

County of Louisa, Virginia

Comprehensive Annual Financial Report



Year Ended June 30, 2011

County of Louisa, Virginia

**Comprehensive Annual
Financial Report**

Year Ended June 30, 2011

Prepared By:

Christian Goodwin, Finance Director
Faye Stewart, Accountant

COUNTY OF LOUISA, VIRGINIA

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

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December 9, 2011

**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, 2011.

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

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

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

Robinson, Farmer, Cox Associates, Certified Public Accountants, have issued an unqualified opinion on the County's financial statements for the year ended June 30, 2011. The independent auditor's report is located at the front of the financial section of this report.

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

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

Profile of Louisa County

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

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

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

Louisa has a growing and diversified economy comprised of manufacturing, services, commercial and agricultural sectors. Agriculture remains an important, but reducing factor in Louisa's economy, with beef cattle the principal livestock and hay, corn and soybeans the major cash crops. Grape vineyards and wines are showing growth, leading to increased tourism. Major regional commercial development continues in Zion Crossroads since the opening of Lowe's and Walmart Supercenter with building permits issued for new business at the Shoppes at Spring Creek, Spring Creek Business Park and Summerfield Business Park. Commercial development in the Lake Anna area has undergone a resurgence with construction of New Bridge Landings and Lake Anna Plaza.

The local unemployment rate continues to be elevated at 6.9% for June 2011, 0.9% higher than the state and 3.2% lower than the national rate.

Louisa County is ranked 10th in the Commonwealth for the highest percentage increase in population at 28% since 2000. The increase in population over the past nine years has placed additional demands for services not previously provided, such as 24/7 career fire and rescue coverage, a new elementary school, and calls for increase capacity at the middle and high schools.

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 VA Code Ann. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes quarterly, with supplemental appropriations made as required. These appropriations, except those to incur mandated expenditures, may be greater or less than contemplated in the budget.

As a recipient of federal and state financial assistance, the County is responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2011, has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

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

Major Initiatives

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

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

- The adoption of a local ordinance which formally structures the Department of Fire and Emergency Medical Services to include County's volunteer fire and rescue agencies. This ordinance requires the use of the County's procurement and purchasing systems by volunteer fire and rescue agencies, thus allowing enhanced monitoring and control over these funds.
- Began development of the Ferncliff Business Park, a 104 acre parcel zoned industrial and commercial that is 70% cleared and which has available lots up to 22 acres in size. Lots may be consolidated to form larger tracts. The development will include underground utilities and access to municipal water supply is planned. The Park is strategically located just ½ mile from Interstate 64 in the southwestern part of the County.
- The County received a number of grant awards in fiscal year 2011. First, a Homeland Security grant of approximately \$1.25M to join the Law Information Exchange (LINX) system with several other political subdivisions in the Commonwealth. This system will allow efficient, effective information sharing within law enforcement throughout the Commonwealth and is intended to improve law enforcement and public safety capabilities. A separate grant of approximately \$780,000 was received for the purposes of replacing the County's self-contained breathing apparatus (SCBA or "air packs") units with a single, NFPA-compliant model. The replacement is taking place during fiscal year 2012.
- Redistricting was an intensive and complex process which spanned parts of both FY 2011 and FY 2012. The County's Registrar managed a process which involved splitting one precinct into two and moving four precincts into alternate locations. The state redistricting process resulting in two Senate districts within the County (17th and 22nd Districts), and the splitting of two local precincts for state voting purposes. As a result of these efforts, 21,500 voters received new voter cards.
- Continued retail, commercial and industrial business growth following the opening of Walmart, UVA Credit Union, C3RS and construction of The Shoppes at Spring Creek, Spring Creek Business Park, New Bridge Landings, Lake Anna Island and the Boardwalk on Lake Anna;
- Expansion of the Zion Crossroads Wastewater Treatment Plant to a state-of-the-art treatment facility with re-use. Construction will be completed in FY13;

Major Initiatives: (Continued)

- Expansion of the Louisa Regional Wastewater Treatment Plant. Scheduled to be completed during winter 2011;
- Planning for the comprehensive expansion of the Louisa County Water Authority service area to designated growth areas.

Awards and Achievements

The County received its ninth consecutive Certificate of Achievement on its FY 10 Comprehensive Annual Financial Report that was submitted to the Government Finance Officers Association of the United States and Canada (GFOA), Certificate for Excellence in Financial Reporting Program. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We plan to submit the FY 11 Comprehensive Annual Financial Report to GFOA to determine its eligibility for the certificate.

The County has received a 2011 Virginia Association of Counties (VACo) Achievement Award for its Virginia's Initiative for Employment Not Welfare (VIEW) Partnership Program, a partnership between the Louisa County Department of Social Services and the Department of Parks and Recreation that has been in place since late 2008. The program strives to create work activities for the program participants and to encourage partnerships between public, non-profit, and faith-based organizations to end individual's dependence on public assistance by moving participants from a structured job search to paid employment. VACo's Achievement Awards Program recognizes innovative, model county government programs across the State. Of the 33 total entries received by VACo this year, Louisa County feels privileged to have been chosen to receive this honorable award for a local program for the second year in a row.

Future Budget Considerations

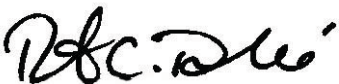
For the 2012 fiscal year, the Board of Supervisors approved a General Fund Operating Budget of \$84,626,491. The approved Capital Improvement Plan Budget is \$14,798,390. The approved FY 2012 budget maintained the real estate tax rate at \$0.62 per \$100 of assessed value.

Fiscal Year 2012 will be a challenging for several reasons. Primarily, a number of County structures, including two schools, sustained significant damage in an earthquake which occurred on August 23rd, 2011. Additional, significant cost increases are likely in VRS as well as education, due primarily to a reduction in federal stimulus funding from FY 2011. Healthcare costs continue to increase, as do those associated with jail operations and the Comprehensive Services Act.

Acknowledgments

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

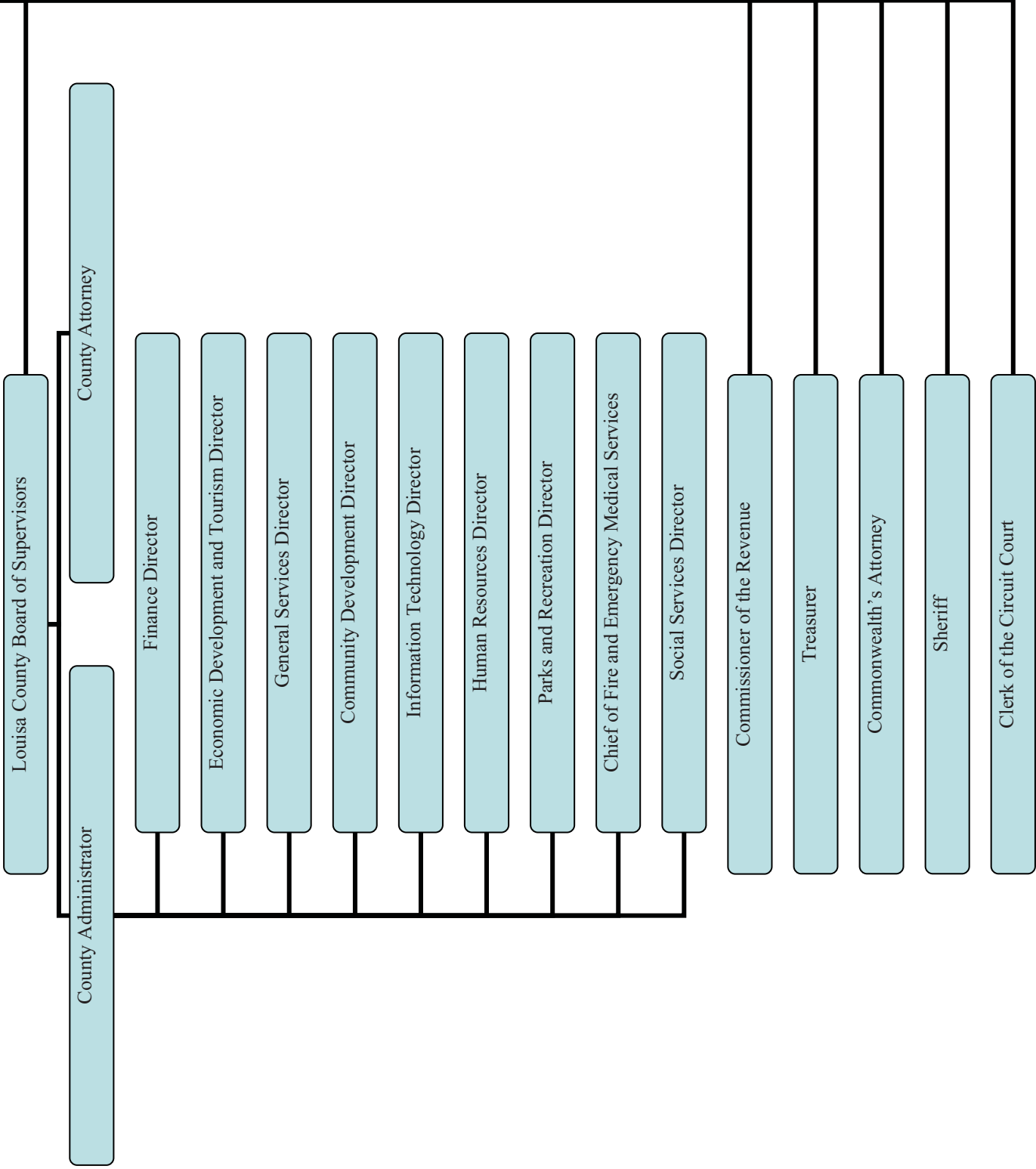
Respectfully submitted,



Robert C. Dubé
County Administrator

Louisa County's Organizational Structure as of June 30, 2011

Louisa County Citizens



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**COUNTY OF LOUISA, VIRGINIA
JUNE 30, 2011**

BOARD OF SUPERVISORS

Willie L. Gentry, Jr., Chairman
Richard A. Havasy, Vice-Chairman

Tommy Barlow
Fitzgerald A. Barnes

Willie L. Harper
P.T. Spencer

Dan Byers

SOCIAL SERVICES ADVISORY BOARD

Rebecca Wood, Chairman
Rebecca Disosway, Vice-Chairman

Hunter Bowles
Marilyn Root

Ron Maish

Peggy McGhee

COUNTY SCHOOL BOARD

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

Stephen C. Harris
Gail O. Proffitt

William A. Seay
Sherman T. Shifflett

Allen B. Jennings

OTHER OFFICIALS

Judge of the Circuit Court.....	Timothy K. Sanner
Clerk of the Circuit Court.....	Susan R. Hopkins
Judge of the General District Court.....	Edward K. Carpenter
Commonwealth's Attorney	Thomas A. Garrett, Jr.
Commissioner of the Revenue	Nancy M. Pleasants
Treasurer.....	Gloria G. Layne
Sheriff.....	Ashland D. Fortune
Superintendent of Schools	Deborah Pettit
Clerk of the School Board	Rebecca A. Fisher
Director of Department of Social Service/Superintendent of Welfare	Thomas Pristow
County Administrator.....	Robert Dubé
Parks & Recreation Director.....	Jane Shelhorse

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Louisa
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Sandson

President

Jeffrey R. Enos

Executive Director

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Louisa, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County of Louisa, Virginia's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Louisa, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia, as of June 30, 2011, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2011, on our consideration of the County of Louisa, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
December 2, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Louisa, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page i to v of this report.

Financial Highlights FY 2011¹

- The general fund balance increased \$2,305,326.
- Revenues exceeded the original budget estimate by \$4,174,287 and revenues exceeded the amended budget by \$2,338,381.
- Expenditures were less than the original budget estimate by \$2,157,797 and expenditures were less than the amended budget by \$6,212,008.
- The real estate tax rate remains unchanged at \$0.62 per \$100 of assessed value.
- Reserve funds of \$3,977,933 were used to balance the general fund budget.
- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$74,416,974 (net assets). Of this amount, \$56,273,869 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Louisa County funds reported combined ending fund balances of \$56,721,018, a decrease of \$9,950,250 in comparison with the prior year. Approximately fifty-one percent of this total amount, or \$28,944,536, is available for spending at the County's discretion (uncommitted and unassigned fund balance), and forty-nine percent, or \$27,776,482, has been committed or assigned for specific projects. The County has a lower fund balance because of the construction of the new Moss-Nuckols elementary school and contributions to the Louisa Water Authority for water and sewer projects.
- Unassigned fund balance for the general fund was \$28,944,536, or forty-nine percent of total general fund expenditures.
- The County of Louisa, Virginia's total debt decreased by \$2,505,037, mostly for the repayment of general obligation bonds.

¹ Fiscal Year ended June 30, 2011.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements: (Continued)

The County maintains 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 the Capital Projects fund, both of 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.

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$74,416,974 at the close of the most recent fiscal year.

A significant portion (24 percent) of the County's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Louisa, Virginia's Net Assets			
	Governmental Activities		
	2011	2010	
Current and other assets	\$ 92,834,226	\$ 71,991,561	
Capital assets	<u>41,123,584</u>	<u>40,990,590</u>	
Total assets	\$ <u>133,957,810</u>	\$ <u>112,982,151</u>	
Long-term liabilities outstanding	\$ 26,011,238	\$ 28,516,275	
Current liabilities	<u>33,529,598</u>	<u>2,742,504</u>	
Total liabilities	\$ <u>59,540,836</u>	\$ <u>31,258,779</u>	
Net assets:			
Invested in capital assets, net of related debt	\$ 18,143,105	\$ 17,504,861	
Unrestricted	<u>56,273,869</u>	<u>64,218,511</u>	
Total net assets	\$ <u><u>74,416,974</u></u>	\$ <u><u>81,723,372</u></u>	

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

Government-wide Financial Analysis: (Continued)

During the FY 2010-2011, the County's net assets decreased by \$7,306,398. The significant reasons for the decrease in net assets are attributed to the increase in contributions to the Louisa Water Authority for water and sewer projects.

Governmental Activities - Governmental activities decreased the County's net assets by \$7,306,398. Key elements of this increase are as follows:

County of Louisa, Virginia's Changes in Net Assets			
	Governmental Activities		
	2011	2010	
Revenues:			
Program revenues:			
Charges for services	\$ 2,526,981	\$ 2,730,199	
Operating grants and contributions	6,661,424	6,166,247	
Capital grants and contributions	312,468	37,708	
General revenues:			
Property taxes	46,946,443	48,588,750	
Other local taxes	4,771,833	4,465,562	
Other	2,072,197	2,743,185	
Total revenues	<u>\$ 63,291,346</u>	<u>\$ 64,731,651</u>	
Expenses:			
General government	\$ 3,677,873	\$ 3,558,411	
Judicial administration	2,102,860	2,159,585	
Public safety	11,613,566	10,517,891	
Public works	3,785,930	3,991,484	
Health and welfare	7,190,521	7,303,205	
Education	27,275,972	26,044,246	
Parks, recreation and culture	1,496,928	1,736,229	
Community development	12,482,752	4,119,397	
Interest	971,342	979,923	
Total expenses	<u>\$ 70,597,744</u>	<u>\$ 60,410,371</u>	
Increase (decrease) in net assets	\$ (7,306,398)	\$ 4,321,280	
Net assets – beginning	<u>81,723,372</u>	<u>77,402,092</u>	
Net assets - ending	<u><u>\$ 74,416,974</u></u>	<u><u>\$ 81,723,372</u></u>	

- Property taxes – The significant decrease (\$1,642,307) in property taxes are attributed to declining property values and economic volatility leading to more uncollected taxes.
- Public safety expenses increased approximately \$1,100,000. The increase can be attributed to funding of additional positions and a general increase in public need.
- Community development expenses increased approximately \$8,400,000. The increase can be attributed to funding of Louisa County Water Authority capital expenditures.

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, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$56,721,018 a decrease of \$9,950,250 in comparison with the prior year. Approximately fifty-one percent of this total amount, \$28,944,536, constitutes uncommitted and unassigned general fund balance, which is available for spending at the County's discretion. The remainder of fund balance is designated to indicate that it is not available for new spending without further Board of Supervisor's action because it has already been committed for:

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

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

The general fund balance increased \$2,305,326 during the current fiscal year. Significant factors in this change in fund balance are the dedication of the Board of Supervisors and County's management to control expenditures and be fiscally responsible.

The capital projects fund has a total fund balance of \$7,890,912, all of which is assigned for future capital projects. The fund balance decreased \$12,255,576 during the current year because of the continued construction of the new Moss-Nuckols Elementary School and the funding of Louisa Water Authority capital projects.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$4,054,211; the increase in appropriations can be briefly summarized as follows:

- \$97,342 increase in general government expenditures results from an increase in contingent legal fees, and workers compensation that is budgeted in the non-departmental budget.
- \$172,900 increase in judicial administration expenditures are the results of Technology Funds from the Compensation Board and funds received from the Victim Witness and the VSTOP Assistant Attorney grants.
- \$1,698,252 increase in public safety expenditures results from workers compensation that is budgeted in the non-departmental budget and several grants from Rescue Squad Assistance Funds, Internet Crimes Against Children, State Fire Programs, Four for Life, Homeland Security, Children's Justice Fund, DMV Select Enforcement and Wireless Service Board PSAP.

General Fund Budgetary Highlights: (Continued)

- \$1,828,606 increase in public works expenditures is the result of courthouse renovation and other enhancement funds were which carried over from FY10 for work not yet completed. Additional increases resulted from compliance requirements for the Zion Crossroads Wastewater Treatment Plant and other regulatory issues associated with the Louisa County Water Authority.
- \$806,035 increase in health and welfare expenditures are attributed to Comprehensive Services Act (CSA) for At Risk Kids and other social services programs including legal fees.
- \$74,726 increase in parks and recreation expenditures results from workers compensation that is budgeted in the non-departmental budget and the success of several programs within the department. It should be noted that these increases were offset by increases in program revenues.
- \$59,784 increase in community development expenditures results from a new departmental copier, tower review program fees (which are offset by revenues) and website redesign costs for the department of Economic Development.
- Debt service budget was not changed during the year.
- \$683,435 decrease in miscellaneous expenditures due to allocated non-departmental budget to actual functions that occurred during the year.

During the year revenues exceeded the original budget estimate by \$4,174,287 and revenues exceeded the amended budget by \$2,338,381. Expenditures were less than the original budget estimate by \$2,157,797 and expenditures were less than the amended budget by \$6,212,008. Accounting adjustments were necessary to reclassify debt service expenditures from the school fund and appropriately report in the primary government. Building enhancement work in progress, grant awards which were not expended during the fiscal year, and conservative projections and budget management contributed significantly to the budget surplus.

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

Revenue

- \$2,501,915 of actual revenue excess of amended budget in general property taxes is attributed to the continued success of the Revenue Recovery Program for Ambulance Transports, grant awards, conservative property tax assessment estimates, an increase in personal property assessments and the increased rate of collection by a third party collection agency.

Expenditures:

- \$1,584,444 under budget in Public Safety is attributed to grant funding for the Self Contained Breathing Apparatus (SCBA) grant, funding for which was not expended in fiscal year 2011, as well as a number of other grants received and unexpended during this period.
- \$1,453,615 under budget in General Services is attributed to repairs and maintenance to the County's Historic Courthouse and other buildings in which funding has been appropriated but work has not yet been completed.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental funds as of June 30, 2011 amounts to \$41,123,584 (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 \$132,994.

County of Louisa, Virginia's Capital Assets		
	Governmental Activities	
	2011	2010
Land	\$ 2,328,523	\$ 1,488,506
Buildings and improvements	19,805,757	19,635,489
Equipment	7,275,623	6,498,166
Construction in progress	20,078,316	19,935,168
Tenancy in common	5,000,000	6,010,000
Total	\$ 54,488,219	\$ 53,567,329
Less: accumulated depreciation	(13,364,635)	(12,576,739)
Net capital assets	\$ 41,123,584	\$ 40,990,590

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

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$22,195,000. Of this amount, \$22,195,000 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total debt decreased by \$2,505,037, mostly due to the repayment of general obligation bonds.

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

Economic Factors and Next Year's Budgets and Rates

- Based on available economic data, trends for the local economy are gradually improving, equal to or greater than the state as a whole. The local unemployment rate for June 2011 was 6.9%, which is .9% lower than the prior year, 0.6% higher than the state unemployment rate, and 2.4% below the national unemployment rate.
- Commercial investment in the Zion Crossroads Region continued to expand in 2011 with the opening of Wal-mart in November 2009, and a credit union, dental practice and veterinarian practice. Construction is currently underway at The Shoppes at Spring Creek and Spring Creek Business Park. Additional development has occurred in the Lake Anna Area within New Bridge Landings and Lake Anna Plaza.
- Residential building permits have seen a decrease of 34% in building permits and commercial building permits have seen a 22% increase in comparison with the prior year.
- The citizens approved a meals tax by referendum in the general election in November 2011. These funds will offset capital requirements in education and public safety.

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

- Several County structures sustained significant damage in the earthquake on August 23, 2011. Repair costs will be significant but are expected to be offset by insurance proceeds and federal emergency disaster relief funding.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2012 fiscal year.

For the 2011-2012 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$84,626,491. The approved CIP Budget is \$14,798,390. The budget kept the real estate tax rate at \$0.62 per \$100 of assessed value. No reserve funds were used to balance the general fund budget.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets
June 30, 2011

	Primary Government		Component Units	
	Governmental Activities	Total	School Board	Louisa County Water Authority
ASSETS				
Cash and cash equivalents	\$ 53,893,043	\$ 53,893,043	\$ 5,074,711	\$ 9,584,855
Receivables (net of allowance for uncollectibles):				
Taxes receivable	35,014,848	35,014,848	-	-
Accounts receivable	819,502	819,502	122,742	107,390
Landfill accounts	55,785	55,785	-	-
Due from component unit	2,057,840	2,057,840	-	-
Due from other governmental units	978,465	978,465	1,914,298	-
Prepaid expenses	14,743	14,743	7,259	691
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	1,197,550
Capital assets (net of accumulated depreciation):				
Land	2,328,523	2,328,523	866,127	913,325
Buildings and system	17,121,736	17,121,736	17,749,293	341,530
Machinery and equipment	1,595,009	1,595,009	3,044,341	17,542
Intangible assets	-	-	-	5,355,305
Infrastructure	-	-	-	784,416
Construction in progress	20,078,316	20,078,316	668,545	3,029,633
Total assets	<u>\$ 133,957,810</u>	<u>\$ 133,957,810</u>	<u>\$ 29,447,316</u>	<u>\$ 21,332,237</u>
LIABILITIES				
Accounts payable	\$ 1,279,752	\$ 1,279,752	\$ 470,618	\$ 63,567
Accrued liabilities	-	-	4,509,040	-
Amounts held for future projects	-	-	-	64,413
Customers' deposits	-	-	-	40,603
Accrued interest payable	503,896	503,896	-	-
Due to primary government	-	-	2,057,840	-
Unearned revenue	31,745,950	31,745,950	-	-
Long-term liabilities:				
Due within one year	2,141,551	2,141,551	50,559	-
Due in more than one year	23,869,687	23,869,687	2,047,256	63,547
Total liabilities	<u>\$ 59,540,836</u>	<u>\$ 59,540,836</u>	<u>\$ 9,135,313</u>	<u>\$ 232,130</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 18,143,105	\$ 18,143,105	\$ 22,328,306	\$ 10,441,751
Restricted for:				
Future capital expenses	-	-	-	1,145,637
Unrestricted (deficit)	56,273,869	56,273,869	(2,016,303)	9,512,719
Total net assets	<u>\$ 74,416,974</u>	<u>\$ 74,416,974</u>	<u>\$ 20,312,003</u>	<u>\$ 21,100,107</u>

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

COUNTY OF LOUISA, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2011

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,677,873	\$ 77,620	\$ 302,854	\$ -
Judicial administration	2,102,860	125,991	573,926	-
Public safety	11,613,566	1,458,471	2,083,913	37,359
Public works	3,785,930	390,608	3,693	275,109
Health and welfare	7,190,521	-	3,692,038	-
Education	27,275,972	-	-	-
Parks, recreation, and cultural	1,496,928	474,411	5,000	-
Community development	12,482,752	-	-	-
Interest on long-term debt	971,342	-	-	-
Total governmental activities	\$ 70,597,744	\$ 2,527,101	\$ 6,661,424	\$ 312,468
COMPONENT UNITS:				
School Board	\$ 49,322,703	\$ 975,224	\$ 20,694,408	\$ 180,000
Louisa County Water Authority	2,448,769	1,909,259	-	9,684,061
Total component units	\$ 51,771,472	\$ 2,884,483	\$ 20,694,408	\$ 9,864,061

General revenues:

General property taxes
Local sales and use taxes
Taxes on recordation and wills
Motor vehicle licenses taxes
Consumers' utility taxes
E-911 / communication taxes
Other local taxes
Unrestricted revenues from use of money and property
Miscellaneous
Payment from primary government
Grants and contributions not restricted to specific programs
Gain on disposal of capital assets

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets				
Primary Government		Component Units		
Governmental Activities	Total	School Board	Louisa County Water Authority	
\$ (3,297,399)	\$ (3,297,399)			
(1,402,943)	(1,402,943)			
(8,033,823)	(8,033,823)			
(3,116,520)	(3,116,520)			
(3,498,483)	(3,498,483)			
(27,275,972)	(27,275,972)			
(1,017,517)	(1,017,517)			
(12,482,752)	(12,482,752)			
(971,342)	(971,342)			
<u>\$ (61,096,751)</u>	<u>\$ (61,096,751)</u>			
		\$ (27,473,071)	\$ -	
		-	9,144,551	
		<u>\$ (27,473,071)</u>	<u>\$ 9,144,551</u>	
\$ 46,946,443	\$ 46,946,443	\$ -	\$ -	
2,604,059	2,604,059	-	-	
410,873	410,873	-	-	
556,974	556,974	-	-	
591,476	591,476	-	-	
362,146	362,146	-	-	
246,305	246,305	-	-	
356,548	356,548	2,254	57,554	
184,314	184,314	302,492	-	
-	-	26,957,122	605,530	
1,529,514	1,529,514	-	-	
1,701	1,701	-	-	
<u>\$ 53,790,353</u>	<u>\$ 53,790,353</u>	<u>\$ 27,261,868</u>	<u>\$ 663,084</u>	
<u>\$ (7,306,398)</u>	<u>\$ (7,306,398)</u>	<u>\$ (211,203)</u>	<u>\$ 9,807,635</u>	
<u>81,723,372</u>	<u>81,723,372</u>	<u>20,523,206</u>	<u>11,292,472</u>	
<u>\$ 74,416,974</u>	<u>\$ 74,416,974</u>	<u>\$ 20,312,003</u>	<u>\$ 21,100,107</u>	

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Fund Financial Statements

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Balance Sheet
Governmental Funds
June 30, 2011

	General	Capital Projects	Total
ASSETS			
Cash and cash equivalents	\$ 45,828,782	\$ 8,064,261	\$ 53,893,043
Receivables (net of allowance for uncollectibles):			
Taxes receivable	35,014,848	-	35,014,848
Accounts receivable	306,371	170	306,541
Landfill accounts	55,785	-	55,785
Due from component unit	2,057,840	-	2,057,840
Due from other governmental units	1,149,569	341,857	1,491,426
Prepaid items	14,743	-	14,743
Total assets	<u>\$ 84,427,938</u>	<u>\$ 8,406,288</u>	<u>\$ 92,834,226</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 764,374	\$ 515,376	\$ 1,279,750
Deferred revenue	34,833,458	-	34,833,458
Total liabilities	<u>\$ 35,597,832</u>	<u>\$ 515,376</u>	<u>\$ 36,113,208</u>
Fund balances:			
General fund:			
Committed:			
NAPS stabilization	\$ 15,800,000	\$ -	\$ 15,800,000
Assigned:			
Landfill closure	2,648,258	-	2,648,258
Landfill development	995,742	-	995,742
Zion Crossroads development debt	441,570	-	441,570
Unassigned	28,944,536	-	28,944,536
Capital projects funds:			
Assigned for capital projects	-	7,890,912	7,890,912
Total fund balances	<u>\$ 48,830,106</u>	<u>\$ 7,890,912</u>	<u>\$ 56,721,018</u>
Total liabilities and fund balances	<u>\$ 84,427,938</u>	<u>\$ 8,406,288</u>	<u>\$ 92,834,226</u>

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 56,721,018

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

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the locality as a whole.	41,123,584
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid.	(503,896)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets are offset by deferred revenues in the governmental funds and thus are not included in the fund balance.	3,087,506
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. All liabilities--both current and long-term--are reported in the Statement of Net Assets.	(26,011,238)
Net assets of governmental activities	<u>\$ 74,416,974</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, 2011

	General	Capital Projects	Total
REVENUES			
General property taxes	\$ 46,990,688	\$ -	\$ 46,990,688
Other local taxes	4,771,833	-	4,771,833
Permits, privilege fees, and regulatory licenses	590,423	-	590,423
Fines and forfeitures	239,817	-	239,817
Revenue from the use of money and property	266,716	89,832	356,548
Charges for services	1,696,861	-	1,696,861
Miscellaneous	125,994	90,765	216,759
Recovered costs	163,522	-	163,522
Intergovernmental revenues:			
Commonwealth	5,793,984	578,538	6,372,522
Federal	1,765,919	364,965	2,130,884
Total revenues	<u>\$ 62,405,757</u>	<u>\$ 1,124,100</u>	<u>\$ 63,529,857</u>
EXPENDITURES			
Current:			
General government administration	\$ 3,201,991	\$ -	\$ 3,201,991
Judicial administration	1,891,250	-	1,891,250
Public safety	10,495,034	-	10,495,034
Public works	4,703,428	-	4,703,428
Health and welfare	7,298,075	-	7,298,075
Education	25,047,755	-	25,047,755
Parks, recreation, and cultural	1,393,472	-	1,393,472
Community development	1,525,489	-	1,525,489
Capital projects	-	14,827,245	14,827,245
Debt service:			
Principal retirement	1,940,000	-	1,940,000
Interest and other fiscal charges	1,156,368	-	1,156,368
Total expenditures	<u>\$ 58,652,862</u>	<u>\$ 14,827,245</u>	<u>\$ 73,480,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,752,895</u>	<u>\$ (13,703,145)</u>	<u>\$ (9,950,250)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 822,532	\$ 2,270,101	\$ 3,092,633
Transfers out	<u>(2,270,101)</u>	<u>(822,532)</u>	<u>(3,092,633)</u>
Total other financing sources (uses)	<u>\$ (1,447,569)</u>	<u>\$ 1,447,569</u>	<u>\$ -</u>
Net change in fund balances	\$ 2,305,326	\$ (12,255,576)	\$ (9,950,250)
Fund balances - beginning	46,524,780	20,146,488	66,671,268
Fund balances - ending	<u>\$ 48,830,106</u>	<u>\$ 7,890,912</u>	<u>\$ 56,721,018</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds	\$ (9,950,250)
--	----------------

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	\$ 2,220,443	
Depreciation expense	(1,437,830)	
Net effect on disposal of capital assets	(30,744)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>(618,875)</u>	132,994

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(44,245)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. Details supporting this adjustment are as follows:

Principal retired on general obligation bonds	\$ 1,940,000	
Amortization of premiums on bonds payable	<u>134,958</u>	2,074,958

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

(Increase)/decrease in landfill closure and postclosure liability	\$ 591,789	
(Increase)/decrease in other post-employment benefits liabilities	(188,053)	
(Increase)/decrease in accrued interest	50,066	
(Increase)/decrease in compensated absences	<u>26,343</u>	<u>480,145</u>

Change in net assets of governmental activities	\$ <u><u>(7,306,398)</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 665,963
Total assets	\$ <u>665,963</u>
LIABILITIES	
Amounts held for social services clients	\$ 2,716
Amounts held for projects	663,247
Amounts held for others	-
Total liabilities	\$ <u>665,963</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, 2011

Note 1—Summary of Significant Accounting Policies:

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units

Component Unit School Board

The School Board members are elected by the voters and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2011.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units: (Continued)

Component Unit Louisa County Water Authority: (Continued)

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

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

None

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

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

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

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

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

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

The government reports the following major governmental funds:

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for 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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

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.

Additionally, the government reports the following fund types:

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

D. Budgets and Budgetary Accounting

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

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

E. Cash and Cash Equivalents

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

State 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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

F. Investments

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

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.

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 \$900,221 at June 30, 2011 and is comprised solely of property taxes.

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

H. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The County reported no capitalized interest as of June 30, 2011.

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

I. Compensated Absences

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

J. Long-term Obligations

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

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

K. Fund Balances

Financial Policies

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

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

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

K. Fund Balances: (Continued)

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

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

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

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 is authorized to assign amounts for specific purposes. Exhibit 3 and 13 provide details of the amounts that have been assigned for specific purposes. The Board of Supervisors is also authorized to commit amounts for purposes. The Board has committed \$15,800,000 for the North Anna Power Station stabilization fund. Funds can be used, at Board discretion, to stabilize the local economy, or to budget and replace, supplant, or otherwise account for losses to County revenue in the event of revenue losses from the North Anna Power Station.

L. Retirement Plan

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

M. Use of Estimates

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

N. Net Assets

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

O. Prepaid Items

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 2—Deposits and Investments:

Deposits

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

Investments

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

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

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2011 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

Locality's Rated Debt Investments' Values	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
Local Government Investment Pool	\$ 26,294,980
State Non-Arbitrage Pool (SNAP)	461,543
Total	<u>\$ 26,756,523</u>

External Investment Pools

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

The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) are the same as the value of the pool shares. As the LGIP is SEC registered, regulatory oversight of the pools rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 3—Due From Other Governmental Units:

At June 30, 2011 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	\$ -	\$ 751,566
Local Sales Taxes	468,218	-
Communication Tax	55,149	-
Recordation Tax	30,134	-
VPA Funds	128,179	-
Motor Vehicle Carriers Tax	4,223	-
Shared Expenses	172,954	-
Mobile Home Titling Tax	1,171	-
Comprehensive Services Act Reimbursement	124,370	-
Other State Aid	21,220	-
Federal Government:		
School Funds	-	1,162,732
Homeland Security grants	317,685	-
Law Enforcement	31,605	-
VPA Funds	136,518	-
Total	\$ <u>1,491,426</u>	\$ <u>1,914,298</u>

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

<u>Fund</u>	<u>Due From Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 2,057,840	\$ -
School	-	2,057,840
Totals	\$ <u>2,057,840</u>	\$ <u>2,057,840</u>

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2011:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,488,506	\$ 840,017	\$ -	\$ 2,328,523
Construction in Progress	<u>19,935,168</u>	<u>1,135,526</u>	<u>992,378</u>	<u>20,078,316</u>
Total capital assets not being depreciated	<u>\$ 21,423,674</u>	<u>\$ 1,975,543</u>	<u>\$ 992,378</u>	<u>\$ 22,406,839</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 25,645,489	\$ 170,268	\$ 1,010,000	\$ 24,805,757
Equipment	<u>6,498,166</u>	<u>1,067,010</u>	<u>289,553</u>	<u>7,275,623</u>
Total capital assets being depreciated	<u>\$ 32,143,655</u>	<u>\$ 1,237,278</u>	<u>\$ 1,299,553</u>	<u>\$ 32,081,380</u>
Less accumulated depreciation for:				
Buildings	\$ 7,409,233	\$ 665,913	\$ 391,125	\$ 7,684,021
Equipment	<u>5,167,506</u>	<u>771,917</u>	<u>258,809</u>	<u>5,680,614</u>
Total accumulated depreciation	<u>\$ 12,576,739</u>	<u>\$ 1,437,830</u>	<u>\$ 649,934</u>	<u>\$ 13,364,635</u>
Total capital assets being depreciated, net	<u>\$ 19,566,916</u>	<u>\$ (200,552)</u>	<u>\$ 649,619</u>	<u>\$ 18,716,745</u>
Governmental activities capital assets, net	<u><u>\$ 40,990,590</u></u>	<u><u>\$ 1,774,991</u></u>	<u><u>\$ 1,641,997</u></u>	<u><u>\$ 41,123,584</u></u>

The following is a summary of changes in School Board capital assets during the year:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Capital assets, not being depreciated:				
Land	\$ 866,127	\$ -	\$ -	\$ 866,127
Construction in progress	<u>-</u>	<u>668,545</u>	<u>-</u>	<u>668,545</u>
Total capital assets not being depreciated	<u>\$ 866,127</u>	<u>\$ 668,545</u>	<u>\$ -</u>	<u>\$ 1,534,672</u>
Capital assets being depreciated:				
Buildings	\$ 38,488,662	\$ 1,208,937	\$ -	\$ 39,697,599
Equipment	<u>8,985,287</u>	<u>626,625</u>	<u>-</u>	<u>9,611,912</u>
Total capital assets being depreciated	<u>\$ 47,473,949</u>	<u>\$ 1,835,562</u>	<u>\$ -</u>	<u>\$ 49,309,511</u>
Less accumulated depreciation for:				
Buildings	\$ 20,369,182	\$ 1,704,124	\$ 125,000	\$ 21,948,306
Equipment	<u>5,790,396</u>	<u>777,175</u>	<u>-</u>	<u>6,567,571</u>
Total accumulated depreciation	<u>\$ 26,159,578</u>	<u>\$ 2,481,299</u>	<u>\$ 125,000</u>	<u>\$ 28,515,877</u>
Total capital assets being depreciated, net	<u>\$ 21,314,371</u>	<u>\$ (645,737)</u>	<u>\$ (125,000)</u>	<u>\$ 20,793,634</u>
School Board capital assets, net	<u><u>\$ 22,180,498</u></u>	<u><u>\$ 22,808</u></u>	<u><u>\$ (125,000)</u></u>	<u><u>\$ 22,328,306</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 5—Capital Assets: (Continued)

Capital asset activity for the School Board for the year ended June 30, 2011 was as follows:

Depreciation expense	\$ 2,215,174
Disposals of assets	(125,000)
Depreciation on joint tenancy assets- transferred to School Board	<u>266,125</u>
Net increases in accumulated depreciation	\$ <u><u>2,356,299</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, 2011, is that school financed assets in the amount of \$5,000,000 are reported in the Primary Government for financial reporting purposes.

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

Governmental activities:	
General Government Administration	\$ 199,974
Judicial Administration	141,735
Public Safety	580,057
Public Works	115,337
Health and Welfare	34,504
Education	125,000
Parks, Recreation and Cultural	109,121
Community Development	<u>132,102</u>
Total	\$ <u><u>1,437,830</u></u>
Component Unit School Board	\$ <u><u>2,215,174</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2011:

	Amounts Payable July 1, 2010	Increases	Decreases	Amounts Payable June 30, 2011	Amounts Due Within One Year
Compensated absences payable	\$ 611,104	\$ 953,390	\$ 979,733	\$ 584,761	\$ 58,476
General obligation bonds	24,135,000	-	1,940,000	22,195,000	1,955,000
Premium on bonds payable	1,378,782	-	134,958	1,243,824	128,075
Other post-employment benefits	396,004	244,230	56,177	584,057	-
Landfill closure and postclosure care	1,995,385	-	591,789	1,403,596	-
Total	\$ 28,516,275	\$ 1,197,620	\$ 3,702,657	\$ 26,011,238	\$ 2,141,551

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

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

Year Ending June 30,	General Obligation Bonds		Premium on Bonds Payable	
	Principal	Interest	Principal	Interest
2012	\$ 1,955,000	\$ 1,048,748	\$ 128,075	\$ -
2013	1,960,000	947,323	121,856	-
2014	1,975,000	841,403	114,994	-
2015	1,155,000	761,475	108,277	-
2016	1,165,000	707,183	101,560	-
2017	1,180,000	649,853	94,423	-
2018	1,195,000	591,758	87,286	-
2019	1,205,000	530,925	79,782	-
2020	1,220,000	473,131	72,921	-
2021	1,240,000	414,443	66,059	-
2022	925,000	359,603	58,555	-
2023	925,000	313,508	51,126	-
2024	925,000	267,412	43,696	-
2025	925,000	220,605	36,192	-
2026	925,000	177,472	29,330	-
2027	925,000	134,339	22,469	-
2028	925,000	90,288	15,447	-
2029	735,000	51,082	8,932	-
2030	735,000	16,262	2,844	-
Total	\$ 22,195,000	\$ 8,596,813	\$ 1,243,824	\$ -

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations

General Obligation Bonds:

	<u>Amount Outstanding</u>	<u>Due Within One Year</u>
\$3,800,000 Series 2007A issued November 8, 2007 in annual installments ranging from \$194,845 to \$413,333 beginning July 15, 2008 through July 15, 2028, interest ranging from 4.35% to 5.10%	\$ 3,230,000	\$ 190,000
\$16,110,000 Series 1994A issued May 5, 1994 in annual installments ranging from \$690,000 to \$830,000 beginning July 15, 1994 through July 15, 2013, interest ranging from 6.10% to 6.30%	2,485,000	830,000
\$14,705,000 Series 2009A issued May 7, 2009, due in annual installments ranging from \$475,262 to \$1,411,211 beginning January 15, 2010 through January 15, 2030, interest ranging from 4.05% to 5.05%	13,965,000	735,000
\$4,000,000 Series 2000A issued November 16, 2000, due in annual installments ranging from \$120,000 to \$315,000 beginning July 15, 2001 through July 15, 2020, interest ranging from 4.975% to 5.85%	<u>2,515,000</u>	<u>200,000</u>
Total General Obligation Bonds	\$ <u>22,195,000</u>	\$ <u>1,955,000</u>
Premium on Bonds Payable	\$ 1,243,824	\$ 128,075
Accrued compensated absences	\$ 584,761	\$ 58,476
Other post-employment benefits	\$ 584,057	\$ -
Landfill closure, postclosure care and corrective action costs	\$ <u>1,403,596</u>	\$ -
Total Long-Term Obligations	\$ <u><u>26,011,238</u></u>	\$ <u><u>2,141,551</u></u>

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

Component Unit School Board:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2011:

	<u>Amounts Payable July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$ 522,095	\$ 2,973,335	\$ 2,989,842	\$ 505,588	\$ 50,559
Other post-employment benefits	<u>1,152,030</u>	<u>588,298</u>	<u>148,101</u>	<u>1,592,227</u>	<u>-</u>
Total	\$ <u><u>1,674,125</u></u>	\$ <u><u>3,561,633</u></u>	\$ <u><u>3,137,943</u></u>	\$ <u><u>2,097,815</u></u>	\$ <u><u>50,559</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 7—Deferred Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred revenue totaling \$34,833,458 is comprised of the following:

- A. Primary Government—Deferred Parks & Recreation Revenue: Deferred revenue representing amounts collected prior to June 30 not available for funding of current expenditures totaled \$29,517 at June 30, 2011.
- B. Primary Government—Deferred Property Taxes – Deferred revenue representing deferred property tax revenues totaled \$34,803,941 at June 30, 2011.

Note 8—Defined Benefit Pension Plan:

A. Plan Description

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

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

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

A. Plan Description: (Continued)

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

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

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2010-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2011 were 8.55% and 6.09% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$940,988, \$2,111,983 and \$2,164,789, to the teacher cost-sharing pool for the fiscal years ended June 30, 2011, 2010 and 2009, respectively. The contribution rate was 8.81% in 2009, 8.81% from July 2009 through March 2010, zero (0.00%) for April through June 2010 and 3.93% in 2011.

C. Annual Pension Cost

For fiscal year 2011, the County's annual pension cost of \$856,748 was equal to the County's required and actual contributions.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

For fiscal year 2011, the County and School Board's annual pension cost for the Board's non-professional employees was \$209,427, which was equal to the Board's required and actual contributions.

Three-Year Trend Information for the County

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2011	\$ 856,748	100%	\$ -
June 30, 2010	777,963	100%	-
June 30, 2009	722,401	100%	-

(1) Employer portion only

Three-Year Trend Information for the School Board

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
School Board:			
Non-			
June 30, 2011	\$ 209,427	100%	\$ -
June 30, 2010	202,579	100%	-
June 30, 2009	204,431	100%	-

(1) Employer portion only

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress:

As of June 30, 2010, the most recent actuarial valuation date, the County's plan was 83.66% funded. The actuarial accrued liability for benefits was \$24,647,304, and the actuarial value of assets was \$20,619,407, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,027,897. The covered payroll (annual payroll of active employees covered by the plan) was \$10,037,966, and ratio of the UAAL to the covered payroll was 40.13%.

As of June 30, 2010, the most recent actuarial valuation date, the County School Board's plan was 86.00% funded. The actuarial accrued liability for benefits was \$10,350,280, and the actuarial value of assets was \$8,901,553, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,448,727. The covered payroll (annual payroll of active employees covered by the plan) was \$3,241,463, and ratio of the UAAL to the covered payroll was 44.69%.

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

Note 9—Contingent Liabilities:

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

Note 10—Landfill Closure and Postclosure Care Cost:

The County of Louisa, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used at each balance sheet date. The liability in the amount of \$1,403,596 reported as landfill closure, postclosure and corrective action liability on the June 30, 2011 Statement of Net Assets is equal to the expected closure and postclosure costs, based on an expected closure date of fiscal year 2013. The landfill has an estimated remaining life of 2 years and an estimated 75% capacity has been used as of June 30, 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County does not expect complete closure on the landfill for another 1-2 years after mandated closing in 2013. The County has demonstrated financial assurance requirements for closure, postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. Also, the County intends to fund these costs from funds accumulated for this purpose in the General Fund.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 11—Risk Management:

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

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

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

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

Note 12—Litigation:

At June 30, 2011, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

Note 13—Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ 822,532	\$ 2,270,101
Capital Projects Fund	<u>2,270,101</u>	<u>822,532</u>
Total	<u>\$ 3,092,633</u>	<u>\$ 3,092,633</u>

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 14—Surety Bonds:

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

Note 15—Other Post-Employment Benefits Program:

Background

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

Plan Description

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

Funding Policy:

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

Annual OPEB Cost and Net OPEB Obligation

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

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Annual required contribution	\$ 244,877	\$ 590,181
Interest on OPEB obligation	15,840	46,081
Adjustment to annual required contribution	(16,487)	(47,964)
Annual OPEB cost (expense)	\$ 244,230	\$ 588,298
Estimated contribution made during FY 2011	(56,176)	(148,101)
Increase in net OPEB obligation	\$ 188,054	\$ 440,197
Net OPEB obligation - beginning of year	396,004	1,152,030
Net OPEB obligation - end of year	<u>\$ 584,058</u>	<u>\$ 1,592,227</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
June 30, 2011 \$	244,230	23.00% \$	584,058
June 30, 2010	236,383	15.77%	396,004
June 30, 2009	222,461	16.75%	185,182
Schools:			
June 30, 2011 \$	588,298	25.17% \$	1,592,227
June 30, 2010	733,172	21.40%	1,152,030
June 30, 2009	733,172	21.40%	576,253

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

The following simplifying assumptions were made:

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

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

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

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 16—Subsequent Event:

On August 23, 2011 the County experienced an earthquake in the magnitude of 5.8 whereby several public structures including two public schools sustained structural damage. As of the date of the report, estimated damages for the public schools structures totals \$63.8 million. Additionally, County government structures sustained damages in the amount of \$690,000 (including estimates for the Towns of Louisa and Mineral). All structures damaged during the earthquake were insured. The County and school board's insurance will cover a portion (which has yet to be determined) of the replacement or repair costs for the County government and public school structures. Federal Emergency Management Agency has approved a Public Assistance Program for relief aid to the County of Louisa for repairs to County government and public school structures. The estimated amount of relief is unknown as of the date of the auditors report.

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 44,488,773	\$ 44,488,773	\$ 46,990,688	\$ 2,501,915
Other local taxes	4,493,000	4,493,000	4,771,833	278,833
Permits, privilege fees, and regulatory licenses	501,200	501,200	590,423	89,223
Fines and forfeitures	80,000	80,000	239,817	159,817
Revenue from the use of money and property	336,000	336,300	266,716	(69,584)
Charges for services	1,041,440	1,084,401	1,696,861	612,460
Miscellaneous	100,000	139,807	125,994	(13,813)
Recovered costs	104,000	106,750	163,522	56,772
Intergovernmental revenues:				
Commonwealth	5,370,819	6,945,126	5,793,984	(1,151,142)
Federal	1,716,238	1,892,019	1,765,919	(126,100)
Total revenues	\$ 58,231,470	\$ 60,067,376	\$ 62,405,757	\$ 2,338,381
EXPENDITURES				
General government administration:				
Legislative:				
Board of supervisors	\$ 147,128	\$ 147,128	\$ 140,936	\$ 6,192
General and financial administration:				
County administrator	\$ 572,616	\$ 567,825	\$ 497,544	\$ 70,281
County attorney	285,616	379,449	369,574	9,875
Administrative and human resources	187,708	187,840	179,641	8,199
Commissioner of revenue	378,416	382,256	372,131	10,125
Reassessment	464,048	467,646	442,311	25,335
Treasurer	442,744	442,978	418,767	24,211
Finance	336,140	336,383	315,679	20,704
Network administration	403,146	403,319	332,846	70,473
Total general and financial administration	\$ 3,070,434	\$ 3,167,696	\$ 2,928,493	\$ 239,203
Board of elections:				
Electoral board and officials	\$ 165,788	\$ 165,868	\$ 132,562	\$ 33,306
Total general government administration	\$ 3,383,350	\$ 3,480,692	\$ 3,201,991	\$ 278,701
Judicial administration:				
Courts:				
Circuit court	\$ 91,400	\$ 91,444	\$ 74,416	\$ 17,028
General district court	7,160	7,162	5,021	2,141
Juvenile domestic court	5,840	6,073	4,427	1,646
Clerk of the circuit court	483,320	556,367	466,509	89,858
Sheriff - courts	774,212	780,985	710,930	70,055
Law library	-	-	3,974	(3,974)
Total courts	\$ 1,361,932	\$ 1,442,031	\$ 1,265,277	\$ 176,754

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 592,972	\$ 685,773	\$ 625,973	\$ 59,800
Total judicial administration	\$ 1,954,904	\$ 2,127,804	\$ 1,891,250	\$ 236,554
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 3,364,828	\$ 3,580,777	\$ 3,448,633	\$ 132,144
Communications center	684,128	703,034	703,007	27
Emergency 911 system	240,940	240,940	184,223	56,717
Total law enforcement and traffic control	\$ 4,289,896	\$ 4,524,751	\$ 4,335,863	\$ 188,888
Fire and rescue services:				
Office of emergency services	\$ 397,656	\$ 1,253,420	\$ 361,916	\$ 891,504
Fire & rescue assistance	1,528,636	1,709,672	1,627,243	82,429
Revenue recovery	119,990	130,005	92,169	37,836
Emergency services	2,123,472	2,293,652	2,171,907	121,745
Total fire and rescue services	\$ 4,169,754	\$ 5,386,749	\$ 4,253,235	\$ 1,133,514
Correction and detention:				
Sheriff - correction and detention	\$ 1,218,516	\$ 1,387,146	\$ 1,340,084	\$ 47,062
Other protection:				
Animal control	\$ 194,744	\$ 196,023	\$ 163,439	\$ 32,584
Animal shelter	237,564	309,294	131,168	178,126
Forest fire prevention & extinction	28,660	28,660	27,419	1,241
Emergency services (civil defense)	22,964	22,964	22,964	-
Transportation safety commission	1,200	1,220	1,127	93
Transportation department	217,928	222,671	219,735	2,936
Total other protection	\$ 703,060	\$ 780,832	\$ 565,852	\$ 214,980
Total public safety	\$ 10,381,226	\$ 12,079,478	\$ 10,495,034	\$ 1,584,444

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011 (Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
EXPENDITURES: (Continued)				
General services:				
Sanitation and waste removal:				
Scalehouse operations	\$ 94,721	\$ 96,974	\$ 65,523	\$ 31,451
Refuse collection-solid waste control	1,793,528	2,115,644	1,309,092	806,552
Total sanitation and waste removal	\$ 1,888,249	\$ 2,212,618	\$ 1,374,615	\$ 838,003
Maintenance of general buildings and grounds:				
General properties	\$ 2,304,488	\$ 3,170,402	\$ 2,567,508	\$ 602,894
Water and wastewater	135,700	774,023	761,305	12,718
Total maintenance of general buildings and grounds	\$ 2,440,188	\$ 3,944,425	\$ 3,328,813	\$ 615,612
Total public works	\$ 4,328,437	\$ 6,157,043	\$ 4,703,428	\$ 1,453,615
Health and social services:				
Health:				
Family services	\$ 100,348	\$ 22,743	\$ 22,719	\$ 24
Supplement of local health department	672,660	672,663	642,621	30,042
Total health	\$ 773,008	\$ 695,406	\$ 665,340	\$ 30,066
Mental health and mental retardation:				
Region 10	\$ 135,000	\$ 135,000	\$ 135,000	\$ -
Social services:				
Administration & public assistance	\$ 3,674,819	\$ 4,146,151	\$ 3,705,192	\$ 440,959
At risk youth	2,040,000	2,452,305	2,046,499	405,806
Monticello Area Community Action Agency	36,000	36,000	36,000	-
Jefferson Area Board for Aging	302,848	302,848	302,848	-
Housing assistance	112,000	112,000	112,000	-
Social service agency donations	295,196	295,196	295,196	-
Total social services	\$ 6,460,863	\$ 7,344,500	\$ 6,497,735	\$ 846,765
Total health and social services	\$ 7,368,871	\$ 8,174,906	\$ 7,298,075	\$ 876,831
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 26,155,123	\$ 26,155,124	\$ 25,014,427	\$ 1,140,697
Contributions to local community college	33,328	33,328	33,328	-
Total education	\$ 26,188,451	\$ 26,188,452	\$ 25,047,755	\$ 1,140,697
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 966,564	\$ 982,952	\$ 848,765	\$ 134,187
Swimming pools	126,164	166,742	147,995	18,747
Total parks and recreation	\$ 1,092,728	\$ 1,149,694	\$ 996,760	\$ 152,934

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 4,000	\$ 4,000	\$ 4,000	\$ -
Community organizations	60,000	77,760	65,000	12,760
Total cultural enrichment	\$ 64,000	\$ 81,760	\$ 69,000	\$ 12,760
Library:				
Contribution to regional library	\$ 327,712	\$ 327,712	\$ 327,712	\$ -
Total parks, recreation, and cultural	\$ 1,484,440	\$ 1,559,166	\$ 1,393,472	\$ 165,694
Community development:				
Planning and community development:				
Planning	\$ 1,102,732	\$ 1,121,990	\$ 1,012,320	\$ 109,670
Planning District Commission	48,132	48,132	48,132	-
Industrial Development Authority	123,000	123,000	123,000	-
Economic development	129,544	140,466	108,803	31,663
Tourism	102,280	131,862	56,525	75,337
Total planning and community development	\$ 1,505,688	\$ 1,565,450	\$ 1,348,780	\$ 216,670
Environmental management:				
Soil and water conservation district	\$ 73,880	\$ 73,880	\$ 73,880	\$ -
Cooperative extension program:				
VPI extension	\$ 113,120	\$ 113,142	\$ 102,829	\$ 10,313
Total community development	\$ 1,692,688	\$ 1,752,472	\$ 1,525,489	\$ 226,983
Nondepartmental:				
Miscellaneous	\$ 799,304	\$ 115,869	\$ -	\$ 115,869
Debt service:				
Principal retirement	\$ 2,071,959	\$ 2,071,959	\$ 1,940,000	\$ 131,959
Interest and other fiscal charges	1,157,029	1,157,029	1,156,368	661
Total debt service	\$ 3,228,988	\$ 3,228,988	\$ 3,096,368	\$ 132,620
Total Expenditures	\$ 60,810,659	\$ 64,864,870	\$ 58,652,862	\$ 6,212,008
Excess (deficiency) of revenues over (under) expenditures				
	\$ (2,579,189)	\$ (4,797,494)	\$ 3,752,895	\$ 8,550,389
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 752,583	\$ 822,532	\$ 822,532	\$ -
Transfers out	\$ -	\$ (2,971)	\$ (2,270,101)	\$ (2,267,130)
Total other financing sources and uses	\$ 752,583	\$ 819,561	\$ (1,447,569)	\$ (2,267,130)
Net change in fund balances	\$ (1,826,606)	\$ (3,977,933)	\$ 2,305,326	\$ 6,283,259
Fund balances - beginning	1,826,606	3,977,933	46,524,780	42,546,847
Fund balances - ending	\$ -	\$ -	\$ 48,830,106	\$ 48,830,106

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

County:

Valuation Date		Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)		(2)	(3)	(4)	(5)	(6)	(7)
6/30/2010	\$	20,619,407	\$ 24,647,304	\$ 4,027,897	83.66%	\$ 10,037,966	40.13%
6/30/2009		19,829,329	22,215,473	2,386,144	89.26%	9,655,181	24.71%
6/30/2008		18,805,064	20,510,227	1,705,163	91.69%	8,779,147	19.42%

Discretely Presented Component Unit - School Board
School Board Non-Professionals:

Valuation Date		Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded (Excess Funded) Actuarial Accrued Liability	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)		(2)	(3)	(4)	(5)	(6)	(7)
6/30/2010	\$	8,901,553	\$ 10,350,280	\$ 1,448,727	86.00%	\$ 3,241,463	44.69%
6/30/2009		8,771,928	9,452,254	680,326	92.80%	3,309,996	20.55%
6/30/2008		8,443,413	8,676,354	232,941	97.32%	3,132,559	7.44%

Other Post-Employment Benefits
Schedule of Pension Funding Progress

County:

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

Discretely Presented Component Unit - School Board

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

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

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Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 200,000	\$ 200,000	\$ 89,832	\$ (110,168)
Miscellaneous	50,000	82,444	90,765	8,321
Intergovernmental revenues:				
Commonwealth	100,000	685,827	578,538	(107,289)
Federal	-	1,249,665	364,965	(884,700)
Total revenues	<u>\$ 350,000</u>	<u>\$ 2,217,936</u>	<u>\$ 1,124,100</u>	<u>\$ (1,093,836)</u>
EXPENDITURES				
Current:				
Economic development projects	\$ 122,100	\$ 19,625,418	\$ 11,163,899	\$ 8,461,519
Emergency services projects	450,000	853,039	608,431	244,608
County administration	124,000	553,447	431,697	121,750
Parks and recreation	108,000	337,331	22,229	315,102
Sheriff's department	282,000	1,621,528	418,394	1,203,134
School capital projects	910,000	4,207,931	1,847,508	2,360,423
Public works	20,000	1,078,296	335,087	743,209
Total expenditures	<u>\$ 2,016,100</u>	<u>\$ 28,276,990</u>	<u>\$ 14,827,245</u>	<u>\$ 13,449,745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,666,100)</u>	<u>\$ (26,059,054)</u>	<u>\$ (13,703,145)</u>	<u>\$ 12,355,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,418,687	\$ 26,864,430	\$ 2,270,101	\$ (24,594,329)
Transfers out	<u>(752,587)</u>	<u>(822,536)</u>	<u>(822,532)</u>	<u>4</u>
Total other financing sources and uses	<u>\$ 1,666,100</u>	<u>\$ 26,041,894</u>	<u>\$ 1,447,569</u>	<u>\$ (24,594,325)</u>
Net change in fund balances	\$ -	\$ (17,160)	\$ (12,255,576)	\$ (12,238,416)
Fund balances - beginning	-	17,160	20,146,488	20,129,328
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,890,912</u></u>	<u><u>\$ 7,890,912</u></u>

Combining Statement of Fiduciary Net Assets
 Agency Funds
 June 30, 2011

	Agency Funds		
	Special Welfare	Bond Escrow Fund	Total
ASSETS			
Cash and cash equivalents	\$ 2,716	\$ 663,247	\$ 665,963
Total assets	<u>\$ 2,716</u>	<u>\$ 663,247</u>	<u>\$ 665,963</u>
LIABILITIES			
Amounts held for social services clients	\$ 2,716	\$ -	\$ 2,716
Amounts held for projects	-	663,247	663,247
Total liabilities	<u>\$ 2,716</u>	<u>\$ 663,247</u>	<u>\$ 665,963</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2011

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 39,847	\$ 44,727	\$ 81,858	\$ 2,716
Total assets	<u>\$ 39,847</u>	<u>\$ 44,727</u>	<u>\$ 81,858</u>	<u>\$ 2,716</u>
LIABILITIES				
Amounts held for social services clients	\$ 39,847	\$ 44,727	\$ 81,858	\$ 2,716
Total liabilities	<u>\$ 39,847</u>	<u>\$ 44,727</u>	<u>\$ 81,858</u>	<u>\$ 2,716</u>
Bond Escrow Account:				
ASSETS				
Cash and cash equivalents	\$ 774,187	\$ 327,518	\$ 438,458	\$ 663,247
Total assets	<u>\$ 774,187</u>	<u>\$ 327,518</u>	<u>\$ 438,458</u>	<u>\$ 663,247</u>
LIABILITIES				
Amounts held for projects	\$ 774,187	\$ 327,518	\$ 438,458	\$ 663,247
Total liabilities	<u>\$ 774,187</u>	<u>\$ 327,518</u>	<u>\$ 438,458</u>	<u>\$ 663,247</u>
Sheriff's Accounts:				
ASSETS				
Cash and cash equivalents	\$ 4,827	\$ -	\$ 4,827	\$ -
Total assets	<u>\$ 4,827</u>	<u>\$ -</u>	<u>\$ 4,827</u>	<u>\$ -</u>
LIABILITIES				
Amounts held for others	\$ 4,827	\$ -	\$ 4,827	\$ -
Total liabilities	<u>\$ 4,827</u>	<u>\$ -</u>	<u>\$ 4,827</u>	<u>\$ -</u>
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 818,861	\$ 372,245	\$ 525,143	\$ 665,963
Total assets	<u>\$ 818,861</u>	<u>\$ 372,245</u>	<u>\$ 525,143</u>	<u>\$ 665,963</u>
LIABILITIES				
Amounts held for social services clients	\$ 39,847	\$ 44,727	\$ 81,858	\$ 2,716
Amounts held for projects	774,187	327,518	438,458	663,247
Amounts held for others	4,827	-	4,827	-
Total liabilities	<u>\$ 818,861</u>	<u>\$ 372,245</u>	<u>\$ 525,143</u>	<u>\$ 665,963</u>

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Discretely Presented Component Unit-School Board

Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2011

	School Operating Fund
ASSETS	
Cash and cash equivalents	\$ 5,074,711
Receivables (net of allowance for uncollectibles):	
Accounts receivable	122,742
Due from other governmental units	1,914,298
Prepaid items	7,259
Total assets	<u>\$ 7,119,010</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 470,668
Accrued liabilities	4,508,990
Due to primary government	2,057,840
Total liabilities	<u>\$ 7,037,498</u>
Fund balances:	
Assigned:	
Cafeteria operations	\$ 81,512
Total fund balances	<u>\$ 81,512</u>
Total liabilities and fund balances	<u>\$ 7,119,010</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 81,512
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,328,306
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,097,815)</u>
Net assets of governmental activities	<u>\$ 20,312,003</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2011

	School Operating Fund
REVENUES	
Revenue from the use of money and property	\$ 2,254
Charges for services	975,224
Miscellaneous	302,018
Recovered costs	422,769
Intergovernmental revenues:	
Local government	25,014,427
Commonwealth	16,649,606
Federal	4,224,802
Total revenues	<u>\$ 47,591,100</u>

EXPENDITURES

Current:	
Education	<u>\$ 47,526,421</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 64,679</u>
Net change in fund balances	\$ 64,679
Fund balances - beginning	<u>16,833</u>
Fund balances - ending	<u><u>\$ 81,512</u></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	\$ 64,679
--	-----------

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

Capital outlay	\$ 1,494,107	
Depreciation expense	(1,965,174)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>618,875</u>	\$ 147,808

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

Decrease in accrued leave	\$ 16,507	
(Increase) OPEB liability	<u>(440,197)</u>	<u>\$ (423,690)</u>

Change in net assets of governmental activities	<u><u>\$ (211,203)</u></u>
---	----------------------------

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2011

School Operating Fund				
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 5,500	\$ 5,500	\$ 2,254	\$ (3,246)
Charges for services	1,175,974	1,175,974	975,224	(200,750)
Miscellaneous	232,500	232,500	302,018	69,518
Recovered costs	460,000	460,000	422,769	(37,231)
Intergovernmental revenues:				
Local government	26,155,123	26,155,123	25,014,427	(1,140,696)
Commonwealth	17,015,028	17,145,717	16,649,606	(496,111)
Federal	3,326,585	5,315,318	4,224,802	(1,090,516)
Total revenues	<u>\$ 48,370,710</u>	<u>\$ 50,490,132</u>	<u>\$ 47,591,100</u>	<u>\$ (2,899,032)</u>
EXPENDITURES				
Current:				
Education:				
Instruction	\$ 33,622,835	\$ 35,932,269	\$ 33,592,515	\$ 2,339,754
Administration, attendance and health	2,031,428	2,024,446	1,734,846	289,600
Pupil transportation	4,387,252	3,903,457	3,900,380	3,077
Operation and maintenance services	4,311,526	4,289,579	3,897,698	391,881
Facilities	113,991	4,227	2,596	1,631
Technology	1,833,639	2,266,115	2,251,628	14,487
School food services	2,070,039	2,070,039	2,146,758	(76,719)
Total expenditures	<u>\$ 48,370,710</u>	<u>\$ 50,490,132</u>	<u>\$ 47,526,421</u>	<u>\$ 2,963,711</u>
Excess (deficiency) of revenues over (under)				
expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,679</u>	<u>\$ 64,679</u>
Net change in fund balances				
	\$ -	\$ -	\$ 64,679	\$ 64,679
Fund balances - beginning	-	-	16,833	16,833
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,512</u>	<u>\$ 81,512</u>

Supporting Schedules

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Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 25,823,000	\$ 25,823,000	\$ 26,401,145	\$ 578,145
Real and personal public service corporation taxes	14,438,000	14,438,000	14,895,792	457,792
Personal property taxes	3,283,773	3,283,773	4,339,386	1,055,613
Mobile home taxes	53,000	53,000	62,444	9,444
Machinery and tools taxes	291,000	291,000	275,417	(15,583)
Other taxes	365,000	365,000	428,299	63,299
Penalties	175,000	175,000	298,744	123,744
Interest	60,000	60,000	289,461	229,461
Total general property taxes	<u>\$ 44,488,773</u>	<u>\$ 44,488,773</u>	<u>\$ 46,990,688</u>	<u>\$ 2,501,915</u>
Other local taxes:				
Local sales and use taxes	\$ 2,250,000	\$ 2,250,000	\$ 2,604,059	\$ 354,059
Consumers' utility taxes	500,000	500,000	591,476	91,476
Communication taxes	365,000	365,000	362,146	(2,854)
Business license taxes	125,000	125,000	161,873	36,873
Utility license taxes	3,000	3,000	4,619	1,619
Motor vehicle licenses	600,000	600,000	556,974	(43,026)
Taxes on recordation and wills	600,000	600,000	410,873	(189,127)
Hotel and motel room taxes	50,000	50,000	79,813	29,813
Total other local taxes	<u>\$ 4,493,000</u>	<u>\$ 4,493,000</u>	<u>\$ 4,771,833</u>	<u>\$ 278,833</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,000	\$ 13,484	\$ (1,516)
Land use application fees	1,500	1,500	530	(970)
Transfer fees	1,700	1,700	1,566	(134)
Building and other related permits	300,000	300,000	272,138	(27,862)
Zoning and use permits	150,000	150,000	76,813	(73,187)
Erosion and sediment control	30,000	30,000	17,992	(12,008)
Water and sewer connect fees	-	-	204,250	204,250
Permits and other licenses	3,000	3,000	3,650	650
Total permits, privilege fees, and regulatory licenses	<u>\$ 501,200</u>	<u>\$ 501,200</u>	<u>\$ 590,423</u>	<u>\$ 89,223</u>
Fines and forfeitures:				
Court fines and forfeitures	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 239,817</u>	<u>\$ 159,817</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 300,000	\$ 300,000	\$ 249,441	\$ (50,559)
Revenue from use of property	36,000	36,300	17,275	(19,025)
Total revenue from use of money and property	<u>\$ 336,000</u>	<u>\$ 336,300</u>	<u>\$ 266,716</u>	<u>\$ (69,584)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Excess fees of clerk	\$ 75,000	\$ 75,000	\$ 14,627	\$ (60,373)
Charges for law enforcement and traffic control	2,500	2,500	4,997	2,497
Charges for courthouse maintenance	12,000	12,000	18,754	6,754
Treasurer's collection fees	-	-	(2)	(2)
Concealed weapons permits	1,500	1,500	4,731	3,231
Charges for Commonwealth's Attorney	650	650	1,121	471
Ambulance services	119,990	119,990	834,008	714,018
Charges for sanitation and waste removal	400,000	400,000	183,569	(216,431)
Charges for parks and recreation	399,200	430,161	470,961	40,800
Other court charges	30,000	30,000	86,572	56,572
Other charges for services	600	12,600	74,170	61,570
Court fees law library	-	-	3,353	3,353
Total charges for services	\$ 1,041,440	\$ 1,084,401	\$ 1,696,861	\$ 612,460
Miscellaneous revenue:				
Miscellaneous	\$ 100,000	\$ 139,807	\$ 125,994	\$ (13,813)
Recovered costs:				
Juvenile and domestic relations court costs	\$ 13,000	\$ 13,000	\$ 22,710	\$ 9,710
Other recovered costs	75,000	75,000	79,845	4,845
Expenditure refunds	-	-	21,819	21,819
Other recovered costs - welfare	16,000	18,750	39,148	20,398
Total recovered costs	\$ 104,000	\$ 106,750	\$ 163,522	\$ 56,772
Total revenue from local sources	\$ 51,144,413	\$ 51,230,231	\$ 54,845,854	\$ 3,615,623
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ -	\$ -	\$ 4,223	\$ 4,223
Mobile home titling tax	50,000	50,000	18,489	(31,511)
Local aid to the Commonwealth of Virginia	(114,974)	(114,974)	(177,727)	(62,753)
Motor vehicle rental tax	1,300	1,300	3,884	2,584
Personal property tax relief funds	1,620,227	1,620,227	1,539,216	(81,011)
Total noncategorical aid	\$ 1,556,553	\$ 1,556,553	\$ 1,388,085	\$ (168,468)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 250,000	\$ 250,000	\$ 318,438	\$ 68,438
Sheriff	1,110,640	1,110,640	1,210,555	99,915
Commissioner of revenue	67,000	67,000	120,422	53,422
Treasurer	64,500	64,500	123,311	58,811
Registrar/electoral board	32,550	32,550	43,128	10,578
Clerk of the Circuit Court	244,500	244,500	255,488	10,988
Total shared expenses	\$ 1,769,190	\$ 1,769,190	\$ 2,071,342	\$ 302,152

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Other categorical aid:				
Welfare administration and assistance	\$ 902,601	\$ 1,193,121	\$ 1,006,055	\$ (187,066)
Wireless E-911 grant	-	-	47,919	47,919
Juvenile justice - crime control	-	10,871	9,843	(1,028)
At risk youth - comprehensive services act	1,142,475	1,395,505	1,050,622	(344,883)
Four 4 life grant	-	37,358	37,359	1
Litter control grant	-	-	9,086	9,086
Radiological preparedness grant	-	25,000	25,000	-
Records preservation	-	4,962	-	(4,962)
Fire programs fund	-	60,859	68,694	7,835
Victim-witness grant	-	12,707	5,471	(7,236)
Other categorical aid	-	843,542	74,508	(769,034)
Total other categorical aid	<u>\$ 2,045,076</u>	<u>\$ 3,619,383</u>	<u>\$ 2,334,557</u>	<u>\$ (1,284,826)</u>
Total categorical aid	<u>\$ 3,814,266</u>	<u>\$ 5,388,573</u>	<u>\$ 4,405,899</u>	<u>\$ (982,674)</u>
Total revenue from the Commonwealth	<u>\$ 5,370,819</u>	<u>\$ 6,945,126</u>	<u>\$ 5,793,984</u>	<u>\$ (1,151,142)</u>
Revenue from the federal government:				
Categorical aid:				
Welfare public assistance	\$ 1,716,238	\$ 1,784,702	\$ 1,635,361	\$ (149,341)
Victim witness	-	38,120	43,524	5,404
Alcohol open container requirements	-	25,482	24,546	(936)
Bulletproof vest partnership program	-	3,865	3,033	(832)
Help america vote act requirements	-	-	4,485	4,485
State domestic preparedness equipment program	-	12,500	11,730	(770)
Violence against women	-	27,350	25,633	(1,717)
Emergency management preparedness	-	-	17,607	17,607
Total categorical aid	<u>\$ 1,716,238</u>	<u>\$ 1,892,019</u>	<u>\$ 1,765,919</u>	<u>\$ (126,100)</u>
Total revenue from the federal government	<u>\$ 1,716,238</u>	<u>\$ 1,892,019</u>	<u>\$ 1,765,919</u>	<u>\$ (126,100)</u>
Total General Fund	<u>\$ 58,231,470</u>	<u>\$ 60,067,376</u>	<u>\$ 62,405,757</u>	<u>\$ 2,338,381</u>
Capital Projects Fund:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 89,832</u>	<u>\$ (110,168)</u>
Miscellaneous revenue:				
Other miscellaneous	<u>\$ 50,000</u>	<u>\$ 82,444</u>	<u>\$ 90,765</u>	<u>\$ 8,321</u>
Total revenue from local sources	<u>\$ 250,000</u>	<u>\$ 282,444</u>	<u>\$ 180,597</u>	<u>\$ (101,847)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund: (Continued)				
County Capital Improvements Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
OEMS consolidated grant	\$ -	\$ 310,718	\$ 166,718	\$ (144,000)
Transportation grant	-	275,109	275,109	-
Recordation taxes	100,000	100,000	136,711	36,711
Total categorical aid	<u>\$ 100,000</u>	<u>\$ 685,827</u>	<u>\$ 578,538</u>	<u>\$ (107,289)</u>
Total revenue from the Commonwealth	<u>\$ 100,000</u>	<u>\$ 685,827</u>	<u>\$ 578,538</u>	<u>\$ (107,289)</u>
Revenue from the federal government:				
Noncategorical aid:				
Noncategorical aid	\$ -	\$ 1,249,665	\$ 364,965	\$ (884,700)
Total County Capital Improvements Fund	<u>\$ 350,000</u>	<u>\$ 2,217,936</u>	<u>\$ 1,124,100</u>	<u>\$ (1,093,836)</u>
Total Primary Government	<u>\$ 58,581,470</u>	<u>\$ 62,285,312</u>	<u>\$ 63,529,857</u>	<u>\$ 1,244,545</u>
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 2,500	\$ 2,500	\$ 2,254	\$ (246)
Revenue from the use of property	3,000	3,000	-	(3,000)
Total revenue from use of money and property	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>\$ 2,254</u>	<u>\$ (3,246)</u>
Charges for services:				
Tuition	\$ 187,900	\$ 187,900	\$ 194,148	\$ 6,248
Cafeteria sales	988,074	988,074	781,076	(206,998)
Total charges for services	<u>\$ 1,175,974</u>	<u>\$ 1,175,974</u>	<u>\$ 975,224</u>	<u>\$ (200,750)</u>
Miscellaneous revenue:				
Other miscellaneous	<u>\$ 232,500</u>	<u>\$ 232,500</u>	<u>\$ 302,018</u>	<u>\$ 69,518</u>
Recovered costs:				
Other recovered costs	<u>\$ 460,000</u>	<u>\$ 460,000</u>	<u>\$ 422,769</u>	<u>\$ (37,231)</u>
Total revenue from local sources	<u>\$ 1,873,974</u>	<u>\$ 1,873,974</u>	<u>\$ 1,702,265</u>	<u>\$ (171,709)</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	<u>\$ 26,155,123</u>	<u>\$ 26,155,123</u>	<u>\$ 25,014,427</u>	<u>\$ (1,140,696)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 4,227,590	\$ 4,227,590	\$ 4,400,411	\$ 172,821
Basic school aid	8,654,635	8,654,635	8,211,180	(443,455)
Special education	1,113,316	1,113,316	1,115,041	1,725
Textbook payment	110,157	110,157	110,328	171
Vocational SOQ payments	230,630	230,630	230,988	358
Social security fringe benefits	536,740	536,740	537,571	831
Retirement fringe benefits	318,689	318,689	319,183	494
At risk payments	188,730	188,730	189,000	270
Special education - regional tuition	133,761	264,450	188,205	(76,245)
Primary class size	236,880	236,880	235,929	(951)
Technology	180,000	180,000	180,000	-
At risk four-year olds	363,000	363,000	258,000	(105,000)
English as a second language	7,960	7,960	8,457	497
Other state funds	712,940	712,940	665,313	(47,627)
Total categorical aid	<u>\$ 17,015,028</u>	<u>\$ 17,145,717</u>	<u>\$ 16,649,606</u>	<u>\$ (496,111)</u>
Total revenue from the Commonwealth	<u>\$ 17,015,028</u>	<u>\$ 17,145,717</u>	<u>\$ 16,649,606</u>	<u>\$ (496,111)</u>
Revenue from the federal government:				
Categorical aid:				
Title I: Grants to local educational agencies	\$ 883,227	\$ 1,091,087	\$ 942,029	\$ (149,058)
Title I: Grants to local educational agencies ARRA	-	148,527	100,773	(47,754)
Language grant	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Title VI-B: Special education grants	926,055	1,242,513	894,915	(347,598)
Title VI-B: Special education grants ARRA	-	596,554	171,626	(424,928)
Title VI-B: Special education preschool grants	18,922	18,915	5,335	(13,580)
Title VI-B: Special education preschool grants ARRA	-	-	38,324	38,324
State fiscal stabilization	66,500	841,044	472,448	(368,596)
Vocational education	75,000	74,004	86,397	12,393
Safe and drug free schools and communities	14,100	2,607	-	(2,607)
Title II, part A: Improving teacher quality	291,281	346,219	213,728	(132,491)
1003 G state set aside	129,000	15,728	50,398	34,670
School lunch and breakfast program	920,000	920,000	1,240,065	320,065
Goals 2000 learning challenge grant	-	15,620	8,764	(6,856)
Total categorical aid	<u>\$ 3,326,585</u>	<u>\$ 5,315,318</u>	<u>\$ 4,224,802</u>	<u>\$ (1,090,516)</u>
Total revenue from the federal government	<u>\$ 3,326,585</u>	<u>\$ 5,315,318</u>	<u>\$ 4,224,802</u>	<u>\$ (1,090,516)</u>
Total School Operating Fund	<u>\$ 48,370,710</u>	<u>\$ 50,490,132</u>	<u>\$ 47,591,100</u>	<u>\$ (2,899,032)</u>

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Statistical Section

Contents

Tables

Financial Trends

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

1 - 6

Revenue Capacity

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

7 - 10

Debt Capacity

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

11

Demographic and Economic Information

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

12

Operating Information

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

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in fiscal year 2001; schedules presenting government-wide information include information beginning in that year.

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COUNTY OF LOUISA, VIRGINIA

Table 1

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ 12,730,161	\$ 12,317,304	\$ 12,252,158	\$ 12,522,789	\$ 13,500,980	\$ 17,607,864	\$ 15,445,907	\$ 17,461,096	\$ 17,504,861	\$ 18,143,105
Restricted	10,470,908	7,593,099	9,962,572	-	-	-	-	-	-	-
Unrestricted	11,544,488	11,642,956	11,991,601	25,422,192	30,617,173	39,720,461	52,132,430	59,940,996	64,218,511	56,273,869
Total governmental activities net assets	\$ 34,745,557	\$ 31,553,359	\$ 34,206,331	\$ 37,944,981	\$ 44,118,153	\$ 57,328,325	\$ 67,578,337	\$ 77,402,092	\$ 81,723,372	\$ 74,416,974
Primary government										
Invested in capital assets, net of related debt	\$ 12,730,161	\$ 12,317,304	\$ 12,252,158	\$ 12,522,789	\$ 13,500,980	\$ 17,607,864	\$ 15,445,907	\$ 17,461,096	\$ 17,504,861	\$ 18,143,105
Restricted	10,470,908	7,593,099	9,962,572	-	-	-	-	-	-	-
Unrestricted	11,544,488	11,642,956	11,991,601	25,422,192	30,617,173	39,720,461	52,132,430	59,940,996	64,218,511	56,273,869
Total primary government net assets	\$ 34,745,557	\$ 31,553,359	\$ 34,206,331	\$ 37,944,981	\$ 44,118,153	\$ 57,328,325	\$ 67,578,337	\$ 77,402,092	\$ 81,723,372	\$ 74,416,974

COUNTY OF LOUISA, VIRGINIA

Table 2
Page 1 of 2

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government administration	\$ 2,022,383	\$ 1,973,073	\$ 2,045,811	\$ 2,471,471	\$ 3,076,988	\$ 3,221,581	\$ 3,186,889	\$ 3,350,010	\$ 3,558,411	\$ 3,677,873
Judicial administration	1,285,734	1,351,154	1,343,455	1,480,965	1,531,372	1,749,661	2,064,610	2,171,890	2,159,585	2,102,860
Public safety	4,757,527	4,862,337	5,461,400	6,140,453	6,649,580	7,702,140	8,134,037	9,134,214	10,517,891	11,613,566
Public works	2,197,711	2,069,710	2,473,378	3,154,616	3,708,322	3,181,936	3,436,269	3,563,987	3,991,484	3,785,930
Health and welfare	3,373,095	3,756,273	3,988,240	4,527,540	5,161,120	5,729,666	6,595,067	7,118,397	7,303,205	7,190,521
Education	22,087,095	18,453,714	20,102,557	19,570,379	20,837,915	22,066,405	24,724,820	24,954,712	26,044,246	27,275,972
Parks, recreation and cultural	906,395	975,911	1,052,946	1,297,959	1,169,334	1,346,662	1,954,021	1,730,650	1,736,229	1,496,928
Community development	840,588	867,176	837,947	2,447,529	2,885,848	2,186,487	2,891,452	2,100,642	4,119,397	12,482,752
Capital Outlays	2,800,393	4,709,403	-	-	-	-	-	-	-	-
Nondepartmental	53,725	73,723	-	-	-	-	-	-	-	-
Interest on long-term debt	981,732	996,895	882,656	713,040	614,494	548,648	612,869	663,163	979,923	971,342
Total governmental activities expenses	\$ 41,306,378	\$ 40,089,369	\$ 38,188,390	\$ 41,803,952	\$ 45,634,953	\$ 47,733,186	\$ 53,600,034	\$ 54,787,665	\$ 60,410,371	\$ 70,597,744
Total primary government expenses	\$ 41,306,378	\$ 40,089,369	\$ 38,188,390	\$ 41,803,952	\$ 45,634,953	\$ 47,733,186	\$ 53,600,034	\$ 54,787,665	\$ 60,410,371	\$ 70,597,744
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	\$ 810	\$ 1,490	\$ 4,805	\$ 1,370	\$ 1,360	\$ 3,609	\$ 34,375	\$ 54,675	\$ 46,472	\$ 77,620
Judicial administration	130,331	155,971	281,507	222,114	278,211	206,547	167,024	175,650	142,758	125,991
Public safety	244,827	333,484	429,177	1,030,266	1,189,764	1,032,403	939,053	1,001,743	1,473,731	1,458,471
Public works	18,156	24,807	-	426,551	491,862	495,604	485,627	332,146	649,390	390,488
Parks, recreation and cultural	179,196	220,727	319,453	400,793	379,622	375,683	398,664	436,224	417,848	474,411
Community development	109,414	135,318	237,727	-	-	2,312	4,061	-	-	-
Operating grants and contributions	4,695,419	4,776,449	4,223,549	4,665,544	4,970,503	5,742,790	5,817,630	6,293,647	6,166,247	6,661,424
Capital grants and contributions	1,285,884	186,078	668,721	1,264,338	537,636	633,676	1,210,700	1,521,611	37,708	312,468
Total governmental activities program revenues	\$ 6,664,037	\$ 5,834,324	\$ 6,164,939	\$ 8,010,976	\$ 7,848,958	\$ 8,492,624	\$ 9,057,134	\$ 9,815,696	\$ 8,934,154	\$ 9,500,873
Total primary government program revenues	\$ 6,664,037	\$ 5,834,324	\$ 6,164,939	\$ 8,010,976	\$ 7,848,958	\$ 8,492,624	\$ 9,057,134	\$ 9,815,696	\$ 8,934,154	\$ 9,500,873
Net (expense) / revenue	\$ (34,642,341)	\$ (34,255,045)	\$ (32,023,451)	\$ (33,792,976)	\$ (37,785,995)	\$ (39,240,562)	\$ (44,542,900)	\$ (44,971,969)	\$ (51,476,217)	\$ (61,096,871)
Governmental activities	\$ (34,642,341)	\$ (34,255,045)	\$ (32,023,451)	\$ (33,792,976)	\$ (37,785,995)	\$ (39,240,562)	\$ (44,542,900)	\$ (44,971,969)	\$ (51,476,217)	\$ (61,096,871)
Total primary government net expense	\$ (34,642,341)	\$ (34,255,045)	\$ (32,023,451)	\$ (33,792,976)	\$ (37,785,995)	\$ (39,240,562)	\$ (44,542,900)	\$ (44,971,969)	\$ (51,476,217)	\$ (61,096,871)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 26,443,823	\$ 26,265,791	\$ 29,298,169	\$ 31,105,758	\$ 36,262,298	\$ 43,652,658	\$ 46,208,819	\$ 47,820,043	\$ 48,588,750	\$ 46,946,443
Local sales and use taxes	1,052,132	1,094,904	1,143,756	1,381,918	1,585,747	1,443,201	1,723,872	2,062,118	2,409,995	2,604,059
Taxes on recordation and wills	237,334	267,673	428,384	743,375	1,002,853	874,653	739,593	571,874	495,804	410,873
Motor vehicle licenses taxes	378,905	507,198	549,873	577,077	612,145	604,244	587,777	21,927	395,196	556,974
Consumer utility taxes	481,897	691,090	451,519	510,188	533,015	553,813	568,674	579,350	583,834	591,476
E-911 / Communication taxes	-	-	340,095	352,848	358,845	350,769	398,901	362,437	363,946	362,146
Other local taxes	202,939	114,517	117,151	157,321	188,250	289,646	285,074	226,923	216,787	246,305
Unrestricted grants and contributions	1,615,108	1,751,388	1,819,661	1,817,589	2,104,711	2,014,600	1,881,387	1,990,902	1,873,141	1,529,514
Unrestricted revenues from use of money and property	400,193	259,496	277,038	618,446	1,143,165	2,002,022	2,075,246	941,206	553,396	356,548
Miscellaneous	151,894	110,790	250,778	267,106	180,854	665,128	323,569	269,679	314,823	184,434
Transfers	-	-	-	-	-	-	-	(50,735)	-	-
Gain/Loss Sale of Assets	(61,845)	-	-	-	(12,716)	-	-	-	1,825	1,701
Total governmental activities	\$ 30,902,380	\$ 31,062,847	\$ 34,676,424	\$ 37,531,626	\$ 43,959,167	\$ 52,450,734	\$ 54,792,912	\$ 54,795,724	\$ 55,797,497	\$ 53,790,473
Total primary government	\$ 30,902,380	\$ 31,062,847	\$ 34,676,424	\$ 37,531,626	\$ 43,959,167	\$ 52,450,734	\$ 54,792,912	\$ 54,795,724	\$ 55,797,497	\$ 53,790,473
Change in Net Assets										
Governmental activities	\$ (3,739,961)	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	\$ 13,210,172	\$ 10,250,012	\$ 9,823,755	\$ 4,321,280	\$ (7,306,398)
Total primary government	\$ (3,739,961)	\$ (3,192,198)	\$ 2,652,973	\$ 3,738,650	\$ 6,173,172	\$ 13,210,172	\$ 10,250,012	\$ 9,823,755	\$ 4,321,280	\$ (7,306,398)

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

COUNTY OF LOUISA, VIRGINIA

Table 3

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Record-ation and Wills Tax	E-911 Tax	Other Local Taxes	Total
2011	\$ 46,946,443	\$ 2,604,059	\$ 591,476	\$ 556,974	\$ 410,873	\$ 362,146	\$ 246,305	\$ 51,718,276
2010	48,588,750	2,409,995	583,834	395,196	495,804	363,946	216,787	53,054,312
2009	47,820,043	2,062,118	579,350	21,927	571,874	362,437	226,923	51,644,672
2008	46,208,819	1,723,872	568,674	587,777	739,593	398,901	285,074	50,512,710
2007	43,652,658	1,443,201	553,813	604,244	874,653	350,769	289,646	47,768,984
2006	36,262,298	1,585,747	533,015	612,145	1,002,853	358,845	188,250	40,543,153
2005	31,105,758	1,381,918	510,188	577,077	743,375	352,848	157,321	34,828,485
2004	29,298,169	1,143,756	451,519	549,873	428,384	340,095	357,538	32,569,334
2003	26,265,791	1,094,904	691,090	507,198	267,673	-	114,517	28,941,173
2002	26,443,823	1,052,132	481,897	378,905	237,334	-	202,939	28,797,030

COUNTY OF LOUISA, VIRGINIA

Table 4

Fund Balances of Governmental Funds (1)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Committed to	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,800,000	\$ 15,800,000
Assigned for	-	-	-	-	-	-	-	-	6,148,450	4,085,570
Unassigned	-	-	-	-	-	-	-	-	24,576,330	28,944,536
Unreserved	15,615,243	14,288,447	15,405,399	18,747,639	24,429,080	33,474,221	41,320,911	42,864,680	-	-
Total general fund	\$ 15,615,243	\$ 14,288,447	\$ 15,405,399	\$ 18,747,639	\$ 24,429,080	\$ 33,474,221	\$ 41,320,911	\$ 42,864,680	\$ 46,524,780	\$ 48,830,106
All other governmental funds										
Assigned for capital projects funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,146,488	\$ 7,890,912
Unreserved capital projects funds	8,969,668	6,928,693	8,461,332	8,779,680	7,901,923	7,499,078	11,694,539	28,034,638	-	-
Total all other governmental funds	\$ 8,969,668	\$ 6,928,693	\$ 8,461,332	\$ 8,779,680	\$ 7,901,923	\$ 7,499,078	\$ 11,694,539	\$ 28,034,638	\$ 20,146,488	\$ 7,890,912

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

COUNTY OF LOUISA, VIRGINIA

Table 5

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
General property taxes	\$ 25,861,613	\$ 26,098,535	\$ 29,213,678	\$ 31,123,057	\$ 36,186,328	\$ 43,098,133	\$ 45,676,153	\$ 47,544,306	\$ 47,712,558	\$ 46,990,688
Other local taxes	2,353,207	2,675,382	3,030,778	3,722,727	4,280,855	4,116,326	4,303,891	3,824,629	4,465,562	4,771,833
Permits, privilege fees and regulatory licenses	352,867	410,992	659,343	1,065,640	1,430,597	1,443,061	1,431,386	1,117,012	830,171	590,423
Fines and forfeitures	72,093	47,196	75,905	94,931	73,664	66,784	87,869	132,814	196,601	239,817
Revenue from use of money and property	740,504	348,730	277,038	592,146	1,143,165	2,002,022	2,075,246	938,376	553,396	356,548
Charges for services	257,774	413,609	537,421	1,053,324	1,154,448	1,085,304	1,092,338	1,375,191	1,718,061	1,696,961
Miscellaneous	898,721	110,790	250,778	259,572	187,074	281,824	323,420	895,138	300,189	216,759
Recovered costs	76,750	88,408	39,297	23,666	62,621	230,214	277,414	134,990	150,493	163,522
Intergovernmental:										
Commonwealth	4,752,004	4,928,395	5,149,195	5,064,224	5,437,185	6,073,669	6,633,623	6,669,228	6,226,703	6,372,522
Federal	1,757,269	1,696,286	1,562,736	2,558,047	1,878,665	1,853,397	1,700,094	1,869,565	1,850,393	2,130,884
Total revenues	\$ 37,122,802	\$ 36,818,323	\$ 40,796,169	\$ 45,557,334	\$ 51,834,602	\$ 60,250,734	\$ 63,601,434	\$ 64,501,249	\$ 64,004,127	\$ 63,529,857
Expenditures										
General government administration	\$ 1,865,498	\$ 1,821,130	\$ 1,920,932	\$ 2,339,456	\$ 2,978,779	\$ 3,039,497	\$ 2,923,524	\$ 2,992,833	\$ 3,248,317	\$ 3,201,991
Judicial administration	1,166,311	1,238,134	1,225,047	1,364,770	1,418,898	1,625,348	1,948,552	2,036,725	2,000,848	1,891,250
Public safety	4,595,674	4,702,373	5,002,698	5,645,879	6,062,010	6,933,865	7,503,183	8,573,223	10,029,853	10,495,034
Public works	1,604,566	1,929,005	2,313,505	2,759,444	2,998,909	2,993,707	3,263,493	3,393,254	3,752,836	4,703,428
Health and welfare	3,376,090	3,832,662	3,906,505	4,466,526	5,158,623	5,889,447	6,814,582	7,130,528	7,433,326	7,298,075
Education	16,791,474	17,206,677	17,342,380	17,920,247	18,973,024	20,236,354	22,589,311	22,874,993	23,299,928	25,047,755
Parks, recreation and cultural	887,763	957,026	998,226	1,105,074	1,151,481	1,330,834	1,857,330	1,564,058	1,607,570	1,393,472
Community development	687,866	714,962	687,992	761,774	1,374,277	1,603,502	1,725,372	1,673,821	1,591,805	1,525,489
Nondepartmental	53,725	73,723	-	-	-	-	-	-	-	-
Capital projects	9,391,816	4,996,480	2,167,006	3,379,938	4,828,350	6,200,421	5,254,451	10,451,354	13,192,002	14,827,245
Debt service:										
Principal retirement	1,713,650	1,698,650	1,668,650	1,446,698	1,429,801	1,178,650	1,166,750	1,215,000	1,190,000	1,940,000
Interest and other fiscal charges	1,046,422	1,015,272	913,637	733,241	656,765	576,814	517,125	665,331	887,517	1,156,368
Total expenditures	\$ 43,180,855	\$ 40,186,094	\$ 38,146,578	\$ 41,923,047	\$ 47,030,917	\$ 51,608,439	\$ 55,563,673	\$ 62,571,120	\$ 68,234,002	\$ 73,480,107
Excess of revenues over (under) expenditures	\$ (6,058,053)	\$ (3,367,771)	\$ 2,649,591	\$ 3,634,287	\$ 4,803,685	\$ 8,642,295	\$ 8,037,761	\$ 1,930,129	\$ (4,229,875)	\$ (9,950,250)
Other financing sources (uses)										
Transfers in	\$ 4,987,068	\$ 2,118,671	\$ 2,828,363	\$ 3,177,077	\$ 3,306,757	\$ 6,984,813	\$ 4,542,675	\$ 9,460,313	\$ 4,854,860	\$ 3,092,633
Transfers out	(4,987,068)	(2,118,671)	(2,828,363)	(3,177,077)	(3,306,757)	(6,984,813)	(4,542,675)	(9,511,048)	(4,854,860)	(3,092,633)
Bonds issued	-	-	-	-	-	-	4,004,390	16,004,474	-	-
Sale of capital assets	467,000	-	-	26,300	-	-	-	-	1,825	-
Total other financing sources (uses)	\$ 467,000	\$ -	\$ -	\$ 26,300	\$ -	\$ -	\$ 4,004,390	\$ 15,953,739	\$ 1,825	\$ -
Net change in fund balances	\$ (5,591,053)	\$ (3,367,771)	\$ 2,649,591	\$ 3,660,587	\$ 4,803,685	\$ 8,642,295	\$ 12,042,151	\$ 17,883,868	\$ (4,228,050)	\$ (9,950,250)
Debt service as a percentage of noncapital expenditures				5.30%	4.60%	3.76%	3.19%	3.48%	3.49%	4.35%

Note: Beginning in fiscal year 2001 debt service incurred on behalf of the component-unit school board was reported as an expenditure of the primary government due to the implementation of GASB statement 34.

COUNTY OF LOUISA, VIRGINIA

Table 6

General Governmental Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	E-911 Tax	Other Local Taxes	Total
2011	\$ 46,990,688	\$ 2,604,059	\$ 591,476	\$ 556,974	\$ 410,873	\$ 362,146	\$ 246,305	\$ 51,762,521
2010	47,712,558	2,409,995	583,834	395,196	495,804	363,946	216,787	52,178,120
2009	47,544,306	2,062,118	579,350	21,927	571,874	362,437	226,923	51,368,935
2008	45,676,153	1,723,872	568,674	587,777	739,593	398,901	285,074	49,980,044
2007	43,098,133	1,443,201	553,813	604,244	874,653	350,769	289,646	47,214,459
2006	36,186,328	1,585,747	533,015	612,145	1,002,853	358,845	188,250	40,467,183
2005	31,123,057	1,094,904	510,188	510,188	267,673	352,848	157,321	34,016,179
2004	29,213,678	1,381,918	451,519	577,077	743,375	340,095	117,151	32,824,813
2003	26,098,535	1,143,756	456,418	549,873	428,384	-	114,517	28,791,483
2002	25,861,613	1,052,132	481,897	378,905	237,334	-	202,939	28,214,819

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
2011	\$ 4,999,035,800	\$ 305,658,145	\$ 11,150,300	\$ 14,582,815	\$ 66,171,075	\$ 2,403,301,540	\$ 7,799,899,675	\$ 7,799,899,675	100.00%
2010	5,155,202,300	304,893,145	11,724,670	16,483,850	62,351,915	2,382,687,070	7,933,342,950	7,933,342,950	100.00%
2009	5,190,412,400	334,390,420	11,999,130	16,025,820	59,178,500	2,310,520,400	7,922,526,670	7,922,526,670	100.00%
2008	5,104,017,200	304,852,330	12,100,470	14,912,970	53,474,780	2,263,061,022	7,752,418,772	7,752,418,772	100.00%
2007	4,435,126,200	271,383,455	12,298,720	14,546,860	58,433,510	2,225,453,118	7,017,241,863	7,017,241,863	100.00%
2006	3,204,133,600	252,002,180	12,183,020	13,956,660	55,918,785	2,141,458,204	5,679,652,449	5,679,652,449	100.00%
2005	2,045,482,200	212,330,838	12,335,330	13,573,630	43,627,113	1,936,761,556	4,264,110,667	4,264,110,667	100.00%
2004	1,928,156,100	199,295,255	13,033,225	12,860,670	13,284,885	2,003,669,764	4,170,299,899	4,170,299,899	100.00%
2003	1,595,108,700	198,215,290	13,243,365	12,294,980	12,561,210	1,917,421,673	3,748,845,218	3,748,845,218	100.00%
2002	1,466,490,400	183,104,705	13,407,800	27,850,620	11,687,250	1,961,443,618	3,663,984,393	3,663,984,393	100.00%

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

Source: Commissioner of Revenue

COUNTY OF LOUISA, VIRGINIA

Table 8

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

Fiscal Years	Direct Rates					Overlapping Rates Town of Louisa			Overlapping Rates Town of Mineral		
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital	Real Estate	Personal Property		Real Estate	Personal Property	
2011	0.62	1.90	0.62	1.90	0.65	0.166	0.71		0.25	0.60	
2010	0.62	1.90	0.62	1.90	0.65	0.166	0.71		0.25	0.60	
2009	0.62	1.90	0.62	1.90	0.65	0.166	0.71		0.25	0.60	
2008	0.62	1.90	0.62	1.90	0.65	0.166	0.71		0.25	0.60	
2007	0.64	1.90	0.64	1.90	0.65	0.195	0.71		0.25	0.44	
2006	0.66	1.90	0.64	1.90	0.65	0.21	0.71		0.25	0.44	
2005	0.70	1.90	0.70	1.90	0.65	0.21	0.71		0.25	0.44	
2004	0.67	1.90	0.67	1.90	0.65	0.21	0.71		0.25	0.44	
2003	0.67	1.90	0.67	1.90	0.65	0.21	0.71		0.25	0.44	
2002	0.67	1.70	0.67	1.70	0.65	0.21	0.71		0.25	0.44	

(1) Per \$100 of assessed value

COUNTY OF LOUISA, VIRGINIA

Table 9

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2011		Fiscal Year 2012	
		2010 Assessed Valuation	% of Total Assessed Valuation	2011 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	\$ 1,816,738,610	0.232918202	\$ 1,480,086,524	0.403955466
Old Dominion	Electric	454,982,200	0.058331802	197,100,908	0.053794145
Gordonsville Energy	Electric	N/A	N/A	147,683,916	0.040306917
Walmart	Retailer	107,408,865	0.013770544	N/A	N/A
Rappahannock Electric Co-op	Electric	47,200,810	0.006051464	24,668,618	0.006732730
Klockner Pentaplast	Manufacturing	29,293,310	0.003755601	21,008,160	0.005733693
Spring Creek Land Development	Land Developer	25,076,355	0.003214959	N/A	N/A
Verizon	Telecom	27,505,460	0.003526386	22,808,023	0.006224924
Columbia Gas	Pipeline	21,232,510	0.002722152	11,693,866	0.003191571
CSX	Railroad	N/A	N/A	8,466,838	0.002310828
Lowes	Retailer	19,291,460	0.002473296	N/A	N/A
William A. Cooke Inc.	Land Developer	21,885,700	0.002805895	N/A	N/A
Colonial Pipeline	Pipeline	N/A	N/A	9,299,396	0.002538056
Shenandoah Crossing	Utilities	N/A	N/A	6,562,080	0.001790968
		\$ 2,570,615,280	32.96%	\$ 1,929,378,329	52.66%

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 (1,4)		Collections in Subsequent Years (1, 2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 48,032,625	\$ 46,472,902	96.75%	-	\$ 46,472,902	96.75%
2010	49,070,579	47,557,751	96.92%	618,465	48,176,216	98.18%
2009	48,478,007	47,419,591	97.82%	1,357,639	48,777,230	100.62%
2008	47,708,140	46,100,844	96.63%	1,152,874	47,253,718	99.05%
2007	44,451,211	43,707,712	98.33%	844,190	44,551,902	100.23%
2006	38,211,632	37,130,641	97.17%	365,921	37,496,562	98.13%
2005	32,496,675	31,816,243	97.91%	535,983	32,352,226	99.56%
2004	30,545,736	29,822,014	97.63%	575,057	30,397,071	99.51%
2003	27,693,525	26,949,848	97.31%	619,889	27,569,736	99.55%
2002	26,728,281	26,620,474	99.60%	551,204	27,171,678	101.66%

Source: Commissioner of Revenue, County Treasurer's office

- (1) Exclusive of penalties & interest.
- (2) Does not include land redemptions.
- (3) Includes 3 years taxes.
- (4) Includes revenue from the Commonwealth for Personal Property Tax Relief Act.

COUNTY OF LOUISA, VIRGINIA

Table 11

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Years	Governmental Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	
	General Obligation Bonds	Literary Fund Loans						
2011	\$	22,195,000	\$	-	\$	22,195,000	1849.34%	654
2010		24,135,000		-		24,135,000	2035.98%	711
2009		25,325,000		-		25,325,000	2334.10%	786
2008		11,835,000		-		11,835,000	1187.65%	380
2007		9,100,000		101,750		9,201,750	1000.17%	295
2006		10,160,000		220,400		10,380,400	1128.29%	360
2005		11,210,000		504,050		11,714,050	1273.25%	407
2004		12,255,000		812,700		13,067,700	1567.91%	477
2003		13,615,000		1,121,350		14,736,350	1919.16%	548
2002		14,955,000		1,480,000		16,435,000	2262.50%	620

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

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

COUNTY OF LOUISA, VIRGINIA

Table 12

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to		Net Bonded Debt per Capita (1)
			Assessed Value (2)		
2011	\$ 22,195,000	\$ 22,195,000	0.28%		65443.02%
2010	24,135,000	24,135,000	0.30%		71146.42%
2009	25,325,000	25,325,000	0.32%		78573.42%
2008	11,835,000	11,835,000	0.15%		37960.68%
2007	9,201,750	9,201,750	0.13%		29468.23%
2006	10,380,400	10,380,400	0.18%		36040.55%
2005	11,714,050	11,714,050	0.27%		40670.96%
2004	13,067,700	13,067,700	0.31%		47692.34%
2003	14,736,350	14,736,350	0.39%		54781.97%
2002	16,435,000	16,435,000	0.45%		62018.87%

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

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

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

COUNTY OF LOUISA, VIRGINIA

Table 13

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	33,915	\$ 1,200,159	\$ 36,283	39.2	4,553	6.90%
2010	33,923	1,185,423	36,339		4,533	7.90%
2009	32,231	1,085,000	34,033		4,571	7.80%
2008	31,177	996,507	32,100		4,538	4.30%
2007	31,226	920,014	30,632		4,439	2.90%
2006	30,020	920,014	30,632	40.0	4,361	3.05%
2005	28,802	920,014	30,632		4,251	3.60%
2004	27,400	833,449	28,942		4,238	5.20%
2003	26,900	767,853	27,415		4,236	5.30%
2002	26,500	726,408	26,800		4,216	4.50%

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

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

Note: Personal Income and per capita personal income data is not available after 2004. The 2004 data has been used for subsequent years.

COUNTY OF LOUISA, VIRGINIA

Table 14

Principal Employers Current Year and the Period Nine Years Prior						
Fiscal Year 2011			Fiscal Year 2002			
Employer	Employees	Rank	% of Total County Employment		Employers	Rank
Walmart, Inc.	1,147	1		16.16%	Dominion Virginia Power	1
Dominion Virginia Power	865	2		12.18%	Louisa County Public Schools	2
Louisa County Public Schools	841	3		11.85%	Klockner- Pentaplast of America	3
Klockner- Pentaplast of America	546	4		7.69%	County of Louisa	4
County of Louisa	386	5		5.44%	Tri-Dim Filter Corporation	5
Shenandoah Crossings Resort*	175	6		2.47%	Klearfold	6
Tri-Dim Filter Corporation	162	7		2.28%	Louisa Health Care Center	7
Lowes	137	8		1.93%	Food Lion	8
Louisa Health Care Center	120	9		1.69%	VDOT	9
McDonald's	115	10		1.62%	CHIPS	10
Food Lion	115	11		1.62%		
Piedmont Metals	77	12		1.08%		
Total Employees	7,099			66.01%		

Source: Virginia Employment Commission, Individual Companies HR Depts.

*Seasonal

COUNTY OF LOUISA, VIRGINIA

Table 15

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	26	26	29	29	32	29	31	33	32	32
Judicial administration	12	15	15	15	15	15	17	18	18	16
Public safety										
Sheriffs department	42	45	44	49	52	55	55	57	59	63
Fire & rescue	6	6	11	11	11	14	13	19	31	33
Building inspections	5	4	4	5.5	6.5	6.5	6.5	6.5	5.5	5.5
Animal control	3	3	4	4	4	4	4	4	4	2
Public works										
General maintenance	1	2	2	2	3	11	10	13	11	11
Landfill	4	5	2	2	2	2	2	2	2	1
Engineering	0	0	0	0	1	1	1	0	0	0
Health and welfare										
Department of social services	32	32	35	35	36	35	37	41	39	39
Culture and recreation										
Parks and recreation	6	7	6	5	6	5	7	5	5	5
Community development										
Planning	4	4	4	3.5	3.5	10.5	9.5	12.5	11.5	8.5
Totals	141	149	156	161	172	188	193	211	218	216

Source: Payroll Records
Turnover Report

COUNTY OF LOUISA, VIRGINIA

Table 16

Operating Indicators by Function
Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Sheriffs department:										
Physical arrests	1,544	1,472	1,608	1,555	1,978	1,857	1,885	2,068	2,078	2,227
Traffic violations	975	1,031	925	1,358	1,415	1,616	2,235	3,624	4,909	4,249
Civil papers	8,450	8,770	8,978	8,552	11,189	11,090	11,292	11,303	11,440	10,371
Fire and rescue:										
Number of calls answered	8854	8571	9657	9859	9858	7804	7731	8289	8226	8373
Number of transports								1732	2550	2620
Building inspections:										
Permits issued	1,776	1,992	1,597	1,674	1,878	2,050	1,970	1,403	1,197	1,263
Public works										
General maintenance:										
Trucks/vehicles	6	3	4	10	8	9	9	10	12	13
Landfill:										
Refuse collected (tons/day)	68.28	79.18	85.15	79.24	75.6	82.1	87.9	67	64.91	59.04
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps			772	863	916	909	962	1,130	1,544	1,977
Medicaid			2,160	2,432	2,508	2,423	2,475	2,339	2,223	2,454
Temporary Asst. Needy Families			97	115	119	105	103	109	128	127
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued		164	177	106	97	44	48	66	140	210
After-school program participants		178	199	239	211	252	305	214	191	160
Aquatic facility participants							6065	14333	12791	12196
Youth sports participants		6,801	7,722	10,095	13,167	17,061	10,991	10,029	6,225	6,175
Community development										
Planning:										
Zoning permits issued	1,020	1,275	1,455	1,350	1,655	945	961	840	668	590
Component Unit - School Board										
Education:										
School age population	5,519			5,657			5,881			6,204
Actual School Enrollment (March)	4,216	4,236	4,238	4,251	4,361	4,439	4,538	4,571	4,533	4,553
Number of teachers	334	342	346	357	358	370	378	361	355	375
Local expenditures per pupil	7,251	7,573	7,705	8,363	8,845	8,721	9,800	9,725	10,098	10,108

Source: Individual County departments

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

In 2011, data is now available from Weldon Cooper.

COUNTY OF LOUISA, VIRGINIA

Table 17

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Administration buildings	8	8	9	9	9	9	9	9	9	9
Vehicles	6	7	9	6	7	10	10	9	9	9
Public safety										
Sheriffs department:										
Patrol units	40	44	40	41	44	44	44	45	47	47
Other vehicles	5	5	6	7	7	13	14	24	23	26
Building inspections:										
Vehicles	4	4	4	5						
Animal control:										
Vehicles	3	4	3	3	3	3	4	4	4	4
Emergency Services:										
Vehicles	2	2	2	2	2	3	5	6	6	6
Ambulances						2	2	3	5	4
Public works										
General maintenance:										
Trucks/vehicles	6	3	4	10	8	9	10	10	12	13
Landfill:										
Vehicles	2	5	5	0	0	0	0	0	0	0
Sites	1	1	1	1	1	1	1	1	1	1
Refuse & Recycling Sites	8	8	8	9	9	9	9	9	9	9
Health and welfare										
Department of Social Services:										
Vehicles	7	7	9	10	10	11	10	11	11	8
Culture and recreation										
Parks and recreation:										
Community centers	2	2	2	2	2	2	2	2	2	2
Vehicles	6	6	6	5	5	5	5	5	4	6
Aquatic facilities								1	1	1
Parks acreage	24.22	24.22	24.22	24.22	24.22	24.22	35.22	35.22	35.22	35.22
Community development										
Planning:										
Vehicles	1	1	3	2	8	9	10	11	9	9
Component Unit - School Board										
Education:										
Schools	5	5	5	5	5	5	5	5	5	6
School buses	96	99	103	104	110	110	115	111	119	117

Source: Insurance Renewal Schedules

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

We have audited the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Louisa, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County of Louisa, Virginia's basic financial statements and have issued our report thereon dated December 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted other matters involving the internal control and its operation that we have reported to management of the County of Louisa, Virginia in a separate letter dated December 2, 2011.

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

December 2, 2011

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

Compliance

We have audited County of Louisa, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Louisa, Virginia's major federal programs for the year ended June 30, 2011. County of Louisa, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Louisa, Virginia's management. Our responsibility is to express an opinion on County of Louisa, Virginia's compliance based on our audit.

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

In our opinion, County of Louisa, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

Internal Control Over Compliance: (Continued)

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

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

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

Robinson, Farmer, Cox Associates
Charlottesville, Virginia
December 2, 2011

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting safe and stable families	93.556	0950110/0950111	\$ 3,880
Temporary assistance for needy families	93.558	0400110/0400111	256,834
Refugee and entrant assistance - state administered programs	93.566	0500110/0500111	664
Low-income home energy assistance	93.568	0600410/0600411	14,347
CCDF Cluster:			
Child care and development block grant	93.575	0770110/0770111	84,642
Child care mandatory and matching funds of the child care and development fund	93.596	0760110/0760111	106,097
ARRA - Child care and development block grant	93.713	0740110/0740111	16,873
Chafee education and training couchers program (ETV)	93.599	9160110	2,057
Stephanie Tubbs Jones child welfare services program	93.645	0900110/0900111	1,166
Foster care - Title IV-E	93.658	1100110/1100111	306,998
ARRA - Foster care - Title IV-E	93.658	1100110/1100111	11,673
Total foster care - Title IV-E			\$ 318,671
Adoption assistance	93.659	1120110/1120111	95,667
ARRA - Adoption assistance	93.659	1120110/1120111	5,682
Total adoption assistance			\$ 101,349
Social services block grant	93.667	1000110/1000111	146,499
Chafee foster care independence program	93.674	9150110/9150111	7,354
Children's health insurance program	93.767	0540110/0540111	9,863
Medical assistance program	93.778	1200110/1200111	207,417
Total Department of Health and Human Services			\$ 1,277,713
Election Assistance Commission:			
Pass Through Payments:			
State Board of Elections:			
Help America vote act requirements payments	90.401	N/A	\$ 4,485
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
State homeland security program (SHSP)	97.073	77501-52708/52709	\$ 323,453
Emergency management performance grants	97.042	77501-52740	17,607
Total Department of Homeland Security			\$ 341,060
Department of Agriculture:			
Pass Through Payments:			
Department of Agriculture:			
Food distribution	10.555	10.555/2011	\$ 143,037
Department of Education:			
School breakfast program	10.553	10.553/2011	271,352
National school lunch program	10.555	10.555/2011	825,676

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2011

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture: (Continued)			
Department of Social Services:			
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010110/0010111	\$ 340,489
ARRA - State administrative matching grants for the supplemental nutrition assistance program	10.561	0040110/0040111	17,159
Total state admin matching grants for SNAP			357,648
Total Department of Agriculture			\$ 1,597,713
Department of Justice:			
Direct payments:			
Bulletproof vest partnership program	16.607	N/A	\$ 3,033
Pass Through Payments:			
Department of Criminal Justice Service:			
Violence against women formula grants	16.588	10WFAX0050	\$ 25,633
Crime Victim Assistance	16.575	10VAGX0017/11VAG0017	43,524
Edward Byrne memorial justice assistance grant program	16.738	39001-41000/61000	53,242
Total Department of Justice			\$ 125,432
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol open container requirements	20.607	154AL-2011/154AL-2010	\$ 24,546
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I, Part A Cluster:			
Title I grants to local education agencies	84.010	S010A100046	\$ 942,029
Title I grants to local educational agencies, Recovery Act	84.389	S389A090046	100,773
ARRA - State fiscal stabilization Fund (SFSF) - education state grants	84.394	S394A090047	472,448
Special Education Cluster (IDEA):			
Special education - grants to states	84.027	H027A100107	894,915
ARRA - Special education - grants to states	84.391	H391A090107	171,626
Special education - preschool grants	84.173	H173A100112	5,335
ARRA - Special education - preschool grants	84.392	H392A090112	38,324
Career and technical education - basic grants to states	84.048	V048A100046	84,910
Tech-prep education	84.243	N/A	1,487
School improvement grants	84.377	S377A080047	50,398
Improving teacher quality state grants	84.367	S367A100044	213,728
Educational technology state grants	84.318	S318X090046	8,764
Total Department of Education			\$ 2,984,737
Total Expenditures of Federal Awards			\$ 6,355,686

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, 2011

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Louisa, Virginia under programs of the federal government for the year ended June 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Louisa, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Louisa, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,765,919
County Capital Improvements Fund	364,965
Total primary government	<u>\$ 2,130,884</u>

Component Unit Public Schools:

School Operating Fund	\$ <u>4,224,802</u>
Total federal expenditures per basic financial statements	<u>\$ 6,355,686</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 6,355,686</u>
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COUNTY OF LOUISA, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)? No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
93.558	Temporary Assistance for Needy Families
	Special Education Cluster
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants
84.391	Special Education - Grants to States, Recovery Act
84.392	Special Education - Preschool Grants, Recovery Act
	Title I, Part A Cluster
84.010	Title I Grants to Local Educational Agencies
84.389	Title I Grants to Local Educational Agencies, Recovery Act
84.394	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act
97.073	State Homeland Security Program (SHSP)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Audit Findings

None