

County of Louisa, Virginia

Comprehensive Annual Financial Report



Year Ended June 30, 2010

County of Louisa, Virginia

**Comprehensive Annual
Financial Report**

Year Ended June 30, 2010

Prepared By: _____

Faye Stewart, Interim Finance Director

COUNTY OF LOUISA, VIRGINIA

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

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November 30, 2010

**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, 2010.

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, 2010. 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 7.9% for June 2010, just slightly higher than the state and 1.7% lower than the national rate.

Louisa County is ranked 13th 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.

Reporting Entity: (Continued)

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

Budgetary Controls

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

As a recipient of federal and state financial assistance, the county is responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2010, 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:

- Amending the organizational structure of the Louisa County Department of Social Service (LDSS) from an administrative board to a local board. The director of LDSS began reporting to the County Administrator in August and underwent a number of efficiency improvements throughout the year. For all of calendar year 2009, only three children were adopted from foster care. As a result of the reorganization and efficiency measures, 19 children have been adopted, providing those children with stable, permanent and loving homes and saving the taxpayer hundreds of thousands of dollars.
- Reorganized the Comprehensive Services Act Office by removing it from the direction of the director of LDSS and reporting to the County Administration effective July 1, 2010.
- The Community Planning and Management Team (CMPT) adopted policies to improve the delivery of services mandated under the Comprehensive Services Act.
- The Family Planning and Assessment Team (FAPT) implemented a secure, online process for reviewing Individual Family Service Plans for children receiving services from Louisa County Public Schools, Louisa County Department of Social Services, Region Ten Community Services Board and Louisa County Court Services Unit.
- Completed construction of Moss Nuckols Elementary School, the fourth elementary school in the public school system.

Major Initiatives: (Continued)

- Continued retail, commercial and industrial business growth with 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 to begin in FY 2011;
- Expansion of the Louisa Regional Wastewater Treatment Plant. Scheduled to be completed summer 2011;
- Added additional full-time firefighter/EMT to the Department of Fire and Emergency Services to provide 24 hour/7 day week coverage throughout the county.
- Implemented GASB 54; Committed General Funds for NAPS Stabilization Fund; Assigned funds for Landfill Closure/Development and Zion Crossroads projects' debt services;
- Drafted the Louisa County Transportation Plan.
- Initiating the planning phase of a comprehensive expansion of the Louisa County Water Authority service area to designated growth areas.

Awards and Achievements

The county received its eighth consecutive Certificate of Achievement on its FY 09 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 10 Comprehensive Annual Financial Report to GFOA to determine its eligibility for the certificate.

Louisa County received a 2010 Virginia Association of Counties' (VACo) Achievement Award for its Homebuyer Assistance Program, a partnership with the Louisa County Community Development and the Fluvanna/Louisa Housing Foundation. VACo's Achievement Awards program recognizes innovative, model county government programs across the State. This was the first time Louisa County attained this honor. The purpose of the Homebuyer Assistance Program is to help families under the average income levels to qualify for deferred loans that can be used toward a down payment on a new home. Some of the qualification requirements are that families must live or work in Louisa for six months prior to application and complete a home buying counseling class. Funding for the program was made possible by the Board of Supervisors, which set aside a percentage of the annual real estate tax revenue.

Future Budget Considerations

For the 2010-2011 Fiscal Year, the Board of Supervisors approved a General Fund Operating Budget of \$83,150,616. The approved Capital Improvement Plan Budget is \$2,016,100. The approved FY 2011 budget kept the real estate tax rate at \$0.62 per \$100 of assessed value.

Fiscal Year 2010-2011 will be a challenging because as we entered FY 2011, no plan had been developed to address the structural deficiencies at the Louisa County High School. By November 1, 2010, the need for over \$14 million in new capital funding was identified.

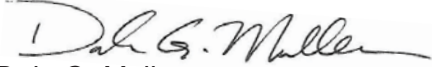
Future Budget Considerations: (Continued)

County leaders in Fluvanna and Louisa began setting the framework for a regional partnership that would supply cost-effective municipal water to Zion Crossroads, a designated growth area for both counties, in June 1996. Both counties committed substantial time and money into seeing the creating of the James River Water Authority but early into Fiscal Year 2011, Fluvanna County was unable to continue with the partnership and the project ended. However, thanks to the capable leadership of the Louisa County Board of Supervisors, with its conservative approach to managing revenue and expenditures, Louisa County has the resources available to explore alternatives to providing municipal water to our designated growth areas and will be developing plans to move forward.

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,

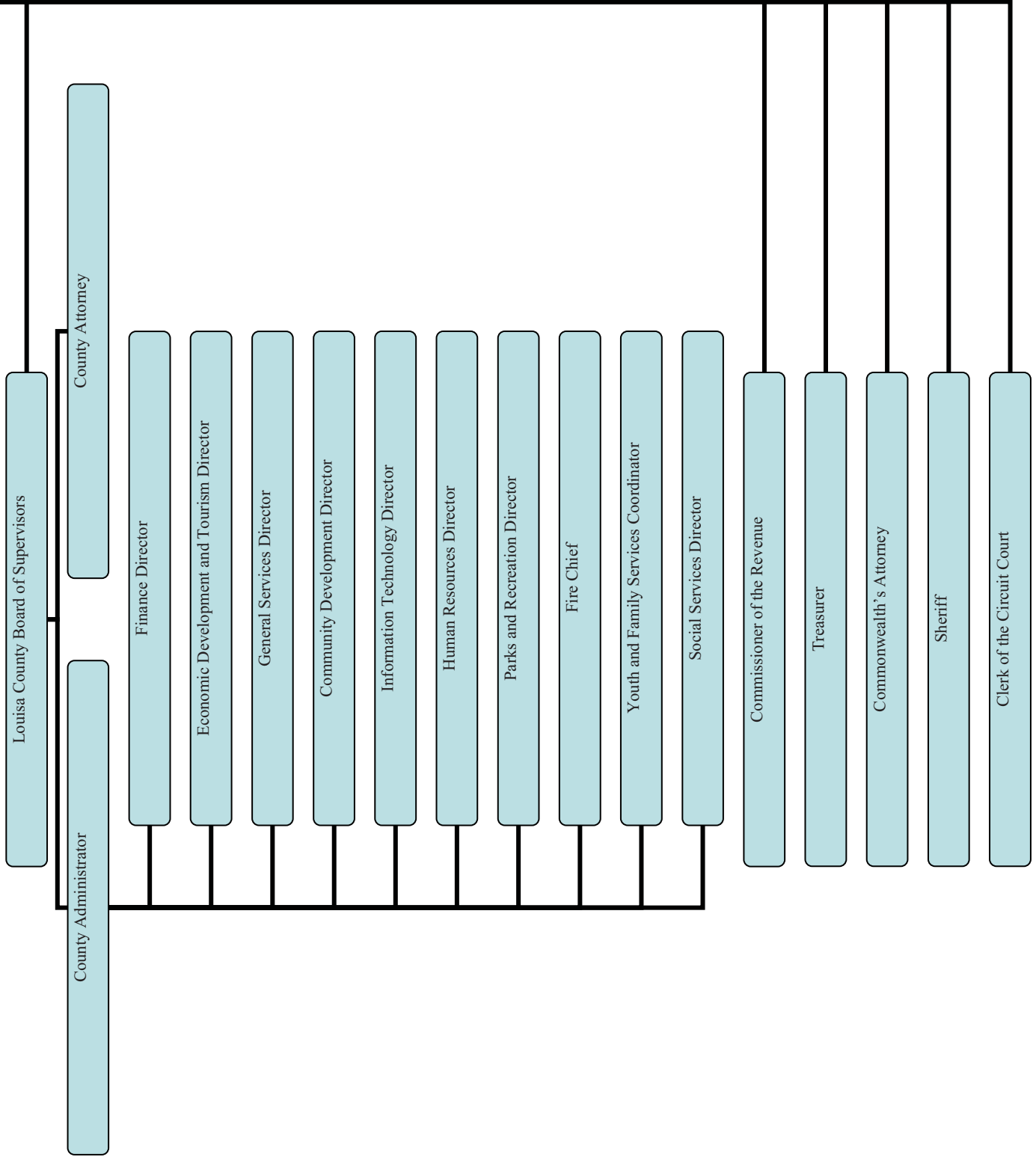
A handwritten signature in black ink, appearing to read "Dale G. Mullen". The signature is fluid and cursive, with a large initial "D" and "M".

Dale G. Mullen
County Administrator

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Louisa County's Organizational Structure as of June 30, 2010

Louisa County Citizens



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**COUNTY OF LOUISA, VIRGINIA
JUNE 30, 2010**

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
Susan Dubé

Holly Reynolds
Marilyn Root

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

Vacant (Jackson District)

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	Anne Kisor
County Administrator	Dale G. Mullen
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, 2009

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.



President

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 the County of Louisa, Virginia, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of 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 and 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 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, 2010, 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.

As reflected in the balance sheet of the governmental funds and in the notes to the financial statements, the County has early implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definition, effective for periods beginning after June 15, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2010, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Louisa, Virginia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Louisa, Virginia. The combining and individual fund financial statements and schedules, supporting schedule and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Robinson, Farmer, Cox Associates
(Charlottesville, Virginia
November 12, 2010

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, 2010. 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 2010¹

- The general fund balance increased \$3,660,100.
- Revenues exceeded the original budget estimate by \$4,542,900 and revenues exceeded the amended budget by \$3,591,611.
- Expenditures were less than the original budget estimate by \$3,510,229 and expenditures were less than the amended budget by \$6,746,911.
- The real estate tax rate remains unchanged at \$0.62 per \$100 of assessed value.
- No reserve funds 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 \$81,723,372 (net assets). Of this amount, \$64,218,511 (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 \$66,671,268, a decrease of \$4,228,050 in comparison with the prior year. Approximately thirty-seven percent of this total amount, or \$24,576,330, is available for spending at the County's discretion (unreserved and undesignated fund balance), and thirty-three percent, or \$21,948,450, has been committed and designated for specific projects. The County has a lower fund balance because of the construction of the new Moss Nuckols elementary school.
- Unreserved fund balance for the general fund was \$24,576,330, or forty-five percent of total general fund expenditures.
- The County of Louisa, Virginia's total debt decreased by \$1,076,760, mostly for the repayment of general obligation bonds.

¹ Fiscal Year ended June 30, 2010.

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 \$81,723,372 at the close of the most recent fiscal year.

A significant portion (21 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		
	2010	2009	
Current and other assets	\$ 71,991,561	\$ 76,240,128	
Capital assets	<u>40,990,590</u>	<u>34,200,095</u>	
Total assets	\$ <u>112,982,151</u>	\$ <u>110,440,223</u>	
Long-term liabilities outstanding	\$ 28,516,275	\$ 29,593,035	
Current liabilities	<u>2,742,504</u>	<u>3,445,096</u>	
Total liabilities	\$ <u>31,258,779</u>	\$ <u>33,038,131</u>	
Net assets:			
Invested in capital assets, net of related debt	\$ 17,504,861	\$ 17,461,096	
Unrestricted	<u>64,218,511</u>	<u>59,940,996</u>	
Total net assets	\$ <u><u>81,723,372</u></u>	\$ <u><u>77,402,092</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 2009-2010, the County's net assets increased by \$4,321,280. The significant reasons for the increase in net assets are attributed to the increase in the collection of property tax and the capitalization of capital project expenditures.

Governmental Activities - Governmental activities increased the County's net assets by \$4,321,280. Key elements of this increase are as follows:

County of Louisa, Virginia's Changes in Net Assets			
	Governmental Activities		
	2010	2009	
Revenues:			
Program revenues:			
Charges for services	\$ 2,730,199	\$ 2,000,438	
Operating grants and contributions	6,166,247	6,293,647	
Capital grants and contributions	37,708	1,521,611	
General revenues:			
Property taxes	48,588,750	47,820,043	
Other local taxes	4,465,562	3,824,629	
Other	2,743,185	3,201,787	
Total revenues	<u>\$ 64,731,651</u>	<u>\$ 64,662,155</u>	
Expenses:			
General government	\$ 3,558,411	\$ 3,350,010	
Judicial administration	2,159,585	2,171,890	
Public safety	10,517,891	9,134,214	
Public works	3,991,484	3,563,987	
Health and welfare	7,303,205	7,118,397	
Education	26,044,246	24,954,712	
Parks, recreation and culture	1,736,229	1,730,650	
Community development	4,119,397	2,100,642	
Interest	979,923	663,163	
Transfers	-	50,735	
Total expenses	<u>\$ 60,410,371</u>	<u>\$ 54,838,400</u>	
Increase (decrease) in net assets	\$ 4,321,280	\$ 9,823,755	
Net assets – beginning	<u>77,402,092</u>	<u>67,578,337</u>	
Net assets - ending	<u><u>\$ 81,723,372</u></u>	<u><u>\$ 77,402,092</u></u>	

- Property taxes – The significant increase (\$768,707) in property taxes are attributed to a more aggressive approach in collections by usage of a third party collection agency and new commercial development. Although assessed property values has declined, the number of improved properties has increased therefore contributing to the increase in tax revenue.
- Public safety expenses increased approximately \$1,400,000. The increase can be attributed to funding of additional positions and a general increase in public need. County began providing three crews of career firefighter/medic coverage, 24/7, in FY 2010 to supplement volunteer coverage.
- Community development expenses increased approximately \$2,000,000. 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 \$66,671,268 a decrease of \$4,228,050 in comparison with the prior year. Approximately thirty-seven percent of this total amount, \$24,576,330, constitutes unreserved and undesignated 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 \$3,660,100 during the current fiscal year. Significant factors in this change in fund balance is the substantial increase in the collection of property taxes and transfers to the capital projects fund as well as 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 \$20,146,488, all of which is designated for future capital projects. The fund balance decreased \$7,888,150 during the current year because of the continued construction of the new Moss Nuckols Elementary School.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$3,510,229; the increase in appropriations can be briefly summarized as follows:

- \$199,849 increase in general government expenditures results from an increase in contingent legal fees, and workers compensation that is budgeted in the non-departmental budget. Operational savings were realized from re-bidding contracts and a renewed focus on economical and compliant procurement procedures; however there was some increase in the cost of procurement.
- \$264,304 increase in judicial administration expenditures are the results of the Records Preservation Grant Program of chancery records, Technology Funds from the Compensation Board and funds received from the Victim Witness and the VSTOP Assistant Attorney grants.
- \$542,086 increase in public safety expenditures results from workers compensation that is budgeted in the non-departmental budget and several grants from State Fire Programs, Four for Life, Homeland Security, DMV Select Enforcement and Wireless Service Board PSAP.

General Fund Budgetary Highlights: (Continued)

- \$1,067,042 increase in public works expenditures is the result of James River Water Authority operational costs, workers compensation that is budgeted in the non-departmental budget, building enhancements previously budgeted for yet not competed and other miscellaneous general services' operations.
- \$619,018 increase in health and welfare expenditures are attributed to Comprehensive Services Act (CSA) for At Risk Kids and other social services programs.
- \$209,637 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 and cultural enhancements provided to the Towns of Louisa and Mineral.
- \$90,779 increase in community development expenditures results from additional funds to rehabilitate the runway at the airport and the creation of the Louisa Visitor's Center.
- \$1,341,879 increase in debt service expenditures associated with funding previously budgeted and re-appropriated in anticipation of debt that the County was planning to issue to finance projects.
- \$824,365 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 \$4,542,900 and revenues exceeded the amended budget by \$3,591,611. Expenditures were less than the original budget estimate by \$3,510,229 and expenditures were less than the amended budget by \$6,746,911. Accounting adjustments were necessary to reclassify debt service expenditures from the school fund and appropriately report in the primary government. Other functions that were significantly under budget included public safety and public works.

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

Revenue

- \$2,445,650 of actual revenue excess of amended budget in general property taxes is attributed to the increase and growth of real and personal property assessments as a result of property improvements and commercial development and the increased rate of collection of those funds by the third party collection agency.

Expenditures:

- \$769,637 under budget in Public Safety is attributed to funds available for 3 crews of 24/7 coverage for the entire year whereas it was not completely staffed until later in the year and repairs and maintenance to the animal shelter that had appropriated yet not completed. The funds for the Regional Jail have been carried over into FY 11.
- \$1,110,812 under budget in General Services is attributed to repairs and maintenance to the County's Historic Courthouse, Ogg Building, Refuse Sites and other buildings in which funding has been appropriated, yet work not started.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental funds as of June 30, 2010 amounts to \$40,990,590 (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 \$6,790,495.

Capital Asset and Debt Administration: (Continued)

County of Louisa, Virginia's Capital Assets		
	Governmental Activities	
	2010	2009
Land	\$ 1,488,506	\$ 1,488,506
Buildings and improvements	19,635,489	19,108,094
Equipment	6,498,166	6,213,046
Construction in progress	19,935,168	12,205,409
Tenancy in common	6,010,000	7,010,000
Total	\$ 53,567,329	\$ 46,025,055
Less: accumulated depreciation	(12,576,739)	(11,824,960)
Net capital assets	\$ 40,990,590	\$ 34,200,095

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 \$24,135,000. Of this amount, \$24,135,000 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total debt decreased by \$1,076,760, 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 2010 was 7.9%, which remained the same as in the prior year, 0.8% higher than the state unemployment rate, and 1.7% below the national unemployment rate.
- Commercial investment in the Zion Crossroads Region continued to expand in 2010 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. Overall, there has been an 11% growth in commercial permits in the County with additional development occurring in the Lake Anna Area within New Bridge Landings and Lake Anna Plaza.
- Residential permits have seen a decrease of 24% in building permits; however, it is believed that this has stabilized.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2011 fiscal year.

For the 2010-2011 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$83,150,616. The approved CIP Budget is \$2,016,100. 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.

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BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets
June 30, 2010

	Primary Government		Component Units	
	Governmental Activities	Total	School Board	Louisa County Water Authority
ASSETS				
Cash and cash equivalents	\$ 65,173,789	\$ 65,173,789	\$ 4,325,469	\$ 2,003,338
Receivables (net of allowance for uncollectibles):				
Taxes receivable	3,572,726	3,572,726	-	-
Accounts receivable	356,487	356,487	182,790	162,576
Interest receivable	-	-	-	61
Landfill accounts	44,512	44,512	-	-
Due from component unit	1,343,427	1,343,427	-	-
Due from other governmental units	1,499,531	1,499,531	1,732,148	-
Prepaid expenses	1,089	1,089	929	19,334
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	1,137,637
Capital assets (net of accumulated depreciation):				
Land	1,488,506	1,488,506	866,127	913,325
Buildings and system	18,236,256	18,236,256	18,119,480	358,412
Machinery and equipment	1,330,660	1,330,660	3,194,891	32,668
Infrastructure	-	-	-	911,557
Construction in progress	19,935,168	19,935,168	-	-
Total assets	<u>\$ 112,982,151</u>	<u>\$ 112,982,151</u>	<u>\$ 28,421,834</u>	<u>\$ 5,538,908</u>
LIABILITIES				
Accounts payable	\$ 2,028,354	\$ 2,028,354	\$ 439,307	\$ 13,640
Accrued liabilities	-	-	4,441,769	-
Amounts held for future projects	-	-	-	64,413
Customers' deposits	-	-	-	37,322
Accrued interest payable	553,964	553,964	-	-
Due to primary government	-	-	1,343,427	-
Unearned revenue	160,186	160,186	-	-
Long-term liabilities:				
Due within one year	2,136,068	2,136,068	52,210	52,761
Due in more than one year	26,380,207	26,380,207	1,621,915	-
Total liabilities	<u>\$ 31,258,779</u>	<u>\$ 31,258,779</u>	<u>\$ 7,898,628</u>	<u>\$ 168,136</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 17,504,861	\$ 17,504,861	\$ 22,180,498	\$ 2,215,962
Restricted for:				
Future capital expenses	-	-	-	1,137,637
Unrestricted (deficit)	64,218,511	64,218,511	(1,657,292)	2,017,173
Total net assets	<u>\$ 81,723,372</u>	<u>\$ 81,723,372</u>	<u>\$ 20,523,206</u>	<u>\$ 5,370,772</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, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,558,411	\$ 46,472	\$ 209,983	\$ -
Judicial administration	2,159,585	142,758	601,382	-
Public safety	10,517,891	1,473,731	1,545,258	33,859
Public works	3,991,484	649,390	6,952	-
Health and welfare	7,303,205	-	3,792,710	-
Education	26,044,246	-	-	-
Parks, recreation, and cultural	1,736,229	432,482	9,962	-
Community development	4,119,397	-	-	3,849
Interest on long-term debt	979,923	-	-	-
Total governmental activities	\$ 60,410,371	\$ 2,744,833	\$ 6,166,247	\$ 37,708
COMPONENT UNITS:				
School Board	\$ 49,203,319	\$ 989,691	\$ 22,456,721	\$ 180,000
Louisa County Water Authority	1,766,824	1,057,467	85,726	2,264,250
Total component units	\$ 50,970,143	\$ 2,047,158	\$ 22,542,447	\$ 2,444,250

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	
\$ (3,301,956)	\$ (3,301,956)			
(1,415,445)	(1,415,445)			
(7,465,043)	(7,465,043)			
(3,335,142)	(3,335,142)			
(3,510,495)	(3,510,495)			
(26,044,246)	(26,044,246)			
(1,293,785)	(1,293,785)			
(4,115,548)	(4,115,548)			
(979,923)	(979,923)			
<u>\$ (51,461,583)</u>	<u>\$ (51,461,583)</u>			
		\$ (25,576,907)	\$ -	
		-	1,640,619	
		<u>\$ (25,576,907)</u>	<u>\$ 1,640,619</u>	
\$ 48,588,750	\$ 48,588,750	\$ -	\$ -	
2,409,995	2,409,995	-	-	
495,804	495,804	-	-	
395,196	395,196	-	-	
583,834	583,834	-	-	
363,946	363,946	-	-	
216,787	216,787	-	-	
553,396	553,396	6,779	55,647	
300,189	300,189	210,601	-	
-	-	25,419,911	-	
1,873,141	1,873,141	-	-	
1,825	1,825	-	-	
<u>\$ 55,782,863</u>	<u>\$ 55,782,863</u>	<u>\$ 25,637,291</u>	<u>\$ 55,647</u>	
\$ 4,321,280	\$ 4,321,280	\$ 60,384	\$ 1,696,266	
77,402,092	77,402,092	20,462,822	3,674,506	
<u>\$ 81,723,372</u>	<u>\$ 81,723,372</u>	<u>\$ 20,523,206</u>	<u>\$ 5,370,772</u>	

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Fund Financial Statements

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Balance Sheet
Governmental Funds
June 30, 2010

	General	Capital Projects	Total
ASSETS			
Cash and cash equivalents	\$ 43,759,650	\$ 21,414,139	\$ 65,173,789
Receivables (net of allowance for uncollectibles):			
Taxes receivable	3,572,726	-	3,572,726
Accounts receivable	356,487	-	356,487
Landfill accounts	44,512	-	44,512
Due from component unit	1,343,427	-	1,343,427
Due from other governmental units	1,457,770	41,761	1,499,531
Prepaid items	1,089	-	1,089
Total assets	<u>\$ 50,535,661</u>	<u>\$ 21,455,900</u>	<u>\$ 71,991,561</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 718,942	\$ 1,309,412	\$ 2,028,354
Deferred revenue	3,291,939	-	3,291,939
Total liabilities	<u>4,010,881</u>	<u>1,309,412</u>	<u>5,320,293</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	2,504,450	-	2,504,450
Unassigned	24,576,330	-	24,576,330
Capital projects funds:			
Assigned for capital projects	-	20,146,488	20,146,488
Total fund balances	<u>\$ 46,524,780</u>	<u>\$ 20,146,488</u>	<u>\$ 66,671,268</u>
Total liabilities and fund balances	<u>\$ 50,535,661</u>	<u>\$ 21,455,900</u>	<u>\$ 71,991,561</u>

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 66,671,268

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. 40,990,590

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid. (553,964)

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. 3,131,753

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. (28,516,275)

Net assets of governmental activities \$ 81,723,372

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, 2010

	General	Capital Projects	Total
REVENUES			
General property taxes	\$ 47,712,558	\$ -	\$ 47,712,558
Other local taxes	4,465,562	-	4,465,562
Permits, privilege fees, and regulatory licenses	830,171	-	830,171
Fines and forfeitures	196,601	-	196,601
Revenue from the use of money and property	378,878	174,518	553,396
Charges for services	1,718,061	-	1,718,061
Miscellaneous	204,899	95,290	300,189
Recovered costs	150,493	-	150,493
Intergovernmental revenues:			
Commonwealth	6,049,344	177,359	6,226,703
Federal	1,850,393	-	1,850,393
Total revenues	<u>\$ 63,556,960</u>	<u>\$ 447,167</u>	<u>\$ 64,004,127</u>
EXPENDITURES			
Current:			
General government administration	\$ 3,248,317	\$ -	\$ 3,248,317
Judicial administration	2,000,848	-	2,000,848
Public safety	10,029,853	-	10,029,853
Public works	3,752,836	-	3,752,836
Health and welfare	7,433,326	-	7,433,326
Education	23,299,928	-	23,299,928
Parks, recreation, and cultural	1,607,570	-	1,607,570
Community development	1,591,805	-	1,591,805
Capital projects	-	13,192,002	13,192,002
Debt service:			
Principal retirement	1,190,000	-	1,190,000
Interest and other fiscal charges	887,517	-	887,517
Total expenditures	<u>\$ 55,042,000</u>	<u>\$ 13,192,002</u>	<u>\$ 68,234,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 8,514,960</u>	<u>\$ (12,744,835)</u>	<u>\$ (4,229,875)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 4,854,860	\$ 4,854,860
Transfers out	(4,854,860)	-	(4,854,860)
Sale of capital assets	-	1,825	1,825
Total other financing sources (uses)	<u>\$ (4,854,860)</u>	<u>\$ 4,856,685</u>	<u>\$ 1,825</u>
Net change in fund balances	\$ 3,660,100	\$ (7,888,150)	\$ (4,228,050)
Fund balances - beginning	42,864,680	28,034,638	70,899,318
Fund balances - ending	<u>\$ 46,524,780</u>	<u>\$ 20,146,488</u>	<u>\$ 66,671,268</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, 2010

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

Net change in fund balances - total governmental funds	\$ (4,228,050)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Details supporting this adjustment are as follows:

Capital outlay	\$ 8,760,477	
Depreciation expense	(1,316,176)	
Net effect on disposal of capital assets	(19,806)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>(634,000)</u>	6,790,495

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

876,192

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	\$ 1,190,000	
Amortization of premiums on bonds payable	<u>101,711</u>	1,291,711

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	\$ (43,106)	
(Increase)/decrease in other post-employment benefits liabilities	(210,822)	
(Increase)/decrease in accrued interest	(194,117)	
(Increase)/decrease in compensated absences	<u>38,977</u>	(409,068)

Change in net assets of governmental activities	\$ <u><u>4,321,280</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, 2010

	Agency Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 818,861
Total assets	\$ <u>818,861</u>
LIABILITIES	
Amounts held for social services clients	\$ 39,847
Amounts held for projects	774,187
Amounts held for others	4,827
Total liabilities	\$ <u>818,861</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, 2010

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, 2010 (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, 2010.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (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, 2010 (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, 2010 (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, 2010 (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 \$857,025 at June 30, 2009 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, 2010.

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, 2010 (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.

The County has elected to early implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for FY2010 for its governmental funds. 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, 2010 (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.

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, 2010 (Continued)

Note 2—Deposits and Investments:

Deposits

All cash of the County and its discretely presented component units are maintained in accounts collateralized in accordance with Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

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, 2010 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	\$ 24,317,483
State Non-Arbitrage Pool (SNAP)	<u>2,028,053</u>
Total	<u>\$ 26,345,536</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, 2010 (Continued)

Note 3—Due From Other Governmental Units:

At June 30, 2010 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	\$ -	\$ 744,467
Local Sales Taxes	463,161	-
Communication Tax	61,432	-
Recordation Tax	39,246	-
VPA Funds	98,179	-
Motor Vehicle Carriers Tax	22,515	-
Shared Expenses	181,412	-
Mobile Home Titling Tax	7,358	-
Comprehensive Services Act Reimbursement	347,218	-
Personal Property Tax Relief Act (PPTRA)	81,011	-
Other State Aid	37,191	-
Federal Government:		
School Funds	-	987,681
Law Enforcement	5,979	-
VPA Funds	154,829	-
Total	<u>\$ 1,499,531</u>	<u>\$ 1,732,148</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	\$ 1,343,427	\$ -
School	-	1,343,427
Totals	<u>\$ 1,343,427</u>	<u>\$ 1,343,427</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, 2010 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2010:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,488,506	\$ -	\$ -	\$ 1,488,506
Construction in Progress	<u>12,205,409</u>	<u>7,729,759</u>	<u>-</u>	<u>19,935,168</u>
Total capital assets not being depreciated	<u>\$ 13,693,915</u>	<u>\$ 7,729,759</u>	<u>\$ -</u>	<u>\$ 21,423,674</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 26,118,094	\$ 527,395	\$ 1,000,000	\$ 25,645,489
Equipment	<u>6,213,046</u>	<u>503,323</u>	<u>218,203</u>	<u>6,498,166</u>
Total capital assets being depreciated	<u>\$ 32,331,140</u>	<u>\$ 1,030,718</u>	<u>\$ 1,218,203</u>	<u>\$ 32,143,655</u>
Less accumulated depreciation for:				
Buildings	\$ 7,091,419	\$ 683,814	\$ 366,000	\$ 7,409,233
Equipment	<u>4,733,541</u>	<u>632,362</u>	<u>198,397</u>	<u>5,167,506</u>
Total accumulated depreciation	<u>\$ 11,824,960</u>	<u>\$ 1,316,176</u>	<u>\$ 564,397</u>	<u>\$ 12,576,739</u>
Total capital assets being depreciated, net	<u>\$ 20,506,180</u>	<u>\$ (285,458)</u>	<u>\$ 653,806</u>	<u>\$ 19,566,916</u>
Governmental activities capital assets, net	<u><u>\$ 34,200,095</u></u>	<u><u>\$ 7,444,301</u></u>	<u><u>\$ 653,806</u></u>	<u><u>\$ 40,990,590</u></u>

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

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets, not being depreciated:				
Land	\$ 866,127	\$ -	\$ -	\$ 866,127
Total capital assets not being depreciated	<u>\$ 866,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 866,127</u>
Capital assets being depreciated:				
Buildings	\$ 36,676,769	\$ 1,811,893	\$ -	\$ 38,488,662
Equipment	<u>8,187,607</u>	<u>1,070,114</u>	<u>272,434</u>	<u>8,985,287</u>
Total capital assets being depreciated	<u>\$ 44,864,376</u>	<u>\$ 2,882,007</u>	<u>\$ 272,434</u>	<u>\$ 47,473,949</u>
Less accumulated depreciation for:				
Buildings	\$ 18,864,807	\$ 1,654,625	\$ 150,250	\$ 20,369,182
Equipment	<u>5,338,584</u>	<u>724,246</u>	<u>272,434</u>	<u>5,790,396</u>
Total accumulated depreciation	<u>\$ 24,203,391</u>	<u>\$ 2,378,871</u>	<u>\$ 422,684</u>	<u>\$ 26,159,578</u>
Total capital assets being depreciated, net	<u>\$ 20,660,985</u>	<u>\$ 503,136</u>	<u>\$ (150,250)</u>	<u>\$ 21,314,371</u>
School Board capital assets, net	<u><u>\$ 21,527,112</u></u>	<u><u>\$ 503,136</u></u>	<u><u>\$ (150,250)</u></u>	<u><u>\$ 22,180,498</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 5—Capital Assets: (Continued)

Capital asset activity for the School Board for the year ended June 30, 2010 was as follows:

Depreciation expense	\$ 2,163,121
Disposals of assets	(422,684)
Depreciation on joint tenancy assets- transferred to School Board	<u>215,750</u>
Net increases in accumulated depreciation	\$ <u><u>1,956,187</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, 2010, is that school financed assets in the amount of \$6,010,000 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	\$ 184,395
Judicial Administration	145,001
Public Safety	419,970
Public Works	130,685
Health and Welfare	33,075
Education	150,250
Parks, Recreation and Cultural	107,103
Community Development	<u>145,697</u>
Total	\$ <u><u>1,316,176</u></u>
Component Unit School Board	\$ <u><u>2,378,871</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (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, 2010:

	Amounts Payable July 1, 2009	Increases	Decreases	Amounts Payable June 30, 2010	Amounts Due Within One Year
Compensated absences payable	\$ 650,081	\$ 951,216	\$ 990,193	\$ 611,104	\$ 61,110
General obligation bonds	25,325,000	-	1,190,000	24,135,000	1,940,000
Premium on bonds payable	1,480,493	-	101,711	1,378,782	134,958
Other post-employment benefits	185,182	248,101	37,279	396,004	-
Landfill closure and postclosure care	1,952,279	43,106	-	1,995,385	-
Total	\$ 29,593,035	\$ 1,242,423	\$ 2,319,183	\$ 28,516,275	\$ 2,136,068

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
2011	\$ 1,940,000	\$ 1,154,029	\$ 134,958	\$ -
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	\$ 24,135,000	\$ 9,750,842	\$ 1,378,782	\$ -

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (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%	\$ 3,420,000	\$ 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%	3,310,000	825,000
\$14,705,000 Series 2009A issued May 7, 2009, due in annual installments ranging from \$475,262 to \$1,411,211 beginning January 15, 2010 through January 15, 2030, interest ranging from 4.05% to 5.05%	14,705,000	740,000
\$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>2,700,000</u>	<u>185,000</u>
Total General Obligation Bonds	\$ <u>24,135,000</u>	\$ <u>1,940,000</u>
Premium on Bonds Payable	\$ 1,378,782	\$ 134,958
Accrued compensated absences	\$ 611,104	\$ 61,110
Other post-employment benefits	\$ 396,004	\$ -
Landfill closure, postclosure care and corrective action costs	\$ <u>1,995,385</u>	\$ -
Total Long-Term Obligations	<u>\$ 28,516,275</u>	<u>\$ 2,136,068</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, 2010:

	<u>Amounts Payable July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts Payable June 30, 2010</u>	<u>Amounts Due Within One Year</u>
Compensated absences payable	\$ 520,375	\$ 1,720	\$ -	\$ 522,095	\$ 52,210
Other post-employment benefits	<u>576,253</u>	<u>732,696</u>	<u>156,919</u>	<u>1,152,030</u>	<u>-</u>
Total	<u>\$ 1,096,628</u>	<u>\$ 734,416</u>	<u>\$ 156,919</u>	<u>\$ 1,674,125</u>	<u>\$ 52,210</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (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 \$3,291,939 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 \$43,526 at June 30, 2010.
- B. Primary Government—Deferred Property Taxes – Deferred revenue representing deferred property tax revenues totaled \$3,248,413 at June 30, 2010.

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 employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs) or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.70% of their average final compensation (AFC) for each year of credited service (1.85% for sheriffs and if the employer elects, for other employees in hazardous duty positions receiving enhanced benefits). Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living adjustment (COLA) beginning in their second year of retirement. The COLA is limited to 5.00% per year. AFC is defined as the highest consecutive 36 months of reported compensation. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/Publications/2009-Annual-Report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Primary Government

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. The County has elected to assume the 5.00% member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its 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 contribution rate for the fiscal year ended 2010 was 7.77% of annual covered payroll.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

B. Funding Policy: (Continued)

Discretely Presented Component Unit – School Board (Non-professional)

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their annual salary to the VRS. This 5.00% member contribution may be assumed by the employer. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2010 was 6.18% of annual covered payroll.

C. Annual Pension Cost

Primary Government

For fiscal year 2010, the County's annual pension cost of \$777,963 was equal to the County's required and actual contributions (does not include employee share in the amount of \$500,620 which was assumed by the County).

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, 2010	\$ 777,963	100%	\$ -
June 30, 2009	722,401	100%	-
June 30, 2008	516,813	100%	-

(1) Employer portion only

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 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 County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's 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, 2007 was 20 years.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

Discretely Presented Component Unit – School Board (Non-professional)

For fiscal year 2010, the School Board's annual pension cost of \$202,579 was equal to the School Board's required and actual contributions (does not include employee share in the amount of \$163,898 which was assumed by the School Board).

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, 2010	\$ 202,579	100%	\$ -
June 30, 2009	204,431	100%	-
June 30, 2008	166,131	100%	-

(1) Employer portion only

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2007 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 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. School Board's 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, 2007 was 20 years.

D. Funded Status and Funding Progress

Primary Government

As of June 30, 2009, the most recent actuarial valuation date, the plan was 89.26% funded. The actuarial accrued liability for benefits was \$22,215,473, and the actuarial value of assets was \$19,829,329, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,386,143. The covered payroll (annual payroll of active employees covered by the plan) was \$9,655,181, and ratio of the UAAL to the covered payroll was 24.71%.

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

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress: (Continued)

Discretely Presented Component Unit – School Board (Non-professional)

As of June 30, 2009, the most recent actuarial valuation date, the plan was 92.80% funded. The actuarial accrued liability for benefits was \$9,452,254, and the actuarial value of assets was \$8,771,928, resulting in an unfunded actuarial accrued liability (UAAL) of \$680,326. The covered payroll (annual payroll of active employees covered by the plan) was \$3,309,996, and ratio of the UAAL to the covered payroll was 20.55%.

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

Professional Employees – Discretely Presented Component Unit School Board:

A. Plan Description

The Louisa County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. That report may be obtained by writing to the System at P.O. Box 2500, Richmond, Virginia 23218-2500 or a copy may be downloaded from the VRS website at <http://www.varetire.org/PDF/2009-Annual-Report.pdf>

B. Funding Policy

Plan members are required to contribute 5.00% of their annual covered salary and Louisa County School Board is required to contribute at an actuarially determined rate. The current rate is 8.81% of annual covered payroll. The contribution requirements of plan members and Louisa County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2010, 2009, and 2008 were \$2,111,983, \$2,164,789, and \$2,394,904 respectively, and equal to the required contributions for each year.

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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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 \$1,995,385 reported as landfill closure, postclosure and corrective action liability on the June 30, 2010 Statement of Net Assets is equal to the expected closure and postclosure costs, based on an expected closure date of fiscal year 2012. The landfill has an estimated remaining life of 2 years and an estimated 75% capacity has been used as of June 30, 2010. 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 2012. The County has demonstrated financial assurance requirements for closure, postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. Also, the County intends to fund these costs from funds accumulated for this purpose in the General Fund.

Note 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, 2010, 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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

Note 13—Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 4,854,860
Capital Projects Fund	<u>4,854,860</u>	<u>-</u>
Total	<u>\$ 4,854,860</u>	<u>\$ 4,854,860</u>

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

Note 14—Surety Bonds:

	<u>Amount</u>
Fidelity Deposit Company of Maryland-Surety	
Susan R. Hopkins, Clerk of the Circuit Court	\$ 25,000
Gloria G. Layne, Treasurer	400,000
Nancy M. Pleasants, Commissioner of the Revenue	3,000
Ashland D. Fortune, Sheriff	30,000
The above constitutional officer's employees-blanket bond	50,000
Virginia School Board Association-Surety	
Rebecca A. Fisher, Clerk of the School Board	10,000
Fidelity and Deposit Company of Maryland-Surety	
P.T. Spencer, Supervisor	2,000
Fitzgerald A. Barnes, Supervisor	2,000
Dan Byers, Supervisor	2,000
Tommy Barlow, Supervisor	2,000
Richard A. Havasy, Supervisor	2,000
Willie L. Gentry, Jr., Supervisor	2,000
Willie L. Harper, Supervisor	2,000
Dale G. Mullen, County Administrator	3,000

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

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.

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.

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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

Annual OPEB Cost and Net OPEB Obligation: (Continued)

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:

	Primary Government	Component Unit School Board
Annual required contribution	\$ 248,264	\$ 733,172
Interest on OPEB obligation	7,882	23,050
Adjustment to annual required contribution	(8,045)	(23,526)
Annual OPEB cost (expense)	\$ 248,101	\$ 732,696
Estimated contribution made during FY 2010	(37,279)	(156,919)
Increase in net OPEB obligation	\$ 210,822	\$ 575,777
Net OPEB obligation - beginning of year	185,182	576,253
Net OPEB obligation - end of year	\$ 396,004	\$ 1,152,030

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2010 and 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
County:			
June 30, 2010 \$	236,383	15.77% \$	396,004
June 30, 2009	222,461	16.75%	185,182
Schools:			
June 30, 2010 \$	733,172	21.40% \$	1,152,030
June 30, 2009	733,172	21.40%	576,253

Funded Status and Funding Progress

As of July 1, 2008, the County's actuarial accrued liability for benefits was \$1,332,034, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$9,297,315, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14.33 percent.

As of July 1, 2008, the School Board's actuarial accrued liability for benefits was \$6,019,472, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$27,879,898, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 21.59 percent.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2010 (Continued)

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

Funded Status and Funding Progress (Continued)

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, 2009 was thirty years.

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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, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 45,266,908	\$ 45,266,908	\$ 47,712,558	\$ 2,445,650
Other local taxes	3,595,000	3,595,000	4,465,562	870,562
Permits, privilege fees, and regulatory licenses	1,136,020	1,136,020	830,171	(305,849)
Fines and forfeitures	70,000	70,000	196,601	126,601
Revenue from the use of money and property	536,000	536,000	378,878	(157,122)
Charges for services	1,119,250	1,141,141	1,718,061	576,920
Miscellaneous	100,000	201,360	204,899	3,539
Recovered costs	114,500	115,508	150,493	34,985
Intergovernmental revenues:				
Commonwealth	5,346,941	6,021,252	6,049,344	28,092
Federal	1,729,441	1,882,160	1,850,393	(31,767)
Total revenues	\$ 59,014,060	\$ 59,965,349	\$ 63,556,960	\$ 3,591,611
EXPENDITURES				
General government administration:				
Legislative:				
Board of supervisors	\$ 184,636	\$ 184,636	\$ 156,199	\$ 28,437
General and financial administration:				
County administrator	\$ 572,675	\$ 583,760	\$ 474,485	\$ 109,275
County attorney	270,430	426,046	414,437	11,609
Administrative and human resources	206,636	207,029	192,567	14,462
Commissioner of revenue	388,684	388,975	364,631	24,344
Reassessment	457,132	461,135	429,523	31,612
Treasurer	479,536	479,820	423,390	56,430
Finance	301,489	303,425	293,179	10,246
Network administration	348,412	374,569	367,263	7,306
Total general and financial administration	\$ 3,024,994	\$ 3,224,759	\$ 2,959,475	\$ 265,284
Board of elections:				
Electoral board and officials	\$ 170,176	\$ 170,260	\$ 132,643	\$ 37,617
Total general government administration	\$ 3,379,806	\$ 3,579,655	\$ 3,248,317	\$ 331,338
Judicial administration:				
Courts:				
Circuit court	\$ 94,404	\$ 94,446	\$ 73,179	\$ 21,267
General district court	13,000	9,750	10,935	(1,185)
Juvenile domestic court	-	3,250	2,810	440
Clerk of the circuit court	473,460	618,020	569,106	48,914
Sheriff - courts	805,592	804,601	716,714	87,887
Law library	-	-	4,905	(4,905)
Total courts	\$ 1,386,456	\$ 1,530,067	\$ 1,377,649	\$ 152,418

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010 (Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 590,308	\$ 711,001	\$ 623,199	\$ 87,802
Total judicial administration	\$ 1,976,764	\$ 2,241,068	\$ 2,000,848	\$ 240,220
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 3,299,588	\$ 3,385,702	\$ 3,349,689	\$ 36,013
Communications center	683,160	767,885	752,136	15,749
Emergency 911 system	254,440	254,440	202,849	51,591
Total law enforcement and traffic control	\$ 4,237,188	\$ 4,408,027	\$ 4,304,674	\$ 103,353
Fire and rescue services:				
Office of emergency services	\$ 398,656	\$ 443,382	\$ 376,555	\$ 66,827
Fire & rescue assistance	1,604,760	1,669,738	1,602,385	67,353
Revenue recovery	155,000	188,695	161,578	27,117
Emergency services	2,087,552	2,261,307	1,994,724	266,583
Total fire and rescue services	\$ 4,245,968	\$ 4,563,122	\$ 4,135,242	\$ 427,880
Correction and detention:				
Sheriff - correction and detention	\$ 1,064,252	\$ 1,077,749	\$ 1,002,160	\$ 75,589
Inspections:				
Board of building appeals	\$ 3,100	\$ 3,100	\$ -	\$ 3,100
Other protection:				
Animal control	\$ 196,784	\$ 198,219	\$ 158,664	\$ 39,555
Animal shelter	238,412	263,777	175,708	88,069
Forest fire prevention & extinction	28,660	28,660	27,241	1,419
Emergency services (civil defense)	23,912	23,912	23,912	-
Transportation safety commission	1,200	1,220	1,193	27
Transportation department	217,928	231,704	201,059	30,645
Total other protection	\$ 706,896	\$ 747,492	\$ 587,777	\$ 159,715
Total public safety	\$ 10,257,404	\$ 10,799,490	\$ 10,029,853	\$ 769,637
General services:				
Maintenance of highways, streets, bridges and sidewalks:				
Road administration	\$ 1,508	\$ 1,508	\$ -	\$ 1,508

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
General services: (Continued)				
Sanitation and waste removal:				
Scalehouse operations	\$ 93,900	\$ 97,536	\$ 87,058	\$ 10,478
Refuse collection-solid waste control	1,320,692	1,320,692	1,168,626	152,066
Litter control	24,100	24,100	978	23,122
Total sanitation and waste removal	<u>\$ 1,438,692</u>	<u>\$ 1,442,328</u>	<u>\$ 1,256,662</u>	<u>\$ 185,666</u>
Maintenance of general buildings and grounds:				
General properties	\$ 2,393,580	\$ 3,172,258	\$ 2,073,066	\$ 1,099,192
Water and wastewater	150,000	434,728	423,108	11,620
Total maintenance of general buildings and grounds	<u>\$ 2,543,580</u>	<u>\$ 3,606,986</u>	<u>\$ 2,496,174</u>	<u>\$ 1,110,812</u>
Total public works	<u>\$ 3,983,780</u>	<u>\$ 5,050,822</u>	<u>\$ 3,752,836</u>	<u>\$ 1,297,986</u>
Health and social services:				
Health:				
Family services	\$ 100,000	\$ 86,013	\$ 52,768	\$ 33,245
Supplement of local health department	672,692	672,692	672,692	-
Total health	<u>\$ 772,692</u>	<u>\$ 758,705</u>	<u>\$ 725,460</u>	<u>\$ 33,245</u>
Mental health and mental retardation:				
Region 10	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ -</u>
Social services:				
Administration & public assistance	\$ 3,546,391	\$ 3,835,765	\$ 3,510,211	\$ 325,554
At risk youth	2,040,000	2,383,631	2,336,895	46,736
Monticello Area Community Action Agency	36,000	36,000	36,000	-
Jefferson Area Board for Aging	288,572	288,572	288,572	-
Housing assistance	112,000	112,000	112,000	-
Social service agency donations	289,188	289,188	289,188	-
Total social services	<u>\$ 6,312,151</u>	<u>\$ 6,945,156</u>	<u>\$ 6,572,866</u>	<u>\$ 372,290</u>
Total health and social services	<u>\$ 7,219,843</u>	<u>\$ 7,838,861</u>	<u>\$ 7,433,326</u>	<u>\$ 405,535</u>
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 24,403,152	\$ 24,403,152	\$ 23,267,244	\$ 1,135,908
Contributions to local community college	32,684	32,684	32,684	-
Total education	<u>\$ 24,435,836</u>	<u>\$ 24,435,836</u>	<u>\$ 23,299,928</u>	<u>\$ 1,135,908</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 1,003,220	\$ 1,037,379	\$ 840,528	\$ 196,851
Swimming pools	123,648	128,464	125,867	2,597
Total parks and recreation	<u>\$ 1,126,868</u>	<u>\$ 1,165,843</u>	<u>\$ 966,395</u>	<u>\$ 199,448</u>

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Community organizations	160,000	330,662	317,903	12,759
Total cultural enrichment	\$ 162,000	\$ 332,662	\$ 319,903	\$ 12,759
Library:				
Contribution to regional library	\$ 321,272	\$ 321,272	\$ 321,272	\$ -
Total parks, recreation, and cultural	\$ 1,610,140	\$ 1,819,777	\$ 1,607,570	\$ 212,207
Community development:				
Planning and community development:				
Planning	\$ 1,193,486	\$ 1,203,150	\$ 995,902	\$ 207,248
Planning District Commission	48,132	48,132	48,132	-
Industrial Development Authority	129,800	129,800	129,800	-
Economic development	161,132	177,100	136,348	40,752
Tourism	134,612	199,735	99,700	100,035
Other community development	3,000	3,000	3,000	-
Total planning and community development	\$ 1,670,162	\$ 1,760,917	\$ 1,412,882	\$ 348,035
Environmental management:				
Soil and water conservation district	\$ 73,880	\$ 73,880	\$ 73,880	\$ -
Cooperative extension program:				
VPI extension	\$ 109,368	\$ 109,392	\$ 105,043	\$ 4,349
Total community development	\$ 1,853,410	\$ 1,944,189	\$ 1,591,805	\$ 352,384
Nondepartmental:				
Miscellaneous	\$ 1,471,774	\$ 647,409	\$ -	\$ 647,409
Debt service:				
Principal retirement	\$ 1,190,000	\$ 2,126,124	\$ 1,190,000	\$ 936,124
Interest and other fiscal charges	899,925	1,305,680	887,517	418,163
Total debt service	\$ 2,089,925	\$ 3,431,804	\$ 2,077,517	\$ 1,354,287
Total Expenditures	\$ 58,278,682	\$ 61,788,911	\$ 55,042,000	\$ 6,746,911
Excess (deficiency) of revenues over (under) expenditures	\$ 735,378	\$ (1,823,562)	\$ 8,514,960	\$ 10,338,522
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (2,531,898)	\$ (4,854,858)	\$ (4,854,860)	\$ (2)
Total other financing sources and uses	\$ (2,531,898)	\$ (4,854,858)	\$ (4,854,860)	\$ (2)
Net change in fund balances	\$ (1,796,520)	\$ (6,678,420)	\$ 3,660,100	\$ 10,338,520
Fund balances - beginning	1,796,520	6,678,420	42,864,680	36,186,260
Fund balances - ending	\$ -	\$ -	\$ 46,524,780	\$ 46,524,780

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)
6/30/2009	\$	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%
6/30/2007		16,747,949	17,968,559	1,220,610	93.21%	8,002,659	15.25%

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)
6/30/2009	\$	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%
6/30/2007		7,549,650	7,896,968	347,318	95.60%	2,935,319	11.83%

Other Post-Employment Benefits
Schedule of Pension Funding Progress
Last Two 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)
7/1/2008	\$ -	\$ 1,332,034	\$ 1,332,034	0.00%	\$ 9,297,315	14.33%
7/1/2008	-	1,332,034	1,332,034	0.00%	10,012,399	13.30%

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)
7/1/2008	\$ -	\$ 6,019,472	\$ 6,019,472	0.00%	\$ 27,879,898	21.59%
7/1/2008	-	6,019,472	6,019,472	0.00%	27,250,540	22.09%

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, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Revenue from the use of money and property	\$ 350,000	\$ 350,000	\$ 174,518	\$ (175,482)
Miscellaneous	50,000	67,880	95,290	27,410
Intergovernmental revenues:				
Commonwealth	100,000	100,000	177,359	77,359
Total revenues	\$ 500,000	\$ 517,880	\$ 447,167	\$ (70,713)
EXPENDITURES				
Current:				
Economic development projects	\$ 832,400	\$ 19,843,993	\$ 2,733,068	\$ 17,110,925
Emergency services projects	602,000	1,202,326	1,165,329	36,997
County administration	-	430,325	878	429,447
Parks and recreation	217,500	502,805	26,032	476,773
Sheriff's department	247,000	351,596	267,499	84,097
School capital projects	1,068,000	11,426,282	8,799,902	2,626,380
Public works	65,000	1,259,094	199,294	1,059,800
Total expenditures	\$ 3,031,900	\$ 35,016,421	\$ 13,192,002	\$ 21,824,419
Excess (deficiency) of revenues over (under) expenditures	\$ (2,531,900)	\$ (34,498,541)	\$ (12,744,835)	\$ 21,753,706
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,531,900	\$ 33,658,845	\$ 4,854,860	\$ (28,803,985)
Sale of capital assets	-	1,825	1,825	-
Total other financing sources and uses	\$ 2,531,900	\$ 33,660,670	\$ 4,856,685	\$ (28,803,985)
Net change in fund balances	\$ -	\$ (837,871)	\$ (7,888,150)	\$ (7,050,279)
Fund balances - beginning	-	837,871	28,034,638	27,196,767
Fund balances - ending	\$ -	\$ -	\$ 20,146,488	\$ 20,146,488

Combining Statement of Fiduciary Net Assets
 Agency Funds
 June 30, 2010

	Agency Funds			
	Special Welfare	Bond Escrow Fund	Sheriff's Accounts	Total
ASSETS				
Cash and cash equivalents	\$ 39,847	\$ 774,187	\$ 4,827	\$ 818,861
Total assets	<u>\$ 39,847</u>	<u>\$ 774,187</u>	<u>\$ 4,827</u>	<u>\$ 818,861</u>
LIABILITIES				
Amounts held for social services clients	\$ 39,847	\$ -	\$ -	\$ 39,847
Amounts held for projects	-	774,187	-	774,187
Amounts held for others	-	-	4,827	4,827
Total liabilities	<u>\$ 39,847</u>	<u>\$ 774,187</u>	<u>\$ 4,827</u>	<u>\$ 818,861</u>

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2010

	<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	\$ 11,301	\$ 101,464	\$ 72,918	\$ 39,847
Total assets	<u>\$ 11,301</u>	<u>\$ 101,464</u>	<u>\$ 72,918</u>	<u>\$ 39,847</u>
LIABILITIES				
Amounts held for social services clients	\$ 11,301	\$ 101,464	\$ 72,918	\$ 39,847
Total liabilities	<u>\$ 11,301</u>	<u>\$ 101,464</u>	<u>\$ 72,918</u>	<u>\$ 39,847</u>
Bond Escrow Account:				
ASSETS				
Cash and cash equivalents	\$ 272,511	\$ 576,787	\$ 75,111	\$ 774,187
Total assets	<u>\$ 272,511</u>	<u>\$ 576,787</u>	<u>\$ 75,111</u>	<u>\$ 774,187</u>
LIABILITIES				
Amounts held for projects	\$ 272,511	\$ 576,787	\$ 75,111	\$ 774,187
Total liabilities	<u>\$ 272,511</u>	<u>\$ 576,787</u>	<u>\$ 75,111</u>	<u>\$ 774,187</u>
Sheriff's Accounts:				
ASSETS				
Cash and cash equivalents	\$ 875	\$ 3,952	\$ -	\$ 4,827
Total assets	<u>\$ 875</u>	<u>\$ 3,952</u>	<u>\$ -</u>	<u>\$ 4,827</u>
LIABILITIES				
Amounts held for others	\$ 875	\$ 3,952	\$ -	\$ 4,827
Total liabilities	<u>\$ 875</u>	<u>\$ 3,952</u>	<u>\$ -</u>	<u>\$ 4,827</u>
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 284,687	\$ 682,203	\$ 148,029	\$ 818,861
Total assets	<u>\$ 284,687</u>	<u>\$ 682,203</u>	<u>\$ 148,029</u>	<u>\$ 818,861</u>
LIABILITIES				
Amounts held for social services clients	\$ 11,301	\$ 101,464	\$ 72,918	\$ 39,847
Amounts held for projects	272,511	576,787	75,111	774,187
Amounts held for others	875	3,952	-	4,827
Total liabilities	<u>\$ 284,687</u>	<u>\$ 682,203</u>	<u>\$ 148,029</u>	<u>\$ 818,861</u>

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Discretely Presented Component Unit-School Board

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Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2010

	School Operating Fund
ASSETS	
Cash and cash equivalents	\$ 4,325,469
Receivables (net of allowance for uncollectibles):	
Accounts receivable	182,790
Due from other governmental units	1,732,148
Prepaid items	929
Total assets	<u>\$ 6,241,336</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 438,761
Accrued liabilities	4,442,315
Due to primary government	1,343,427
Total liabilities	<u>\$ 6,224,503</u>
Fund balances:	
Assigned:	
Cafeteria operations	\$ 16,833
Total fund balances	<u>\$ 16,833</u>
Total liabilities and fund balances	<u>\$ 6,241,336</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 16,833
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	22,180,498
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,674,125)</u>
Net assets of governmental activities	<u>\$ 20,523,206</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2010

	School Operating Fund
REVENUES	
Revenue from the use of money and property	\$ 6,779
Charges for services	989,691
Miscellaneous	210,601
Recovered costs	373,502
Intergovernmental revenues:	
Local government	23,267,244
Commonwealth	17,561,180
Federal	5,075,541
Total revenues	<u>\$ 47,484,538</u>

EXPENDITURES

Current:	
Education	<u>\$ 47,500,043</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (15,505)</u>
Net change in fund balances	\$ (15,505)
Fund balances - beginning	<u>32,338</u>
Fund balances - ending	<u><u>\$ 16,833</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	\$ (15,505)
--	-------------

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	\$ 1,882,007	
Depreciation expense	(1,862,621)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>634,000</u>	\$ 653,386

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) in accrued leave	\$ (1,720)	
(Increase) OPEB liability	<u>(575,777)</u>	<u>\$ (577,497)</u>

Change in net assets of governmental activities	<u><u>\$ 60,384</u></u>
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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, 2010

School Operating Fund					Variance with Final Budget Positive (Negative)
Budgeted Amounts					
	Original	Final	Actual		
REVENUES					
Revenue from the use of money and property	\$ 5,500	\$ 5,500	\$ 6,779	\$	1,279
Charges for services	1,081,307	1,081,307	989,691		(91,616)
Miscellaneous	231,500	231,500	210,601		(20,899)
Recovered costs	660,000	660,000	373,502		(286,498)
Intergovernmental revenues:					
Local government	24,403,152	24,403,152	23,267,244		(1,135,908)
Commonwealth	19,342,493	19,342,493	17,561,180		(1,781,313)
Federal	2,890,458	6,100,028	5,075,541		(1,024,487)
Total revenues	\$ 48,614,410	\$ 51,823,980	\$ 47,484,538	\$	(4,339,442)
EXPENDITURES					
Current:					
Education:					
Instruction	\$ 34,185,613	\$ 37,240,983	\$ 34,102,743	\$	3,138,240
Administration, attendance and health	2,160,274	2,001,680	1,729,396		272,284
Pupil transportation	4,354,581	4,354,581	3,972,334		382,247
Operation and maintenance services	4,193,464	4,181,536	3,658,037		523,499
Facilities	4,711	4,695	4,309		386
Technology	1,750,110	2,074,848	2,055,400		19,448
School food services	1,965,657	1,965,657	1,977,824		(12,167)
Total expenditures	\$ 48,614,410	\$ 51,823,980	\$ 47,500,043	\$	4,323,937
Excess (deficiency) of revenues over (under) expenditures					
	\$ -	\$ -	\$ (15,505)	\$	(15,505)
Net change in fund balances	\$ -	\$ -	\$ (15,505)	\$	(15,505)
Fund balances - beginning	-	-	32,338		32,338
Fund balances - ending	\$ -	\$ -	\$ 16,833	\$	16,833

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Supporting Schedules

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Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

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	\$ 26,740,000	\$ 26,740,000	\$ 27,211,940	\$ 471,940
Real and personal public service corporation taxes	13,842,000	13,842,000	14,766,546	924,546
Personal property taxes	3,667,473	3,667,473	4,396,689	729,216
Mobile home taxes	77,500	77,500	63,472	(14,028)
Machinery and tools taxes	282,435	282,435	314,594	32,159
Other taxes	422,500	422,500	403,730	(18,770)
Penalties	175,000	175,000	306,594	131,594
Interest	60,000	60,000	248,993	188,993
Total general property taxes	<u>\$ 45,266,908</u>	<u>\$ 45,266,908</u>	<u>\$ 47,712,558</u>	<u>\$ 2,445,650</u>
Other local taxes:				
Local sales and use taxes	\$ 1,500,000	\$ 1,500,000	\$ 2,409,995	\$ 909,995
Consumers' utility taxes	500,000	500,000	583,834	83,834
Communication taxes	365,000	365,000	363,946	(1,054)
Business license taxes	125,000	125,000	139,240	14,240
Utility license taxes	10,000	10,000	3,112	(6,888)
Motor vehicle licenses	450,000	450,000	395,196	(54,804)
Taxes on recordation and wills	600,000	600,000	495,804	(104,196)
Hotel and motel room taxes	45,000	45,000	74,435	29,435
Total other local taxes	<u>\$ 3,595,000</u>	<u>\$ 3,595,000</u>	<u>\$ 4,465,562</u>	<u>\$ 870,562</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,000	\$ 17,718	\$ 2,718
Land use application fees	1,320	1,320	970	(350)
Transfer fees	1,700	1,700	1,427	(273)
Building and other related permits	450,000	450,000	254,650	(195,350)
Zoning and use permits	300,000	300,000	99,722	(200,278)
Erosion and sediment control	65,000	65,000	24,369	(40,631)
Water and sewer connect fees	300,000	300,000	427,250	127,250
Permits and other licenses	3,000	3,000	4,065	1,065
Total permits, privilege fees, and regulatory licenses	<u>\$ 1,136,020</u>	<u>\$ 1,136,020</u>	<u>\$ 830,171</u>	<u>\$ (305,849)</u>
Fines and forfeitures:				
Court fines and forfeitures	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 196,601</u>	<u>\$ 126,601</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 500,000	\$ 500,000	\$ 344,010	\$ (155,990)
Revenue from use of property	36,000	36,000	34,868	(1,132)
Total revenue from use of money and property	<u>\$ 536,000</u>	<u>\$ 536,000</u>	<u>\$ 378,878</u>	<u>\$ (157,122)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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	\$ 30,041	\$ (44,959)
Charges for law enforcement and traffic control	2,500	2,500	4,626	2,126
Charges for courthouse maintenance	12,000	12,000	19,879	7,879
Treasurer's collection fees	-	-	(59)	(59)
Concealed weapons permits	1,500	1,500	1,921	421
Charges for Commonwealth's Attorney	650	650	807	157
Ambulance services	155,000	155,000	877,894	722,894
Charges for sanitation and waste removal	465,000	465,000	220,968	(244,032)
Charges for parks and recreation	377,000	380,232	413,408	33,176
Other court charges	30,000	30,000	87,627	57,627
Other charges for services	600	19,259	57,873	38,614
Court fees law library	-	-	3,076	3,076
Total charges for services	\$ 1,119,250	\$ 1,141,141	\$ 1,718,061	\$ 576,920
Miscellaneous revenue:				
Miscellaneous	\$ 100,000	\$ 201,360	\$ 204,899	\$ 3,539
Recovered costs:				
Juvenile and domestic relations court costs	\$ 13,000	\$ 13,000	\$ 22,489	\$ 9,489
Other recovered costs	75,000	75,000	-	(75,000)
Expenditure refunds	-	-	84,710	84,710
Other recovered costs - welfare	26,500	27,508	43,294	15,786
Total recovered costs	\$ 114,500	\$ 115,508	\$ 150,493	\$ 34,985
Total revenue from local sources	\$ 51,937,678	\$ 52,061,937	\$ 55,657,223	\$ 3,595,286
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ -	\$ -	\$ 22,515	\$ 22,515
Mobile home titling tax	50,000	50,000	33,227	(16,773)
Local aid to the Commonwealth of Virginia	-	-	(115,265)	(115,265)
Motor vehicle rental tax	1,300	1,300	2,350	1,050
Personal property tax relief funds	1,620,227	1,620,227	1,620,227	-
Total noncategorical aid	\$ 1,671,527	\$ 1,671,527	\$ 1,563,054	\$ (108,473)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 210,886	\$ 210,886	\$ 316,287	\$ 105,401
Sheriff	1,050,160	1,050,160	1,117,736	67,576
Commissioner of revenue	101,292	101,292	133,002	31,710
Treasurer	101,292	101,292	143,727	42,435
Registrar/electoral board	32,551	32,551	48,519	15,968
Clerk of the Circuit Court	234,643	234,643	285,095	50,452
Total shared expenses	\$ 1,730,824	\$ 1,730,824	\$ 2,044,366	\$ 313,542

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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	\$ 830,190	\$ 999,758	\$ 891,588	\$ (108,170)
Wireless E-911 grant	-	55,972	107,495	51,523
Juvenile justice - crime control	-	13,497	12,822	(675)
At risk youth - comprehensive services act	1,114,400	1,340,621	1,228,216	(112,405)
Four 4 life grant	-	33,859	33,859	-
Litter control grant	-	-	7,879	7,879
Radiological preparedness grant	-	25,000	25,000	-
Records preservation	-	-	4,962	4,962
Fire programs fund	-	82,637	82,637	-
Victim-witness grant	-	50,827	12,408	(38,419)
ISTEA Grants - Trevillian Station Battlefield Found.	-	-	3,849	3,849
Other categorical aid	-	16,730	31,209	14,479
Total other categorical aid	<u>\$ 1,944,590</u>	<u>\$ 2,618,901</u>	<u>\$ 2,441,924</u>	<u>\$ (176,977)</u>
Total categorical aid	<u>\$ 3,675,414</u>	<u>\$ 4,349,725</u>	<u>\$ 4,486,290</u>	<u>\$ 136,565</u>
Total revenue from the Commonwealth	<u>\$ 5,346,941</u>	<u>\$ 6,021,252</u>	<u>\$ 6,049,344</u>	<u>\$ 28,092</u>
Revenue from the federal government:				
Categorical aid:				
Welfare public assistance	\$ 1,709,441	\$ 1,811,032	\$ 1,672,906	\$ (138,126)
Victim witness	-	-	37,223	37,223
Justice assistance ARRA grant	-	-	66,063	66,063
Alcohol open container requirements	-	27,212	26,055	(1,157)
Bulletproof vest partnership program	-	-	1,755	1,755
Violence against women	20,000	43,916	28,784	(15,132)
Emergency management preparedness	-	-	17,607	17,607
Total categorical aid	<u>\$ 1,729,441</u>	<u>\$ 1,882,160</u>	<u>\$ 1,850,393</u>	<u>\$ (31,767)</u>
Total revenue from the federal government	<u>\$ 1,729,441</u>	<u>\$ 1,882,160</u>	<u>\$ 1,850,393</u>	<u>\$ (31,767)</u>
Total General Fund	<u>\$ 59,014,060</u>	<u>\$ 59,965,349</u>	<u>\$ 63,556,960</u>	<u>\$ 3,591,611</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>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 174,518</u>	<u>\$ (175,482)</u>
Miscellaneous revenue:				
Other miscellaneous	<u>\$ 50,000</u>	<u>\$ 67,880</u>	<u>\$ 95,290</u>	<u>\$ 27,410</u>
Total revenue from local sources	<u>\$ 400,000</u>	<u>\$ 417,880</u>	<u>\$ 269,808</u>	<u>\$ (148,072)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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:				
Recordation taxes	\$ 100,000	\$ 100,000	\$ 177,359	\$ 77,359
Total categorical aid	\$ 100,000	\$ 100,000	\$ 177,359	\$ 77,359
Total revenue from the Commonwealth	\$ 100,000	\$ 100,000	\$ 177,359	\$ 77,359
Total County Capital Improvements Fund	\$ 500,000	\$ 517,880	\$ 447,167	\$ (70,713)
Total Primary Government	\$ 59,514,060	\$ 60,483,229	\$ 64,004,127	\$ 3,520,898
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	\$ 1,865	\$ (635)
Revenue from the use of property	3,000	3,000	4,914	1,914
Total revenue from use of money and property	\$ 5,500	\$ 5,500	\$ 6,779	\$ 1,279
Charges for services:				
Tuition	\$ 10,000	\$ 10,000	\$ 182,752	\$ 172,752
Cafeteria sales	1,071,307	1,071,307	806,939	(264,368)
Total charges for services	\$ 1,081,307	\$ 1,081,307	\$ 989,691	\$ (91,616)
Miscellaneous revenue:				
Other miscellaneous	\$ 231,500	\$ 231,500	\$ 210,601	\$ (20,899)
Recovered costs:				
Other recovered costs	\$ 660,000	\$ 660,000	\$ 373,502	\$ (286,498)
Total revenue from local sources	\$ 1,978,307	\$ 1,978,307	\$ 1,580,573	\$ (397,734)
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 24,403,152	\$ 24,403,152	\$ 23,267,244	\$ (1,135,908)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010 (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	\$ 4,438,302	\$ 4,438,302	\$ 4,235,529	\$ (202,773)
Basic school aid	9,587,783	9,587,783	8,676,624	(911,159)
Special education	1,202,933	1,202,933	1,185,334	(17,599)
Textbook payment	251,006	251,006	-	(251,006)
Vocational SOQ payments	243,552	243,552	239,988	(3,564)
Social security fringe benefits	552,756	552,756	544,669	(8,087)
Retirement fringe benefits	711,594	711,594	525,887	(185,707)
State lottery payments	-	-	240,927	240,927
At risk payments	226,762	226,762	219,216	(7,546)
Special education - regional tuition	121,193	121,193	205,487	84,294
Remediation assistance	192,448	192,448	-	(192,448)
Primary class size	330,275	330,275	325,442	(4,833)
Technology	180,000	180,000	180,000	-
At risk four-year olds	381,000	381,000	261,000	(120,000)
Mentor teacher program	-	-	2,664	2,664
English as a second language	18,859	18,859	8,155	(10,704)
Other state funds	904,030	904,030	710,258	(193,772)
Total categorical aid	<u>\$ 19,342,493</u>	<u>\$ 19,342,493</u>	<u>\$ 17,561,180</u>	<u>\$ (1,781,313)</u>
Total revenue from the Commonwealth	<u>\$ 19,342,493</u>	<u>\$ 19,342,493</u>	<u>\$ 17,561,180</u>	<u>\$ (1,781,313)</u>
Revenue from the federal government:				
Categorical aid:				
Title I: Grants to local educational agencies	\$ 825,000	\$ 877,932	\$ 742,486	\$ (135,446)
Title I: Grants to local educational agencies ARRA	-	464,328	332,929	(131,399)
Language grant	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Title VI-B: Special education grants	891,912	1,081,000	787,117	(293,883)
Title VI-B: Special education grants ARRA	-	1,076,987	669,808	(407,179)
Title VI-B: Special education preschool grants	19,244	18,922	18,922	-
State fiscal stabilization	-	1,175,000	1,085,643	(89,357)
Vocational education	75,000	96,836	96,825	(11)
Safe and drug free schools and communities	14,000	14,172	11,892	(2,280)
Title II, part A: Improving teacher quality	203,802	302,885	155,697	(147,188)
Title VI	-	-	527	527
1003 G state set aside	-	104,880	54,255	(50,625)
School lunch and breakfast program	859,000	859,000	1,111,570	252,570
Goals 2000 learning challenge grant	-	25,586	7,870	(17,716)
Total categorical aid	<u>\$ 2,890,458</u>	<u>\$ 6,100,028</u>	<u>\$ 5,075,541</u>	<u>\$ (1,024,487)</u>
Total revenue from the federal government	<u>\$ 2,890,458</u>	<u>\$ 6,100,028</u>	<u>\$ 5,075,541</u>	<u>\$ (1,024,487)</u>
Total School Operating Fund	<u>\$ 48,614,410</u>	<u>\$ 51,823,980</u>	<u>\$ 47,484,538</u>	<u>\$ (4,339,442)</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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities										
Invested in capital assets, net of related debt	\$ 14,229,014	\$ 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
Restricted	-	10,470,908	7,593,099	9,962,572	-	-	-	-	-	-
Unrestricted	9,886,806	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
Total governmental activities net assets	\$ 24,115,820	\$ 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
Primary government										
Invested in capital assets, net of related debt	\$ 14,229,014	\$ 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
Restricted	-	10,470,908	7,593,099	9,962,572	-	-	-	-	-	-
Unrestricted	9,886,806	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
Total primary government net assets	\$ 24,115,820	\$ 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

COUNTY OF LOUISA, VIRGINIA

Table 2
Page 1 of 2

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses										
Governmental activities:										
General government administration	\$ 1,641,916	\$ 2,022,383	\$ 1,973,073	\$ 2,045,811	\$ 2,471,471	\$ 3,076,968	\$ 3,221,581	\$ 3,186,889	\$ 3,350,010	\$ 3,558,411
Judicial administration	1,237,335	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
Public safety	3,868,191	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
Public works	1,277,870	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
Health and welfare	2,976,966	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
Education	21,144,061	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
Parks, recreation and cultural	693,666	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
Community development	748,588	840,588	867,176	837,947	2,447,529	2,885,848	2,186,487	2,891,452	2,100,642	4,119,397
Capital Outlays	3,257,356	2,800,393	4,709,403	-	-	-	-	-	-	-
Nondepartmental	61,827	53,725	73,723	-	-	-	-	-	-	-
Interest on long-term debt	1,008,971	981,732	996,895	882,656	713,040	614,494	548,648	612,869	663,163	979,923
Total governmental activities expenses	\$ 37,916,747	\$ 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
Total primary government expenses	\$ 37,916,747	\$ 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
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
Judicial administration	37,514	130,331	155,971	281,507	222,114	278,211	206,547	167,024	175,650	142,758
Public safety	4,042	244,827	333,484	429,177	1,030,266	1,189,764	1,032,403	939,053	1,001,743	1,473,731
Public works	14,102	18,156	24,807	-	426,551	491,862	495,604	485,627	332,146	649,390
Parks, recreation and cultural	180,347	179,196	220,727	319,453	400,793	379,622	375,683	398,664	436,224	417,848
Community development	1,014	109,414	135,318	237,727	-	-	2,312	4,061	-	-
Operating grants and contributions	3,605,833	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
Capital grants and contributions	407,322	1,285,884	186,078	668,721	1,264,338	537,636	633,676	1,210,700	1,521,611	37,708
Total governmental activities program revenues	\$ 4,250,174	\$ 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
Total primary government program revenues	\$ 4,250,174	\$ 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
Net (expense) / revenue										
Governmental activities	\$ (33,666,573)	\$ (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)
Total primary government net expense	\$ (33,666,573)	\$ (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)

COUNTY OF LOUISA, VIRGINIA

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 24,363,743	\$ 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
Local sales and use taxes	1,036,494	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
Taxes on recordation and wills	194,188	237,334	267,673	428,384	743,375	1,002,853	874,653	739,593	571,874	495,804
Motor vehicle licenses taxes	362,595	378,905	507,198	549,873	577,077	612,145	604,244	587,777	21,927	395,196
Consumer utility taxes	384,848	481,897	691,090	451,519	510,188	533,015	553,813	568,674	579,350	583,834
E-911 / Communication taxes	-	-	-	340,095	352,848	358,845	350,769	398,901	362,437	363,946
Other local taxes	178,869	202,939	114,517	117,151	157,321	188,250	289,646	285,074	226,923	216,787
Unrestricted grants and contributions	1,194,552	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
Unrestricted revenues from use of money and property	2,024,292	400,193	259,496	277,038	618,446	1,143,165	2,002,022	2,075,246	941,206	553,396
Miscellaneous	449,180	151,894	110,790	250,778	267,106	180,854	665,128	323,569	269,679	314,823
Transfers	-	-	-	-	-	-	-	-	(50,735)	-
Gain/Loss Sale of Assets	21,353	(61,845)	-	-	-	(12,716)	-	-	-	1,825
Total governmental activities	\$ 30,210,114	\$ 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
Total primary government	\$ 30,210,114	\$ 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
Change in Net Assets										
Governmental activities	\$ (3,456,459)	\$ (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
Total primary government	\$ (3,456,459)	\$ (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

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
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
2001	24,363,743	1,036,494	384,848	362,595	194,188	-	178,869	26,520,737

COUNTY OF LOUISA, VIRGINIA

Table 4

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Unreserved	\$ 17,401,886	\$ 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
Total general fund	\$ 17,401,886	\$ 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
All other governmental funds										
Unreserved, reported in:										
Capital projects funds	\$ 12,774,078	\$ 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
Total all other governmental funds	\$ 12,774,078	\$ 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

COUNTY OF LOUISA, VIRGINIA

Table 5

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
General property taxes	\$ 24,343,887	\$ 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
Other local taxes	2,156,994	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
Permits, privilege fees and regulatory licenses	278,049	352,867	410,992	659,343	1,065,640	1,430,597	1,443,061	1,431,386	1,117,012	830,171
Fines and forfeitures	54,610	72,093	47,196	75,905	94,931	73,664	66,784	87,869	132,814	196,601
Revenue from use of money and property	2,024,292	740,504	348,730	277,038	592,146	1,143,165	2,002,022	2,075,246	938,376	553,396
Charges for services	237,019	257,774	413,609	537,421	1,053,324	1,154,448	1,085,304	1,092,338	1,375,191	1,718,061
Miscellaneous	56,949	898,721	110,790	250,778	259,572	187,074	281,824	323,420	895,138	300,189
Recovered costs	87,833	76,750	88,408	39,297	23,666	62,621	230,214	277,414	134,990	150,493
Intergovernmental:										
Commonwealth	4,130,706	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
Federal	1,077,001	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
Total revenues	\$ 34,447,340	\$ 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
Expenditures										
General government administration	\$ 1,687,981	\$ 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
Judicial administration	1,087,489	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
Public safety	3,881,719	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
Public works	1,312,828	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
Health and welfare	2,941,455	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
Education	18,518	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
Parks, recreation and cultural	718,362	887,763	957,026	998,226	1,105,074	1,151,481	1,330,834	1,857,330	1,564,058	1,607,570
Community development	649,794	687,866	714,962	687,992	761,774	1,374,277	1,603,502	1,725,372	1,673,821	1,591,805
Nondepartmental	61,827	53,725	73,723	-	-	-	-	-	-	-
Capital projects	8,598,355	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
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
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
Total expenditures	\$ 20,958,328	\$ 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
Excess of revenues over (under) expenditures	\$ 13,489,012	\$ (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)
Other financing sources (uses)										
Transfers in	\$ 3,826,246	\$ 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
Transfers out	(22,210,161)	(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)
Bonds issued	4,000,000	-	-	-	-	-	-	4,004,390	16,004,474	-
Sale of capital assets	-	467,000	-	-	26,300	-	-	-	-	1,825
Total other financing sources (uses)	\$ (14,383,915)	\$ 467,000	\$ -	\$ -	\$ 26,300	\$ -	\$ -	\$ 4,004,390	\$ 15,953,739	\$ 1,825
Net change in fund balances	\$ (894,903)	\$ (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)
Debt service as a percentage of noncapital expenditures					5.30%	4.60%	3.76%	3.19%	3.48%	3.49%

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
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
2001	24,343,887	847,702	331,363	362,595	176,300	-	178,869	26,240,716

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
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%
2001	1,364,159,200	167,668,130	14,744,160	27,345,685	11,753,420	1,886,544,105	3,472,214,700	3,472,214,700	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	
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	
2001	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 2010		Fiscal Year 2001	
		2009 Assessed Valuation	% of Total Assessed Valuation	2000 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	\$ 1,808,588,210	0.227973027	\$ 1,642,153,242	0.472941158
Old Dominion	Electric	447,256,070	0.056376747	222,314,306	0.064026659
Walmart	Retailer	93,370,920	0.011769429	N/A	N/A
Rappahannock Electric Co-op	Electric	44,109,280	0.005559987	19,500,618	0.005616190
Klockner Pentaplast	Manufacturing	28,994,210	0.003654728	16,797,880	0.004837800
Spring Creek Land Development	Land Developer	27,438,600	0.003458643	N/A	N/A
Verizon	Telecom	26,732,160	0.003369596	21,131,384	0.006085852
Columbia Gas	Pipeline	21,846,190	0.002753718	8,115,136	0.002337164
CSX	Railroad	N/A	N/A	6,940,749	0.001998940
Lowes	Retailer	19,452,400	0.002451980	N/A	N/A
William A. Cooke Inc.		18,234,900	0.002298514	N/A	N/A
Colonial Pipeline	Pipeline	N/A	N/A	10,743,334	0.003094087
Central Virginia Electric Co-op	Electric	N/A	N/A	4,281,667	0.001233123
Commonwealth Gas Services	Utilities	N/A	N/A	3,819,060	0.001099892
		\$ 2,536,022,940	31.97%	\$ 1,955,797,376	56.33%

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
2010	\$ 49,070,579	\$ 45,937,524	93.62%	- \$	45,937,524	93.62%
2009	48,478,007	47,750,570	98.50%	748,525	48,499,095	100.04%
2008	47,708,140	46,100,844	96.63%	583,258	46,684,102	97.85%
2007	44,451,211	43,708,382	98.33%	699,729	44,408,111	99.90%
2006	38,211,632	37,130,641	97.17%	605,278	37,735,919	98.76%
2005	32,496,675	31,957,972	98.34%	428,251	32,386,223	99.66%
2004	30,545,736	29,883,718	97.83%	542,788	30,426,506	99.61%
2003	27,693,525	26,924,320	97.22%	404,083	27,328,403	98.68%
2002	26,728,281	26,432,315	98.89%	613,755	27,046,070	101.19%
2001	25,261,795	24,622,158	97.47%	404,775	25,026,933	99.07%

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				
2010	\$	\$	- \$	24,135,000	2035.98%	711
2009			-	25,325,000	2334.10%	786
2008			-	11,835,000	1187.65%	380
2007			101,750	9,201,750	1000.17%	295
2006			220,400	10,380,400	1128.29%	360
2005			504,050	11,714,050	1273.25%	407
2004			812,700	13,067,700	1567.91%	477
2003			1,121,350	14,736,350	1919.16%	548
2002			1,480,000	16,435,000	2262.50%	620
2001			358,650	16,668,650	2330.06%	650

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)		
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%
2001	16,668,650	16,668,650	0.48%		65043.31%

- (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
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%
2001	25,627	715,373	27,178		4,097	3.10%

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 2010 % of Total County Employment			Fiscal Year 2001	
Employer	Employees	Rank	Employees	Rank	Employers	Rank
Walmart, Inc.	1,004	1			Virginia Power	1
Dominion Virginia Power	937	2		14.12%	Louisa County Public Schools	2
Louisa County Public Schools	871	3		13.17%	Klockner- Pentaplast of America	3
Klockner- Pentaplast of America	400	4		12.25%	County of Louisa	4
County of Louisa	359	5		5.62%	Klearfold	5
Tri-Dim Filter Corporation	170	6		5.05%	Tri-Dim Filter Corporation	6
Shenandoah Crossings Resort*	150	7		2.39%	Louisa Health Care Center	7
McDonald's	141	8		2.11%	VDOT	8
Lowes	127	9		1.98%	Food Lion	9
Louisa Health Care Center	116	10		1.79%	Piedmont Metal Fabricators	10
Piedmont Metals	78	11		1.63%		
Food Lion	70	12		1.10%		
				0.98%		
Total County Employees	7,112					
				62.19%		

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	26	26	26	29	29	32	29	31	33	32
Judicial administration	13	12	15	15	15	15	15	17	18	18
Public safety										
Sheriffs department	41	42	45	44	49	52	55	55	57	59
Fire & rescue	6	6	6	11	11	11	14	13	19	31
Building inspections	5	5	4	4	5.5	6.5	6.5	6.5	6.5	5.5
Animal control	3	3	3	4	4	4	4	4	4	4
Public works										
General maintenance	1	1	2	2	2	3	11	10	13	11
Landfill	5	4	5	2	2	2	2	2	2	2
Engineering	0	0	0	0	0	1	1	1	0	0
Health and welfare										
Department of social services	35	32	32	35	35	36	35	37	41	39
Culture and recreation										
Parks and recreation	6	6	7	6	5	6	5	7	5	5
Community development										
Planning	4	4	4	4	3.5	3.5	10.5	9.5	12.5	11.5
Totals	145	141	149	156	161	172	188	193	211	218

Source: Payroll Records

COUNTY OF LOUISA, VIRGINIA

Table 16

Operating Indicators by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety										
Sheriffs department:										
Physical arrests	1,541	1,544	1,472	1,608	1,555	1,978	1,857	1,885	2,068	2,078
Traffic violations	832	975	1,031	925	1,358	1,415	1,616	2,235	3,624	4,909
Civil papers	8,974	8,450	8,770	8,978	8,552	11,189	11,090	11,292	11,303	11,440
Fire and rescue:										
Number of calls answered	7951	8854	8571	9657	9859	9858	7804	7731	8289	8226
Number of transports									1732	2550
Building inspections:										
Permits issued	1,522	1,776	1,992	1,597	1,674	1,878	2,050	1,970	1,403	1,197
Public works										
General maintenance:										
Trucks/vehicles	5	6	3	4	10	8	9	9	10	12
Landfill:										
Refuse collected (tons/day)	64.12	68.28	79.18	85.15	79.24	75.6	82.1	87.9	67	64.91
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps	590			772	863	916	909	962	1,130	1,544
Medicaid	1,400			2,160	2,432	2,508	2,423	2,475	2,339	2,223
Temporary Asst. Needy Families	77			97	115	119	105	103	109	128
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued			164	177	106	97	44	48	66	140
After-school program participants			178	199	239	211	252	305	214	191
Aquatic facility participants								6065	14333	6228
Youth sports participants			6,801	7,722	10,095	13,167	17,061	10,991	10,029	12,971
Community development										
Planning:										
Zoning permits issued	1,010	1,020	1,275	1,455	1,350	1,655	945	961	840	668
Component Unit - School Board										
Education:										
School age population		5,519			5,657			5,881		
Actual School Enrollment (March)	4,097	4,216	4,236	4,238	4,251	4,361	4,439	4,538	4,571	4,533
Number of teachers	311	334	342	346	357	358	370	378	361	355
Local expenditures per pupil	7,133	7,251	7,573	7,705	8,363	8,845	8,721	9,800	9,725	10,098

Source: Individual County departments

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

COUNTY OF LOUISA, VIRGINIA

Table 17

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Administration buildings	7	8	8	9	9	9	9	9	9	9
Vehicles	4	6	7	9	6	7	10	10	9	9
Public safety										
Sheriffs department:										
Patrol units	35	40	44	40	41	44	44	44	45	47
Other vehicles	6	5	5	6	7	7	13	14	24	23
Building inspections:										
Vehicles	4	4	4	4	5					
Animal control:										
Vehicles	3	3	4	3	3	3	3	4	4	4
Emergency Services:										
Vehicles	2	2	2	2	2	2	3	5	6	6
Ambulances							2	2	3	5
Public works										
General maintenance:										
Trucks/vehicles	5	6	3	4	10	8	9	10	10	12
Landfill:										
Vehicles	2	2	5	5	0	0	0	0	0	0
Sites	1	1	1	1	1	1	1	1	1	1
Refuse & Recycling Sites	8	8	8	8	9	9	9	9	9	9
Health and welfare										
Department of Social Services:										
Vehicles	7	7	7	9	10	10	11	10	11	11
Culture and recreation										
Parks and recreation:										
Community centers	1	2	2	2	2	2	2	2	2	2
Vehicles	4	6	6	6	5	5	5	5	5	4
Aquatic facilities									1	1
Parks acreage	24.22	24.22	24.22	24.22	24.22	24.22	24.22	35.22	35.22	35.22
Community development										
Planning:										
Vehicles	1	1	1	3	2	8	9	10	11	9
Component Unit - School Board										
Education:										
Schools	5	5	5	5	5	5	5	5	5	5
School buses	88	96	99	103	104	110	110	115	111	119

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, 2010, which collectively comprise the County of Louisa, Virginia's basic financial statements and have issued our report thereon dated November 12, 2010. 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 November 12, 2010.

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
November 12, 2010

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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, 2010. 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, 2010.

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
November 12, 2010

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

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	0950109/0950110	\$ 2,769
Temporary assistance for needy families	93.558	0400109/0400110	292,918
Refugee and entrant assistance - state administered programs	93.566	0500109/0500110	846
Low-income home energy assistance	93.568	0600409/0600410	12,525
Child care and development block grant	93.575	0770109/0770110	99,313
Child care mandatory and matching funds of the child care and development fund	93.596	0760109/0760110	146,832
Child welfare services - state grants	93.645	0900109/0900110	736
Foster care - Title IV-E	93.658	1100109/1100110	315,993
ARRA - Foster care - Title IV-E	93.658	1100109/1100110	25,815
Adoption assistance	93.659	1120109/1120110	64,181
ARRA - Adoption assistance	93.659	1120109/1120110	6,359
Social services block grant	93.667	1000109/1000110	79,701
Chafee foster care independence program	93.674	9150109/9150110	6,281
ARRA - Child care and development block grant	93.713	0740109/0780109	37,216
Children's health insurance program	93.767	0540109/0540110	15,102
Medical assistance program	93.778	1200109/1200110	<u>207,141</u>
Total Department of Health and Human Services			\$ <u>1,313,728</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency management performance grants	97.042	Not Provided	\$ <u>17,607</u>
Department of Agriculture:			
Pass Through Payments:			
Department of Agriculture:			
Food distribution	10.555	10.555/2010	\$ 122,993
Department of Education:			
School breakfast program	10.553	10.553/2010	232,715
National school lunch program	10.555	10.555/2010	755,862
Department of Social Services:			
State administrative matching grants for supplemental nutrition assistance program	10.561	0010109/0010110 0040109/0040110	344,744
State administrative matching grants for supplemental nutrition assistance program, ARRA	10.561	0010109/0010110 0040109/0040110	<u>14,434</u>
Total Department of Agriculture			\$ <u>1,470,748</u>

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2010

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Direct payments:			
Bulletproof vest partnership program	16.607	N/A	\$ 1,755
Pass Through Payments:			
Department of Criminal Justice Service:			
Violence against women formula grants	16.588	08WFAX0050	\$ 28,784
Crime Victim Assistance	16.575	08VAGX0017/09VAG0017	37,223
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.803	09SUB9033	66,063
Total Department of Justice			\$ 133,825
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol open container requirements	20.607	154AL-2010/154AL-2009	\$ 26,055
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I grants to local education agencies	84.010	S010A080046	\$ 742,487
Title I grants to local educational agencies, Recovery Act	84.389	S389A090046	332,929
State fiscal stabilization Fund (SFSF) - education state grants, Recovery Act	84.394	S394A090047	1,085,643
Special education - grants to states	84.027	H027A090107	787,117
Special education - grants to states, Recovery Act	84.391	H391A090107	646,857
Education technology state grants, Recovery Act	84.386	S386A090046	22,951
Career and technical education - basic grants to states	84.048	V048A070046	96,825
Special education - preschool grants	84.173	H173A080112	18,922
Safe and drug-free schools and communities - state grants	84.186	Q186A090048	11,892
School Improvement Grants	84.377	S377A080047	54,256
Improving teacher quality state grants	84.367	S367A070044	155,697
Educational technology state grants	84.318	S318X070046	7,870
State grants for innovative programs	84.298	S298A070047	525
Total Department of Education			\$ 3,963,971
Total Federal Assistance			\$ 6,925,934

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, 2010

Note 1 - General

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, 2010. 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 - Basis of Accounting

(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.

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	\$ 1,850,393
Component Unit Public Schools:	
School Operating Fund	\$ <u>5,075,541</u>
Total federal expenditures per basic financial statements	\$ <u><u>6,925,934</u></u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>6,925,934</u></u>

COUNTY OF LOUISA, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

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:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
	Child Care and Development Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
93.713	ARRA - Child Care and Development Block Grant
	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
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, ARRA Funds
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
93.658	Foster Care - Title IV-E
93.658	Foster Care - Title IV-E, ARRA Funds

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