nonprofessional Plan were \$20,007 and \$19,156 for the years ended June 30, 2021 and June 30, 2020, respectively.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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***

At June 30, 2021, the County, School Board (Professional) and School Board (Nonprofessional) reported liabilities of \$1,117,787 (made up of \$1,029,817 and \$87,970 for the County and LCWA respectively), \$2,501,919, and \$298,722, for their proportionate share of the Net GLI OPEB Liability, respectively. The Net GLI OPEB Liability was measured as of June 30, 2020 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, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, County, School Board (Professional) and School Board (Nonprofessional)’s proportion were .06698%, .14992% and .01790% respectively, as compared to .06533%, .14935% and .01889% at June 30, 2019.

For the year ended June 30, 2021, the County, School Board (Professional) and School Board (Non-professional) recognized GLI OPEB expense of \$54,537 (made up of \$50,245 and \$4,292 for the County and LCWA respectively), \$106,245, and \$5,001 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, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b>County Plan</b>					
	<b>County</b>		<b>LCWA</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 66,054	\$ 9,249	\$ 5,642	\$ 790	\$ 71,696	\$ 10,039
Net difference between projected and actual earnings on GLI OPEB plan investments	30,934	-	2,643	-	33,577	-
Change in assumptions	51,503	21,503	4,399	1,837	55,902	23,340
Changes in proportion	42,888	-	3,664	-	46,552	-
Employer contributions subsequent to the measurement date	71,807	-	5,982	-	77,789	-
<b>Total</b>	<b>\$ 263,186</b>	<b>\$ 30,752</b>	<b>\$ 22,330</b>	<b>\$ 2,627</b>	<b>\$ 285,516</b>	<b>\$ 33,379</b>

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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)***

	<u>School Professional</u>		<u>School Nonprofessional</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	\$ 160,475	\$ 22,471	\$ 19,160	\$ 2,683
Net difference between projected and actual earnings on GLI OPEB plan investments	75,155	-	8,973	-
Change in assumptions	125,125	52,242	14,940	6,237
Changes in proportion	41,198	13,873	-	29,428
Employer contributions subsequent to the measurement date	<u>175,946</u>	<u>-</u>	<u>20,007</u>	<u>-</u>
Total	<u>\$ 577,899</u>	<u>\$ 88,586</u>	<u>\$ 63,080</u>	<u>\$ 38,348</u>

\$77,789 (made up of \$71,807 and \$5,982 for the County and LCWA, respectively), \$175,946, and \$20,007 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, 2022. 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:

<u>Year Ended June 30</u>	<u>County Plan</u>			<u>School Professional</u>	<u>School Nonprofessional</u>
	<u>County</u>	<u>LCWA</u>	<u>Total</u>		
2022	\$ 26,485	\$ 2,262	\$ 28,747	\$ 48,521	\$ (1,891)
2023	35,221	3,009	38,230	69,745	643
2024	42,512	3,632	46,144	89,116	2,956
2025	41,671	3,560	45,231	83,755	4,213
2026	13,301	1,136	14,437	20,491	(809)
Thereafter	1,436	123	1,559	1,739	(387)

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020. 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, 2021 (Continued)

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

**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*

\*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

**Mortality Rates – Teachers**

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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:**

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

**Post-Disablement:**

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

**Pre-Retirement:**

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

**Post-Disablement:**

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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 – Hazardous Duty Employees: (Continued)**

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**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, 2020, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

		<b>GLI OPEB Plan</b>
		<hr/>
Total GLI OPEB Liability	\$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	\$	<hr/> <hr/> 1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

\*The above allocation provides a one-year return of 7.14%. 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 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

***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 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, 2020, 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, 2020 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.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

#### ***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	\$ 1,353,774	\$ 1,029,817	\$ 766,734
LCWA	115,643	87,970	65,497
Total County Plan	1,469,417	1,117,787	832,231
School Professional	3,288,965	2,501,919	1,862,764
School Nonprofessional	392,693	298,722	222,409

#### ***GLI Plan Fiduciary Net Position***

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

#### ***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.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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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, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate 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 \$393,814 and \$370,248 for the years ended June 30, 2021 and June 30, 2020, respectively.

#### ***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, 2021, the school division reported a liability of \$4,591,115 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, 2020 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, 2019 and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Plan was .35194% as compared to .34891% at June 30, 2019.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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)***

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$388,832. 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 proportion.

At June 30, 2021, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 61,312
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	20,346	-
Change in assumptions	90,760	25,085
Change in proportion	118,728	66,366
Employer contributions subsequent to the measurement date	<u>393,814</u>	<u>-</u>
Total	<u>\$ 623,648</u>	<u>\$ 152,763</u>

\$393,814 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, 2022. 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>	
2022	\$ 12,849
2023	14,866
2024	14,190
2025	18,345
2026	14,539
Thereafter	2,282

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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***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, 2019, 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, 2020.

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*

\*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

**Mortality Rates – Teachers**

**Pre-Retirement:**

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

**Post-Retirement:**

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

**Post-Disablement:**

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**Actuarial Assumptions: (Continued)**

Mortality Rates – Teachers: (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

**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, 2020, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
		<hr/>
Total Teacher Employee HIC OPEB Liability	\$	1,448,676
Plan Fiduciary Net Position		144,160
Teacher Employee net HIC OPEB Liability (Asset)	\$	<hr/> <hr/> 1,304,516
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		9.95%

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.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

**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:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

\*The above allocation provides a one-year return of 7.14%. 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 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

**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, 2020, 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, 2020 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.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

***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:

	<b>Rate</b>		
	<b>1% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1% Increase (7.75%)</b>
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 5,139,275	\$ 4,591,115	\$ 4,125,219

***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 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

***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:

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### **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.

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

As of the June 30, 2019 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	15	42
Inactive members:		
Vested inactive members	-	-
Non-vested inactive members	-	-
Inactive members active elsewhere in VRS	-	-
Total inactive members	-	-
Active members	131	171
Total covered employees	<u>146</u>	<u>213</u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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#### **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, 2021 were .11% and .43% of covered employee compensation respectively. This rate 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 County to the HIC Plan were \$7,686 (comprised of \$7,095 and \$591 for the County and LCWA respectively) and \$9,452 (comprised of \$8,708 and \$744 for the County and LCWA respectively) for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions from the School Board for the Nonprofessional plan were \$15,900 and \$14,735 for the years ended June 30, 2021 and June 30, 2020, respectively.

#### **Net HIC OPEB Liability**

The County Plan and School Nonprofessional Plan net HIC OPEB liabilities were measured as of June 30, 2020. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

#### **Actuarial Assumptions**

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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*

\*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (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**

**Pre-Retirement:**

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

**Post-Disablement:**

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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**

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

\*The above allocation provides a one-year return of 7.14%. 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 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

***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, 2020, 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, 2020 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, 2021 (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, 2019	\$ 130,875	\$ 112,908	\$ 17,967
Changes for the year:			
Service cost	\$ 6,497	\$ -	\$ 6,497
Interest	8,472	-	8,472
Differences between expected and actual experience	(9,451)	-	(9,451)
Benefit term changes	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	9,451	(9,451)
Net investment income	-	2,279	(2,279)
Benefit payments	(10,724)	(10,724)	-
Administrative expenses	-	(216)	216
Other changes	-	(1)	1
Net changes	\$ (5,206)	\$ 789	\$ (5,995)
Balances at June 30, 2020	\$ 125,669	\$ 113,697	\$ 11,972
<b>School Plan</b>			
Balances at June 30, 2019	\$ 372,460	\$ 259,309	\$ 113,151
Changes for the year:			
Service cost	\$ 6,937	\$ -	\$ 6,937
Interest	24,554	-	24,554
Differences between expected and actual experience	(20,609)	-	(20,609)
Benefit term changes	17,616	-	17,616
Assumption changes	-	-	-
Contributions - employer	-	14,735	(14,735)
Net investment income	-	5,159	(5,159)
Benefit payments	(17,391)	(17,391)	-
Administrative expenses	-	(497)	497
Other changes	-	(2)	2
Net changes	\$ 11,107	\$ 2,004	\$ 9,103
Balances at June 30, 2020	\$ 383,567	\$ 261,313	\$ 122,254

The total net HIC OPEB Liability for the County Plan is allocated between the County (\$11,030) and LCWA (\$942).

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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:

	<b>Rate</b>		
	<b>1% Decrease (5.75%)</b>	<b>Current Discount (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net HIC OPEB Liability:			
County Plan:			
County	\$ 24,403	\$ 11,030	\$ (270)
LCWA	2,085	942	(23)
Total County Plan	<u>26,488</u>	<u>11,972</u>	<u>(293)</u>
School Nonprofessional	159,184	122,254	89,234

***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, 2021, the County recognized HIC Plan OPEB expense of \$4,473 (comprised of \$4,121 and \$352 for the County and LCWA respectively). The School Nonprofessional plan recognized HIC Plan OPEB expense of \$22,464. At June 30, 2021, 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:

	<b>County Plan</b>					
	<b>Primary Government</b>		<b>LCWA</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 16,588	\$ -	\$ 1,417	\$ -	\$ 18,005
Net difference between projected and actual earnings on HIC OPEB plan investments	3,447	-	294	-	3,741	-
Change in assumptions	2,202	2,382	188	204	2,390	2,586
Employer contributions subsequent to the measurement date	7,095	-	591	-	7,686	-
Total	<u>\$ 12,744</u>	<u>\$ 18,970</u>	<u>\$ 1,073</u>	<u>\$ 1,621</u>	<u>\$ 13,817</u>	<u>\$ 20,591</u>

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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)***

	<u>School Nonprofessional</u>	
	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ -	\$ 30,925
Net difference between projected and actual earnings on HIC OPEB plan investments	8,681	-
Change in assumptions	4,923	2,018
Employer contributions subsequent to the measurement date	<u>15,900</u>	<u>-</u>
Total	<u>\$ 29,504</u>	<u>\$ 32,943</u>

\$7,095, \$591, and \$15,900 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, 2022. 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:

<u>Year Ended June 30</u>	<u>County Plan</u>			<u>School Nonprofessional</u>
	<u>County</u>	<u>LCWA</u>	<u>Total</u>	
2022	\$ (2,894)	(247)	(3,141)	\$ (9,744)
2023	(2,206)	(188)	(2,394)	(6,313)
2024	(2,187)	(187)	(2,374)	(2,999)
2025	(1,972)	(168)	(2,140)	(283)
2026	(2,450)	(193)	(2,643)	-
Thereafter	(1,961)	(156)	(2,117)	-

***HIC Plan Data***

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-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, 2021 (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, 2020 (valuation date), the following employees were covered by the benefit terms:

	<u>County</u>	<u>School Board</u>	<u>LCWA</u>
Retirees & spouses	\$ 2	\$ 22	\$ -
Active employees	<u>248</u>	<u>618</u>	<u>20</u>
Total	<u>\$ 250</u>	<u>\$ 640</u>	<u>\$ 20</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, 2021 were \$20,544, \$123,926, and \$195, respectively.

#### **Total OPEB Liability**

The total OPEB liability was measured as of June 30, 2021.

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2020 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	2.16%
Investment Rate of Return	N/A

Mortality rates for Active employees and healthy retirees were based on a Pub2010G and Pub20107 Mortality Tables Projected with Scale 55A18 while mortality rates for disabled retirees were based on a RP-2000 Disabled Life Mortality Tables and with general improvements.

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 2.45% rate used in the valuation is based on indices published by Bond Buyer and Fidelity for 20-year general obligation bonds as of June 30, 2018. The final equivalent single discount rate used for this year’s valuation is 2.45% 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**

	<b>Changes in Total OPEB Liability</b>		
	<b>Primary Government</b>	<b>School Board</b>	<b>LCWA</b>
	<b>Total OPEB Liability</b>	<b>Total OPEB Liability</b>	<b>Total OPEB Liability</b>
Balances at June 30, 2020	\$ 1,839,588	\$ 5,136,605	\$ 81,317
Changes for the year:			
Service cost	86,721	216,845	3,904
Interest	46,942	129,642	2,086
Difference between expected and actual experience	(804,526)	(1,447,096)	(39,216)
Changes in assumptions	441,116	1,509,291	16,417
Benefit payments	(20,544)	(123,926)	(195)
Net changes	(250,291)	284,756	(17,004)
Balances at June 30, 2021	\$ 1,589,297	\$ 5,421,361	\$ 64,313

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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 (1.16%) or one percentage point higher (3.16%) than the current discount rate:

	<b>Rate</b>		
	<b>1% Decrease (1.16%)</b>	<b>Current Discount Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
County	\$ 1,817,664	\$ 1,589,297	\$ 1,393,149
School Board	6,099,223	5,421,361	4,822,349
LCWA	71,625	64,313	57,836

***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:

	<b>Rates</b>		
	<b>1% Decrease (3.50% decreasing to 3.25%)</b>	<b>Healthcare Cost Trend (4.50% decreasing to 4.25%)</b>	<b>1% Increase (5.50% decreasing to 5.25%)</b>
County	\$ 1,346,858	\$ 1,589,297	\$ 1,887,919
School Board	4,638,725	5,421,361	6,376,798
LCWA	56,006	64,313	74,209

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (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, 2021, the County, School Board, and LCWA recognized OPEB expense in the amount of \$111,246, \$461,323, and \$3,422, respectively.

At June 30, 2021, the deferred outflows of resources and deferred inflows of resources related to the Pay-as-you-Go plan were as follows:

	<u>County</u>		<u>School Board</u>		<u>LCWA</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	\$ 352,828	\$ 643,621	\$ 864,335	\$ 1,157,677	\$ 15,843	\$ 31,372
Changes in assumptions	512,164	-	1,497,960	104,469	17,726	108
Total	<u>\$ 864,992</u>	<u>\$ 643,621</u>	<u>\$ 2,362,295</u>	<u>\$ 1,262,146</u>	<u>\$ 33,569</u>	<u>\$ 31,480</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:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>	<u>LCWA</u>
2022	\$ (22,417)	\$ 114,836	\$ (2,568)
2023	(22,417)	114,836	(2,568)
2024	(22,417)	114,836	(2,568)
2025	(22,417)	114,836	(2,568)
Thereafter	311,043	640,793	12,370

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, 2021 (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)	\$ 1,589,297	\$ 864,992	\$ 643,621	\$ 111,246
Group Life - County (Note 14)	1,029,817	263,186	30,752	50,245
HIC Program (Note 16)	11,030	12,744	18,970	4,121
Total	<u>\$ 2,630,144</u>	<u>\$ 1,140,922</u>	<u>\$ 693,343</u>	<u>\$ 165,612</u>
<b>Component Unit School Board</b>				
Pay-as-you-go (Note 17)	\$ 5,421,361	\$ 2,362,295	\$ 1,262,146	\$ 461,323
Group Life:				
- School Professional (Note 14)	2,501,919	577,899	88,586	106,245
- School Nonprofessional (Note 14)	298,722	63,080	38,348	5,001
Teacher HIC Program (Note 15)	4,591,115	623,648	152,763	388,832
HIC Program (Note 16)	122,254	29,504	32,943	22,464
Total	<u>\$ 12,935,371</u>	<u>\$ 3,656,426</u>	<u>\$ 1,574,786</u>	<u>\$ 983,865</u>
<b>Component Unit LCWA</b>				
Pay-as-you-go (Note 17)	\$ 64,313	\$ 33,569	\$ 31,480	\$ 3,422
Group Life - County (Note 14)	87,970	22,330	2,627	4,292
HIC Program (Note 16)	942	1,073	1,621	352
Total	<u>\$ 153,225</u>	<u>\$ 56,972</u>	<u>\$ 35,728</u>	<u>\$ 8,066</u>

**Note 18—Construction Commitments:**

As of June 30, 2021, the County has the following construction commitments:

<u>Project</u>	<u>Contract Amounts</u>	<u>Expenditures as of June 30, 2021</u>	<u>Contract Balance</u>	<u>Retainage Payable</u>
Jouett Elementary Additions & Renovations:	\$ 6,976,000	\$ 974,825	\$ 6,001,175	\$ 48,741
Total	<u>\$ 6,976,000</u>	<u>\$ 974,825</u>	<u>\$ 6,001,175</u>	<u>\$ 48,741</u>

## COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### Note 19—New Accounting Standards:

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Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government's majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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

**COUNTY OF LOUISA, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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The County restated beginning balances in fiscal year 2021 as follows:

	<u>Component-Unit School Board</u>	<u>Fiduciary Activities</u>
Net position, as previously reported	\$ 27,495,231	\$ -
Implementation of GASB 84	<u>268,221</u>	<u>1,004,109</u>
Net position, as restated	<u>\$ 27,763,452</u>	<u>\$ 1,004,109</u>

	<u>Component-Unit School Board School Activity Fund</u>
Fund balance, as previously reported	\$ -
Implementation of GASB 84	<u>268,221</u>
Fund balance, as restated	<u>\$ 268,221</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 64,712,253	\$ 64,712,253	\$ 65,807,819	\$ 1,095,566
Other local taxes	7,060,000	7,060,000	9,551,669	2,491,669
Permits, privilege fees, and regulatory licenses	558,500	558,500	834,857	276,357
Fines and forfeitures	60,000	60,000	67,068	7,068
Revenue from the use of money and property	855,000	855,000	511,902	(343,098)
Charges for services	2,775,158	2,923,584	2,443,262	(480,322)
Miscellaneous	190,000	411,812	330,550	(81,262)
Recovered costs	55,000	55,000	461,468	406,468
Intergovernmental:				
Commonwealth	8,353,732	9,538,269	8,590,157	(948,112)
Federal	2,399,224	8,832,921	8,348,323	(484,598)
Total revenues	<u>\$ 87,018,867</u>	<u>\$ 95,007,339</u>	<u>\$ 96,947,075</u>	<u>\$ 1,939,736</u>
<b>EXPENDITURES</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 170,902	\$ 170,902	\$ 147,302	\$ 23,600
General and financial administration:				
County administrator	\$ 564,170	\$ 570,996	\$ 548,601	\$ 22,395
County attorney	249,979	250,184	236,618	13,566
Administrative and human resources	182,110	185,386	156,475	28,911
Commissioner of revenue	430,805	431,112	417,069	14,043
Reassessment	498,849	509,003	472,757	36,246
Treasurer	442,784	443,096	441,545	1,551
Finance	490,934	491,260	445,559	45,701
Network administration	488,642	539,805	481,264	58,541
Total general and financial administration	<u>\$ 3,348,273</u>	<u>\$ 3,420,842</u>	<u>\$ 3,199,888</u>	<u>\$ 220,954</u>
Board of elections:				
Electoral board and officials	\$ 281,336	\$ 416,867	\$ 360,271	\$ 56,596
Total general government administration	<u>\$ 3,800,511</u>	<u>\$ 4,008,611</u>	<u>\$ 3,707,461</u>	<u>\$ 301,150</u>
Judicial administration:				
Courts:				
Circuit court	\$ 108,667	\$ 108,723	\$ 83,773	\$ 24,950
General district court	8,075	8,075	4,267	3,808
Juvenile domestic court	12,100	12,485	5,906	6,579
Clerk of the circuit court	517,584	517,943	513,582	4,361
Sheriff - courts	853,364	870,423	706,844	163,579
Total courts	<u>\$ 1,499,790</u>	<u>\$ 1,517,649</u>	<u>\$ 1,314,372</u>	<u>\$ 203,277</u>

General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 802,824	\$ 918,545	\$ 886,065	\$ 32,480
Total judicial administration	\$ 2,302,614	\$ 2,436,194	\$ 2,200,437	\$ 235,757
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 4,732,068	\$ 5,104,421	\$ 4,693,294	\$ 411,127
Communications center	1,018,904	1,284,656	1,029,355	255,301
Emergency 911 system	69,539	266,332	157,353	108,979
Total law enforcement and traffic control	\$ 5,820,511	\$ 6,655,409	\$ 5,880,002	\$ 775,407
Fire and rescue services:				
Office of emergency services	\$ 505,577	\$ 678,071	\$ 611,782	\$ 66,289
Fire & rescue assistance	1,447,870	2,085,277	1,570,709	514,568
Revenue recovery	314,525	303,017	279,340	23,677
Emergency services	3,352,299	723,522	663,216	60,306
Total fire and rescue services	\$ 5,620,271	\$ 3,789,887	\$ 3,125,047	\$ 664,840
Correction and detention:				
Sheriff - correction and detention	\$ 2,846,760	\$ 3,002,605	\$ 2,995,216	\$ 7,389
Other protection:				
Animal control	\$ 263,365	\$ 266,270	\$ 252,368	\$ 13,902
Animal shelter	285,546	337,475	304,862	32,613
COVID-19 emergency acts	-	5,774,439	5,485,887	288,552
Emergency services (civil defense)	17,965	17,965	17,965	-
Forest fire prevention and extinction	33,660	33,660	26,621	7,039
Transportation safety commission	1,200	1,200	320	880
Transportation department	309,000	341,104	316,717	24,387
Total other protection	\$ 910,736	\$ 6,772,113	\$ 6,404,740	\$ 367,373
Total public safety	\$ 15,198,278	\$ 20,220,014	\$ 18,405,005	\$ 1,815,009

General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Public works:				
Sanitation and waste removal:				
Refuse collection-solid waste control	\$ 1,428,520	\$ 1,535,523	\$ 1,484,978	\$ 50,545
Litter control	-	9,268	9,268	-
Total sanitation and waste removal	\$ 1,428,520	\$ 1,544,791	\$ 1,494,246	\$ 50,545
Maintenance of general buildings and grounds:				
General properties	\$ 1,905,076	\$ 2,192,824	\$ 1,802,863	\$ 389,961
Water and wastewater	530,266	530,266	491,351	38,915
Total maintenance of general buildings and grounds	\$ 2,435,342	\$ 2,723,090	\$ 2,294,214	\$ 428,876
Total public works	\$ 3,863,862	\$ 4,267,881	\$ 3,788,460	\$ 479,421
Health and human services:				
Health:				
Supplement of local health department	\$ 688,343	\$ 688,343	\$ 688,343	\$ -
Total health	\$ 688,343	\$ 688,343	\$ 688,343	\$ -
Mental health and mental retardation:				
Region 10	\$ 135,000	\$ 135,000	\$ 135,000	\$ -
Human services:				
Administration and public assistance	\$ 5,654,652	\$ 5,654,652	\$ 4,648,120	\$ 1,006,532
At risk youth	3,377,929	4,448,358	4,240,229	208,129
Monticello Area Community Action Agency	35,424	35,424	35,424	-
Jefferson Area Board for Aging	276,310	276,310	276,310	-
Housing assistance	31,650	31,650	31,650	-
Human service agency donations	411,844	411,844	411,844	-
Total human services	\$ 9,787,809	\$ 10,858,238	\$ 9,643,577	\$ 1,214,661
Total health and human services	\$ 10,611,152	\$ 11,681,581	\$ 10,466,920	\$ 1,214,661
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 38,538,747	\$ 40,394,067	\$ 35,778,109	\$ 4,615,958
Contributions to local community college	29,492	29,492	29,492	-
Total education	\$ 38,568,239	\$ 40,423,559	\$ 35,807,601	\$ 4,615,958
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 728,356	\$ 787,184	\$ 597,748	\$ 189,436
Parks and recreation - self supporting	396,602	396,602	172,428	224,174
Swimming pools	111,141	111,888	51,830	60,058
Total parks and recreation	\$ 1,236,099	\$ 1,295,674	\$ 822,006	\$ 473,668

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Community organizations	67,542	72,042	72,042	-
Total cultural enrichment	\$ 72,542	\$ 77,042	\$ 77,042	\$ -
Library:				
Contribution to regional library	\$ 382,982	\$ 382,982	\$ 382,682	\$ 300
Total parks, recreation, and cultural	\$ 1,691,623	\$ 1,755,698	\$ 1,281,730	\$ 473,968
Community development:				
Planning and community development:				
Planning	\$ 1,199,974	\$ 1,220,827	\$ 1,094,109	\$ 126,718
Planning District Commission	59,020	59,020	59,020	-
Industrial Development Authority	137,544	587,544	137,544	450,000
Broadband Authority	26,000	714,243	3,963	710,280
Economic development	188,091	192,228	169,491	22,737
Tourism	40,953	45,453	15,151	30,302
Total planning and community development	\$ 1,651,582	\$ 2,819,315	\$ 1,479,278	\$ 1,340,037
Environmental management:				
Soil and water conservation	\$ 48,938	\$ 48,938	\$ 48,938	\$ -
Cooperative extension program:				
VPI extension	\$ 141,409	\$ 141,444	\$ 131,868	\$ 9,576
Total community development	\$ 1,841,929	\$ 3,009,697	\$ 1,660,084	\$ 1,349,613
Nondepartmental:				
Miscellaneous	\$ 813,000	\$ 35,349	\$ -	\$ 35,349
Debt service:				
Principal retirement	\$ 2,837,109	\$ 2,837,109	\$ 2,695,442	\$ 141,667
Interest and other fiscal charges	2,481,585	2,489,007	2,402,232	86,775
Total debt service	\$ 5,318,694	\$ 5,326,116	\$ 5,097,674	\$ 228,442
Total Expenditures	\$ 84,009,902	\$ 93,164,700	\$ 82,415,372	\$ 10,749,328
Excess (deficiency) of revenues over (under) expenditures	\$ 3,008,965	\$ 1,842,639	\$ 14,531,703	\$ 12,689,064
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (4,366,185)	\$ (8,861,662)	\$ (10,674,956)	\$ (1,813,294)
Insurance proceeds	-	119,364	123,296	3,932
Total other financing sources (uses)	\$ (4,366,185)	\$ (8,742,298)	\$ (10,551,660)	\$ (1,809,362)
Net change in fund balances	\$ (1,357,220)	\$ (6,899,659)	\$ 3,980,043	\$ 10,879,702
Fund balances - beginning	1,357,220	6,899,659	61,649,240	54,749,581
Fund balances - ending	\$ -	\$ -	\$ 65,629,283	\$ 65,629,283

COUNTY OF LOUISIA, VIRGINIA

Exhibit 10

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, 2020

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 1,428,118	\$ 1,282,379	\$ 1,297,792	\$ 1,264,184	\$ 1,188,987	\$ 1,199,717	\$ 1,192,189
Interest	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	1,749,878	(613,250)	851,825	(698,869)	99,738	(560,194)	-
Impact of change in proportion	57,852	(26,933)	(70,518)	(71,283)	(82,531)	(66,793)	-
Changes of assumptions	-	1,163,145	-	(253,486)	-	-	-
Benefit payments	(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>	\$ 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>	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>	\$ 42,201,663	\$ 38,070,831	\$ 35,471,560	\$ 32,579,489	\$ 31,435,848	\$ 29,479,570	\$ 28,191,164
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 911,915	\$ 858,438	\$ 699,454	\$ 740,275	\$ 969,141	\$ 931,445	\$ 1,273,042
Contributions - employee	611,628	568,215	542,419	528,473	512,607	505,307	490,304
Impact of change in proportion	57,910	(27,303)	(73,025)	(68,309)	(82,526)	(66,443)	-
Net investment income	737,081	2,404,924	2,490,104	3,685,703	529,237	1,291,796	3,795,835
Benefit payments	(1,623,896)	(1,630,139)	(1,413,194)	(1,248,719)	(1,263,487)	(1,210,657)	(1,266,461)
Administrator charges	(24,443)	(23,381)	(21,181)	(20,846)	(17,993)	(17,180)	(19,837)
Other	(876)	(1,521)	(2,231)	(3,297)	(222)	(274)	199
<b>Net change in plan fiduciary net position</b>	\$ 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>	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>	\$ 38,778,416	\$ 38,109,097	\$ 35,959,864	\$ 33,737,518	\$ 30,124,238	\$ 29,477,481	\$ 28,043,487
<b>County's net pension liability (asset) - ending (a) - (b)</b>	\$ 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>	91.89%	100.10%	101.38%	103.55%	95.83%	99.99%	99.48%
<b>Covered payroll</b>	\$ 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>	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.

COUNTY OF LOUISA, VIRGINIA

Exhibit 11

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, 2020

	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>							
Service cost	\$ 331,283	\$ 342,311	\$ 356,903	\$ 359,891	\$ 374,789	\$ 385,090	\$ 389,308
Interest	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	(57,507)	(433,233)	(110,460)	(122,684)	(104,174)	41,954	-
Changes in assumptions	-	398,169	-	(191,733)	-	-	-
Benefit payments, including refunds of employee contributions	(688,159)	(511,922)	(523,627)	(555,289)	(507,083)	(424,544)	(417,952)
<b>Net change in total pension liability</b>	\$ 585,724	\$ 783,777	\$ 664,354	\$ 402,444	\$ 633,157	\$ 817,770	\$ 735,380
<b>Total pension liability - beginning</b>	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>	\$ 15,746,209	\$ 15,160,485	\$ 14,376,708	\$ 13,712,354	\$ 13,309,910	\$ 12,676,753	\$ 11,858,983
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 140,651	\$ 146,148	\$ 178,758	\$ 185,122	\$ 259,053	\$ 258,841	\$ 323,654
Contributions - employee	172,169	174,972	179,128	182,471	178,558	179,082	180,165
Net investment income	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	(688,159)	(511,922)	(523,627)	(555,289)	(507,083)	(424,544)	(417,952)
Administrative expense	(10,451)	(9,931)	(9,043)	(9,049)	(7,878)	(7,549)	(8,790)
Other	(359)	(638)	(942)	(1,399)	(95)	(119)	87
<b>Net change in plan fiduciary net position</b>	\$ (77,996)	\$ 810,493	\$ 877,756	\$ 1,370,640	\$ 145,416	\$ 566,397	\$ 1,737,465
<b>Plan fiduciary net position - beginning</b>	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>	\$ 15,912,185	\$ 15,990,181	\$ 15,179,688	\$ 14,301,932	\$ 12,931,292	\$ 12,785,876	\$ 12,219,479
<b>School Division's net pension liability/(asset) - ending (a) - (b)</b>	\$ (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>	101.05%	105.47%	105.59%	104.30%	97.16%	100.86%	103.04%
<b>Covered payroll</b>	\$ 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>	-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.

COUNTY OF LOUISA, VIRGINIA

Exhibit 12

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
Pension Plans  
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.35250%	0.34893%	0.35104%	0.34301%	0.34631%	0.34524%	0.34084%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 51,292,186	\$ 45,921,171	\$ 41,282,000	\$ 42,184,000	\$ 48,532,000	\$ 43,453,000	\$ 41,190,000
Employer's Covered Payroll	30,853,962	29,278,106	28,641,191	27,076,954	26,396,654	27,016,456	27,382,926
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	166.24%	156.84%	144.14%	155.79%	183.86%	160.84%	150.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%	74.81%	72.92%	68.28%	70.86%	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, 2012 through June 30, 2021

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>					
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%
2013	1,312,986	1,312,986	-	10,170,304	12.91%
2012	1,833,951	1,833,951	-	10,076,081	18.20%
<b>Component Unit School Board (nonprofessional)</b>					
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%
2013	316,299	316,299	-	3,522,265	8.98%
2012	212,384	212,384	-	3,487,418	6.09%
<b>Component Unit School Board (professional) (1)</b>					
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>					
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%

(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, 2021

**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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020

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>					
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>					
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>					
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>					
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, 2012 through June 30, 2021

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>					
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%
2012	28,336	28,336	-	10,076,081	0.28%
<b>Component Unit School Board (nonprofessional)</b>					
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%
2012	9,765	9,765	-	3,487,418	0.28%
<b>Component Unit School Board (professional)</b>					
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%
2012	67,192	67,192	-	23,997,030	0.28%
<b>Component Unit LCWA (1)</b>					
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, 2021

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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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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, 2020

<b>Date (1)</b>	<b>Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)</b>	<b>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)</b>
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, 2012 through June 30, 2021

<b>Date</b>	<b>Contractually Required Contribution (1)</b>	<b>Contributions in Relation to Contractually Required Contribution (2)</b>	<b>Contribution Deficiency (Excess) (3)</b>	<b>Employer's Covered Payroll (4)</b>	<b>Contributions as a % of Covered Payroll (5)</b>
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%
2013	267,658	267,658	-	24,113,350	1.11%
2012	143,959	143,959	-	23,994,868	0.60%

Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2021

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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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF LOUISA, VIRGINIA

Exhibit 21

Schedule of Changes in the Net OPEB Liability and Related Ratios  
Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2020

	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	\$	6,497	\$	6,937	\$	6,081	\$	6,533	\$	6,532	\$	7,186	\$	5,975	\$	7,405
Interest		8,472		24,554		8,629		24,841		8,529		24,934		7,594		24,414
Changes of benefit terms		-		17,616		(7,381)		-		(7,377)		-		-		-
Differences between expected and actual experience		(9,451)		(20,609)		-		(14,146)		-		(15,756)		-		-
Impact of change in proportion		-		-		3,298		8,319		-		-		(106)		(9,218)
Changes of assumptions		-		-		(6,037)		(15,930)		(6,475)		(19,442)		(5,095)		(10,895)
Benefit payments		(10,724)		(17,391)		4,590		9,617		1,209		(3,078)		6,119		11,706
<b>Net change in total HIC OPEB liability</b>	\$	(5,206)	\$	11,107	\$	4,590	\$	9,617	\$	1,209	\$	(3,078)	\$	6,119	\$	11,706
<b>Total HIC OPEB Liability - beginning</b>		130,875		372,460		126,285		362,843		125,076		365,921		109,915		354,215
<b>Total HIC OPEB Liability - ending (a)</b>	\$	125,669	\$	383,567	\$	130,875	\$	372,460	\$	126,285	\$	362,843	\$	116,034	\$	365,921
<b>Plan fiduciary net position</b>																
Contributions - employer	\$	9,451	\$	14,735	\$	8,616	\$	14,822	\$	9,726	\$	16,552	\$	8,645	\$	16,711
Net investment income		2,279		5,159		6,846		15,700		6,785		16,413		8,736		23,683
Benefit payments		(10,724)		(17,391)		(6,037)		(15,930)		(6,475)		(19,442)		(2,249)		(10,895)
Administrator charges		(216)		(497)		(151)		(342)		(164)		(385)		(152)		(389)
Other		(1)		(2)		(8)		(18)		(452)		(1,178)		419		1,178
<b>Net change in plan fiduciary net position</b>	\$	789	\$	2,004	\$	9,266	\$	14,232	\$	9,420	\$	11,960	\$	15,399	\$	30,288
<b>Plan fiduciary net position - beginning</b>		112,908		259,309		103,642		245,077		94,222		233,117		72,061		202,829
<b>Plan fiduciary net position - ending (b)</b>	\$	113,697	\$	261,313	\$	112,908	\$	259,309	\$	103,642	\$	245,077	\$	87,460	\$	233,117
<b>Net HIC OPEB liability - ending (a) - (b)</b>	\$	11,972	\$	122,254	\$	17,967	\$	113,151	\$	22,643	\$	117,766	\$	28,574	\$	132,804
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>		90.47%		68.13%		86.27%		69.62%		82.07%		67.54%		75.37%		63.71%
<b>Covered payroll</b>	\$	6,751,480	\$	3,683,807	\$	6,153,979	\$	3,702,839	\$	5,709,143	\$	3,775,794	\$	5,490,913	\$	3,797,949
<b>Net HIC OPEB liability as a percentage of covered payroll</b>		0.18%		3.32%		0.29%		3.06%		0.40%		3.12%		0.52%		3.50%

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, 2011 through June 30, 2020

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>					
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%
2013	8,133	8,133	-	10,165,938	0.08%
2012	7,083	7,083	-	10,119,019	0.07%
<b>Component Unit School Board (nonprofessional)</b>					
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%
2013	19,359	19,359	-	3,519,873	0.55%
2012	20,227	20,227	-	3,487,418	0.58%
<b>Component Unit LCWA (1)</b>					
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 2015 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, 2021

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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, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

COUNTY OF LOUISA, VIRGINIA

Exhibit 24

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, 2021

	2021		2020		2019		2018	
	Primary Government	School Nonprofessional						
<b>Total OPEB liability</b>								
Service cost	\$ 86,721	\$ 216,845	\$ 73,500	\$ 183,787	\$ 71,707	\$ 179,304	\$ 69,958	\$ 174,931
Interest	46,942	129,642	52,273	147,082	37,643	127,223	32,201	116,168
Changes in assumptions	441,116	1,509,291	122,886	343,348	71,878	(135,810)	-	-
Differences between expected and actual experience	(804,526)	(1,447,096)	-	-	458,677	1,123,634	-	-
Benefit payments	(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>\$(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>1,839,588</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>\$ 1,589,297</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>\$ 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>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>

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, 2021

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Valuation Date: 7/1/2020  
 Measurement Date: 6/30/2021

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	2.16%
Inflation	2.50%
Healthcare Trend Rate	7.50% for 2021, 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-2020.

**OTHER SUPPLEMENTARY INFORMATION**

**Combining and Individual Fund Financial Statements and Schedules**

Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Other local taxes	\$ 1,262,500	\$ 1,262,500	\$ 1,444,670	\$ 182,170
Revenue from the use of money and property	400,000	400,000	101,043	(298,957)
Miscellaneous	110,000	237,000	360,146	123,146
Recovered costs	-	61,959	61,959	-
Intergovernmental:				
Commonwealth	150,000	175,436	325,234	149,798
Total revenues	<u>\$ 1,922,500</u>	<u>\$ 2,136,895</u>	<u>\$ 2,293,052</u>	<u>\$ 156,157</u>
<b>EXPENDITURES</b>				
Current:				
Economic development projects	\$ 985,000	\$ 6,966,526	\$ 811,832	\$ 6,154,694
Emergency services projects	1,603,030	5,206,370	2,704,070	2,502,300
Judicial administration	-	89,000	9,800	79,200
County administration	18,085	879,622	181,218	698,404
Parks and recreation	325,000	602,924	211,484	391,440
Sheriff's department	365,000	534,805	434,805	100,000
School capital projects	9,840,570	11,314,205	3,649,246	7,664,959
Public works	1,652,000	4,754,814	650,408	4,104,406
Total expenditures	<u>\$ 14,788,685</u>	<u>\$ 30,348,266</u>	<u>\$ 8,652,863</u>	<u>\$ 21,695,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (12,866,185)</u>	<u>\$ (28,211,371)</u>	<u>\$ (6,359,811)</u>	<u>\$ 21,851,560</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 4,366,185	\$ 8,693,932	\$ 10,674,956	\$ 1,981,024
Issuance of bonds	8,500,000	8,500,000	7,775,000	(725,000)
Bond premium	-	-	783,304	783,304
Cost of bond issuance	-	-	(55,203)	(55,203)
Total other financing sources (uses)	<u>\$ 12,866,185</u>	<u>\$ 17,193,932</u>	<u>\$ 19,178,057</u>	<u>\$ 1,984,125</u>
Net change in fund balances	\$ -	\$ (11,017,439)	\$ 12,818,246	\$ 23,835,685
Fund balances - beginning	-	11,017,439	20,074,897	9,057,458
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,893,143</u>	<u>\$ 32,893,143</u>

Combining Statement of Fiduciary Net Position  
 Custodial Funds  
 June 30, 2021

	<b>Custodial Funds</b>			
	<b>Special Welfare Fund</b>	<b>Bond Escrow Fund</b>	<b>Spencer Scholarship Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,042	\$ 1,263,057	\$ 51,700	\$ 1,317,799
Total assets	<u>\$ 3,042</u>	<u>\$ 1,263,057</u>	<u>\$ 51,700</u>	<u>\$ 1,317,799</u>
<b>NET POSITION</b>				
Restricted for:				
Special welfare	\$ 3,042	\$ -	\$ -	\$ 3,042
Bond escrow	-	1,263,057	-	1,263,057
Spencer scholarship	-	-	51,700	51,700
Total net position	<u>\$ 3,042</u>	<u>\$ 1,263,057</u>	<u>\$ 51,700</u>	<u>\$ 1,317,799</u>

Combining Statement of Changes in Fiduciary Net Position  
 Custodial Funds  
 June 30, 2021

	<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	\$ 38,166	\$ -	\$ -	\$ 38,166
Interest	-	1,984	103	2,087
Current year bonds	-	516,423	-	516,423
Total additions	<u>\$ 38,166</u>	<u>\$ 518,407</u>	<u>\$ 103</u>	<u>\$ 556,676</u>
<b>DEDUCTIONS</b>				
Welfare costs	\$ 59,941	\$ -	\$ -	\$ 59,941
Bonds released in current year	-	182,045	-	182,045
Scholarship payments	-	-	1,000	1,000
Total deductions	<u>\$ 59,941</u>	<u>\$ 182,045</u>	<u>\$ 1,000</u>	<u>\$ 242,986</u>
Net increase (decrease) in fiduciary net position	<u>\$ (21,775)</u>	<u>336,362</u>	<u>(897)</u>	<u>313,690</u>
Net position, beginning of year, as restated	<u>\$ 24,817</u>	<u>\$ 926,695</u>	<u>52,597</u>	<u>\$ 1,004,109</u>
Net position, end of year	<u><u>\$ 3,042</u></u>	<u><u>\$ 1,263,057</u></u>	<u><u>\$ 51,700</u></u>	<u><u>\$ 1,317,799</u></u>

**Discretely Presented Component Unit-School Board**

Balance Sheet  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 June 30, 2021

	<u>School Operating Fund</u>	<u>School Activity Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,706,525	\$ 426,782	\$ 6,133,307
Receivables (net of allowance for uncollectibles):			
Accounts receivable	23,742	8,430	32,172
Due from other governmental units	1,630,243	-	1,630,243
Prepaid items	377,066	-	377,066
Total assets	<u>\$ 7,737,576</u>	<u>\$ 435,212</u>	<u>\$ 8,172,788</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,205,602	\$ 7,813	\$ 1,213,415
Accrued liabilities	6,237,737	-	6,237,737
Total liabilities	<u>\$ 7,443,339</u>	<u>\$ 7,813</u>	<u>\$ 7,451,152</u>
<b>FUND BALANCE:</b>			
Nonspendable:			
Prepaid items	\$ 377,066	\$ -	\$ 377,066
Committed:			
School food operations	294,237	-	294,237
Education	-	427,399	427,399
Unassigned	(377,066)	-	(377,066)
Total fund balances	<u>\$ 294,237</u>	<u>\$ 427,399</u>	<u>\$ 721,636</u>
Total liabilities and fund balances	<u>\$ 7,737,576</u>	<u>\$ 435,212</u>	<u>\$ 8,172,788</u>

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

Total fund balances per above	\$ 721,636
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	80,754,951
The net pension asset is not an available resource and, therefore is not reported in the funds.	165,976
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	17,859,441
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	(65,112,811)
Deferred inflows of resources are not due and payable in the current-period and, therefore, are not reported in the funds.	<u>(5,064,694)</u>
Net position of governmental activities	<u>\$ 29,324,499</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, 2021

	<b>School Operating Fund</b>	<b>School Activity Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 374	-	\$ 374
Charges for services	857,424	-	857,424
Miscellaneous	546,655	699,773	1,246,428
Recovered costs	88,810	-	88,810
Intergovernmental:			
Local government	35,778,109	-	35,778,109
Commonwealth	25,567,097	-	25,567,097
Federal	6,321,404	-	6,321,404
Total revenues	<u>\$ 69,159,873</u>	<u>699,773</u>	<u>\$ 69,859,646</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 68,865,636	540,595	\$ 69,406,231
Total expenditures	<u>\$ 68,865,636</u>	<u>540,595</u>	<u>\$ 69,406,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 294,237</u>	<u>159,178</u>	<u>\$ 453,415</u>
Net change in fund balances	\$ 294,237	159,178	\$ 453,415
Fund balances - beginning, as restated	-	268,221	268,221
Fund balances - ending	<u>\$ 294,237</u>	<u>427,399</u>	<u>\$ 721,636</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			\$ 453,415
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		\$ 1,244,167	
Depreciation expense		(3,983,776)	
Assets contributed by Primary Government		3,391,376	
Transfer of joint tenancy assets from Primary Government to the Component Unit		<u>1,657,317</u>	\$ 2,309,084
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		\$ (196,712)	
Pension expense		(865,802)	
OPEB expense		<u>(138,938)</u>	<u>\$ (1,201,452)</u>
Change in net position of governmental activities			<u>\$ 1,561,047</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, 2021

	School Operating Fund			School Activity Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	Budgeted Amounts		Actual	
	Original	Final		Original	Final		
<b>REVENUES</b>							
Revenue from the use of money and property	\$ 11,420	\$ 11,420	\$ 374	\$ -	\$ -	\$ -	\$ -
Charges for services	2,312,000	2,312,000	857,424	(1,454,576)	-	-	-
Miscellaneous	135,200	235,200	546,655	311,455	-	699,773	699,773
Recovered costs	98,000	98,000	88,810	(9,190)	-	-	-
Intergovernmental:							
Local government	38,538,747	40,344,067	35,778,109	(4,565,958)	-	-	-
Commonwealth	25,310,391	25,310,391	25,567,097	256,706	-	-	-
Federal	3,901,997	5,891,667	6,321,404	429,737	-	-	-
Total revenues	\$ 70,307,755	\$ 74,202,745	\$ 69,159,873	\$ (5,042,872)	-	699,773	699,773
<b>EXPENDITURES</b>							
Current:							
Education:							
Instruction	\$ 49,639,409	\$ 50,507,917	\$ 46,392,290	\$ 4,115,627	-	540,595	(540,595)
Administration, attendance and health	3,828,739	3,797,137	4,229,856	(432,719)	-	-	-
Pupil transportation	5,551,377	5,512,277	3,816,875	1,695,402	-	-	-
Operation and maintenance services	5,545,489	7,486,223	7,146,305	339,918	-	-	-
Technology	3,280,925	4,175,646	4,246,647	(71,001)	-	-	-
School food services	2,646,116	2,734,845	3,033,663	(298,818)	-	-	-
Total expenditures	\$ 70,492,055	\$ 74,214,045	\$ 68,865,636	\$ 5,348,409	-	540,595	(540,595)
Excess (deficiency) of revenues over (under) expenditures	\$ (184,300)	\$ (11,300)	\$ 294,237	\$ 305,537	-	159,178	159,178
Net change in fund balances	\$ (184,300)	\$ (11,300)	\$ 294,237	\$ 305,537	-	159,178	159,178
Fund balances - beginning, as restated	184,300	11,300	-	(11,300)	-	268,221	268,221
Fund balances - ending	\$ -	\$ -	\$ 294,237	\$ 294,237	-	427,399	427,399

## Supporting Schedules

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2021

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	\$ 37,077,140	\$ 37,077,140	\$ 37,670,717	\$ 593,577
Real and personal public service corporation taxes	16,800,000	16,800,000	17,052,287	252,287
Personal property taxes	9,125,113	9,125,113	9,379,276	254,163
Mobile home taxes	65,000	65,000	66,173	1,173
Machinery and tools taxes	320,000	320,000	337,169	17,169
Other taxes	525,000	525,000	498,230	(26,770)
Penalties	400,000	400,000	457,349	57,349
Interest	400,000	400,000	346,618	(53,382)
Total general property taxes	<u>\$ 64,712,253</u>	<u>\$ 64,712,253</u>	<u>\$ 65,807,819</u>	<u>\$ 1,095,566</u>
Other local taxes:				
Local sales and use taxes	\$ 3,900,000	\$ 3,900,000	\$ 5,520,260	\$ 1,620,260
Consumers' utility taxes	650,000	650,000	675,285	25,285
Business license taxes	200,000	200,000	321,275	121,275
Utility license taxes	20,000	20,000	25,037	5,037
Motor vehicle licenses	1,450,000	1,450,000	1,494,903	44,903
Taxes on recordation and wills	650,000	650,000	1,218,105	568,105
Hotel and motel room taxes	190,000	190,000	296,804	106,804
Total other local taxes	<u>\$ 7,060,000</u>	<u>\$ 7,060,000</u>	<u>\$ 9,551,669</u>	<u>\$ 2,491,669</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 13,000	\$ 13,000	\$ 10,675	\$ (2,325)
Land use application fees	1,000	1,000	830	(170)
Transfer fees	1,500	1,500	2,489	989
Building and other related permits	370,000	370,000	620,163	250,163
Zoning and use permits	120,000	120,000	137,581	17,581
Erosion and sediment control	50,000	50,000	59,640	9,640
Permits and other licenses	3,000	3,000	3,479	479
Total permits, privilege fees, and regulatory licenses	<u>\$ 558,500</u>	<u>\$ 558,500</u>	<u>\$ 834,857</u>	<u>\$ 276,357</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 60,000	\$ 60,000	\$ 67,068	\$ 7,068
Revenue from use of money and property:				
Revenue from use of money	\$ 650,000	\$ 650,000	\$ 318,106	\$ (331,894)
Revenue from use of property	205,000	205,000	193,796	(11,204)
Total revenue from use of money and property	<u>\$ 855,000</u>	<u>\$ 855,000</u>	<u>\$ 511,902</u>	<u>\$ (343,098)</u>
Charges for services:				
Excess fees of clerk	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Charges for law enforcement and traffic control	5,000	5,000	3,435	(1,565)
Charges for courthouse maintenance	12,000	12,000	7,508	(4,492)
Charges for Commonwealth's Attorney	2,500	2,500	2,970	470
Ambulance services	1,605,000	1,605,000	1,487,717	(117,283)
Charges for sanitation and waste removal	478,658	478,658	471,371	(7,287)
Charges for parks and recreation	580,000	580,000	209,458	(370,542)
Charges for telecommunication review	10,000	10,000	3,000	(7,000)
Other court charges	\$ 59,000	\$ 59,000	\$ 39,544	\$ (19,456)
Other charges for services	8,000	156,426	215,111	58,685
Court fees law library	-	-	3,148	3,148
Total charges for services	<u>\$ 2,775,158</u>	<u>\$ 2,923,584</u>	<u>\$ 2,443,262</u>	<u>\$ (480,322)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2021 (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	\$ 411,812	\$ 330,550	\$ (81,262)
Recovered costs:				
Juvenile and domestic relations court costs	\$ 25,000	\$ 25,000	\$ 28,136	\$ 3,136
Expenditure refunds	-	-	9,258	9,258
Other recovered costs	30,000	30,000	424,074	394,074
Total recovered costs	\$ 55,000	\$ 55,000	\$ 461,468	\$ 406,468
Total revenue from local sources	\$ 76,265,911	\$ 76,636,149	\$ 80,008,595	\$ 3,372,446
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 25,000	\$ 25,000	\$ 22,012	\$ (2,988)
Mobile home titling tax	35,000	35,000	57,517	22,517
Motor vehicle rental tax	15,000	15,000	33,884	18,884
Games of skill	-	-	80,928	80,928
Communication sales tax	300,000	300,000	260,746	(39,254)
Personal property tax relief funds	1,620,227	1,620,227	1,620,227	-
Total noncategorical aid	\$ 1,995,227	\$ 1,995,227	\$ 2,075,314	\$ 80,087
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 438,215	\$ 438,215	\$ 429,261	\$ (8,954)
Sheriff	1,353,673	1,353,673	1,341,816	(11,857)
Commissioner of revenue	130,711	130,711	126,989	(3,722)
Treasurer	143,768	143,768	141,741	(2,027)
Registrar/electoral board	58,718	58,718	46,779	(11,939)
Clerk of the Circuit Court	305,771	305,771	319,865	14,094
Total shared expenses	\$ 2,430,856	\$ 2,430,856	\$ 2,406,451	\$ (24,405)
Other categorical aid:				
Welfare administration and assistance	\$ 2,302,649	\$ 2,302,649	\$ 1,613,545	\$ (689,104)
Wireless E-911 grant	-	369,676	158,566	(211,110)
Juvenile justice - crime control	-	9,905	5,658	(4,247)
At risk youth - children's services act	1,625,000	2,224,200	2,108,378	(115,822)
Four 4 life grant	-	43,947	43,947	-
Litter control grant	-	9,268	9,268	-
Radiological preparedness grant	-	12,000	12,000	-
Records preservation	-	-	9,901	9,901
Fire programs fund	-	118,641	118,641	-
Victim-witness grant	-	17,330	15,521	(1,809)
Other categorical aid	-	4,570	12,967	8,397
Total other categorical aid	\$ 3,927,649	\$ 5,112,186	\$ 4,108,392	\$ (1,003,794)
Total categorical aid	\$ 6,358,505	\$ 7,543,042	\$ 6,514,843	\$ (1,028,199)
Total revenue from the Commonwealth	\$ 8,353,732	\$ 9,538,269	\$ 8,590,157	\$ (948,112)
Revenue from the federal government:				
Noncategorical aid:				
Coronavirus relief fund	-	6,123,883	5,477,090	(646,793)
Total noncategorical aid	-	6,123,883	5,477,090	(646,793)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2021 (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)				
Revenue from the federal government: (Continued)				
Categorical aid:				
Welfare public assistance	\$ 2,199,224	\$ 2,199,224	\$ 2,343,651	\$ 144,427
Victim witness	-	51,988	46,564	(5,424)
Bulletproof vest partnership program	-	6,301	1,893	(4,408)
Violence against women	-	27,350	27,350	-
Federal interest subsidy	200,000	200,000	371,779	171,779
Election security grant	-	56,763	56,763	-
Child care development block grant	-	167,412	5,626	(161,786)
Emergency management preparedness	-	-	17,607	17,607
Total categorical aid	<u>\$ 2,399,224</u>	<u>\$ 2,709,038</u>	<u>\$ 2,871,233</u>	<u>\$ 162,195</u>
Total revenue from the federal government	<u>\$ 2,399,224</u>	<u>\$ 8,832,921</u>	<u>\$ 8,348,323</u>	<u>\$ (484,598)</u>
Total General Fund	<u>\$ 87,018,867</u>	<u>\$ 95,007,339</u>	<u>\$ 96,947,075</u>	<u>\$ 1,939,736</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Revenue from local sources:				
Other local taxes:				
Meals tax	\$ 1,262,500	\$ 1,262,500	\$ 1,444,670	\$ 182,170
Revenue from use of money and property:				
Revenue from the use of money	\$ 400,000	\$ 400,000	\$ 101,043	\$ (298,957)
Miscellaneous revenue:				
Other miscellaneous	\$ 110,000	\$ 237,000	\$ 360,146	\$ 123,146
Total miscellaneous revenue	<u>\$ 110,000</u>	<u>\$ 237,000</u>	<u>\$ 360,146</u>	<u>\$ 123,146</u>
Recovered costs:				
Other recovered costs	\$ -	\$ 61,959	\$ 61,959	\$ -
Total recovered costs	<u>-</u>	<u>61,959</u>	<u>61,959</u>	<u>-</u>
Total revenue from local sources	<u>\$ 1,772,500</u>	<u>\$ 1,961,459</u>	<u>\$ 1,967,818</u>	<u>\$ 6,359</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Recordation taxes	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
Other categorical aid	-	25,436	325,234	299,798
Total categorical aid	<u>\$ 150,000</u>	<u>\$ 175,436</u>	<u>\$ 325,234</u>	<u>\$ 149,798</u>
Total revenue from the Commonwealth	<u>\$ 150,000</u>	<u>\$ 175,436</u>	<u>\$ 325,234</u>	<u>\$ 149,798</u>
Total County Capital Improvements Fund	<u>\$ 1,922,500</u>	<u>\$ 2,136,895</u>	<u>\$ 2,293,052</u>	<u>\$ 156,157</u>
Total Primary Government	<u>\$ 88,941,367</u>	<u>\$ 97,144,234</u>	<u>\$ 99,240,127</u>	<u>\$ 2,095,893</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from the use of money	\$ 3,066	\$ 3,066	\$ 374	\$ (2,692)
Revenue from the use of property	8,354	8,354	-	(8,354)
Total revenue from use of money and property	<u>\$ 11,420</u>	<u>\$ 11,420</u>	<u>\$ 374</u>	<u>\$ (11,046)</u>
Charges for services:				
Tuition	\$ 1,347,000	\$ 1,347,000	\$ 821,288	\$ (525,712)
Cafeteria sales	965,000	965,000	36,136	(928,864)
Total charges for services	<u>\$ 2,312,000</u>	<u>\$ 2,312,000</u>	<u>\$ 857,424</u>	<u>\$ (1,454,576)</u>
Miscellaneous revenue:				
Other miscellaneous	\$ 135,200	\$ 235,200	\$ 546,655	\$ 311,455
Recovered costs:				
Other recovered costs	\$ 98,000	\$ 98,000	\$ 88,810	\$ (9,190)
Total revenue from local sources	<u>\$ 2,556,620</u>	<u>\$ 2,656,620</u>	<u>\$ 1,493,263</u>	<u>\$ (1,163,357)</u>

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2021 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 38,538,747	\$ 40,344,067	\$ 35,778,109	\$ (4,565,958)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 5,971,666	\$ 5,971,666	\$ 6,427,159	\$ 455,493
Basic school aid	11,200,063	11,200,063	11,215,307	15,244
Remedial education	366,644	366,644	367,008	364
Special education	1,446,816	1,446,816	1,448,251	1,435
Textbook payment	235,947	235,947	236,181	234
Vocational SOQ payments	193,202	193,202	193,393	191
Social security fringe benefits	663,033	663,033	661,493	(1,540)
Retirement fringe benefits	1,547,808	1,547,808	1,540,553	(7,255)
Technology	206,000	206,000	15,052	(190,948)
At risk four-year olds	210,000	210,000	-	(210,000)
Other state funds	1,734,720	1,734,720	2,077,958	343,238
Total categorical aid	<u>\$ 25,310,391</u>	<u>\$ 25,310,391</u>	<u>\$ 25,567,097</u>	<u>\$ 256,706</u>
Total revenue from the Commonwealth	<u>\$ 25,310,391</u>	<u>\$ 25,310,391</u>	<u>\$ 25,567,097</u>	<u>\$ 256,706</u>
Revenue from the federal government:				
Categorical aid:				
Title II, part D: Education technology state grants	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Title I: Grants to local educational agencies	995,000	995,000	638,023	(356,977)
Title VI-B: Special education grants	1,185,706	1,185,706	663,274	(522,432)
Title VI-B: Special education preschool grants	19,308	19,308	20,112	804
Vocational education	82,483	82,483	43,048	(39,435)
Safe and drug free schools and communities	2,500	2,500	-	(2,500)
Title II, part A: Improving teacher quality	150,000	150,000	119,632	(30,368)
School lunch and breakfast program	1,388,000	1,388,000	3,190,924	1,802,924
Title IV Part A	52,000	52,000	78,084	26,084
Language acquisition grant - refugee children	12,000	12,000	7,377	(4,623)
Education for independence	-	-	67,053	67,053
Education stabilization fund	-	1,133,395	637,602	(495,793)
Coronavirus relief fund	-	856,275	856,275	-
Total categorical aid	<u>\$ 3,901,997</u>	<u>\$ 5,891,667</u>	<u>\$ 6,321,404</u>	<u>\$ 429,737</u>
Total revenue from the federal government	<u>\$ 3,901,997</u>	<u>\$ 5,891,667</u>	<u>\$ 6,321,404</u>	<u>\$ 429,737</u>
Total School Operating Fund	<u>\$ 70,307,755</u>	<u>\$ 74,202,745</u>	<u>\$ 69,159,873</u>	<u>\$ (5,042,872)</u>
<b>School Activity Fund:</b>				
Miscellaneous revenue:				
Miscellaneous	-	-	699,773	699,773
Total miscellaneous revenue	<u>-</u>	<u>-</u>	<u>699,773</u>	<u>699,773</u>
Total School Activity Fund	<u>-</u>	<u>-</u>	<u>699,773</u>	<u>699,773</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 70,307,755</u>	<u>\$ 74,202,745</u>	<u>\$ 69,859,646</u>	<u>\$ (4,343,099)</u>

## Statistical Section

<u>Contents</u>	<u>Tables</u>
Financial Trends These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.	1 - 6
Revenue Capacity These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	7 - 10
Debt Capacity These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	11-12
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.	13-14
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.	15-17

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

COUNTY OF LOUISIA, VIRGINIA

Table 1

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 17,833,603	\$ 16,354,996	\$ 18,464,264	\$ 24,664,433	\$ 23,278,507	\$ 25,809,816	\$ 30,809,285	\$ 36,910,984	\$ 40,859,610	\$ 39,452,422
Restricted	-	-	1,571,038	1,527,892	1,483,266	-	1,016,602	-	-	-
Unrestricted	58,590,814	59,139,278	51,610,080	47,904,898	53,460,871	61,946,226	63,190,810	64,993,131	71,999,854	84,533,577
Total governmental activities net position	\$ 76,424,417	\$ 75,494,274	\$ 71,645,382	\$ 74,097,223	\$ 78,222,644	\$ 87,756,042	\$ 95,016,697	\$ 101,904,115	\$ 112,859,464	\$ 123,985,999
<b>Primary government</b>										
Net investment in capital assets	\$ 17,833,603	\$ 16,354,996	\$ 18,464,264	\$ 24,664,433	\$ 23,278,507	\$ 25,809,816	\$ 30,809,285	\$ 36,910,984	\$ 40,859,610	\$ 39,452,422
Restricted	-	-	1,571,038	1,527,892	1,483,266	-	1,016,602	-	-	-
Unrestricted	58,590,814	59,139,278	51,610,080	47,904,898	53,460,871	61,946,226	63,190,810	64,993,131	71,999,854	84,533,577
Total primary government net position	\$ 76,424,417	\$ 75,494,274	\$ 71,645,382	\$ 74,097,223	\$ 78,222,644	\$ 87,756,042	\$ 95,016,697	\$ 101,904,115	\$ 112,859,464	\$ 123,985,999

COUNTY OF LOUISA, VIRGINIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government administration	\$ 3,315,349	\$ 3,397,777	\$ 3,506,219	\$ 3,435,934	\$ 3,478,169	\$ 3,542,581	\$ 3,464,123	\$ 3,627,043	\$ 2,558,510	\$ 3,348,314
Judicial administration	2,009,183	2,058,528	2,064,058	1,880,796	1,979,935	1,938,254	1,972,016	1,928,527	1,689,088	2,158,013
Public safety	12,377,094	12,406,368	13,522,591	12,293,528	12,929,011	14,179,090	14,740,930	15,682,242	17,549,237	19,814,048
Public works	3,618,145	4,396,747	5,705,451	4,910,275	4,764,676	3,754,577	4,361,917	4,492,282	3,661,377	5,002,699
Health and welfare	7,556,166	7,728,749	7,310,884	7,594,943	7,838,939	8,593,657	8,525,097	9,078,677	10,114,054	10,564,986
Education	30,226,555	35,300,357	48,664,735	55,404,276	35,829,452	32,406,304	36,222,607	36,505,174	36,063,565	41,262,789
Parks, recreation and cultural	1,495,615	1,488,418	1,551,528	1,480,517	1,090,803	1,549,298	1,662,120	1,705,534	1,711,390	1,328,234
Community development	2,487,347	3,573,642	2,616,432	3,194,504	3,897,447	1,453,747	1,446,422	2,739,172	3,405,258	2,155,710
Interest on long-term debt	876,571	1,089,251	1,198,401	1,168,271	1,848,496	2,577,258	2,218,932	2,102,816	2,011,892	1,980,994
Total governmental activities expenses	\$ 63,962,025	\$ 71,439,837	\$ 86,140,299	\$ 91,363,044	\$ 73,656,928	\$ 69,994,766	\$ 74,614,164	\$ 77,861,467	\$ 78,764,371	\$ 87,615,787
Total primary government expenses	\$ 63,962,025	\$ 71,439,837	\$ 86,140,299	\$ 91,363,044	\$ 73,656,928	\$ 69,994,766	\$ 74,614,164	\$ 77,861,467	\$ 78,764,371	\$ 87,615,787
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government administration	\$ 21,176	\$ 7,197	\$ 41,008	\$ 7,797	\$ 15,870	\$ 7,134	\$ 5,418	\$ 3,801	\$ 4,274	\$ 3,319
Judicial administration	83,893	108,028	165,625	119,779	97,417	108,997	134,358	171,191	162,268	120,238
Public safety	1,472,152	1,509,182	1,389,958	1,354,341	1,792,809	1,607,597	1,729,000	1,855,654	2,024,140	2,474,682
Public works	173,593	144,159	211,043	230,633	338,143	323,192	347,972	373,771	441,198	534,490
Parks, recreation and cultural	446,390	380,593	405,649	399,985	405,900	497,948	472,316	549,782	459,013	209,458
Community development	-	92,000	24,000	27,250	20,270	12,400	35,770	6,300	4,250	3,000
Operating grants and contributions	7,304,734	6,398,089	7,020,212	7,282,136	7,291,389	7,856,460	8,130,118	8,391,214	9,170,772	9,411,512
Capital grants and contributions	1,678,212	4,061,482	13,772,275	25,227,045	2,795,787	103,629	53,472	290,840	320,750	299,798
Total governmental activities program revenues	\$ 11,180,150	\$ 12,700,730	\$ 23,029,770	\$ 34,648,966	\$ 12,757,585	\$ 10,517,357	\$ 10,908,424	\$ 11,642,553	\$ 12,586,665	\$ 13,056,497
Total primary government program revenues	\$ 11,180,150	\$ 12,700,730	\$ 23,029,770	\$ 34,648,966	\$ 12,757,585	\$ 10,517,357	\$ 10,908,424	\$ 11,642,553	\$ 12,586,665	\$ 13,056,497
Net (expense) / revenue	\$ (52,781,875)	\$ (58,739,107)	\$ (63,110,529)	\$ (56,714,078)	\$ (60,899,343)	\$ (59,477,409)	\$ (63,705,740)	\$ (66,218,914)	\$ (66,177,706)	\$ (74,559,290)
Governmental activities	\$ (52,781,875)	\$ (58,739,107)	\$ (63,110,529)	\$ (56,714,078)	\$ (60,899,343)	\$ (59,477,409)	\$ (63,705,740)	\$ (66,218,914)	\$ (66,177,706)	\$ (74,559,290)
Total primary government net expense	\$ (52,781,875)	\$ (58,739,107)	\$ (63,110,529)	\$ (56,714,078)	\$ (60,899,343)	\$ (59,477,409)	\$ (63,705,740)	\$ (66,218,914)	\$ (66,177,706)	\$ (74,559,290)

COUNTY OF LOUISA, VIRGINIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 47,362,574	\$ 48,819,978	\$ 48,680,852	\$ 52,232,855	\$ 55,134,815	\$ 58,183,294	\$ 60,114,485	\$ 61,193,152	\$ 63,397,886	\$ 65,833,441
Local sales and use taxes	2,952,991	2,743,049	3,020,623	2,879,726	3,309,977	3,673,209	3,622,340	3,859,107	4,557,042	5,520,260
Taxes on recordation and wills	427,573	512,023	444,333	476,414	559,854	579,547	644,987	667,383	774,923	1,218,105
Motor vehicle licenses taxes	597,817	616,661	647,134	674,854	1,193,414	1,329,437	1,376,881	1,439,736	1,438,729	1,494,903
Consumer utility taxes	590,706	598,718	604,328	613,142	609,137	610,599	679,384	652,128	657,398	675,285
Meals taxes	270,164	783,656	794,167	853,460	971,798	1,094,835	1,159,976	1,225,806	1,208,373	1,444,670
Other local taxes	228,194	227,083	333,699	259,704	329,019	355,113	416,936	414,725	470,195	643,116
Unrestricted grants and contributions	1,831,432	1,892,641	2,021,312	1,944,776	1,995,279	2,000,254	2,015,325	1,986,575	2,999,430	7,552,404
Unrestricted revenues from use of money and property	286,590	323,760	305,361	320,025	399,957	741,813	938,195	1,317,159	1,216,802	612,945
Miscellaneous	241,277	194,732	335,198	325,243	510,160	442,706	448,079	350,561	412,277	690,696
Insurance proceeds	-	1,096,663	2,074,630	-	-	-	-	-	-	-
Gain Sale of Assets	-	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>\$ 54,789,318</b>	<b>\$ 57,808,964</b>	<b>\$ 59,251,637</b>	<b>\$ 60,580,199</b>	<b>\$ 65,013,410</b>	<b>\$ 69,010,807</b>	<b>\$ 71,416,588</b>	<b>\$ 73,106,332</b>	<b>\$ 77,133,055</b>	<b>\$ 85,685,825</b>
<b>Total primary government</b>	<b>\$ 54,789,318</b>	<b>\$ 57,808,964</b>	<b>\$ 59,251,637</b>	<b>\$ 60,580,199</b>	<b>\$ 65,013,410</b>	<b>\$ 69,010,807</b>	<b>\$ 71,416,588</b>	<b>\$ 73,106,332</b>	<b>\$ 77,133,055</b>	<b>\$ 85,685,825</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 2,007,443	\$ (930,143)	\$ (3,848,892)	\$ 3,866,121	\$ 4,114,067	\$ 9,533,398	\$ 7,710,848	\$ 6,887,418	\$ 10,955,349	\$ 11,126,535
<b>Total primary government</b>	<b>\$ 2,007,443</b>	<b>\$ (930,143)</b>	<b>\$ (3,848,892)</b>	<b>\$ 3,866,121</b>	<b>\$ 4,114,067</b>	<b>\$ 9,533,398</b>	<b>\$ 7,710,848</b>	<b>\$ 6,887,418</b>	<b>\$ 10,955,349</b>	<b>\$ 11,126,535</b>

Table 3

COUNTY OF LOUISA, VIRGINIA

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	Recordation and Wills Tax	Meals Tax	Other Local Taxes	Total
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
2013	48,819,978	2,743,049	598,718	616,661	512,023	783,656	227,083	54,301,168
2012	47,362,574	2,952,991	590,706	597,817	427,573	270,164	228,194	52,430,019

COUNTY OF LOUISIA, VIRGINIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ 13,729	\$ 12,639	\$ 13,173	\$ 16,298	\$ 47,160	\$ 255,671	\$ 260,902	\$ 248,433	\$ 249,202	\$ 248,574
Restricted	-	-	1,571,038	1,527,892	1,483,266	-	1,016,602	-	-	-
Committed	15,800,000	15,800,000	16,127,572	16,043,455	16,065,184	15,800,000	15,800,000	15,800,000	15,800,000	15,800,000
Assigned	4,219,865	2,696,787	3,142,020	1,319,725	1,368,802	1,653,829	477,488	14,148,558	15,920,066	15,920,066
Unassigned	28,623,070	37,528,191	31,808,588	29,559,129	26,063,587	28,887,913	40,296,734	24,870,916	29,679,972	33,660,643
<b>Total general fund</b>	<b>\$ 48,656,664</b>	<b>\$ 56,037,617</b>	<b>\$ 52,662,391</b>	<b>\$ 48,466,499</b>	<b>\$ 45,027,999</b>	<b>\$ 46,597,413</b>	<b>\$ 57,851,726</b>	<b>\$ 55,067,907</b>	<b>\$ 61,649,240</b>	<b>\$ 65,629,283</b>
All other governmental funds										
Committed for capital projects funds	\$ -	\$ 15,269,509	\$ 14,116,425	\$ 7,922,833	\$ 49,899,791	\$ 33,238,865	\$ 7,893,548	\$ 1,095,139	\$ -	\$ -
Assigned for capital projects funds	9,731,381	3,324,472	99,583	-	11,264,363	18,317,409	16,490,602	18,897,973	20,074,897	32,893,143
<b>Total all other governmental funds</b>	<b>\$ 9,731,381</b>	<b>\$ 18,593,981</b>	<b>\$ 14,216,008</b>	<b>\$ 7,922,833</b>	<b>\$ 61,164,154</b>	<b>\$ 51,556,274</b>	<b>\$ 24,384,150</b>	<b>\$ 19,993,112</b>	<b>\$ 20,074,897</b>	<b>\$ 32,893,143</b>

COUNTY OF LOUISIA, VIRGINIA

Table 5

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
General property taxes	\$ 47,020,171	\$ 48,787,578	\$ 48,994,477	\$ 52,205,038	\$ 55,027,281	\$ 58,357,514	\$ 60,518,750	\$ 60,874,073	\$ 63,583,869	\$ 65,807,819
Other local taxes	5,067,445	5,481,190	5,844,284	5,757,300	6,973,199	7,642,740	7,900,504	8,258,885	9,106,660	10,996,339
Permits, privilege fees and regulatory licenses	435,796	401,691	428,901	444,544	645,658	506,821	523,651	560,491	688,088	834,857
Fines and forfeitures	169,536	136,111	85,254	48,357	37,974	29,299	59,530	89,689	83,809	67,068
Revenue from use of money and property	286,590	323,760	305,361	320,025	399,957	741,813	938,195	1,317,459	1,216,802	612,945
Charges for services	1,591,872	1,703,357	1,723,128	1,646,884	1,986,777	2,021,148	2,141,653	2,310,319	2,323,246	2,443,262
Miscellaneous	517,356	205,981	335,198	325,243	510,160	442,706	497,660	350,561	412,277	690,696
Recovered costs	99,459	71,213	93,425	181,956	231,852	578,182	190,225	293,081	740,171	523,427
Intergovernmental revenues:										
Contribution from School Board	-	-	-	1,167,485	-	-	-	-	-	-
Commonwealth	7,419,266	7,142,426	9,745,431	11,605,371	7,779,886	7,585,218	7,877,912	8,265,913	8,674,297	8,915,391
Federal	3,395,112	5,209,786	13,068,368	22,848,586	4,302,569	2,375,125	2,321,003	2,402,716	3,816,655	8,348,323
Total revenues	\$ 66,002,603	\$ 69,463,093	\$ 80,623,827	\$ 96,550,789	\$ 77,895,313	\$ 80,280,566	\$ 82,969,083	\$ 84,722,887	\$ 90,645,874	\$ 99,240,127
<b>Expenditures</b>										
General government administration	\$ 3,153,551	\$ 3,214,437	\$ 3,295,339	\$ 3,259,357	\$ 3,318,595	\$ 3,272,417	\$ 3,346,110	\$ 3,552,047	\$ 3,524,331	\$ 3,707,461
Judicial administration	1,882,501	1,902,864	1,926,261	1,886,765	1,971,782	1,952,842	2,022,300	2,102,555	2,145,677	2,200,437
Public safety	11,535,345	10,846,906	11,797,370	11,747,197	12,274,568	13,054,257	13,784,687	14,398,973	15,396,515	18,405,005
Public works	3,479,533	3,658,635	3,789,408	6,243,301	3,028,924	3,089,009	3,247,038	3,443,670	3,567,547	3,788,460
Health and welfare	7,555,697	7,732,699	7,298,502	7,629,321	8,025,122	8,678,611	8,641,127	9,143,686	10,133,525	10,466,920
Education	24,803,778	26,721,637	29,382,401	28,287,198	30,915,671	29,057,136	32,174,796	32,225,642	32,718,899	35,807,601
Parks, recreation and cultural	1,385,529	1,380,311	1,432,249	1,409,646	1,467,662	1,471,176	1,530,342	1,586,661	1,567,568	1,281,730
Community development	1,449,634	1,469,817	1,384,468	1,434,971	1,361,644	1,305,182	1,391,126	2,555,026	1,659,348	1,660,084
Capital projects	6,083,921	16,971,127	34,433,009	43,222,027	11,612,022	13,319,089	26,391,734	17,673,080	8,205,653	8,652,863
Debt service:										
Principal retirement	1,955,000	1,960,000	2,220,442	1,885,442	2,204,441	10,490,358	3,594,820	2,600,442	2,640,442	2,695,442
Interest and other fiscal charges	1,051,087	1,173,830	1,331,414	1,434,105	1,951,423	2,843,615	2,762,814	2,615,962	2,504,575	2,402,232
Total expenditures	\$ 64,335,576	\$ 77,032,263	\$ 98,290,863	\$ 108,439,370	\$ 78,131,854	\$ 88,533,692	\$ 98,886,894	\$ 91,897,744	\$ 84,064,080	\$ 91,068,235
Excess of revenues over (under) expenditure	\$ 1,667,027	\$ (7,569,170)	\$ (17,667,036)	\$ (11,888,581)	\$ (236,541)	\$ (8,253,126)	\$ (15,917,811)	\$ (7,174,857)	\$ 6,581,794	\$ 8,171,892
Other financing sources (uses)										
Transfers in	\$ 5,557,683	\$ 5,646,828	\$ 5,445,273	\$ 8,892,894	\$ 15,083,118	\$ 17,465,439	\$ 11,613,465	\$ 11,306,259	\$ 6,261,769	\$ 10,674,956
Transfers out	(5,557,683)	(5,646,828)	(5,445,273)	(8,892,894)	(15,083,118)	(17,465,439)	(11,613,465)	(11,306,259)	(6,261,769)	(10,674,956)
Debt issued	-	15,024,716	-	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	-	-	-	-	-	214,660	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 16,403,767	\$ -	\$ 1,399,514	\$ 50,039,362	\$ 214,660	\$ -	\$ -	\$ 81,324	\$ 8,626,397
Extraordinary items:										
Insurance proceeds	\$ -	\$ 7,408,956	\$ 9,913,837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ 1,667,027	\$ 16,243,553	\$ (7,753,199)	\$ (10,489,067)	\$ 49,802,821	\$ (8,038,466)	\$ (15,917,811)	\$ (7,174,857)	\$ 6,663,118	\$ 16,798,289
Debt service as a percentage of noncapital expenditures	4.97%	4.14%	3.90%	3.63%	5.11%	16.74%	8.47%	6.75%	6.61%	6.19%

**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
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
2013	48,787,578	2,743,049	598,718	616,661	512,023	783,656	227,083	54,268,768
2012	47,020,171	2,952,991	590,706	597,817	427,573	270,164	228,194	52,087,616

COUNTY OF LOUISA, VIRGINIA

Table 7

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

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value		Total Direct Tax Rate
									Assessed Value	Percentage of Actual Value	
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%	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%	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%	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%	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%	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%	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%	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%	100.00%	0.73
2013	4,634,596,700	315,079,250	10,659,640	18,079,660	74,028,685	2,563,851,550	7,616,295,485	7,616,295,485	100.00%	100.00%	0.73
2012	4,809,878,400	306,112,590	10,800,535	16,843,835	68,920,580	2,510,888,670	7,723,444,610	7,723,444,610	100.00%	100.00%	0.70

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

Source: Commissioner of Revenue

COUNTY OF LOUISA, VIRGINIA

Table 8

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

Fiscal Years	Direct Rates						Overlapping Rates Town of Louisa			Overlapping Rates Town of Mineral		
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Total Direct Tax Rate	Real Estate	Personal Property	Real Estate	Personal Property		
	2021	0.72	2.43	(2)	1.90	0.65	0.81	0.1635	0.71	0.24	0.48	
2020	0.72	2.43	(2)	1.90	0.65	0.81	0.1635	0.71	0.24	0.48		
2019	0.72	2.43	(2)	1.90	0.65	0.81	0.1635	0.71	0.24	0.48		
2018	0.72	2.43	(2)	1.90	0.65	0.81	0.1635	0.71	0.24	0.48		
2017	0.72	2.43	(2)	1.90	0.65	0.78	0.1635	0.71	0.24	0.48		
2016	0.72	1.90		1.90	0.65	0.78	0.1635	0.71	0.24	0.48		
2015	0.68	1.90		1.90	0.65	0.76	0.1635	0.71	0.24	0.48		
2014	0.65	1.90		1.90	0.65	0.73	0.1635	0.71	0.24	0.48		
2013	0.65	1.90		1.90	0.65	0.73	0.166	0.71	0.25	0.60		
2012	0.62	1.90		1.90	0.65	0.70	0.166	0.71	0.25	0.60		

(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 2021		Fiscal Year 2012	
		2020 Assessed Valuation	% of Total Assessed Valuation	2011 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	1,811,027,527	0.20657966	1,927,859,830	0.24961140
Old Dominion	Electric	388,593,430	0.04432594	456,401,370	0.05909298
Walmart	Retailer	113,678,075	0.01296699	108,292,250	0.01402124
Rappahannock Electric Co-op	Electric	55,151,710	0.00629103	43,299,740	0.00560627
Columbia Gas	Pipeline	35,931,400	0.00409861	21,370,190	0.00276692
Klockner Pentaplast	Manufacturing	25,389,255	0.00289609	29,567,580	0.00382829
Lowes	Retailer	18,507,830	0.00211114	18,709,995	0.00242249
Central Virginia Electric	Electric	18,347,700	0.00209288	12,954,000	0.00167723
Spring Creek Land Development	Land Developer	16,582,600	0.00189154	24,395,535	0.00315863
Colonial Pipeline	Pipeline	14,701,800	0.00167700	12,347,450	0.00159870
William A. Cooke Inc.	Land Developer/Realtor	N/A	N/A	12,624,800	0.00163461
		<u>2,497,911,327</u>	<u>28.49%</u>	<u>2,667,822,740</u>	<u>34.54%</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
2021	\$ 66,885,207	\$ 62,755,390	93.83%	\$ -	\$ 62,755,390	93.83%
2020	66,150,170	60,669,902	91.72%	1,345,393	62,015,295	93.75%
2019	63,405,273	58,005,777	91.48%	1,656,468	59,662,245	94.10%
2018	61,369,990	57,203,734	93.21%	1,708,101	58,911,835	95.99%
2017	60,264,469	55,623,701	92.30%	1,829,912	57,453,613	95.34%
2016	55,928,868	52,909,359	94.60%	1,501,133	54,410,492	97.29%
2015	53,108,367	51,638,365	97.23%	1,624,707	53,263,072	100.29%
2014	50,373,700	48,270,091	95.82%	1,370,995	49,641,086	98.55%
2013	50,042,782	48,241,955	96.40%	1,269,208	49,511,163	98.94%
2012	47,825,382	46,403,601	97.03%	1,352,008	47,755,609	99.85%

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

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	Revenue Anticipation Notes	Capital Leases	Revenue Anticipation Notes	Capital Leases	Revenue Anticipation Notes			
2021	\$ 25,396,180	\$ 34,390,000	\$ 5,383,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	65,170,089	3712.11%	\$ 1,709
2020	19,586,622	35,120,000	5,027,766	-	-	-	-	-	-	-	59,734,388	3823.78%	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
2013	33,304,716	-	2,372,944	-	-	-	-	-	-	-	35,677,660	2977.46%	1,064
2012	20,240,000	-	1,115,749	-	-	-	-	-	-	-	21,355,749	1817.87%	637

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

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

**COUNTY OF LOUISA, VIRGINIA**

**Table 12**

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net	
			General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2020	\$ 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
2013	35,677,660	35,677,660	0.47%	1,064
2012	21,355,749	21,355,749	0.28%	637

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 13

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans. Excludes revenue bonds, capital leases, and compensated absences.

**COUNTY OF LOUISA, VIRGINIA**

**Table 13**

Demographic and Economic Statistics  
Last Ten Fiscal Years

<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>Unemployment Rate (5)</b>
2021	38,132	\$ 1,755,609	\$ 46,040	44.8	4,784	3.70%
2020	37,591	1,562,180	42,476		4,775	6.90%
2019	36,778	1,562,180	42,476		4,716	2.70%
2018	35,860	1,455,249	40,581	44	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	43.6	4,595	5.80%
2013	33,517	1,198,259	35,770		4,699	6.30%
2012	33,514	1,174,767	35,109		4,687	6.80%

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 14**

Principal Employers  
Current Year and the Period Nine Years Prior

<b>Employer</b>	<b>Fiscal Year 2021</b>			<b>Fiscal Year 2012</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Rank</b>
Walmart, Inc.	1,627	1	17.08%	Walmart, Inc.		1
Louisa County Public Schools	930	2	9.76%	Dominion Virginia Power		2
Dominion Energy	850	3	8.92%	Louisa County Public Schools		3
County of Louisa	469	4	4.92%	Klockner - Pentaplast of America		4
Klockner-Pentaplast of America	385	5	4.04%	County of Louisa		5
Tri-Dim Filter Corporation	251	6	2.63%	Tri-Dim Filter Corporation		6
Food Lion	200	7	2.10%	Shenandoah Crossings Resort*		7
Lowes	154	8	1.62%	Lowes		8
McDonalds	94	9	0.99%	McDonalds		9
Shenandoah Crossings Resort	85	10	0.89%	Food Lion		10
Cavalier Produce	66	11	0.69%	Louisa Health Care Center		11
Patriot Aluminum Products, LLC	65	12	0.68%	Piedmont Metals		12
<b>Totals</b>	<b>9,527</b>					
			<b>54.33%</b>			

Source: Virginia Employment Commission, Individual Companies HR Depts.

\*Seasonal

**COUNTY OF LOUISA, VIRGINIA**

**Table 15**

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

<b>Function</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General government	32	29	32	32	32	34	34	36	34	33
Judicial administration	16	16	15	15	15	15	16	17	18	18
Public safety										
Sheriffs department	59	59	62	60	57	62	62	66	69	66
Fire & rescue	32	34	35	41	43	46	46	48	51	58
Building inspections	6	6	6	6	6	5	5	6	6	6
Animal control	4	4	4	3	3	3	6	6	6	6
Public works										
General maintenance	11	11	11	11	12	12	12	14	15	15
Landfill	1	1	1	1	5	5	6	6	6	7
Health and welfare										
Department of social services	42	41	41	38	42	41	43	46	47	43
Culture and recreation										
Parks and recreation	5	5	5	5	5	5	5	6	6	4
Community development										
Planning	8	8	8	8	9	10	9	9	10	9
<b>Totals</b>	<b>216</b>	<b>214</b>	<b>220</b>	<b>220</b>	<b>229</b>	<b>238</b>	<b>244</b>	<b>260</b>	<b>268</b>	<b>265</b>

Source: Payroll Records

COUNTY OF LOUISIA, VIRGINIA

Table 16

Operating Indicators by Function  
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety										
Sheriffs department:										
Physical arrests	2,155	1,974	1,751	1,850	1,764	1,822	1,701	1,914	1,830	1,923
Traffic violations	2,757	1,893	1,277	937	920	1,025	1,419	1,902	1,816	1,384
Civil papers	10,176	9,791	11,187	9,443	10,640	8,718	8,558	8,941	8,809	8,536
Fire and rescue:										
Fire	3,382	3,175	4,723	4,565	4,723	7,289	4,441	4,411	3,874	3,373
Rescue	5,234	5,491	5,553	5,133	6,554	6,735	6,337	7,359	6,868	3,995
Total Number of calls answered	8,616	8,666	10,276	9,698	11,277	14,024	10,778	11,770	10,742	7,368
Total Number of actual rescue transports	3,001	3,320	3,464	3,374	3,630	3,504	3,299	3,543	3,601	3,724
Building inspections:										
Permits issued	1,491	1,322	1,245	1,099	1,386	1,571	1,460	1,417	1,609	1,920
Animal control:										
Number of calls answered	*	3,177	3,521	3,400	3,362	3,570	3,399	3,095	2,998	2,639
Public works										
General maintenance:										
Trucks/vehicles	10	11	12	10	11	11	11	12	10	12
Landfill:										
Refuse collected (tons/day)	63.02	82.40	109.43	55.11	61.64	64.09	68.08	77.10	77.10	57.00
Recycling (tons/day)	*	*	*	*	*	*	*	2.46	2.39	2.71
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps	2,107	2,201	2,269	1,992	1,786	1,769	1,609	1,530	1,609	2,172
Medicaid	2,556	2,737	2,845	3,018	2,946	2,917	3,039	4,767	4,237	5,504
Temporary Asst. Needy Families	113	123	118	100	91	83	71	66	64	85
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued	193	159	167	206	198	179	251	223	119	53
After-school program participants	210	204	225	229	253	250	256	343	302	118
Aquatic Facility Participants	10,008	9,277	9,170	9,329	11,734	13,027	11,071	10,712	4,729	4,857
Youth sports participants	5,725	5,044	6,051	4,956	5,676	5,972	7,034	7,556	4,164	3,462
Community development										
Planning:										
Zoning permits issued	942	658	566	926	870	979	878	1,045	1,250	1,310
Component Unit - School Board										
Education:										
School age population	4,687	4,699	6,124	6,056	6,059	6,148	6,012	6,014	6,087	6,209
Av. Daily Membership (March)	391	375	374	379	374	405	393	417	419	427
Number of teachers	6,477	5,796	5,810	6,652	6,593	6,195	7,016	7,644	7,309	7,420
Local expenditures per pupil	11,646	11,410	11,628	11,469	11,324	11,428	12,325	13,074	12,667	13,027
Total expenditures per pupil										

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.

**COUNTY OF LOUISA, VIRGINIA**

**Table 17**

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government administration										
Administration buildings	9	9	9	9	9	9	10	10	11	12
Vehicles	9	12	10	10	10	10	10	10	10	10
Public safety										
Sheriffs department:										
Total vehicles	79	76	77	77	80	80	82	86	83	87
Animal control:										
Vehicles	5	5	5	5	4	6	7	7	5	5
Emergency Services:										
Vehicles	6	8	7	7	6	5	6	5	5	3
Ambulances	5	5	6	6	6	5	5	6	6	6
First Response Vehicles	0	0	0	0	0	0	0	0	0	5
Fire Truck	0	0	0	0	0	0	1	1	1	1
Public works										
General maintenance:										
Trucks/vehicles	13	12	12	11	8	10	10	10	10	10
Landfill:										
Vehicles	0	0	0	0	3	4	5	6	10	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	7	7	8	8	9	9	9	9	9	8
Culture and recreation										
Parks and recreation:										
Community centers	2	2	2	2	2	2	2	2	2	2
Vehicles	6	8	8	9	9	8	8	6	6	6
Aquatic facilities	1	1	1	1	1	1	1	1	1	1
Parks acreage	35.22	104.62	104.62	104.62	104.62	104.62	104.62	104.62	104.62	104.62
Community development										
Planning:										
Vehicles	8	7	7	10	6	5	5	6	8	8
Component Unit - School Board										
Education:										
Schools	6	6	6	6	6	6	6	6	6	6
School buses	117	122	126	119	127	128	135	133	143	151

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, 2021, 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 8, 2021.

**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 may exist that have not been identified.

## 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 8, 2021



**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**

We have audited the County of Louisa, Virginia's compliance with the types of compliance requirements described 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, 2021. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the County of Louisa, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Louisa, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Louisa, Virginia's compliance.

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

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, 2021.

## Report on Internal Control over Compliance

Management of the County of Louisa, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Louisa, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Louisa, Virginia's internal control over compliance.

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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 8, 2021

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Health and Human Services:				
Direct Payments:				
COVID-19 - Provider Relief Fund	93.498	N/A	\$ 58,920	\$ -
Pass Through Payments:				
Department of Social Services:				
Temporary assistance for needy families	93.558	0400120/0400121	\$ 282,646	\$ -
CCDF Cluster:				
Child care mandatory and matching funds of the child care and development fund	93.596	0760120/0760121	\$ 45,637	\$ -
Child care and development block grant	93.575	0770120/0770121	5,626	-
Total CCDF cluster			\$ 51,263	\$ -
Medicaid Cluster:				
Medical assistance program	93.778	1200120/1200121	\$ 373,570	\$ -
Total medicaid cluster			\$ 373,570	\$ -
MaryLee Allen promoting safe and stable families program	93.556	0950120/0950121	\$ 19,287	\$ -
Refugee and entrant assistance state/replacement designee administered programs	93.566	0500120/0500121	415	-
Low-income home energy assistance	93.568	0600420/0600421	32,980	-
Chafee education and training vouchers program (ETV)	93.599	9160120/9160121	860	-
Stephanie Tubbs Jones child welfare services program	93.645	0900120	157	-
Foster care - Title IV-E	93.658	1100120/1100121	371,946	-
Adoption assistance	93.659	1120120/1120121	476,958	-
Social services block grant	93.667	1000120/1000121	287,735	-
John H. Chafee foster care program for successful transition to adulthood	93.674	9150120	13,618	-
Children's health insurance program (CHIP)	93.767	0540120/0540121	4,401	-
<b>Total Department of Health and Human Services</b>			<b>\$ 1,974,756</b>	<b>\$ -</b>
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Emergency management performance grants	97.042	114363	\$ 17,607	\$ -
Department of Agriculture:				
Child Nutrition Cluster:				
Pass Through Payments:				
Department of Agriculture:				
Food distribution	10.555	APE402540000	\$ 179,959	\$ -
Department of Education:				
COVID-19 - National school lunch program	10.555	APE402640000	37,779	-
Total 10.555			\$ 217,738	\$ -
COVID-19 - School breakfast program	10.553	APE402630000	20,936	-
Total 10.553			\$ 20,936	\$ -
Summer food service program for children	10.559	APE603020000/APE603030000	2,024,100	-
COVID-19 - Summer food service program for children	10.559	APE601750000/APE601760000	542,273	-
Food distribution	10.559	APE603020000/APE603030000	4,130	-
Total 10.559			\$ 2,570,503	\$ -
Total child nutrition cluster			\$ 2,809,177	\$ -
Child and adult care food program	10.558	APE700270000/APE700280000	379,435	-
COVID-19 - Child and adult care food program	10.558	APE700350000	2,312	-
Total 10.558			\$ 381,747	\$ -

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
 For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA 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	0010120/0010121/ 0040120/0040121	\$ 500,494	\$ -
Total SNAP cluster			<u>\$ 500,494</u>	<u>\$ -</u>
Total Department of Agriculture			<u>\$ 3,691,418</u>	<u>\$ -</u>
Department of Justice:				
Direct payments:				
Bulletproof vest partnership program	16.607	N/A	\$ 1,893	\$ -
Pass Through Payments:				
Department of Criminal Justice Services:				
Crime victim assistance	16.575	CJS7601701	\$ 46,564	\$ -
Violence against women formula grants	16.588	CJS5651701	27,350	-
Total Department of Justice			<u>\$ 75,807</u>	<u>\$ -</u>
Election Assistance Commission:				
Pass Through Payments:				
Virginia Department of Elections:				
COVID-19 - HAVA Election Security Grants	90.404	Unavailable	\$ 56,763	\$ -
Department of Treasury:				
Pass Through Payments:				
Department of Accounts:				
COVID-19 - Coronavirus Relief Fund	21.019	Unavailable	\$ 6,333,365	\$ 192,989
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I grants to local educational agencies	84.010	S010A170046/S010A180046	\$ 638,023	\$ -
Special Education Cluster (IDEA):				
Special education - grants to states	84.027	H027A180107/H027A190107	663,274	-
Special education - preschool grants	84.173	H173A180112/H173A190112	20,112	-
Total special education cluster (IDEA)			<u>\$ 683,386</u>	<u>\$ -</u>
Career and technical education - basic grants to states (Perkins IV)	84.048	V048A180046/V048A190046	43,048	-
Supporting effective instruction state grants	84.367	S367A190044	119,632	-
Student support and academic enrichment program	84.424	S424A180048/S424A190048	78,084	-
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	APE601770000	60,673	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	APE601770000	576,929	-
Total Education Stabilization Fund (84.425)			<u>\$ 637,602</u>	<u>-</u>
English language acquisition state grants	84.365	APE605120000	7,377	-
Total Department of Education			<u>\$ 2,207,152</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 14,356,868</u>	<u>\$ 192,989</u>

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, 2021

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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, 2021. 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>8,348,323</u>
Component Unit School Board:	
School Operating Fund	\$ <u>6,321,404</u>
Total federal expenditures per basic financial statements	\$ <u>14,669,727</u>
Add: Provider Relief Fund received during the year ended June 30, 2020	\$ 58,920
Less: Federal interest subsidy	<u>(371,779)</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u>14,356,868</u>

Note 5 - Provider Relief Fund

For fiscal years ended (FYE) on or before June 29, 2021, no Provider Relief Fund (PRF) expenditures (including lost revenue) should have been reported on the SEFA. Due to guidance available when the FYE 2020 report was issued, the entity reported \$58,920 of PRF expenditures on the FYE 2020 SEFA with no significant impact on the SEFA. Based on current guidance from the Department of Health and Human Services (HHS), PRF expenditures (including lost revenue) are to be reported on the SEFA based upon PRF reports submitted through the Health Resources and Services Administration (HRSA) reporting portal. Therefore, the amount of PRF expenditures included on the FYE June 30, 2021 SEFA is based upon the PRF reporting portal guidelines for Period 1, as specified by HHS.

**COUNTY OF LOUISA, VIRGINIA**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021

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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>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
21.019	Coronavirus Relief Fund

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.