

County of Louisa, Virginia

Comprehensive Annual Financial Report



Year Ended June 30, 2009

County of Louisa, Virginia

**Comprehensive Annual
Financial Report**

Year Ended June 30, 2009

Prepared By:

Ernie McLeod, Deputy County Administrator

COUNTY OF LOUISA, VIRGINIA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

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November 16, 2009

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

The Commonwealth of Virginia require 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, 2009.

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: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) 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, 2009. 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 requires 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

Louisa County is located in Central Virginia, equidistant between Richmond, Charlottesville and Fredericksburg. The County encompasses a land area of 514 square miles. I-64 and U. S. Routes 15, 33 and 522 are the primary routes with Routes 22 and 208 being the state routes traversing the County. Louisa has a diversified economy with manufacturing, services, commercial and agricultural sectors. Manufacturing activities include: plastic tubing, wood products, industrial filters, machinery parts, industrial controls, rigid PVC, tire recycling and mining. Major service industries include: nuclear and gas power generation, distribution, financial, air transportation, telecommunications, health care, education and government. 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 in the agriculture sector and Tourism is a growing sector of the Louisa economy. In addition, major regional commercial development is occurring in the Zion Crossroads area of the County with the opening of Lowe's and Walmart Supercenter.

Lake Anna is the second largest fresh-water inland lake in Virginia, with over 250 miles of shoreline and 13,000 surface acres of water. 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 created in 1972.

Based on available economic data, trends for the local economy have improved equal to or greater than the state as a whole. The local unemployment rate for August 2009 was 7.9%, which is 3.5% above the prior year, 1.4% higher than the state unemployment rate, and 1.7% below the national unemployment rate.

In 2008, the US Census Bureau estimated Louisa County's population to be 32,716. For 2007, the median household income was \$52,514; Virginia was \$59,575. For 2007, the per capita income was \$34,033; Virginia was \$41,727.

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 County School Board and the Louisa County Water Authority are reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government.

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

BUDGETARY CONTROLS

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

As a recipient of federal and state financial assistance, the County is also 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, 2009, has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

The County adopts an annual budget by July 1 of each year as required by §15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds.

When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with §15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes semi-annually, with supplemental appropriations made as required. These appropriations, except those to incur mandated expenditures, may be greater or less than contemplated in the 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:

- Continuing the discussions with Fluvanna for water from the James River
- Creation of the James River Water Authority
- Continuing the process of building the Moss-Nuckols Elementary School
- Continuing the reviews of the current Refuse Site locations for expansion along with reviewing other possible sites
- Business development and new jobs; Lowe's opened business May 2008 and Walmart began construction of a new retail store to open in fall 2009.
- Construction of a new "Green" industry C3RS which shreds tires into recyclable material
- Continue marketing and development of Zion Crossroads Commercial area
- Expand the Zion Crossroads Wastewater Treatment Plant to a State-of-the-Art treatment facility with re-use.
- Expand the Louisa Regional Wastewater Treatment Plant
- Addition of career Firefighter/EMT to Emergency Services Department.
- Implemented GASB 54; Committed General Funds for NAPS Stabilization Fund (old decommissioning fund); Assigned funds for Landfill Closure/Development and for a Zion Crossroads project's debt services

Community Development Improvements

The Community Development Department is a consolidation of public services, including planning, zoning, mapping, permitting, building inspections, erosion & sediment control, biosolid monitoring, and code enforcement. The department also offers a variety of support services for other County departments, task groups, local organizations, citizens, state agencies, and the business community. Indeed, the department has a broad array of responsibilities and a large number of customers.

Over the past year, a great deal of importance has been placed on enhancing customer service within the Department of Community Development. This is essential on all levels, from helping a citizen wanting to build their first home, to finding ways to work with local businesses struggling in the declined economy. It may also include, working with other government officials, or assisting an entrepreneur start a new business in the County. Emphasis on customer service will be continued over the next year through the implementation of the *Community Development 2010* department work plan.

The County's permit system has evolved to allow for builders and contractors to request inspections and track inspection results on-line. The same technology allows the building inspectors to enter their results from the field saving both administration and inspection time, and increasing the number of inspections that can be performed. In 2009, the same technology was expanded to cover code enforcement and erosion and sediment control inspections. The use of technology has helped the department decrease unnecessary travel time by staff, eliminated redundancy, and improved internal communications among inspectors, administrative staff, and with customers.

The department has continued to maintain its website to make it easier to use and have more information available for customers. Almost all forms available at the customer service window are available on-line for the customer's convenience and information. This helps customers come to the department with their forms already filled out, and be better prepared to ask questions. However, many customers remain unconnected to the internet, either by choice or poor internet service. For this reason, Staff has produced more customer friendly paper brochures, articles, and applications. Staff also welcomes citizen inquiries, either by phone, fax, email, or in-person. Customer service training of staff members is offered at regular staff meetings, in-house training workgroups, professional training programs, and HR customer service training.

Geographic Information System (GIS)

The County's GIS work is performed in-house, although Timmons Group hosts the GIS website. The County continually adds new parcels, corrects existing parcels and parcel data, and performs other land use updates such as zoning, assessment information, and maintenance of all of the various layers of information.

Other features include digital Tax Map Books (*.PDF) that can be purchased or viewed online via the county's web site in *.PDF format. Up-to-date addressing including address corrections and new addresses that greatly improves accuracy and coordination with the E911 Dispatch Center.

New aerial photography will be available this year from the Commonwealth. This feature is one of the more popular aspects of the County's GIS. Other layers that are commonly used by citizens, developers, and staff alike include the Agricultural & Forestal Districts (AFD), soils, voting districts, hydrology, growth areas, and of course the parcel and zoning data.

Our goal is to continue to work with local, state and federal agencies & citizens to provide the citizens of Louisa County with the latest GIS data available.

PROSPECTS FOR THE FUTURE

For the 2009-2010 Fiscal Year, the Board of Supervisors approved a General Fund Operating Budget of \$82,489,938. The approved Capital Improvement Plan Budget is \$3,031,900. The approved FY 2010 budget kept the real estate tax rate at \$0.62 per \$100 of assessed value.

RISK MANAGEMENT.

The County of Louisa has a risk management program which is committed to the logical, systematic and continuous identification of loss exposures for and to the County, its employees, its citizens and taxpayers through the evaluation of risk in terms of severity and frequency probability and the application of sound loss control procedures. As a part of this commitment, the County has obtained third party coverage for all liability risk.

CASH MANAGEMENT

Cash temporarily idle during the year was primarily invested in the State Treasurer's Local Government Investment Pool (LGIP) and numerous certificates of deposits. The amount of interest received was \$600,249. The daily yield for LGIP for October 27, 2009 was 0.36%.

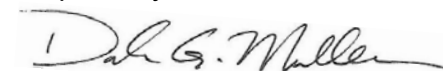
ACHIEVEMENTS

The County received its seventh consecutive Certificate of Achievement on its FY 08 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 09 Comprehensive Annual Financial Report to GFOA to determine its eligibility for the certificate.

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,



Dale G. Mullen
County Administrator



E. C. McLeod, Jr.
Deputy County Administrator

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Louisa County's Organizational Structure as of June 30, 2009

Louisa County Citizens

Louisa County Board of Supervisors

County Administrator

County Attorney

Deputy County Administrator/Finance Director

Economic Development and Tourism Director

General Services Director

Community Development Director

Information Technology Director

Human Resources Director

Parks and Recreation Director

Fire Chief

Youth and Family Services Coordinator

Commissioner of the Revenue

Treasurer

Commonwealth's Attorney

Sheriff

Clerk of the Circuit Court

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**COUNTY OF LOUISA, VIRGINIA
JUNE 30, 2009**

BOARD OF SUPERVISORS

Willie L. Harper, Chairman
Willie L. Gentry, Jr., Vice-Chairman

P.T. Spencer
Jackson T. Wright

Fitzgerald A. Barnes
Richard A. Havasy

Dan Byers

SOCIAL SERVICES BOARD

Nancy Wheeler, Chairman
Rebecca Disosway, Vice-Chairman

Edward Massey

Jackson T. Wright

Peggy McGhee

COUNTY SCHOOL BOARD

Hal A. Schaffer, Chairman
Gregory V. Strickland, Vice-Chairman

Sherman T. Shifflett
Brian M. Huffman

Gail O. Proffitt
Steven C. Harris

William A. Seay

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	Paul Oswell
County Administrator.....	Dale G. Mullen
Parks & Recreation Director.....	Jane Shelhorse

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Louisa County
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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, 2009, 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, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2009, 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 important for 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 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, supporting schedules 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, 2009

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, 2009. 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

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$77,402,092 (net assets). Of this amount, \$59,940,996 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of fiscal year (FY) 2008-2009, the County's funds reported combined ending fund balances of \$70,899,318, an increase of \$17,883,868 in comparison with the prior year. Approximately thirty percent of this total amount, or \$21,958,480, is available for spending at the County's discretion (unreserved and undesignated fund balance), and twenty-nine percent, or \$20,906,200, has been committed and designated for specific projects. The County has a higher fund balance due to the higher reliance upon one public service company.
- At the end of FY 2008-2009, unreserved fund balance for the general fund was \$21,958,480, or forty-two percent of total general fund expenditures.
- The County of Louisa, Virginia's total debt increased by \$15,029,447 during FY 2008-2009, mostly for the construction of the new Moss-Nuckols Elementary School.

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.

Overview of the Financial Statements: (Continued)

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.

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.

Overview of the Financial Statements: (Continued)

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

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

Government-wide Financial Analysis

As noted earlier, net 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 \$77,402,092 at the close of the most recent fiscal year.

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

County of Louisa, Virginia's, Net Assets			
	Governmental Activities		
	2009	2008	
Current and other assets	\$ 76,240,128	\$ 55,885,315	
Capital assets	34,200,095	27,485,297	
Total assets	\$ 110,440,223	\$ 83,370,612	
Long-term liabilities outstanding	\$ 29,593,035	\$ 14,563,588	
Current liabilities	3,445,096	1,228,687	
Total liabilities	\$ 33,038,131	\$ 15,792,275	
Net assets:			
Invested in capital assets, net of related debt	\$ 17,461,096	\$ 15,445,907	
Unrestricted	59,940,996	52,132,430	
Total net assets	\$ 77,402,092	\$ 67,578,337	

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

During the FY 2008-2009, the County's net assets increased by \$9,823,755. 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.

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net assets by \$9,823,755. Key elements of this increase are as follows:

County of Louisa, Virginia's Changes in Net Assets		
	Governmental Activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$ 2,000,438	\$ 2,028,804
Operating grants and contributions	6,293,647	5,817,630
Capital grants and contributions	1,521,611	1,210,700
General revenues:		
Property taxes	47,820,043	46,208,819
Other local taxes	3,824,629	4,303,891
Other	3,201,787	4,280,202
Total revenues	<u>\$ 64,662,155</u>	<u>\$ 63,850,046</u>
Expenses:		
General government	\$ 3,350,010	\$ 3,186,889
Judicial administration	2,171,890	2,064,610
Public safety	9,134,214	8,134,037
Public works	3,563,987	3,436,269
Health and welfare	7,118,397	6,595,067
Education	24,954,712	24,724,820
Parks, recreation and culture	1,730,650	1,954,021
Community development	2,100,642	2,891,452
Interest	663,163	612,869
Transfers	50,735	-
Total expenses	<u>\$ 54,838,400</u>	<u>\$ 53,600,034</u>
Increase (decrease) in net assets	\$ 9,823,755	\$ 10,250,012
Net assets – beginning	67,578,337	57,328,325
Net assets - ending	<u>\$ 77,402,092</u>	<u>\$ 67,578,337</u>

- Property taxes – The significant increase (\$1,611,224) in property taxes are attributed to an increase in property assessments, the collection rate, and continued completion of new construction growth and existing public service companies.
- Public safety expenses increased approximately \$1,000,000. The increase can be attributed to funding of additional positions and a general increase in public need.

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.

Financial Analysis of the County's Funds: (Continued)

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$70,899,318 an increase of \$17,883,868 in comparison with the prior year. Approximately thirty-one percent of this total amount, \$21,958,480, 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 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 \$1,543,769 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 \$28,034,638, all of which is designated for future capital projects. The fund balance increased \$16,340,099 during the current year due to the proceeds of \$16,004,474 of revenue bonds for the new elementary school.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$4,624,667; the increase in appropriations can be briefly summarized as follows:

- \$86,026 increase in general government expenditures results from a multiple of issues such as notifying citizens for pending zoning changes in by-right issues, reimbursement of education classes, workers compensation that is budgeted in the non-departmental budget, higher cost of bid packages, and additional cost to rent voting areas.
- \$191,309 increase in judicial administration expenditures are the results of the Technology Funds from the Compensation Board and funds received from the Victim Witness and the VSTOP Assistant Attorney grants.
- \$554,945 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, and Homeland Security.
- \$2,113,697 increase in public works expenditures is the result of transferring funds previously approved from the Capital Improvement Fund for landfill closure costs and new landfill development to the new Landfill Enterprise Fund and other miscellaneous general services' operations has been designated.
- \$1,108,540 increase in health and welfare expenditures are attributed to Comprehensive Services Act (CSA) for At Risk Kids and other social services programs.
- \$223,841 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.

General Fund Budgetary Highlights: (Continued)

- \$93,465 increase in community development expenditures results from additional funds to build another hanger at the airport, creation of a Tourism department, and the cost for a master plan for telecommunication towers.
- \$242,844 increase in miscellaneous expenditures.

During the year revenues exceeded the original budget estimate by \$5,824,780 and revenues exceeded the amended budget by \$4,379,100. Expenditures were less than the original budget estimate by \$3,641,380 and expenditures were less than the amended budget by \$8,266,047. The expenditures were significantly under appropriated amounts due to the large accounting adjustments made to the transfer to the school fund. 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 general services.

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

Revenue

- \$4,191,806 of actual revenue excess of amended budget in general property taxes is attributed to the increase and growth of real and personal property assessments and the increased rate of collection of those funds including public service corporation assessments.

Expenditures:

- \$1,163,958 under budget in Public Safety is attributed to funds available for 24/7 coverage whereas the coverage had not yet started. The funds for the Regional Jail have been carried over into FY 10.
- \$2,602,475 under budget in General Services is attributed to landfill closure and development that has not commenced. These funds have been designated until required.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental funds as of June 30, 2009 amounts to \$34,200,095 (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 \$6,714,798.

County of Louisa, Virginia's Capital Assets			
	Governmental Activities		
	2009	2008	
Land	\$ 1,488,506	\$ 1,488,506	
Buildings and improvements	19,108,094	18,806,163	
Equipment	6,213,046	5,661,985	
Construction in progress	12,205,409	4,476,358	
Tenancy in common	7,010,000	8,035,000	
Total	<u>\$ 46,025,055</u>	<u>\$ 38,468,012</u>	
Less: accumulated depreciation	<u>(11,824,960)</u>	<u>(10,982,715)</u>	
Net capital assets	<u>\$ 34,200,095</u>	<u>\$ 27,485,297</u>	

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

Capital Asset and Debt Administration

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$25,325,000. Of this amount \$25,325,000 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total debt increased by \$15,029,447, mostly due to the construction of a new elementary school.

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 have improved equal to or greater than the state as a whole. The local unemployment rate for June 2009 was 7.8%, which is 3.5% above the prior year, 0.5% higher than the state unemployment rate, and 1.7% below the national unemployment rate.
- Commercial investment in the Zion Crossroads Region continues to expand in 2009. The Best Western Hotel opened in August 2007, Lowe's Home Supply opened in June 2008 and Wal-Mart is expected to open in November 2009 along with 15 to 20 thousand in additional retail space. In the Spring Creek Residential Development 180 homes have been constructed and another 40 to 60 will be constructed in 2010.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2010 fiscal year.

For the 2009-2010 Fiscal Year, the Board of Supervisors has approved a General Fund Operating Budget of \$82,490,059. The approved CIP Budget is \$3,031,900. 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 Deputy County Administrator, 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, 2009

	Primary Government		Component Units	
	Governmental Activities	Total	School Board	Louisa County Water Authority
ASSETS				
Cash and cash equivalents	\$ 70,517,483	\$ 70,517,483	\$ 5,159,210	\$ 149,323
Receivables (net of allowance for uncollectibles):				
Taxes receivable	2,772,080	2,772,080	-	-
Accounts receivable	238,692	238,692	319,876	109,719
Interest receivable	-	-	-	1,554
Landfill accounts	52,904	52,904	-	-
Due from component unit	1,282,608	1,282,608	-	-
Due from other governmental units	1,361,361	1,361,361	824,387	-
Prepaid expenses	15,000	15,000	5,995	21,080
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	-	-	1,015,689
Investments (in custody of others)	-	-	-	146,954
Capital assets (net of accumulated depreciation):				
Land	1,488,506	1,488,506	866,127	913,325
Buildings and system	19,026,675	19,026,675	17,811,962	375,293
Machinery and equipment	1,479,505	1,479,505	2,849,023	54,416
Infrastructure	-	-	-	1,030,512
Construction in progress	12,205,409	12,205,409	-	-
Total assets	\$ 110,440,223	\$ 110,440,223	\$ 27,836,580	\$ 3,817,865
LIABILITIES				
Accounts payable	\$ 2,914,861	\$ 2,914,861	\$ 252,150	\$ 13,066
Accrued liabilities	-	-	4,742,372	-
Amounts held for future projects	-	-	-	47,713
Customers' deposits	-	-	-	32,899
Accrued interest payable	359,847	359,847	-	-
Due to primary government	-	-	1,282,608	-
Unearned revenue	170,388	170,388	-	-
Long-term liabilities:				
Due within one year	1,541,900	1,541,900	628,291	49,681
Due in more than one year	28,051,135	28,051,135	468,337	-
Total liabilities	\$ 33,038,131	\$ 33,038,131	\$ 7,373,758	\$ 143,359
NET ASSETS				
Invested in capital assets, net of related debt	\$ 17,461,096	\$ 17,461,096	\$ 21,527,112	\$ 2,373,546
Restricted for:				
Future capital expenses	-	-	-	1,127,430
Unrestricted (deficit)	59,940,996	59,940,996	(1,064,290)	173,530
Total net assets	\$ 77,402,092	\$ 77,402,092	\$ 20,462,822	\$ 3,674,506

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, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,325,856	\$ 58,979	\$ 243,641	\$ -
Judicial administration	2,171,890	175,650	597,505	78,322
Public safety	9,138,209	1,001,743	1,933,077	35,921
Public works	3,563,987	952,421	2,563	-
Health and welfare	7,118,397	-	3,516,861	-
Education	24,954,712	-	-	-
Parks, recreation, and cultural	1,730,650	436,224	-	-
Community development	2,100,642	-	-	140,001
Interest on long-term debt	663,163	-	-	-
Total governmental activities	\$ <u>54,767,506</u>	\$ <u>2,625,017</u>	\$ <u>6,293,647</u>	\$ <u>254,244</u>
Total primary government	\$ <u>54,767,506</u>	\$ <u>2,625,017</u>	\$ <u>6,293,647</u>	\$ <u>254,244</u>
COMPONENT UNITS:				
School Board	\$ 49,523,751	\$ 1,164,363	\$ 22,756,741	\$ 323,040
Louisa County Water Authority	1,551,503	1,032,227	20,500	293,423
Total component units	\$ <u>51,075,254</u>	\$ <u>2,196,590</u>	\$ <u>22,777,241</u>	\$ <u>616,463</u>

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
 Transfers
 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.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government		Component Units	
Governmental Activities	Total	School Board	Louisa County Water Authority
\$ (3,023,236)	\$ (3,023,236)		
(1,320,413)	(1,320,413)		
(6,167,468)	(6,167,468)		
(2,609,003)	(2,609,003)		
(3,601,536)	(3,601,536)		
(24,954,712)	(24,954,712)		
(1,294,426)	(1,294,426)		
(1,960,641)	(1,960,641)		
(663,163)	(663,163)		
<u>\$ (45,594,598)</u>	<u>\$ (45,594,598)</u>		
<u>\$ (45,594,598)</u>	<u>\$ (45,594,598)</u>		
		\$ (25,279,607)	\$ -
		-	(205,353)
		<u>\$ (25,279,607)</u>	<u>\$ (205,353)</u>
\$ 47,820,043	\$ 47,820,043	\$ -	\$ -
2,062,118	2,062,118	-	-
571,874	571,874	-	-
21,927	21,927	-	-
579,350	579,350	-	-
362,437	362,437	-	-
226,923	226,923	-	-
938,376	938,376	1,258	48,474
892,308	892,308	361,144	-
-	-	24,415,019	-
1,990,902	1,990,902	-	-
2,830	2,830	-	-
(50,735)	(50,735)	50,735	-
<u>\$ 55,418,353</u>	<u>\$ 55,418,353</u>	<u>\$ 24,828,156</u>	<u>\$ 48,474</u>
\$ 9,823,755	\$ 9,823,755	\$ (451,451)	\$ (156,879)
67,578,337	67,578,337	20,914,273	3,831,385
<u>\$ 77,402,092</u>	<u>\$ 77,402,092</u>	<u>\$ 20,462,822</u>	<u>\$ 3,674,506</u>

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Fund Financial Statements

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Balance Sheet
 Governmental Funds
 June 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 40,277,672	\$ 30,239,811	\$ 70,517,483
Receivables (net of allowance for uncollectibles):			
Taxes receivable	2,772,080	-	2,772,080
Accounts receivable	238,692	-	238,692
Landfill accounts	52,904	-	52,904
Due from component unit	1,282,608	-	1,282,608
Due from other governmental units	1,323,558	37,803	1,361,361
Prepaid items	15,000	-	15,000
Total assets	<u>\$ 45,962,514</u>	<u>\$ 30,277,614</u>	<u>\$ 76,240,128</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 671,888	\$ 2,242,976	\$ 2,914,864
Deferred revenue	<u>2,425,946</u>	<u>-</u>	<u>2,425,946</u>
Total liabilities	<u>3,097,834</u>	<u>2,242,976</u>	<u>5,340,810</u>
Fund balances:			
Unreserved, reported in:			
General fund:			
Undesignated	\$ 21,958,480	\$	\$ 21,958,480
Designated for:			
NAPS stabilization	15,800,000	-	15,800,000
Landfill closure	2,648,258	-	2,648,258
Landfill development	995,742	-	995,742
Zion Crossroads development debt	1,462,200	-	1,462,200
Capital projects funds:			
Designated for capital projects	-	28,034,638	28,034,638
Permanent funds	-	-	-
Total fund balances	<u>\$ 42,864,680</u>	<u>\$ 28,034,638</u>	<u>\$ 70,899,318</u>
Total liabilities and fund balances	<u>\$ 45,962,514</u>	<u>\$ 30,277,614</u>	<u>\$ 76,240,128</u>

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 70,899,318

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. 34,200,095

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid. (359,847)

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. 2,255,561

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. (29,593,035)

Net assets of governmental activities \$ 77,402,092

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, 2009

	General	Capital Projects	Total
REVENUES			
General property taxes	\$ 47,544,306	\$ -	\$ 47,544,306
Other local taxes	3,824,629	-	3,824,629
Permits, privilege fees, and regulatory licenses	1,117,012	-	1,117,012
Fines and forfeitures	132,814	-	132,814
Revenue from the use of money and property	636,956	301,420	938,376
Charges for services	1,375,191	-	1,375,191
Miscellaneous	186,908	705,400	892,308
Recovered costs	134,990	-	134,990
Intergovernmental revenues:			
Commonwealth	6,462,135	207,093	6,669,228
Federal	1,708,907	160,658	1,869,565
Total revenues	<u>\$ 63,123,848</u>	<u>\$ 1,374,571</u>	<u>\$ 64,498,419</u>
EXPENDITURES			
Current:			
General government administration	\$ 2,992,833	\$ -	\$ 2,992,833
Judicial administration	2,036,725	-	2,036,725
Public safety	8,573,223	-	8,573,223
Public works	3,393,254	-	3,393,254
Health and welfare	7,130,528	-	7,130,528
Education	22,874,993	-	22,874,993
Parks, recreation, and cultural	1,564,058	-	1,564,058
Community development	1,673,821	-	1,673,821
Capital projects	-	10,451,354	10,451,354
Debt service:			
Principal retirement	1,215,000	-	1,215,000
Interest and other fiscal charges	665,331	-	665,331
Total expenditures	<u>\$ 52,119,766</u>	<u>\$ 10,451,354</u>	<u>\$ 62,571,120</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,004,082</u>	<u>\$ (9,076,783)</u>	<u>\$ 1,927,299</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 9,460,313	\$ 9,460,313
Transfers out	(9,460,313)	(50,735)	(9,511,048)
Issuance of revenue bonds	-	16,004,474	16,004,474
Sale of capital assets	-	2,830	2,830
Total other financing sources (uses)	<u>\$ (9,460,313)</u>	<u>\$ 25,416,882</u>	<u>\$ 15,956,569</u>
Net change in fund balances	\$ 1,543,769	\$ 16,340,099	\$ 17,883,868
Fund balances - beginning	41,320,911	11,694,539	53,015,450
Fund balances - ending	<u>\$ 42,864,680</u>	<u>\$ 28,034,638</u>	<u>\$ 70,899,318</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, 2009

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

Net change in fund balances - total governmental funds \$ 17,883,868

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	\$ 8,582,043	
Depreciation expense	(1,240,370)	
Transfer of joint tenancy assets from Primary Government to the Component Unit	(626,875)	6,714,798

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 275,737

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	\$ 1,215,000	
Amortization of premiums on bonds payable	23,371	
Issuance of bonds payable	(16,004,474)	(14,766,103)

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, postclosure liability	\$ (29,846)	
(Increase)/decrease in other post-employment benefits liabilities	(185,182)	
(Increase)/decrease in accrued interest	(21,201)	
(Increase)/decrease in compensated absences	(48,316)	(284,545)

Change in net assets of governmental activities \$ 9,823,755

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

Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 284,687
Total assets	\$ <u>284,687</u>
LIABILITIES	
Amounts held for social services clients	\$ 11,301
Amounts held for projects	272,511
Amounts held for others	875
Total liabilities	\$ <u>284,687</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, 2009

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 Changes in Net Assets) 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, 2009 (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 new reporting model governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of 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, 2009.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (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, 2009 (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, 2009 (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 all financial resources used 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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

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

E. Cash and Cash Equivalents

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

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.

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, 2009.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

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

H. Capital Assets: (Continued)

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

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

I. Compensated Absences

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

J. Long-term Obligations

In the government-wide financial statements, long-term 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 Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

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

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.

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, 2009 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

<u>Locality's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA</u>
Local Government Investment Pool	\$ 38,236,200
State Non-Arbitrage Pool (SNAP)	<u>10,066,494</u>
Total	<u>\$ 48,302,694</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

Note 2—Deposits and Investments: (Continued)

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.

Note 3—Due From Other Governmental Units:

At June 30, 2009 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	\$ -	\$ 696,646
Local Sales Taxes	412,829	-
Communication Tax	52,603	-
Recordation Tax	37,803	-
VPA Funds	83,759	-
Motor Vehicle Carriers Tax	22,487	-
Shared Expenses	182,619	-
Mobile Home Titling Tax	15,212	-
Comprehensive Services Act Reimbursement	253,855	-
Personal Property Tax Relief Act (PPTRA)	81,011	-
Other State Aid	55,707	-
Federal Government:		
School Funds	-	127,741
Law Enforcement	6,870	-
Transportation Enhancement	21,327	-
VPA Funds	135,279	-
Total	<u>\$ 1,361,361</u>	<u>\$ 824,387</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

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	\$ 1,282,608	\$ -
School	<u>-</u>	<u>1,282,608</u>
Totals	<u>\$ 1,282,608</u>	<u>\$ 1,282,608</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.

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2009:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009 (1)</u>
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,488,506	\$ -	\$ -	\$ 1,488,506
Construction in Progress	<u>4,476,358</u>	<u>8,030,982</u>	<u>301,931</u>	<u>12,205,409</u>
Total capital assets not being depreciated	<u>\$ 5,964,864</u>	<u>\$ 8,030,982</u>	<u>\$ 301,931</u>	<u>\$ 13,693,915</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 26,841,163	\$ 301,931	\$ 1,025,000	\$ 26,118,094
Equipment	<u>5,661,985</u>	<u>551,061</u>	<u>-</u>	<u>6,213,046</u>
Total capital assets being depreciated	<u>\$ 32,503,148</u>	<u>\$ 852,992</u>	<u>\$ 1,025,000</u>	<u>\$ 32,331,140</u>
Less accumulated depreciation for:				
Buildings	\$ 6,794,015	\$ 695,529	\$ 398,125	\$ 7,091,419
Equipment	<u>4,188,700</u>	<u>544,841</u>	<u>-</u>	<u>4,733,541</u>
Total accumulated depreciation	<u>\$ 10,982,715</u>	<u>\$ 1,240,370</u>	<u>\$ 398,125</u>	<u>\$ 11,824,960</u>
Total capital assets being depreciated, net	<u>\$ 21,520,433</u>	<u>\$ (387,378)</u>	<u>\$ 626,875</u>	<u>\$ 20,506,180</u>
Governmental activities capital assets, net	<u>\$ 27,485,297</u>	<u>\$ 7,643,604</u>	<u>\$ 928,806</u>	<u>\$ 34,200,095</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

Note 5—Capital Assets: (Continued)

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

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009 (1)</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	\$ 35,308,831	\$ 1,367,938	\$ -	\$ 36,676,769
Equipment	<u>7,398,619</u>	<u>788,988</u>	<u>-</u>	<u>8,187,607</u>
Total capital assets being depreciated	<u>\$ 42,707,450</u>	<u>\$ 2,156,926</u>	<u>\$ -</u>	<u>\$ 44,864,376</u>
Less accumulated depreciation for:				
Buildings	\$ 17,406,694	\$ 1,458,113	\$ -	\$ 18,864,807
Equipment	<u>4,735,553</u>	<u>603,031</u>	<u>-</u>	<u>5,338,584</u>
Total accumulated depreciation	<u>\$ 22,142,247</u>	<u>\$ 2,061,144</u>	<u>\$ -</u>	<u>\$ 24,203,391</u>
Total capital assets being depreciated, net	<u>\$ 20,565,203</u>	<u>\$ 95,782</u>	<u>\$ -</u>	<u>\$ 20,660,985</u>
School Board capital assets, net	<u><u>\$ 21,431,330</u></u>	<u><u>\$ 95,782</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,527,112</u></u>

Capital asset activity for the School Board for the year ended June 30, 2009 was as follows:

Depreciation expense	\$ 1,838,269
Depreciation on joint tenancy assets- transferred to School Board	<u>222,875</u>
Net increases in accumulated depreciation	<u><u>\$ 2,061,144</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, 2009, is that school financed assets in the amount of \$7,010,000 are reported in the Primary Government for financial reporting purposes.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

Note 5—Capital Assets: (Continued)

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

Governmental activities:	
General Government Administration	\$ 178,078
Judicial Administration	140,656
Public Safety	331,990
Public Works	124,348
Health and Welfare	33,075
Education	175,250
Parks, Recreation and Cultural	109,386
Community Development	<u>147,587</u>
 Total	 \$ <u>1,240,370</u>
 Component Unit School Board	 \$ <u>2,061,144</u>

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, 2009:

	Amounts Payable <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	Amounts Payable <u>June 30, 2009</u>	Amounts Due Within <u>One Year</u>
Compensated absences payable	\$ 601,765	\$ 241,580	\$ 193,264	\$ 650,081	\$ 65,008
General obligation bonds	11,835,000	14,705,000	1,215,000	25,325,000	1,190,000
Premium on bonds payable	204,390	1,299,474	23,371	1,480,493	101,710
Other post-employment benefits	-	222,461	37,279	185,182	185,182
Landfill closure and postclosure care	<u>1,922,433</u>	<u>47,616</u>	<u>17,770</u>	<u>1,952,279</u>	<u>-</u>
 Total	 \$ <u>14,563,588</u>	 \$ <u>16,516,131</u>	 \$ <u>1,486,684</u>	 \$ <u>29,593,035</u>	 \$ <u>1,541,900</u>

The general fund revenues are used to liquidate compensated absences and the liability for landfill closure and postclosure care and corrective action costs.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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
2010	\$ 1,190,000	\$ 1,029,656	\$ 101,710	\$ -
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	2,843	-
Total	\$ <u>25,325,000</u>	\$ <u>10,780,498</u>	\$ <u>1,480,493</u>	\$ <u>-</u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (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%	\$ 3,610,000	\$ 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%	4,135,000	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	-
\$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>2,875,000</u>	<u>175,000</u>
Total General Obligation Bonds	\$ <u>25,325,000</u>	\$ <u>1,190,000</u>
Premium on Bonds Payable	\$ 1,480,493	\$ 101,710
Accrued compensated absences	\$ 650,081	\$ 65,008
Other post-employment benefits	\$ 185,182	\$ 185,182
Landfill closure, postclosure care and corrective action costs	\$ <u>1,952,279</u>	\$ -
Total Long-Term Obligations	\$ <u><u>29,407,853</u></u>	\$ <u><u>1,356,718</u></u>

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

Component Unit School Board:

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2009:

	<u>Amounts Payable</u>			<u>Amounts Payable</u>		<u>Amounts Due Within One Year</u>
	<u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2009</u>		
Compensated absences payable	\$ 546,062	\$ 102,748	\$ 128,435	\$ 520,375	\$	52,038
Other post-employment benefits	<u>-</u>	<u>733,172</u>	<u>156,919</u>	<u>576,253</u>	<u>576,253</u>	
Total	\$ <u><u>546,062</u></u>	\$ <u><u>835,920</u></u>	\$ <u><u>285,354</u></u>	\$ <u><u>1,096,628</u></u>	\$	<u><u>628,291</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (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 \$2,425,946 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 \$37,948 at June 30, 2009.
- B. Primary Government—Deferred Property Taxes – Deferred revenue representing deferred property tax revenues totaled \$2,387,998 at June 30, 2009.

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/2008annurept.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 2009 was 7.77% of annual covered payroll.

COUNTY OF LOUISA, VIRGINIA

Notes to Financial Statements
As of June 30, 2009 (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 2009 was 6.18% of annual covered payroll.

C. Annual Pension Cost

Primary Government

For fiscal year 2009, the County's annual pension cost of \$722,401 was equal to the County's required and actual contributions (does not include employee share in the amount of \$464,866 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, 2009	\$ 722,401	100%	\$ -
June 30, 2008	516,813	100%	-
June 30, 2007	464,025	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, 2009 (Continued)

Note 8—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

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

For fiscal year 2009, the School Board’s annual pension cost of \$204,431 was equal to the School Board’s required and actual contributions (does not include employee share in the amount of \$165,397 which was assumed by the School Board).

Three-Year Trend Information for the School Board				
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation	
School Board:				
Non-				
June 30, 2009	\$ 204,431	100%	\$ -	
June 30, 2008	166,131	100%	-	
June 30, 2007	151,436	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, 2008 was 20 years.

D. Funded Status and Funding Progress

Primary Government

As of June 30, 2008, the most recent actuarial valuation date, the plan was 91.69% funded. The actuarial accrued liability for benefits was \$20,510,227, and the actuarial value of assets was \$18,805,064, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,705,163. The covered payroll (annual payroll of active employees covered by the plan) was \$8,779,147, and ratio of the UAAL to the covered payroll was 19.42%.

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, 2009 (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, 2008, the most recent actuarial valuation date, the plan was 97.32% funded. The actuarial accrued liability for benefits was \$8,676,354, and the actuarial value of assets was \$8,443,413, resulting in an unfunded actuarial accrued liability (UAAL) of \$232,941. The covered payroll (annual payroll of active employees covered by the plan) was \$3,132,559, and ratio of the UAAL to the covered payroll was 7.44%.

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/2007/AnnuRept.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, 2009, 2008, and 2007 were \$2,164,789, \$2,394,904, and \$2,023,767 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, 2009 (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 \$1,952,279 reported as landfill closure, postclosure and corrective action liability on the June 30, 2009 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 3 years and an estimated 60% capacity has been used as of June 30, 2009. 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, 2009, 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, 2009 (Continued)

Note 13—Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 9,460,313
Capital Projects Fund	<u>9,460,313</u>	<u>-</u>
Total	<u>\$ 9,460,313</u>	<u>\$ 9,460,313</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
Insurance Company of North American-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
Jackson T. Wright, 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, 2009 (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, 2009 (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:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Annual required contribution	\$ 222,461	\$ 733,172
Interest on OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB cost (expense)	<u>\$ 222,461</u>	<u>\$ 733,172</u>
Estimated contribution made during FY 2009	<u>(37,279)</u>	<u>(156,919)</u>
Increase in net OPEB obligation	\$ 185,182	\$ 576,253
Net OPEB obligation - beginning of year	-	-
Net OPEB obligation - end of year	<u><u>\$ 185,182</u></u>	<u><u>\$ 576,253</u></u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
June 30, 2009 \$	222,461	16.75% \$	185,182
Schools:			
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 14.32 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, 2009 (Continued)

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

Funded Status and Funding Progress (Continued)

The projection of future benefit payments for an ongoing plan involves 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 43,352,500	\$ 43,352,500	\$ 47,544,306	\$ 4,191,806
Other local taxes	3,505,000	3,505,000	3,824,629	319,629
Permits, privilege fees, and regulatory licenses	1,676,860	1,676,860	1,117,012	(559,848)
Fines and forfeitures	70,000	70,000	132,814	62,814
Revenue from the use of money and property	1,036,000	1,036,000	636,956	(399,044)
Charges for services	1,213,607	1,250,157	1,375,191	125,034
Miscellaneous	100,000	213,740	186,908	(26,832)
Recovered costs	75,000	75,000	134,990	59,990
Intergovernmental revenues:				
Commonwealth	4,557,610	5,637,147	6,462,135	824,988
Federal	1,712,491	1,928,344	1,708,907	(219,437)
Total revenues	\$ 57,299,068	\$ 58,744,748	\$ 63,123,848	\$ 4,379,100
EXPENDITURES				
General government administration:				
Legislative:				
Board of supervisors	\$ 188,723	\$ 188,723	\$ 163,677	\$ 25,046
General and financial administration:				
County administrator	\$ 534,112	\$ 536,398	\$ 460,514	\$ 75,884
County attorney	250,251	320,345	253,687	66,658
Administrative and human resources	199,288	199,468	184,955	14,513
Commissioner of revenue	386,977	387,311	359,252	28,059
Reassessment	453,089	457,081	408,816	48,265
Treasurer	499,038	499,977	435,872	64,105
Finance	318,504	318,643	286,776	31,867
Network administration	296,389	304,348	273,306	31,042
Total general and financial administration	\$ 2,937,648	\$ 3,023,571	\$ 2,663,178	\$ 360,393
Board of elections:				
Electoral board and officials	\$ 170,547	\$ 170,650	\$ 165,978	\$ 4,672
Total general government administration	\$ 3,296,918	\$ 3,382,944	\$ 2,992,833	\$ 390,111
Judicial administration:				
Courts:				
Circuit court	\$ 93,287	\$ 93,326	\$ 73,602	\$ 19,724
General district court	17,000	17,000	10,486	6,514
Clerk of the circuit court	469,955	555,694	508,526	47,168
Sheriff - courts	837,264	847,958	843,948	4,010
Law library	-	-	1,220	(1,220)
Total courts	\$ 1,417,506	\$ 1,513,978	\$ 1,437,782	\$ 76,196

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Commonwealth's attorney:				
Commonwealth's attorney	\$ 519,724	\$ 614,561	\$ 598,943	\$ 15,618
Total judicial administration	\$ 1,937,230	\$ 2,128,539	\$ 2,036,725	\$ 91,814
Public safety:				
Law enforcement and traffic control:				
Sheriff - law enforcement	\$ 3,183,359	\$ 3,267,034	\$ 3,081,734	\$ 185,300
Communications center	683,427	824,562	762,815	61,747
Emergency 911 system	233,444	226,294	210,895	15,399
Total law enforcement and traffic control	\$ 4,100,230	\$ 4,317,890	\$ 4,055,444	\$ 262,446
Fire and rescue services:				
Office of emergency services	\$ 282,576	\$ 332,716	\$ 316,331	\$ 16,385
Fire & rescue assistance	1,646,922	1,778,559	1,773,015	5,544
Revenue recovery	241,657	246,553	157,802	88,751
Emergency services	1,598,689	1,684,359	1,122,491	561,868
Total fire and rescue services	\$ 3,769,844	\$ 4,042,187	\$ 3,369,639	\$ 672,548
Correction and detention:				
Sheriff - correction and detention	\$ 570,027	\$ 624,194	\$ 575,157	\$ 49,037
Inspections:				
Board of building appeals	\$ 3,100	\$ 3,100	\$ -	\$ 3,100
Other protection:				
Animal control	\$ 199,594	\$ 201,169	\$ 149,790	\$ 51,379
Animal shelter	244,368	248,619	193,551	55,068
Forest fire prevention & extinction	24,512	24,512	20,647	3,865
Emergency services (civil defense)	23,911	23,911	23,911	-
Transportation safety commission	2,000	2,000	2,003	(3)
Transportation department	244,650	249,599	183,081	66,518
Total other protection	\$ 739,035	\$ 749,810	\$ 572,983	\$ 176,827
Total public safety	\$ 9,182,236	\$ 9,737,181	\$ 8,573,223	\$ 1,163,958
General services:				
Maintenance of highways, streets, bridges and sidewalks:				
Road administration	\$ 1,507	\$ 1,507	\$ -	\$ 1,507

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES: (Continued)				
General services: (Continued)				
Sanitation and waste removal:				
Scalehouse operations	\$ 87,829	\$ 96,509	\$ 93,535	\$ 2,974
Refuse collection-solid waste control	1,057,550	2,795,115	1,090,196	1,704,919
Litter control	24,100	24,100	5,441	18,659
Total sanitation and waste removal	\$ 1,169,479	\$ 2,915,724	\$ 1,189,172	\$ 1,726,552
Maintenance of general buildings and grounds:				
General properties	\$ 2,711,046	\$ 3,078,498	\$ 2,204,082	\$ 874,416
Total public works	\$ 3,882,032	\$ 5,995,729	\$ 3,393,254	\$ 2,602,475
Health and social services:				
Health:				
Supplement of local health department	\$ 672,689	\$ 672,689	\$ 672,689	\$ -
Mental health and mental retardation:				
Region 10	\$ 124,600	\$ 124,600	\$ 124,600	\$ -
Social services:				
Administration & public assistance	\$ 3,462,680	\$ 3,790,964	\$ 3,391,657	\$ 399,307
At risk youth	1,370,189	2,150,445	2,151,120	(675)
Monticello Area Community Action Agency	36,000	36,000	36,000	-
Jefferson Area Board for Aging	288,571	288,571	288,571	-
Housing assistance	189,500	189,500	189,500	-
Social service agency donations	276,391	276,391	276,391	-
Total social services	\$ 5,623,331	\$ 6,731,871	\$ 6,333,239	\$ 398,632
Total health and social services	\$ 6,420,620	\$ 7,529,160	\$ 7,130,528	\$ 398,632
Education:				
Other instructional costs:				
Contribution to Louisa County school board	\$ 24,010,073	\$ 24,010,073	\$ 22,839,307	\$ 1,170,766
Contributions to local community college	35,686	35,686	35,686	-
Total education	\$ 24,045,759	\$ 24,045,759	\$ 22,874,993	\$ 1,170,766
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 990,038	\$ 1,011,124	\$ 915,476	\$ 95,648
Swimming pools	86,960	97,443	89,998	7,445
Total parks and recreation	\$ 1,076,998	\$ 1,108,567	\$ 1,005,474	\$ 103,093

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2009 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Cultural enrichment:				
Agriculture fair	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Community organizations	205,000	407,272	241,610	165,662
Total cultural enrichment	\$ 207,000	\$ 409,272	\$ 243,610	\$ 165,662
Library:				
Contribution to regional library	\$ 314,974	\$ 314,974	\$ 314,974	\$ -
Total parks, recreation, and cultural	\$ 1,598,972	\$ 1,832,813	\$ 1,564,058	\$ 268,755
Community development:				
Planning and community development:				
Planning	\$ 1,257,824	\$ 1,288,135	\$ 997,952	\$ 290,183
Planning District Commission	48,132	48,132	48,132	-
Industrial Development Authority	129,800	194,800	194,800	-
Economic development	166,051	167,499	136,384	31,115
Other community development	141,259	141,936	117,229	24,707
Total planning and community development	\$ 1,743,066	\$ 1,840,502	\$ 1,494,497	\$ 346,005
Environmental management:				
Soil and water conservation district	\$ 73,880	\$ 73,880	\$ 73,880	\$ -
Cooperative extension program:				
VPI extension	\$ 113,878	\$ 109,907	\$ 105,444	\$ 4,463
Total community development	\$ 1,930,824	\$ 2,024,289	\$ 1,673,821	\$ 350,468
Nondepartmental:				
Miscellaneous	\$ 799,397	\$ 487,462	\$ -	\$ 487,462
Debt service:				
Principal retirement	\$ 1,882,158	\$ 2,151,124	\$ 1,215,000	\$ 936,124
Interest and other fiscal charges	785,000	1,070,813	665,331	405,482
Total debt service	\$ 2,667,158	\$ 3,221,937	\$ 1,880,331	\$ 1,341,606
Total Expenditures	\$ 55,761,146	\$ 60,385,813	\$ 52,119,766	\$ 8,266,047
Excess (deficiency) of revenues over (under) expenditures	\$ 1,537,922	\$ (1,641,065)	\$ 11,004,082	\$ 12,645,147
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (9,104,285)	\$ (9,465,136)	\$ (9,460,313)	\$ 4,823
Total other financing sources and uses	\$ (9,104,285)	\$ (9,465,136)	\$ (9,460,313)	\$ 4,823
Net change in fund balances	\$ (7,566,363)	\$ (11,106,201)	\$ 1,543,769	\$ 12,649,970
Fund balances - beginning	7,566,363	11,106,201	41,320,911	30,214,710
Fund balances - ending	\$ -	\$ -	\$ 42,864,680	\$ 42,864,680

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)
6/30/2008	\$ 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%
6/30/2006	14,696,904	15,167,150	470,246	96.90%	7,082,229	6.64%

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)
6/30/2008	\$ 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%
6/30/2006	6,657,644	7,386,471	728,827	90.13%	2,842,181	25.64%

Other Post-Employment Benefits
 Schedule of Pension Funding Progress
 Last Three Fiscal Years

County:

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

Discretely Presented Component Unit - School Board

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

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

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Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 350,000	\$ 350,000	\$ 301,420	\$ (48,580)
Miscellaneous	-	676,867	705,400	28,533
Intergovernmental revenues:				
Commonwealth	100,000	121,726	207,093	85,367
Federal	-	56,571	160,658	104,087
Total revenues	<u>\$ 450,000</u>	<u>\$ 1,205,164</u>	<u>\$ 1,374,571</u>	<u>\$ 169,407</u>
EXPENDITURES				
Current:				
Economic development projects	\$ 12,222,500	\$ 20,861,777	\$ 266,392	\$ 20,595,385
Emergency services projects	325,000	825,000	325,000	500,000
County administration	175,000	492,386	189,351	303,035
Parks and recreation	426,000	400,500	115,985	284,515
Sheriff's department	400,000	834,735	626,780	207,955
School capital projects	10,488,885	19,143,555	8,857,441	10,286,114
Public works	516,900	1,051,794	48,679	1,003,115
Miscellaneous capital projects	-	21,726	21,726	-
Total expenditures	<u>\$ 24,554,285</u>	<u>\$ 43,631,473</u>	<u>\$ 10,451,354</u>	<u>\$ 33,180,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (24,104,285)</u>	<u>\$ (42,426,309)</u>	<u>\$ (9,076,783)</u>	<u>\$ 33,349,526</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 9,104,285	\$ 20,474,294	\$ 9,460,313	\$ (11,013,981)
Transfers out	-	(50,735)	(50,735)	-
Issuance of revenue bonds	15,000,000	22,000,000	16,004,474	(5,995,526)
Sale of capital assets	-	2,750	2,830	80
Total other financing sources and uses	<u>\$ 24,104,285</u>	<u>\$ 42,426,309</u>	<u>\$ 25,416,882</u>	<u>\$ (17,009,427)</u>
Net change in fund balances	\$ -	\$ -	\$ 16,340,099	\$ 16,340,099
Fund balances - beginning	-	-	11,694,539	11,694,539
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,034,638</u>	<u>\$ 28,034,638</u>

Combining Statement of Fiduciary Net Assets
 Agency Funds
 June 30, 2009

	Agency Funds			
	Special Welfare	Bond Escrow Fund	Sheriff's Accounts	Total
ASSETS				
Cash and cash equivalents	\$ 11,301	\$ 272,511	\$ 875	\$ 284,687
Total assets	<u>\$ 11,301</u>	<u>\$ 272,511</u>	<u>\$ 875</u>	<u>\$ 284,687</u>
LIABILITIES				
Amounts held for social services clients	\$ 11,301	\$ -	\$ -	\$ 11,301
Amounts held for projects	-	272,511	-	272,511
Amounts held for others	-	-	875	875
Total liabilities	<u>\$ 11,301</u>	<u>\$ 272,511</u>	<u>\$ 875</u>	<u>\$ 284,687</u>

Discretely Presented Component Unit-School Board

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Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2009

	<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	\$ 1,730	\$ 90,090	\$ 80,519	\$ 11,301
Total assets	<u>\$ 1,730</u>	<u>\$ 90,090</u>	<u>\$ 80,519</u>	<u>\$ 11,301</u>
LIABILITIES				
Amounts held for social services clients	\$ 1,730	\$ 90,090	\$ 80,519	\$ 11,301
Total liabilities	<u>\$ 1,730</u>	<u>\$ 90,090</u>	<u>\$ 80,519</u>	<u>\$ 11,301</u>
Bond Escrow Account:				
ASSETS				
Cash and cash equivalents	\$ 511,349	\$ 68,893	\$ 307,731	\$ 272,511
Total assets	<u>\$ 511,349</u>	<u>\$ 68,893</u>	<u>\$ 307,731</u>	<u>\$ 272,511</u>
LIABILITIES				
Amounts held for projects	\$ 511,349	\$ 68,893	\$ 307,731	\$ 272,511
Total liabilities	<u>\$ 511,349</u>	<u>\$ 68,893</u>	<u>\$ 307,731</u>	<u>\$ 272,511</u>
Sheriff's Accounts:				
ASSETS				
Cash and cash equivalents	\$ 201	\$ 674	\$ -	\$ 875
Total assets	<u>\$ 201</u>	<u>\$ 674</u>	<u>\$ -</u>	<u>\$ 875</u>
LIABILITIES				
Amounts held for others	\$ 201	\$ 674	\$ -	\$ 875
Total liabilities	<u>\$ 201</u>	<u>\$ 674</u>	<u>\$ -</u>	<u>\$ 875</u>
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 513,280	\$ 159,657	\$ 388,250	\$ 284,687
Total assets	<u>\$ 513,280</u>	<u>\$ 159,657</u>	<u>\$ 388,250</u>	<u>\$ 284,687</u>
LIABILITIES				
Amounts held for social services clients	\$ 1,730	\$ 90,090	\$ 80,519	\$ 11,301
Amounts held for projects	511,349	68,893	307,731	272,511
Amounts held for others	201	674	-	875
Total liabilities	<u>\$ 513,280</u>	<u>\$ 159,657</u>	<u>\$ 388,250</u>	<u>\$ 284,687</u>

Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2009

	<u>School Operating Fund</u>
ASSETS	
Cash and cash equivalents	\$ 5,159,210
Receivables (net of allowance for uncollectibles):	
Accounts receivable	319,876
Due from other governmental units	824,387
Prepaid items	5,995
Total assets	<u>\$ 6,309,468</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 252,150
Accrued liabilities	4,742,372
Due to primary government	1,282,608
Total liabilities	<u>\$ 6,277,130</u>
Fund balances:	
Unreserved:	
Cafeteria fund	\$ 32,338
Total fund balances	<u>\$ 32,338</u>
Total liabilities and fund balances	<u>\$ 6,309,468</u>
Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:	
Total fund balances per above	\$ 32,338
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,527,112
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,096,628)</u>
Net assets of governmental activities	<u>\$ 20,462,822</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2009

	<u>School Operating Fund</u>
REVENUES	
Revenue from the use of money and property	\$ 1,258
Charges for services	1,186,437
Miscellaneous	217,467
Recovered costs	463,832
Intergovernmental revenues:	
Local government	22,839,307
Commonwealth	20,158,718
Federal	2,898,989
Total revenues	<u>\$ 47,766,008</u>
EXPENDITURES	
Current:	
Education	<u>\$ 47,813,410</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (47,402)
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>\$ 50,735</u>
Net change in fund balances	\$ 3,333
Fund balances - beginning	<u>29,005</u>
Fund balances - ending	<u><u>\$ 32,338</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	\$ 3,333
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	\$ 1,131,926
Depreciation expense	(1,663,019)
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>626,875</u> \$ 95,782
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.	(550,566)
Change in net assets of governmental activities	<u><u>\$ (451,451)</u></u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2009

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 5,500	\$ 5,500	\$ 1,258	\$ (4,242)
Charges for services	1,087,865	1,087,865	1,186,437	98,572
Miscellaneous	231,500	231,500	217,467	(14,033)
Recovered costs	751,000	751,000	463,832	(287,168)
Intergovernmental revenues:				
Local government	24,010,073	24,010,073	22,839,307	(1,170,766)
Commonwealth	21,010,471	21,010,471	20,158,718	(851,753)
Federal	2,842,500	2,842,500	2,898,989	56,489
Total revenues	<u>\$ 49,938,909</u>	<u>\$ 49,938,909</u>	<u>\$ 47,766,008</u>	<u>\$ (2,172,901)</u>
EXPENDITURES				
Current:				
Education:				
Instruction	\$ 35,085,575	\$ 35,624,780	\$ 33,829,596	\$ 1,795,184
Administration, attendance and health	2,049,993	1,831,365	1,740,618	90,747
Pupil transportation	4,311,015	4,269,345	4,026,267	243,078
Operation and maintenance services	4,117,408	3,907,920	3,869,674	38,246
Facilities	184,918	8,680	8,679	1
Technology	2,237,751	2,395,305	2,339,221	56,084
School food services	1,952,249	1,952,249	1,999,355	(47,106)
Total expenditures	<u>\$ 49,938,909</u>	<u>\$ 49,989,644</u>	<u>\$ 47,813,410</u>	<u>\$ 2,176,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (50,735)</u>	<u>\$ (47,402)</u>	<u>\$ 3,333</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ -</u>	<u>\$ 50,735</u>	<u>\$ 50,735</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ 3,333	\$ 3,333
Fund balances - beginning	-	-	29,005	29,005
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 32,338</u></u>	<u><u>\$ 32,338</u></u>

Supporting Schedules

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Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 25,133,000	\$ 25,133,000	\$ 27,700,222	\$ 2,567,222
Real and personal public service corporation taxes	13,535,000	13,535,000	14,321,252	786,252
Personal property taxes	3,747,000	3,747,000	4,350,451	603,451
Mobile home taxes	35,000	35,000	57,938	22,938
Machinery and tools taxes	319,900	319,900	296,923	(22,977)
Other taxes	347,600	347,600	380,966	33,366
Penalties	175,000	175,000	259,265	84,265
Interest	60,000	60,000	177,289	117,289
Total general property taxes	<u>\$ 43,352,500</u>	<u>\$ 43,352,500</u>	<u>\$ 47,544,306</u>	<u>\$ 4,191,806</u>
Other local taxes:				
Local sales and use taxes	\$ 1,500,000	\$ 1,500,000	\$ 2,062,118	\$ 562,118
Consumers' utility taxes	435,000	435,000	579,350	144,350
Communication taxes	300,000	300,000	362,437	62,437
Business license taxes	125,000	125,000	158,098	33,098
Utility license taxes	15,000	15,000	3,047	(11,953)
Motor vehicle licenses	600,000	600,000	21,927	(578,073)
Taxes on recordation and wills	500,000	500,000	571,874	71,874
Hotel and motel room taxes	30,000	30,000	65,778	35,778
Total other local taxes	<u>\$ 3,505,000</u>	<u>\$ 3,505,000</u>	<u>\$ 3,824,629</u>	<u>\$ 319,629</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,000	\$ 30,671	\$ 15,671
Land use application fees	1,360	1,360	3,090	1,730
Transfer fees	2,500	2,500	1,393	(1,107)
Building and other related permits	800,000	800,000	302,936	(497,064)
Zoning and use permits	500,000	500,000	129,591	(370,409)
Erosion and sediment control	80,000	80,000	31,662	(48,338)
Water and sewer connect fees	275,000	275,000	615,000	340,000
Permits and other licenses	3,000	3,000	2,669	(331)
Total permits, privilege fees, and regulatory licenses	<u>\$ 1,676,860</u>	<u>\$ 1,676,860</u>	<u>\$ 1,117,012</u>	<u>\$ (559,848)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 70,000	\$ 70,000	\$ 132,814	\$ 62,814
Revenue from use of money and property:				
Revenue from use of money	\$ 1,000,000	\$ 1,000,000	\$ 600,249	\$ (399,751)
Revenue from use of property	36,000	36,000	36,707	707
Total revenue from use of money and property	<u>\$ 1,036,000</u>	<u>\$ 1,036,000</u>	<u>\$ 636,956</u>	<u>\$ (399,044)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (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	\$ 120,000	\$ 120,000	\$ 89,712	\$ (30,288)
Charges for law enforcement and traffic control	1,000	1,000	4,317	3,317
Charges for courthouse maintenance	13,000	13,000	14,585	1,585
Treasurer's collection fees	-	-	(88)	(88)
Concealed weapons permits	1,500	1,500	1,921	421
Charges for Commonwealth's Attorney	650	650	885	235
Ambulance services	231,991	231,991	375,631	143,640
Charges for sanitation and waste removal	465,000	465,000	332,146	(132,854)
Charges for parks and recreation	345,000	369,550	431,987	62,437
Other court charges	24,000	24,000	66,166	42,166
Other charges for services	11,466	23,466	55,033	31,567
Court fees law library	-	-	2,896	2,896
Total charges for services	<u>\$ 1,213,607</u>	<u>\$ 1,250,157</u>	<u>\$ 1,375,191</u>	<u>\$ 125,034</u>
Miscellaneous revenue:				
Miscellaneous	<u>\$ 100,000</u>	<u>\$ 213,740</u>	<u>\$ 186,908</u>	<u>\$ (26,832)</u>
Recovered costs:				
Juvenile and domestic relations court costs	\$ 19,000	\$ 19,000	\$ 22,120	\$ 3,120
Other recovered costs	40,000	40,000	-	(40,000)
Expenditure refunds	-	-	70,600	70,600
Other recovered costs - welfare	16,000	16,000	42,270	26,270
Total recovered costs	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 134,990</u>	<u>\$ 59,990</u>
Total revenue from local sources	<u>\$ 51,028,967</u>	<u>\$ 51,179,257</u>	<u>\$ 54,952,806</u>	<u>\$ 3,773,549</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 45,000	\$ 45,000	\$ 22,487	\$ (22,513)
Mobile home titling tax	50,000	50,000	51,685	1,685
Local aid to the Commonwealth of Virginia	-	-	(114,974)	(114,974)
Motor vehicle rental tax	1,300	1,300	2,566	1,266
Personal property tax relief funds	1,620,227	1,620,227	1,701,239	81,012
Total noncategorical aid	<u>\$ 1,716,527</u>	<u>\$ 1,716,527</u>	<u>\$ 1,663,003</u>	<u>\$ (53,524)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 210,886	\$ 210,886	\$ 344,047	\$ 133,161
Sheriff	1,050,160	1,050,160	1,300,815	250,655
Commissioner of revenue	101,292	101,292	147,535	46,243
Treasurer	101,292	101,292	157,718	56,426
Medical examiner	500	500	-	(500)
Registrar/electoral board	32,551	32,551	53,362	20,811
Clerk of the Circuit Court	234,643	234,643	253,458	18,815
Total shared expenses	<u>\$ 1,731,324</u>	<u>\$ 1,731,324</u>	<u>\$ 2,256,935</u>	<u>\$ 525,611</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (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	\$ 809,759	\$ 972,877	\$ 849,451	\$ (123,426)
Wireless E-911 grant	-	127,681	184,370	56,689
Juvenile justice - crime control	-	13,497	13,497	-
At risk youth - comprehensive services act	300,000	691,975	1,031,284	339,309
Four 4 life grant	-	35,921	35,921	-
Litter control grant	-	-	9,567	9,567
Radiological preparedness grant	-	25,000	25,000	-
Fire programs fund	-	127,458	127,458	-
Victim-witness grant	-	46,762	38,931	(7,831)
Clerk's office equipment grant	-	47,914	78,322	30,408
ISTEA Grants - Trevillian Station Battlefield Found.	-	25,275	25,275	-
Other categorical aid	-	74,936	123,121	48,185
Total other categorical aid	<u>\$ 1,109,759</u>	<u>\$ 2,189,296</u>	<u>\$ 2,542,197</u>	<u>\$ 352,901</u>
Total categorical aid	<u>\$ 2,841,083</u>	<u>\$ 3,920,620</u>	<u>\$ 4,799,132</u>	<u>\$ 878,512</u>
Total revenue from the Commonwealth	<u>\$ 4,557,610</u>	<u>\$ 5,637,147</u>	<u>\$ 6,462,135</u>	<u>\$ 824,988</u>
Revenue from the federal government:				
Categorical aid:				
Welfare public assistance	\$ 1,699,468	\$ 1,864,634	\$ 1,636,126	\$ (228,508)
Alcohol open container requirements	-	23,881	25,892	2,011
Bulletproof vest partnership program	-	4,722	2,536	(2,186)
Edward Byrne memorial justice assistance grant	-	-	3,326	3,326
State domestic preparedness equipment program	-	-	7,500	7,500
Violence against women	13,023	35,107	15,920	(19,187)
Emergency management preparedness	-	-	17,607	17,607
Total categorical aid	<u>\$ 1,712,491</u>	<u>\$ 1,928,344</u>	<u>\$ 1,708,907</u>	<u>\$ (219,437)</u>
Total revenue from the federal government	<u>\$ 1,712,491</u>	<u>\$ 1,928,344</u>	<u>\$ 1,708,907</u>	<u>\$ (219,437)</u>
Total General Fund	<u>\$ 57,299,068</u>	<u>\$ 58,744,748</u>	<u>\$ 63,123,848</u>	<u>\$ 4,379,100</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>\$ 301,420</u>	<u>\$ (48,580)</u>
Miscellaneous revenue:				
Other miscellaneous	<u>\$ -</u>	<u>\$ 676,867</u>	<u>\$ 705,400</u>	<u>\$ 28,533</u>
Total revenue from local sources	<u>\$ 350,000</u>	<u>\$ 1,026,867</u>	<u>\$ 1,006,820</u>	<u>\$ (20,047)</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (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:				
Library grant	\$ -	\$ 21,726	\$ 21,726	\$ -
Recordation taxes	100,000	100,000	185,367	85,367
Total categorical aid	<u>\$ 100,000</u>	<u>\$ 121,726</u>	<u>\$ 207,093</u>	<u>\$ 85,367</u>
Total revenue from the Commonwealth	<u>\$ 100,000</u>	<u>\$ 121,726</u>	<u>\$ 207,093</u>	<u>\$ 85,367</u>
Revenue from the federal government:				
Noncategorical aid:				
Noncategorical aid	\$ -	\$ 56,571	\$ 160,658	\$ 104,087
Total County Capital Improvements Fund	<u>\$ 450,000</u>	<u>\$ 1,205,164</u>	<u>\$ 1,374,571</u>	<u>\$ 169,407</u>
Total Primary Government	<u>\$ 57,749,068</u>	<u>\$ 59,949,912</u>	<u>\$ 64,498,419</u>	<u>\$ 4,548,507</u>
Discretely Presented Component Unit - School Board:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 2,500	\$ 2,500	\$ 955	\$ (1,545)
Revenue from the use of property	3,000	3,000	303	(2,697)
Total revenue from use of money and property	<u>\$ 5,500</u>	<u>\$ 5,500</u>	<u>\$ 1,258</u>	<u>\$ (4,242)</u>
Charges for services:				
Tuition	\$ 10,000	\$ 10,000	\$ 352,266	\$ 342,266
Cafeteria sales	1,077,865	1,077,865	834,171	(243,694)
Total charges for services	<u>\$ 1,087,865</u>	<u>\$ 1,087,865</u>	<u>\$ 1,186,437</u>	<u>\$ 98,572</u>
Miscellaneous revenue:				
Other miscellaneous	\$ 231,500	\$ 231,500	\$ 217,467	\$ (14,033)
Recovered costs:				
Other recovered costs	\$ 751,000	\$ 751,000	\$ 463,832	\$ (287,168)
Total revenue from local sources	<u>\$ 2,075,865</u>	<u>\$ 2,075,865</u>	<u>\$ 1,868,994</u>	<u>\$ (206,871)</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Louisa, Virginia	\$ 24,010,073	\$ 24,010,073	\$ 22,839,307	\$ (1,170,766)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2009 (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	\$ 4,551,305	\$ 4,551,305	\$ 4,159,308	\$ (391,997)
Basic school aid	10,837,099	10,837,099	10,612,181	(224,918)
Special education	1,231,772	1,231,772	1,197,407	(34,365)
Textbook payment	256,572	256,572	249,414	(7,158)
Vocational SOQ payments	248,952	248,952	242,007	(6,945)
Social security fringe benefits	565,013	565,013	549,250	(15,763)
Retirement fringe benefits	729,538	729,538	709,185	(20,353)
State lottery payments	515,785	515,785	417,998	(97,787)
At risk payments	252,167	252,167	245,207	(6,960)
Remediation assistance	143,202	143,202	143,040	(162)
Primary class size	325,737	325,737	326,370	633
Technology	180,000	180,000	180,000	-
At risk four-year olds	339,775	339,775	240,329	(99,446)
Mentor teacher program	-	-	4,441	4,441
English as a second language	22,379	22,379	13,751	(8,628)
Other state funds	811,175	811,175	868,830	57,655
Total categorical aid	<u>\$ 21,010,471</u>	<u>\$ 21,010,471</u>	<u>\$ 20,158,718</u>	<u>\$ (851,753)</u>
Total revenue from the Commonwealth	<u>\$ 21,010,471</u>	<u>\$ 21,010,471</u>	<u>\$ 20,158,718</u>	<u>\$ (851,753)</u>
Revenue from the federal government:				
Noncategorical aid:				
Language grant	\$ 2,500	\$ 2,500	\$ 3,664	\$ 1,164
Vocational education	75,000	75,000	45,604	(29,396)
Total noncategorical aid	<u>\$ 77,500</u>	<u>\$ 77,500</u>	<u>\$ 49,268</u>	<u>\$ (28,232)</u>
Categorical aid:				
Title I: Grants to local educational agencies	\$ 726,000	\$ 726,000	\$ 735,699	\$ 9,699
Title VI-B: Special education grants	887,000	887,000	785,495	(101,505)
Title VI-B: Special education preschool grants	20,000	20,000	19,244	(756)
Safe and drug free schools and communities	18,000	18,000	13,961	(4,039)
Title II, part A: Improving teacher quality	197,000	197,000	246,025	49,025
Title VI	-	-	13,383	13,383
School lunch and breakfast program	838,000	838,000	1,027,731	189,731
Goals 2000 learning challenge grant	79,000	79,000	8,183	(70,817)
Total categorical aid	<u>\$ 2,765,000</u>	<u>\$ 2,765,000</u>	<u>\$ 2,849,721</u>	<u>\$ 84,721</u>
Total revenue from the federal government	<u>\$ 2,842,500</u>	<u>\$ 2,842,500</u>	<u>\$ 2,898,989</u>	<u>\$ 56,489</u>
Total School Operating Fund	<u>\$ 49,938,909</u>	<u>\$ 49,938,909</u>	<u>\$ 47,766,008</u>	<u>\$ (2,172,901)</u>

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Statistical Section

<u>Contents</u>	<u>Tables</u>
Financial Trends These tables contain trend information to help the reader understand how the the County's financial performance and well-being have changed over time.	1 - 6
Revenue Capacity These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	7 - 10
Debt Capacity These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	11
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	12
Operating Information These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relate to the services the County provides and the activities it performs.	13-17

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. 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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Net Assets by Component
 Last Nine Fiscal Years
 (accrual basis of accounting)

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
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
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
Total governmental activities net assets	<u>\$ 24,115,820</u>	<u>\$ 34,745,557</u>	<u>\$ 31,553,359</u>	<u>\$ 34,206,331</u>	<u>\$ 37,944,981</u>	<u>\$ 44,118,153</u>	<u>\$ 57,328,325</u>	<u>\$ 67,578,337</u>	<u>\$ 77,402,092</u>
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
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
Total primary government net assets	<u>\$ 24,115,820</u>	<u>\$ 34,745,557</u>	<u>\$ 31,553,359</u>	<u>\$ 34,206,331</u>	<u>\$ 37,944,981</u>	<u>\$ 44,118,153</u>	<u>\$ 57,328,325</u>	<u>\$ 67,578,337</u>	<u>\$ 77,402,092</u>

Note: Accrual-basis financial information is available back to fiscal year 2001 when the County implemented GASB 34.

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

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
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
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
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
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
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
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
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
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
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
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
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
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
Judicial administration	37,514	130,331	155,971	281,507	222,114	278,211	206,547	167,024	175,650
Public safety	4,042	244,827	333,484	429,177	1,030,266	1,189,764	1,032,403	939,053	1,001,743
Public works	14,102	18,156	24,807	-	426,551	491,862	495,604	485,627	332,146
Parks, recreation and cultural	180,347	179,196	220,727	319,453	400,793	379,622	375,683	398,664	436,224
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
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
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
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
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)
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)

08

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

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
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
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
Taxes on recordation and wills	194,188	237,334	267,673	428,384	743,375	1,002,853	874,653	739,593	571,874
Motor vehicle licenses taxes	362,595	378,905	507,198	549,873	577,077	612,145	604,244	587,777	21,927
Consumer utility taxes	384,848	481,897	691,090	451,519	510,188	533,015	553,813	568,674	579,350
E-911 / Communication taxes	-	-	-	340,095	352,848	358,845	350,769	398,901	362,437
Other local taxes	178,869	202,939	114,517	117,151	157,321	188,250	289,646	285,074	226,923
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
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
Miscellaneous	449,180	151,894	110,790	250,778	267,106	180,854	665,128	323,569	269,679
Transfers	-	-	-	-	-	-	-	-	(50,735)
Gain/Loss Sale of Assets	21,353	(61,845)	-	-	-	(12,716)	-	-	-
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
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
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
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

Note: Accrual-basis financial information is available back to fiscal year 2001 when the County implemented GASB 34. 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 Nine 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
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	28,677,731

Note: Accrual-basis financial information is available back to fiscal year 2001 when the County implemented GASB 34.

COUNTY OF LOUISA, VIRGINIA

Table 4

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Unreserved	\$ 18,740,765	\$ 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
Total general fund	<u>\$ 18,740,765</u>	<u>\$ 17,401,886</u>	<u>\$ 15,615,243</u>	<u>\$ 14,288,447</u>	<u>\$ 15,405,399</u>	<u>\$ 18,747,639</u>	<u>\$ 24,429,080</u>	<u>\$ 33,474,221</u>	<u>\$ 41,320,911</u>	<u>\$ 42,864,680</u>
All other governmental funds										
Unreserved, reported in:										
Capital projects funds	\$ 12,330,101	\$ 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
Total all other governmental funds	<u>\$ 12,330,101</u>	<u>\$ 12,774,078</u>	<u>\$ 8,969,668</u>	<u>\$ 6,928,693</u>	<u>\$ 8,461,332</u>	<u>\$ 8,779,680</u>	<u>\$ 7,901,923</u>	<u>\$ 7,499,078</u>	<u>\$ 11,694,539</u>	<u>\$ 28,034,638</u>

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
General property taxes	\$ 24,770,698	\$ 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
Other local taxes	2,057,952	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
Permits, privilege fees and regulatory licenses	259,164	278,049	352,867	410,992	659,343	1,065,640	1,430,597	1,443,061	1,431,386	1,117,012
Fines and forfeitures	38,097	54,610	72,093	47,196	75,905	94,931	73,664	66,784	87,869	132,814
Revenue from use of money and property	1,929,619	2,024,292	740,504	348,730	277,038	592,146	1,143,165	2,002,022	2,075,246	938,376
Charges for services	197,891	237,019	257,774	413,609	537,421	1,053,324	1,154,448	1,085,304	1,092,338	1,375,191
Miscellaneous	686,879	56,949	898,721	110,790	250,778	259,572	187,074	281,824	323,420	895,138
Recovered costs	81,431	87,833	76,750	88,408	39,297	23,666	62,621	230,214	277,414	134,990
Intergovernmental:										
Commonwealth	3,776,497	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
Federal	898,002	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
Total revenues	\$ 34,696,230	\$ 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
Expenditures										
General government administration	\$ 1,501,245	\$ 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
Judicial administration	919,730	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
Public safety	3,549,409	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
Public works	1,197,332	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
Health and welfare	2,809,861	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
Education	13,518	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
Parks, recreation and cultural	584,920	718,362	887,763	957,026	998,226	1,105,074	1,151,481	1,330,834	1,857,330	1,564,058
Community development	498,568	649,794	687,866	714,962	687,992	761,774	1,374,277	1,603,502	1,725,372	1,673,821
Nondepartmental	44,256	61,827	53,725	73,723	-	-	-	-	-	-
Capital projects	6,438,437	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
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
Interest and other fiscal charges	-	-	1,046,422	1,015,272	913,637	733,241	656,765	576,814	517,125	665,331
Total expenditures	\$ 17,557,276	\$ 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
Excess of revenues over (under) expenditures	\$ 17,138,954	\$ 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
Other financing sources (uses)										
Transfers in	\$ 6,593,077	\$ 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
Transfers out	(23,327,232)	(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)
Bonds issued	-	4,000,000	-	-	-	-	-	-	4,004,390	16,004,474
Sale of capital assets	-	-	467,000	-	-	26,300	-	-	-	-
Total other financing sources (uses)	\$ (16,734,155)	\$ (14,383,915)	\$ 467,000	\$ -	\$ -	\$ 26,300	\$ -	\$ -	\$ 4,004,390	\$ 15,953,739
Net change in fund balances	\$ 404,799	\$ (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
Debt service as a percentage of noncapital expenditures						5.59%	4.83%	3.91%	3.29%	3.61%

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
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	34,016,178
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	26,240,728
2000	24,770,698	989,335	347,405	344,675	200,584	-	175,953	26,828,650

COUNTY OF LOUISA, VIRGINIA

Table 7

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

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Mobile Homes</u>	<u>Machinery and Tools</u>	<u>Merchants' Capital</u>	<u>Public Service</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
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%
2000	1,304,064,712	150,168,010	14,472,770	25,426,900	10,455,970	1,976,020,430	3,480,608,792	3,480,608,792	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
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
2000	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 2009		Fiscal Year 2000	
		2008 Assessed Valuation	% of Total Assessed Valuation	1999 Assessed Valuation	% of Total Assessed Valuation
Dominion Virginia Power	Electric	\$ 1,759,225,640	0.222052488	\$ 1,642,153,242	0.471800579
Old Dominion	Electric	431,123,660	0.05441717	222,314,306	0.063872247
Walmart	Retailer	90,743,440	0.011453793	N/A	N/A
Rappahannock Electric Co-op	Electric	40,301,990	0.005086987	19,500,618	0.006071175
Klockner Pentaplast	Manufacturing	28,943,200	0.003653261	16,797,880	0.004826133
Verizon	Telecom	25,515,210	0.003220574	21,131,384	0.005602646
Columbia Gas	Pipeline	21,912,490	0.002765832	8,115,136	0.002331528
CSX	Railroad	-	-	6,940,749	0.001994119
Spring Creek Land Development	Land Developer	13,984,400	0.001765135		
Colonial Pipeline	Pipeline	11,324,390	0.001429384	10,743,334	0.003086625
Central Virginia Electric Co-op	Electric	9,990,260	0.001260988	4,281,667	0.001230149
Commonwealth Gas Services	Utilities	N/A	N/A	3,819,060	0.001097239
		<u>\$ 2,433,064,680</u>	<u>30.71%</u>	<u>\$ 1,955,797,376</u>	<u>56.19%</u>

Source: Commissioner of Revenue

COUNTY OF LOUISA, VIRGINIA

Table 10

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax (1) Levy for Fiscal Year	Collected within the Fiscal Year of the Levy (1,4)		Collections in Subsequent Years (1, 2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 48,478,007	\$ 47,750,570	98.50%	\$ -	\$ 47,750,570	98.50%
2008	47,708,140	46,100,844	96.63%	668,697	46,769,541	98.03%
2007	44,451,211	43,708,382	98.33%	720,721	44,429,103	99.95%
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%
2000	25,118,298	24,643,275	98.11%	365,174	25,008,449	99.56%

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			
2009	\$ 25,325,000	\$ -	\$ 25,325,000	2334.10%	786
2008	11,835,000	-	11,835,000	1187.65%	380
2007	9,100,000	101,750	9,201,750	1000.17%	295
2006	10,160,000	220,400	10,380,400	1128.29%	360
2005	11,210,000	504,050	11,714,050	1273.25%	407
2004	12,255,000	812,700	13,067,700	1567.91%	477
2003	13,615,000	1,121,350	14,736,350	1919.16%	548
2002	14,955,000	1,480,000	16,435,000	2262.50%	620
2001	16,310,000	358,650	16,668,650	2330.06%	650
2000	13,535,000	2,197,300	15,732,300	2380.64%	629

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

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

COUNTY OF LOUISA, VIRGINIA

Table 12

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
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%
2000	15,732,300	15,732,300	0.45%	62856.29%

- (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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
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%
2000	25,029	660,843	25,657	38.8	4,166	3.50%

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

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

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

COUNTY OF LOUISA, VIRGINIA

Table 14

Principal Employers
Current Year and the Period Nine Years Prior

<u>Employer</u>	<u>Fiscal Year 2009</u>			<u>Fiscal Year 2000 (1)</u>	
	<u>Employees</u>	<u>Rank</u>	<u>% of Total County Employment</u>	<u>Employers</u>	<u>Rank</u>
Dominion Virginia Power	1,104	1	16.11%	Virginia Power	1
Louisa County Public Schools	834	2	12.17%	Louisa County Public Schools	2
Walmart, Inc.	743	3	10.84%	Klockner- Pentaplast of America	3
Klockner- Pentaplast of America	450	4	6.57%	County of Louisa	4
County of Louisa	311	5	4.54%	Klearfold	5
Tri-Dim Filter Corporation	215	6	3.14%	Tri-Dim Filter Corporation	6
Shenandoah Crossings Resort*	152	7	2.22%	Tradewinds of Virginia LTD	7
Lowes	128	8	1.87%	VDOT	8
Louisa Health Care Center	120	9	1.75%	Louisa Health Care Center	9
Piedmont Metals	68	10	0.99%	Food Lion	10
Food Lion	65	11	0.95%	Piedmont Metal Fabricators	11
Chips	62	12	0.90%	Chips	12
Total County Employees	<u>6,854</u>		<u>62.04%</u>		

Source: Virginia Employment Commission, Individual Companies HR Depts.

*Seasonal

(1) Fiscal Year 2000 Employees and % of County Employment data is not available.

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	23	26	26	26	29	29	32	29	31	33
Judicial administration	12	13	12	15	15	15	15	15	17	18
Public safety										
Sheriffs department	39	41	42	45	44	49	52	55	55	57
Fire & rescue	6	6	6	6	11	11	11	14	13	19
Building inspections	4	5	5	4	4	5.5	6.5	6.5	6.5	6.5
Animal control	3	3	3	3	4	4	4	4	4	4
Public works										
General maintenance	1	1	1	2	2	2	3	11	10	13
Landfill	4	5	4	5	2	2	2	2	2	2
Engineering	0	0	0	0	0	0	1	1	1	0
Health and welfare										
Department of social services	32	35	32	32	35	35	36	35	37	41
Culture and recreation										
Parks and recreation	5	6	6	7	6	5	6	5	7	5
Community development										
Planning	3	4	4	4	4	3.5	3.5	10.5	9.5	12.5
Totals	<u>132</u>	<u>145</u>	<u>141</u>	<u>149</u>	<u>156</u>	<u>161</u>	<u>172</u>	<u>188</u>	<u>193</u>	<u>211</u>

Source: Payroll Records

Operating Indicators by Function
Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Sheriffs department:										
Physical arrests	834	1,541	1,544	1,472	1,608	1,555	1,978	1,857	1,885	2,068
Traffic violations	727	832	975	1,031	925	1,358	1,415	1,616	2,235	3,624
Civil papers	6,072	8,974	8,450	8,770	8,978	8,552	11,189	11,090	11,292	11,303
Fire and rescue:										
Number of calls answered	8133	7951	8854	8571	9657	9859	9858	7804	7731	8289
Number of transports										1732
Building inspections:										
Permits issued	1,548	1,522	1,776	1,992	1,597	1,674	1,878	2,050	1,970	1,403
Public works										
General maintenance:										
Trucks/vehicles	6	5	6	3	4	10	8	9	9	10
Landfill:										
Refuse collected (tons/day)	42.59	64.12	68.28	79.18	85.15	79.24	75.6	82.1	87.9	67
Health and welfare										
Department of Social Services:										
Caseload:										
Food Stamps		590			772	863	916	909	962	
Medicaid		1,400			2,160	2,432	2,508	2,423	2,475	
Temporary Asst. Needy Families		77			97	115	119	105	103	
Culture and recreation										
Parks and recreation:										
Recreation hall permits issued				164	177	106	97	44	48	66
After-school program participants				178	199	239	211	252	305	214
Aquatic facility participants									6065	14333
Youth sports participants				6801	7722	10095	13167	17061	10991	10029
Community development										
Planning:										
Zoning permits issued	1,044	1,010	1,020	1,275	1,455	1,350	1,655	945	961	840
Component Unit - School Board										
Education:										
School age population			5,519			5,657			5,881	
Actual School Enrollment (March)	4,166	4,097	4,216	4,236	4,238	4,251	4,361	4,439	4,538	4,571
Number of teachers	322	311	334	342	346	357	358	370	378	361
Local expenditures per pupil	6,519	7,133	7,251	7,573	7,705	8,363	8,845	8,721	9,800	9,725

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Administration buildings	7	7	8	8	9	9	9	9	9	9
Vehicles	4	4	6	7	9	6	7	10	10	9
Public safety										
Sheriffs department:										
Patrol units	35	35	40	44	40	41	44	44	44	45
Other vehicles	6	6	5	5	6	7	7	13	14	24
Building inspections:										
Vehicles	3	4	4	4	4	5				
Animal control:										
Vehicles	2	3	3	4	3	3	3	3	4	4
Emergency Services:										
Vehicles	2	2	2	2	2	2	2	5	7	9
Public works										
General maintenance:										
Trucks/vehicles	6	5	6	3	4	10	8	9	10	10
Landfill:										
Vehicles	2	2	2	5	5	0	0	0	0	0
Sites	1	1	1	1	1	1	1	1	1	1
Refuse & Recycling Sites	8	8	8	8	8	9	9	9	9	9
Health and welfare										
Department of Social Services:										
Vehicles	7	7	7	7	9	10	10	11	10	11
Culture and recreation										
Parks and recreation:										
Community centers	1	1	2	2	2	2	2	2	2	2
Vehicles	4	4	6	6	6	5	5	5	5	5
Aquatic facilities										1
Parks acreage	6.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	35.22	35.22
Community development										
Planning:										
Vehicles	1	1	1	1	3	2	8	9	10	11
Component Unit - School Board										
Education:										
Schools	5	5	5	5	5	5	5	5	5	5
School buses	80	88	96	99	103	104	110	110	115	111

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, 2009, which collectively comprise the County of Louisa, Virginia's basic financial statements and have issued our report thereon dated November 12, 2009. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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*.

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, 2009

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Report on Compliance with Requirements Applicable to 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 the compliance of the County of Louisa, Virginia, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The 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 the County of Louisa, Virginia's management. Our responsibility is to express an opinion on the 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 the County of Louisa, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of County of Louisa, Virginia's compliance with those requirements.

In our opinion, the County of Louisa, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Louisa, Virginia's internal control over compliance.

Internal Control Over Compliance: (Continued)

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance 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 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, 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, 2009

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Health and Human Services:		
Pass Through Payments:		
Department of Social Services:		
Promoting safe and stable families	93.556	\$ 2,884
Temporary assistance for needy families	93.558	287,549
Refugee and entrant assistance - state administered programs	93.566	555
Low-income home energy assistance	93.568	9,709
Child care and development block grant	93.575	113,350
Child care mandatory and matching funds of the child care and development fund	93.596	111,689
Adoption incentive payments	93.603	495
Child welfare services - state grants	93.645	1,397
Foster care - Title IV-E	93.658	343,397
ARRA - Foster care - Title IV-E	93.658	24,840
Adoption assistance	93.659	50,504
ARRA - Adoption assistance	93.659	4,348
Social services block grant	93.667	88,814
Chafee foster care independence program	93.674	9,694
ARRA - Child care and development block grant	93.713	1,843
Children's health insurance program	93.767	23,418
Medical assistance program	93.778	<u>225,875</u>
Total Department of Health and Human Services		\$ <u>1,300,361</u>
Department of Homeland Security:		
Pass Through Payments:		
Department of Emergency Management:		
Citizen corps	97.053	\$ 4,553
Buffer zone protection program (BZPP)	97.078	160,658
State homeland security program (SHSP)	97.073	2,947
Emergency management performance grants	97.042	<u>17,607</u>
Total Department of Homeland Security		\$ <u>185,765</u>
Department of Agriculture:		
Pass Through Payments:		
Department of Agriculture:		
Food distribution	10.555	\$ 112,384
Department of Education:		
School breakfast program	10.553	226,750
National school lunch program	10.555	688,597
Department of Social Services:		
State administrative matching grants for supplemental nutrition assistance program	10.561	<u>335,765</u>
Total Department of Agriculture		\$ <u>1,363,496</u>

COUNTY OF LOUISA, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/State Pass - Through Grantor/ Program Title (Pass - Through Grantor's Number)	Federal Catalog Number	Expenditures
Department of Justice:		
Direct payments:		
Bulletproof vest partnership program	16.607	\$ <u>2,536</u>
Pass Through Payments:		
Department of Criminal Justice Service:		
Violence against women formula grants	16.588	\$ 15,920
Edward Byrne memorial justice assistance grant program	16.738	<u>3,326</u>
Total Department of Justice - pass-through		\$ <u>19,246</u>
Total Department of Justice		\$ <u>21,782</u>
Department of Transportation:		
Pass Through Payments:		
Department of Motor Vehicles:		
Alcohol impaired driving countermeasures incentive grants I	20.601	\$ 9,290
Alcohol open container requirements	20.607	<u>16,602</u>
Total Department of Transportation		\$ <u>25,892</u>
Department of Education:		
Pass Through Payments:		
Department of Education:		
Title I grants to local education agencies	84.010	\$ 735,699
Special education - grants to states	84.027	785,495
Career and technical education - basic grants to states	84.048	45,604
Special education - preschool grants	84.173	19,244
Safe and drug-free schools and communities - state grants	84.186	13,961
English language acquisition grants	84.365	3,664
Improving teacher quality state grants	84.367	246,025
Education technology state grants	84.318	8,183
State grants for innovative programs	84.298	<u>13,383</u>
Total Department of Education		\$ <u>1,871,258</u>
Total Federal Assistance		\$ <u><u>4,768,554</u></u>

COUNTY OF LOUISA, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federally assisted programs of the County of Louisa, Virginia. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's basic financial statements.

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	\$ 1,708,907
Capital Projects Funds:	
County Capital Improvements Fund	<u>160,658</u>
Total primary government	\$ <u>1,869,565</u>
Component Unit Public Schools:	
School Operating Fund	\$ <u>2,898,989</u>
Total federal expenditures per basic financial statements	\$ <u>4,768,554</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>4,768,554</u></u>

COUNTY OF LOUISA, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified not considered to be material weaknesses? None reported

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 Cluster
93.575	Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care Fund
93.713	ARRA - Child Care and Development Block Grant
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Distribution
93.658	Foster Care Title IV-E
93.658	ARRA - Foster Care Title IV-E
93.778	Medical Assistance Program

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

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

COUNTY OF LOUISA, VIRGINIA

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2009

There were no findings reported for the year ended June 30, 2008.

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