

Comprehensive Annual Financial Report

For the Year Ended
June 30, 2017



County of Goochland, Virginia

COUNTY OF GOOCHLAND, VIRGINIA

COMPREHENSIVE **A**NNUAL
FINANCIAL **R**EPORT

FOR THE YEAR ENDED JUNE 30, 2017

COUNTY OF GOOCHLAND, VIRGINIA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017

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INTRODUCTORY SECTION

BOARD OF SUPERVISORS

Susan F. Lascolette, District 1
Robert H. Minnick, District 4
Manuel Alvarez, Jr., District 2
Ned S. Creasey, Chairman, District 3
Kendall C. Peterson, Vice-Chairman,
District 5



John A. Budesky
County Administrator

Derek Stamey, MPA
Deputy County Administrator

Todd Kilduff, P.E.
Assistant County Administrator

www.goochlandva.us

November 8, 2017

Members of the Board of Supervisors and Citizens of Goochland County:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the County of Goochland (the County) for the fiscal year ended June 30, 2017. The *Code of Virginia* requires that local governments publish a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This CAFR has been prepared by the County's Department of Financial Services in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB) and the Auditor of Public Accounts of the Commonwealth of Virginia (APA).

This CAFR consists of management's representations concerning the finances of the County. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate, in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

The County's financial statements have been audited by PBMares, LLP, a firm of certified public accountants. The independent auditors concluded, based upon the audit evidence obtained, that there was reasonable basis for forming and expressing an unmodified opinion on the County's basic financial statements for the year ended June 30, 2017. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the requirements of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also report on the County's compliance with federal requirements for each major program as well as on internal control over compliance pursuant to the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditors' report on the Single Audit for the County is available in the Compliance Section of this financial report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The MD&A complements this letter of transmittal and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the County

Goochland County was originally formed in March 1727, when the General Assembly of Virginia passed the act calling for the division of the Henrico Shire, an original shire of the Virginia Colony. Officially established in 1728, the County was named after Sir William Gooch, Royal Lieutenant Governor of Virginia from 1727 to 1749. Goochland covered a vast amount of land on both sides of the James River, extending from Tuckahoe Creek in the east to beyond the Blue Ridge Mountains.

Goochland County is a predominately rural county located in the Piedmont Plateau region in central Virginia. Goochland is approximately 13 miles west of Richmond, the capital of Virginia; the county is 25 miles southeast of Charlottesville, Virginia. The county is 290 square miles in area and has an estimated population of 23,000 citizens.

The County is organized under the County Administrator Form of Government (as defined under Virginia Law). Under this form of government, the Board of Supervisors appoints a County Administrator to serve as the Chief Administrative Officer of the County. The Administrator serves at the pleasure of the Board of Supervisors, implements its policies, appoints department heads, and directs business and administrative procedures. The County's financial management and reporting is addressed through a combination of services provided by the Department of Finance, Schools Administration, Treasurer's Office, and Commissioner of the Revenue.

The Board of Supervisors is a five-member body, elected by the voters of the Electoral Districts in which they live. The Chairman of the Board is elected annually by its members. Each member serves a four-year term. This body enacts ordinances, appropriates funds, sets tax rates, and establishes policies for the administration of the County's public service.

The reporting entity of the County includes the following services as authorized by its Code of Ordinances: public safety (as provided by the Sheriff's Office), fire prevention and protection, emergency medical services, parks and recreation, planning, zoning, and other governmental services. In addition, the County owns and operates water distribution and wastewater collection systems, which are reported as an enterprise fund.

The County provides education through its public-school system administered by the Goochland County School Board (School Board), composed of five board members, each elected from the County's five magisterial districts. In accordance with GASB pronouncements, the School Board is classified as a discretely presented component unit in the accompanying financial statements because it is a legally separate entity for which the County is financially accountable. The School Board appoints a school Superintendent who administers the County's five schools and its own appropriations within the categories defined by the Code of Virginia, but is fiscally dependent upon the County because the Board of Supervisors approves the budget, any revenue supplements, and transfers between education categories; levies the necessary taxes to finance operations and capital projects; and issues debt as needed to finance school capital projects.

Discretely presented component units are reported in separate columns in the basic financial statements to emphasize that they are legally separate from the County Primary Government and to differentiate their financial position, results of operations and cash flows from those of the Primary Government. The School Board and Economic Development Authority are reported as discretely presented component units.

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 function level. The budget is implemented through appropriations that the Board of Supervisors makes annually, with supplemental appropriations made as required. These appropriations may be greater or less than contemplated in the budget. A supplemental appropriation that exceeds \$500,000 or one percent of the budget, whichever is less, requires a public hearing before approval.

The County maintains budgetary controls to ensure compliance with the annual budget. All appropriations lapse at year-end, except for federal and state grants, capital improvements, and outstanding encumbrances (which are addressed by resolution). Similar budgetary controls exist for the Component Unit School Board.

Local Economy

The James River flows the entire length of the county and forms its southern boundary. The Counties of Powhatan, Cumberland, and Chesterfield are located to the south of Goochland. Tuckahoe Creek generally defines the eastern boundary with Henrico County. Goochland abuts Louisa County and Hanover County to the north, and Fluvanna County to the west. Interstate 64 runs along the northern edge of the county, making it easy for residents and visitors to get to the City of Richmond as well as the City of Charlottesville. State Route 288, the Richmond area's western bypass is a four-lane limited access road (interstate quality) running through the County. Along with Interstate 64, these are the "economic development highways" for the County.

The June 2017 unemployment rate for the County of 3.6% compared favorably to the state's average unemployment rate of 3.9% and national average rate of 4.5% for the same period. Goochland County enjoys a high median household income of \$88,625 compared to Virginia with a median household income of \$68,114, and the United States with a median household income of \$57,617.

Goochland County continues to be a destination for commercial development. In the past 5 years, the County has seen over \$251.9 million of new capital investment. Calendar year 2016 is on record as being the highest year of new investment to date at \$87.1 million. The Virginia Chamber of Commerce recently recognized Goochland County as having the highest percent job growth over the last 5 years, more than any other county in the Commonwealth at 37.8%.

Economic Development Update

The County has seven business/office/industrial parks: Goochland Industrial Park, Oilville Business Park, Old Dominion Industrial Complex, Lanier Industrial Park, Rockville Commerce Center, MidPoint Industrial Park, and West Creek Business Park. Goochland Industrial Park, and Oilville Business Park were publicly developed and are publicly owned; all other parks are privately owned.

West Creek Business Park ("West Creek") is the largest development, encompassing over 3,500 acres in the eastern portion of the County. Capital One Bank Services ("Capital One"), the County's largest employer, is a tenant of West Creek. The Capital One 316-acre campus has eight office buildings as well as a multipurpose building. The Capital One campus has a cafeteria and a town center which houses a fitness center and other amenities. Other tenants in West Creek include the corporate headquarters of the Virginia Farm Bureau, the corporate headquarters of Performance Food Group, the corporate headquarters of CarMax and a major satellite office facility for the Federal Reserve Bank of Richmond, Hallmark Youth Care and Manakin Trade Center, a multitenant 80,000 square foot office complex.

Significant economic developments during fiscal year 2017 include:

- Drive Shack, an indoor/outdoor driving range and entertainment venue, has chosen Goochland County to locate its newest facility.
- In May 2017, the Governor announced a \$250,000 grant to Lickinghole Creek Craft Brewery, for a 50,000-square foot expansion of its facility in western Goochland County.
- Sheltering Arms Rehab Institute, a joint venture with VCU Health System, has chosen Goochland County to locate a 114-bed in-patient facility on 25 acres in the West Creek Medical Park.
- Construction is currently underway on Hardywood Park Craft Brewery's 22-acre craft beer production, distribution, and tasting facility. Opening is scheduled for Spring 2018.
- Construction began on the Audi of Richmond car dealership near Broad Street and Route 288 in eastern Goochland County.
- Medarva Healthcare continued its expansion in the West Creek Medical Park with a 25,000-square foot expansion.
- Construction began on a 373-unit Bristol at West Creek apartment complex by Tennessee-based Bristol Development Group.

Goochland is growing in a purposeful and organized manner. The County pursues focused strategies and programs to promote quality development. The paramount consideration in the County's economic development strategy is quality, well planned development that fits with the County's 2035 Comprehensive Plan and does not burden the infrastructure.

Water and Sewer Systems

The Goochland Department of Public Utilities currently provides water and/or sewer service to various areas within the County. The Courthouse portion of the system provides service to customers in and around the Goochland Courthouse area, which is in the approximate geographical center of the County. In addition to residential and commercial customers, the Courthouse portion of the system provides water and sewer service to the County Courthouse, County administration buildings, the County High School, and the J. Sargeant Reynolds Community College Goochland Campus. Starting in the mid-1960's, the County began providing water and/or sewer service for new residential developments in the southeastern portion of the County. In 1990, water and sewer service were developed for the West Creek Business Park. The County acquired the West Creek water and sewer facilities in April 2002.

Goochland currently purchases treated water and wastewater treatment services from Henrico County through a series of long-term contracts. Wastewater treatment services are also purchased from the City of Richmond through a long-term agreement as related to the Tuckahoe Creek Service District (the "District"). The Virginia Department of Corrections provides both treated water and wastewater treatment services to the Goochland Courthouse area pursuant to long-term contracts. In October 2013, a Memorandum of Agreement was executed between the County, the Department of Corrections, and Powhatan County which will ultimately allow Goochland to receive a capacity of up to 2,000,000 gallons of water per day. The County is just beginning the lengthy process of evaluating increasing sewer capacity in the Courthouse area.

The County has defined, developed, and adopted a Special Service District ordinance (Tuckahoe Creek Service District) which is providing additional water and sewer capacity and services to a 13-square mile (8,500 acre) area in the eastern portion of the County. The County borrowed approximately \$62.7 million from the Virginia Resources Authority (VRA) in 2002 to buy additional water capacity from Henrico County (as supported by an intergovernmental agreement) and to construct water mains and sewer trunk lines in the District, and has a separate wastewater agreement with the City of Richmond for that capacity. A large portion of those 2002 VRA bonds were refunded in November 2012 to achieve debt service savings and better accommodate development within the District for the near future.

Long-Term Financial Planning

The Capital Improvements Program (CIP) is the County's plan for investing in facilities, equipment, and vehicles over the next five years, and includes those items with a unit cost greater than \$50,000. The fiscal year 2018 capital budget for County, School, and Public Utility projects is \$7.3 million. Included in fiscal year 2018 are plans to improve the intersection of Fairground Road and Sandy Hook which will open the Courthouse area of the County for commercial development. Fiscal years 2019 through 2022 of the CIP include plans for construction of a new elementary school to start in 2021 that will replace one of the three existing 60-year-old elementary schools. However, the School Board is reviewing recommendations of a school leadership and citizen committee involved in a Long-Term Educational Facilities Planning Study to determine the best use of limited taxpayer revenue for the capital needs of the school division. The out years of the CIP also include plans to address space needs of the existing court system and the construction of an additional County fire station.

Major Initiatives and Accomplishments

The Strategic Plan for 2014-2018 includes Vision and Mission statements for the County, as well as five Strategic Goals and multiple Objectives related to each goal. Briefly, the highlights of the Plan are as follows:

- **Vision:** A prosperous and vibrant community rich with history and opportunity where the citizens and their rights and freedoms are protected
- **Mission:** To provide high quality services in an efficient, effective, and accountable manner
- **Strategic Goal 1:** Efficient, effective, and transparent government; emphasis on customer service excellence
- **Strategic Goal 2:** Balanced development that contributes to the welfare of the community and preserves its rural character
- **Strategic Goal 3:** Excellence in Financial Management
- **Strategic Goal 4:** High quality core services including Education, Public Safety, and Community Health
- **Strategic Goal 5:** Positive work environment with a highly qualified, diverse workforce

In fiscal year 2017, the following major accomplishments were achieved:

- Completed construction on and began operation of the Hadensville Fire-Rescue Station 6 in March 2017.
- Completed a new emergency communications and operations center to be opened in the Fall of 2017. Also completed six new communications towers in preparation for operation of the new communications system.
- Completed the Community Development customer service center to include a new permit center for improved customer service.
- Six joint town halls were held with the School Board and the Board of Supervisors at various locations around the County.
- Completed a non-motorized boat ramp at Tucker Park as well as expanded parking. Tucker Park now provides citizens of Goochland County with easy access to recreational boating on the James River.
- Completed a playground and new trails at Matthews Park.
- Completed the Courthouse Green project, a collaboration with the Goochland County Historical Society, including a new welcome center, walking path, and signs highlighting the history of the Courthouse.
- Began the re-write of all zoning ordinances.
- Completed a chloramine booster station to improve water quality over the east end of Goochland.
- Began work with the Economic Development Authority to update the Economic Development Strategic Plan.
- Maintained Goochland County's AAA bond rating with Standard and Poor's.
- Launched a community care mobile app to provide citizens with an easy way to find resources.
- Developed and bid out plans for a new Goochland County Animal Shelter, a collaborative project with Goochland Pet Lovers.
- Continued renovation of the old Central High School to create more community spaces.

As a strategic goal, providing high-quality public education continues to be one of the County's top priorities and does so by exceeding the state's minimum funding requirements and funding 64% of the school's fiscal year 2017 operating and capital expenses. The School Board's mission is to "maximize the potential of every learner" and they have proved to be regional, state, and national leaders in doing so. During the 2016-2017 school year, Goochland was one of ten school divisions in the state to have 100% of its schools accredited by the state for 11 consecutive years. Goochland High School had an impressively high 96% on-time graduation rate, Byrd and Randolph Elementary Schools received the state's Distinguished Achievement award, four of the five schools joined an elite international group of Apple Distinguished Schools, and Goochland special education students performed 10th out of 132 divisions in the state based on the state Annual Performance Report. Goochland students are in the top 25 in the state in reading, history, science and math SOL scores and outpaced national growth averages by over 20% in math and over 10% in reading (as measured by beginning to end of school year MAP assessment tests). All of this is accomplished with the skills, talent, and expertise of dedicated and passionate teachers and support staff and one of the top innovative technology programs in the state.

Some of the awards and recognitions earned by Goochland County in fiscal year 2017 include:

- 2016 GFOA Comprehensive Annual Financial Report Award;
- 2016 Virginia Governor's Technology Award for best citizen portal,
- 2016 Digital Counties Survey Award,
- 2016 Governor's Award for Environmental Excellence Honorable Mention – Tucker Park at Maiden's Crossing
- 2015 Virginia Recreation and Park Society Award for best promotional effort
- 2016 Virginia Recycling Association Award for outstanding rural innovation
- Silver Mission Lifeline award from the America Heart Association given to Fire-Rescue
- Recognized as a 2017 Playful City USA Community; Greater Richmond Region recognized as the first Regional Playful City USA Community
- Goochland Schools is only one of 2 school divisions in the state to submit an application for the fiscal year 2018 budget to the GFOA for the new Best Practices in School Budgeting Award after receiving the Distinguished Budget Presentation Award for the last four years. The new award is focused on the year-round efforts of instructional staff working with finance staff to receive the highest academic return on taxpayer investment.

Acknowledgments

We could not accomplish the preparation of this report without the efficient and dedicated service provided by the staffs of the Department of Financial Services, Treasurer, Commissioner of Revenue, School Administration, and the Social Services Department. I would like to express my appreciation to all the members of the staff who assisted and contributed to its preparation. I would also like to thank the members of the Board of Supervisors for their continued interest and support in planning and conducting the financial operations of this County in a responsible, timely and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be "Julia B.", is written below the text "Respectfully submitted,".



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in Financial
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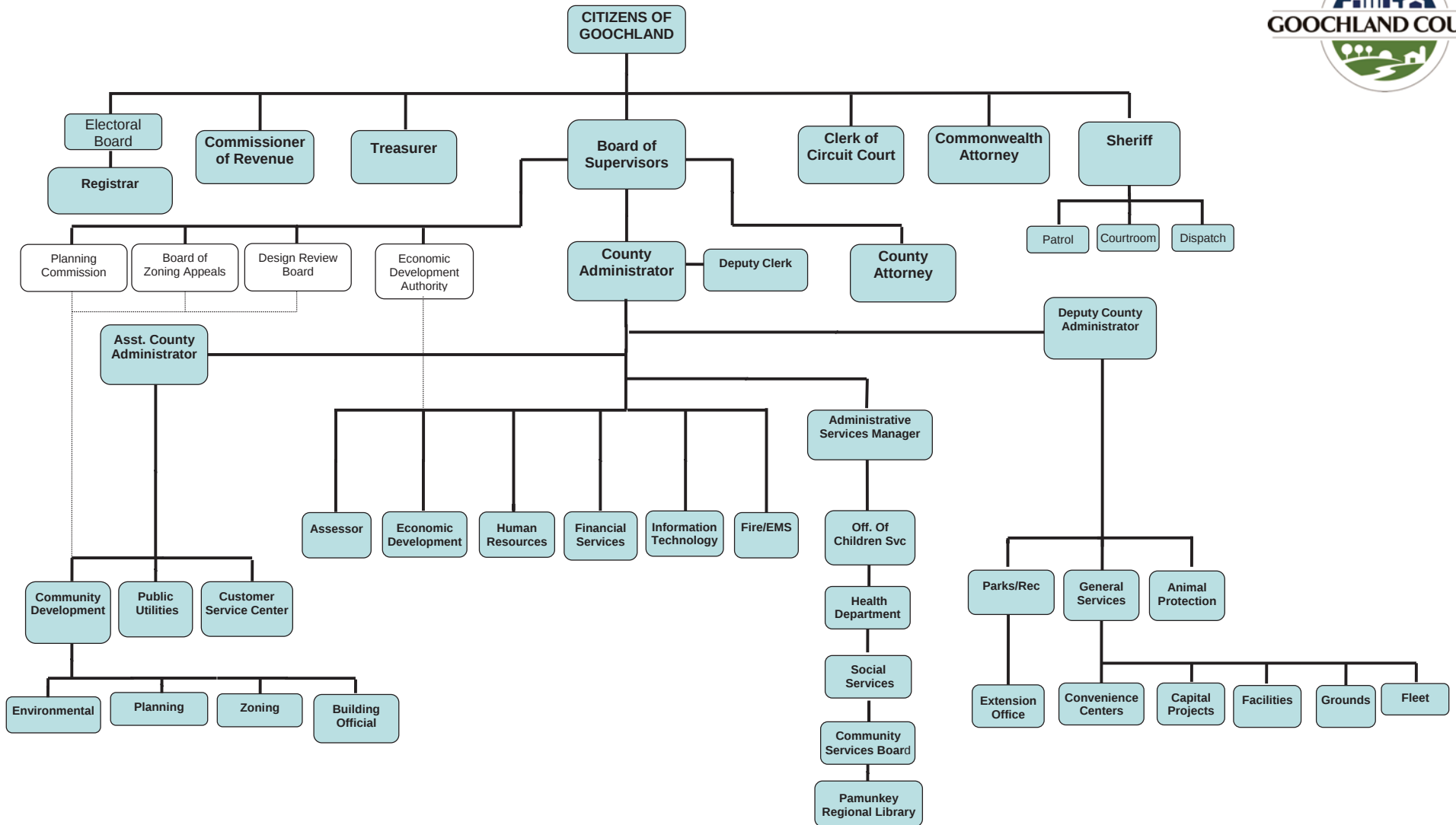
Presented to

**County of Goochland
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



Last Revised: 1/30/17

County of Goochland, Virginia

June 30, 2017

Board of Supervisors

Ned S. Creasey, Chairperson
Ken Peterson, Vice-Chairperson

Manuel Alvarez, Jr.
Robert H. Minnick

Susan F. Lascolette

School Board

Elizabeth A. Hardy, Chairperson
John D. Wright, Vice-Chairperson

W. Kevin Hazzard
Michael E. Payne

John L. Lumpkins, Jr.

Social Services Board

Janet Honeycutt, Chairperson

Glenda Leabough
Meta Potts

Rebecca Massey
Barbara Slone

Other Officials

County Administrator
County Attorney
Judge of the Circuit Court
Clerk of the Circuit Court
Commonwealth's Attorney
Judge of the General District Combined Court
Judge of the Juvenile & Domestic Relations Court
Sheriff
Superintendent of Schools
Clerk of the School Board
Director of Social Services
Commissioner of the Revenue
Treasurer

John Budesky
Tara McGee
Timothy K. Sanner
Dale W. Agnew
D. Michael Caudill
Claiborne H. Stokes Jr.
Deborah S. Tinsley
James L. Agnew
Dr. Jeremy J. Raley
Diane Bennett
Kimberly Jefferson
Jennifer Brown
Pamela Johnson

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors
County of Goochland, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the County of Goochland, Virginia (County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2017, the respective changes in financial position and the budgetary comparison of the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information on pages 14-21 and 77-86, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedules listed in the table of contents as introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

PBmares, LLP

Harrisonburg, Virginia
November 8, 2017

County of Goochland, Virginia

Management's Discussion and Analysis

As management of the County of Goochland, Virginia (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County as of and for the fiscal year ended June 30, 2017. We encourage readers to read this discussion in conjunction with the transmittal letter in the Introductory Section of this report and the County's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$74.4 million (net position). Of this amount, \$29.1 million (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased for the fiscal year by \$2.3 million, with governmental activities adding \$3.1 million while enterprise activities lost \$0.8 million of net position.
- As of the close of fiscal year 2017, the County's governmental funds reported combined ending fund balances of \$48.8 million (Exhibit 3), an increase of \$6.1 million from the previous year. Approximately 86.9% (\$42.4 million) of the total \$48.8 million is available for spending at the County's discretion (sum of assigned and unassigned fund balances).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19.5 million, and was 34.0% of the sum of the fiscal year 2018 adopted General Fund budget and the non-local portion of the School Operating Fund budget, well above the 20% required by policy. Fund balance in the General Fund increased \$73,016 from the previous year, with the result a General Fund balance of \$34.5 million.
- The County's long-term obligations increased from \$139.3 million to \$147.5 million in fiscal year 2017. Governmental activities debt increased \$9.1 million, the net of a new capital lease for \$9.8 million for the construction of a new public safety radio system, principal payments on existing debt, and an increase in the net pension liability. Business-type activities debt decreased \$0.9 million, the net of principal payments on existing debt and contractual obligations and increases in accreted interest on revenue bonds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and 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 like a private sector business.

The Statement of Net Position (Exhibit 1) presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources including governmental activities, business-type activities, and component unit activities. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, which provides a measure of the County's financial health, or financial condition. Over time increases or decreases in the net position may serve as an indicator of whether the County's financial condition is improving or declining.

The Statement of Activities (Exhibit 2) presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both 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 business-type activities of the County provide water and wastewater service to customers.

The government-wide financial statements include not only the County itself (known as the primary government), but also two legally separate component units (Goochland County Public Schools and the Economic Development Authority of Goochland County) for which the County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government.

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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, or fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, the governmental fund financial statements are prepared using the current financial resources and modified accrual basis of accounting. The focus of the current financial resources and modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than the government-wide financial statements, reconciliations between the two methods is provided within the basic financial statements. The County has two major governmental funds: the General Fund and the Capital Projects Fund.

Proprietary Funds

Proprietary funds consist of enterprise funds, which are used to report the same functions as business-type activities in the government-wide financial statements. The County utilizes an enterprise fund to account for its water and sewer utilities fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in a separate Statement of Net Position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

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 and other supplementary information such as budgetary comparison schedules and combining financial statements for the Goochland County School Board discretely presented component unit and financial statements for the Goochland County Economic Development Authority.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74.4 million at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Goochland, Virginia Summary of Net Position (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 67.1	\$ 60.4	\$ 26.4	\$ 26.0	\$ 93.5	\$ 86.4
Capital assets	44.7	39.9	100.9	103.0	145.6	142.9
Total assets	111.8	100.3	127.3	129.0	239.1	229.3
Total deferred outflows of resources	1.6	1.0	3.4	3.5	5.0	4.5
Current liabilities	4.5	4.0	0.9	1.0	5.4	5.0
Long-term liabilities outstanding	25.8	16.7	121.7	122.6	147.5	139.3
Total liabilities	30.3	20.7	122.6	123.6	152.9	144.3
Total deferred inflows of resources	14.7	15.3	2.1	2.1	16.8	17.4
Net position						
Net investment in capital assets	25.3	28.3	3.2	3.2	28.5	31.5
Restricted	3.3	0.1	13.5	13.5	16.8	13.6
Unrestricted (deficit)	39.8	36.9	(10.7)	(9.9)	29.1	27.0
Total net position	\$ 68.4	\$ 65.3	\$ 6.0	\$ 6.8	\$ 74.4	\$ 72.1

The largest portion of the County's net position (38.3%) reflects its investment in capital assets (land, buildings, equipment, water and sewer systems), less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide services to citizens, and therefore these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position (39.1%) is unrestricted and may be used to meet the County's ongoing obligations to its citizens and creditors. The smallest portion of the County's net position (22.6%) represents resources that are subject to external restrictions on how they may be used.

The following table summarizes the County's Statement of Activities:

County of Goochland, Virginia Summary of Statement of Activities (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program revenues						
Charges for services	\$ 2.5	\$ 2.6	\$ 4.5	\$ 5.0	\$ 7.0	\$ 7.6
Operating grants and contributions	4.5	4.9	0.9	1.2	5.4	6.1
Capital grants and contributions	0.1	0.1	0.4	0.6	0.5	0.7
General revenues						
General property taxes	34.9	33.9	4.3	4.1	39.2	38.0
Other local taxes	6.6	6.6	-	-	6.6	6.6
Grants and contributions	3.9	3.9	-	-	3.9	3.9
Other general revenues	1.2	0.7	0.6	0.5	1.8	1.2
Total revenues	53.7	52.7	10.7	11.4	64.4	64.1
Expenses						
General government administration	4.9	4.4	-	-	4.9	4.4
Judicial administration	1.9	1.6	-	-	1.9	1.6
Public safety	9.2	8.5	-	-	9.2	8.5
Public works	2.2	0.8	-	-	2.2	0.8
Health and welfare	4.9	4.7	-	-	4.9	4.7
Education	24.7	21.9	-	-	24.7	21.9
Parks, recreation and facilities management	1.1	2.4	-	-	1.1	2.4
Community development	1.1	1.8	-	-	1.1	1.8
Interest and other fiscal charges	0.6	0.5	-	-	0.6	0.5
Utilities	-	-	11.5	11.7	11.5	11.7
Total expenses	50.6	46.6	11.5	11.7	62.1	58.3
Increase (decrease) in net position before transfers	3.1	6.1	(0.8)	(0.3)	2.3	5.8
Transfers	-	(0.3)	-	0.3	-	-
Increase (decrease) in net position	3.1	5.8	(0.8)	-	2.3	5.8
Total net position - beginning	65.3	59.5	6.8	6.8	72.1	66.3
Total net position - ending	\$ 68.4	\$ 65.3	\$ 6.0	\$ 6.8	\$ 74.4	\$ 72.1

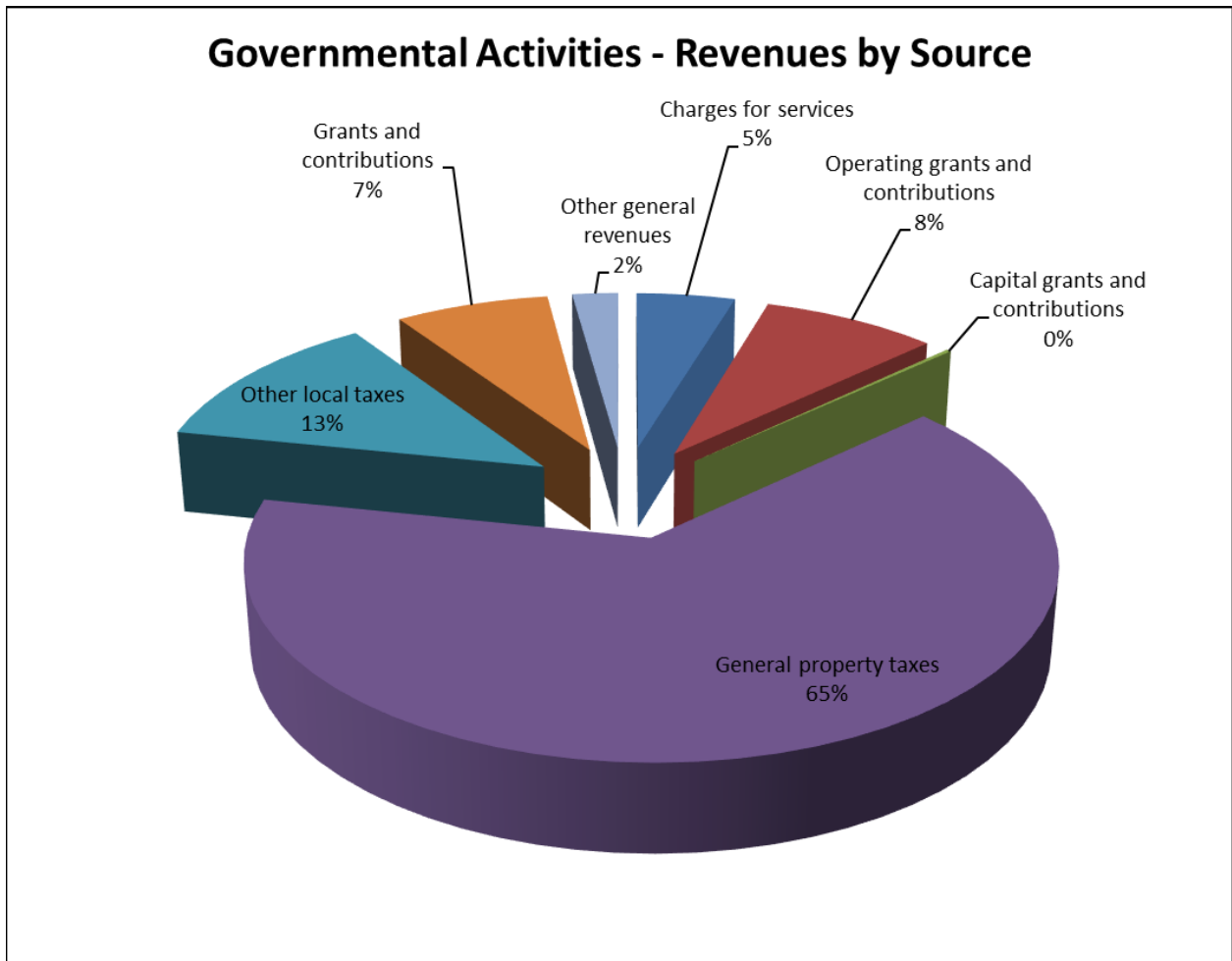
The County's net position increased by \$2.3 million during the current fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities: During the current fiscal year, net position for governmental activities increased \$3.1 million for an ending balance of \$68.4 million. In general, net position changes are the result of the difference between revenues and expenses. Fiscal year 2017 revenues of \$53.7 million increased \$1.0 million from the previous fiscal year, and exceeded expenses and transfers by \$3.1 million.

Key revenue elements include:

- Property taxes increased \$1.0 million from fiscal year 2016, primarily because of modest increases in real and personal property values and new construction.

- Operating grants and contributions decreased \$0.4 million primarily due to one-time state grants for economic development in fiscal year 2016.
- Charges for services remained nearly level at \$2.5 million while other general revenues increased \$0.5 million primarily as a result of increased interest revenue.

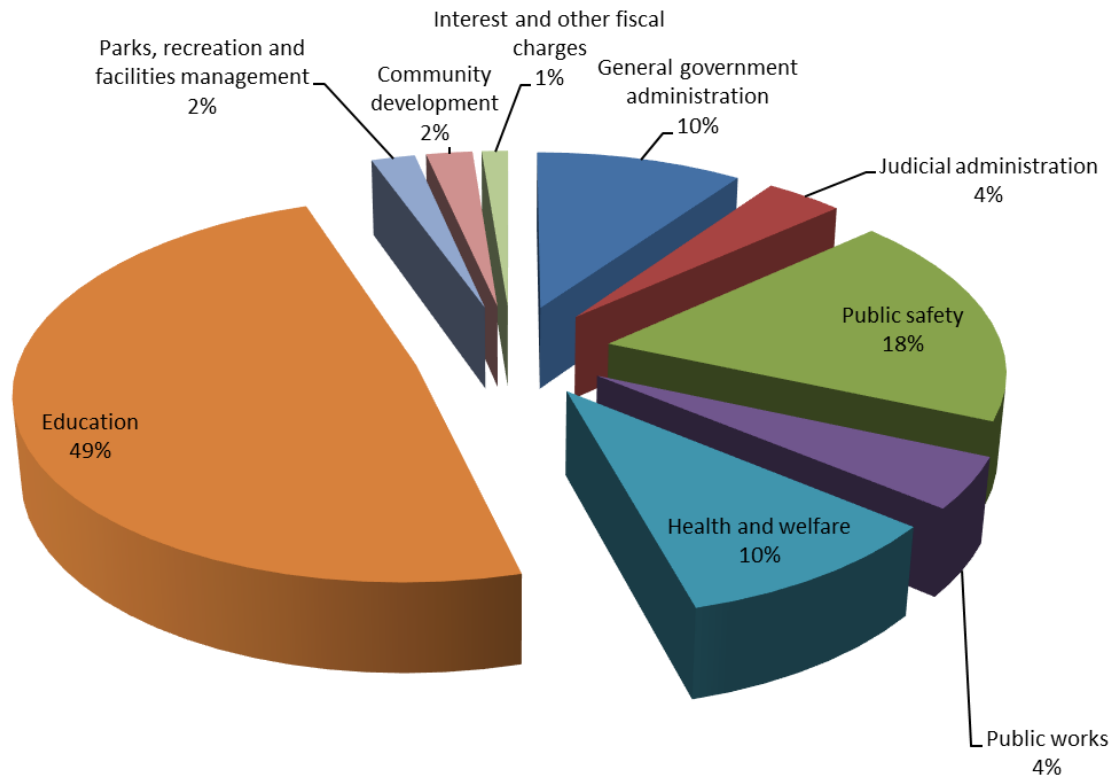


During fiscal year 2017, the governmental activities expenses totaled \$50.6 million, an increase of \$4.0 million over the previous year.

Expenses during fiscal year 2017 increased in most functional areas. Key elements of the increases included:

- Community development expenses decreased \$0.7 million because of the pass-through of the economic development grants that occurred in fiscal year 2016.
- Education expenses increased year over year by \$2.8 million. Primary reasons for the increase include a \$0.9 million increase in the original budgeted transfer from the County to the Schools and a \$1.3 million capital contribution as a result of the completion of building upgrades at Goochland Elementary School.
- Parks and recreation experienced a \$1.3 million decrease that was nearly balanced by at \$1.4 million increase in public works expenses as a result of moving the custodial, maintenance and grounds function from parks and recreation functional category to public works.
- Public safety and general government administration experienced increases in expenses as a result of higher capital expenses.

Governmental Activities - Functional Expenses



Business-type Activities: During the current fiscal year, net position for business-type activities decreased \$0.8 million to \$6.0 million. As stated earlier, net position changes are the result of the difference between revenues and expenses. Fiscal year 2017 expenses of \$11.5 million decreased \$0.2 million from the previous fiscal year, and equaled revenues and transfers in.

The decrease in expenses can be attributed to a decrease in interest expenses resulting from the prior year's refinancing. Revenues decreased \$0.7 million in fiscal year 2017 compared to the previous year primarily because of decreases in user fees and connection fees. Connection fees vary from year to year depending on the level and size of construction projects.

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 available resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$48.8 million, an increase of \$6.1 million during the current year. Approximately 86.9% (\$42.4 million) of the total \$48.8 million is available for spending at the County's discretion (sum of assigned and unassigned fund balances).

The General Fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$19.5 million, while total fund balance increased \$73,016 to \$34.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balances to total General Fund expenditures. Unassigned fund balance represents approximately 41.3% of total General Fund expenditures, while total fund balance represents approximately 73.2% of that same amount. The stability in the overall fund balance of the General Fund was due to revenue collections higher than anticipated primarily in personal property taxes, bank stock taxes, and building permit fees and across-the-board expenditure savings primarily in public safety due to vacancies.

The Capital Projects Fund, a major fund, had a \$6.0 million increase in fund balance during the current fiscal year which put the overall fund balance at \$14.3 million. This increase was due to the transfer of funds from the General Fund for some major projects.

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail. Operations of the proprietary funds were included in the discussion of business-type activities.

General Fund Budgetary Highlights: General fund budget amendments resulted in an increase of \$5.4 million between the originally adopted fiscal year 2017 budget appropriation for expenditures and transfers out and the final budget. The budget amendments were funded primarily by assigned fund balance. Significant amendments included:

- \$500,000 increase in education expenditures for the use of previous year's unspent County transfer, for construction of a high-speed fiber connection to Byrd Elementary, and for a long-term facility study.
- \$4.3 million increase in transfers out to the capital projects fund primarily for mid-year allocations to construction of a new animal protection shelter, parking lot improvements, and funds for the acquisition of a new financial software system.

Capital Asset and Debt Administration

Capital Assets: The County's investment in capital assets for its governmental operations at June 30, 2017 amounted to \$44.7 million (net of accumulated depreciation and amortization), a \$4.8 million increase from the previous year. This investment in capital assets includes land, buildings and improvements and machinery and equipment. The increase in the capital asset balance is due to the completion of the construction of a new fire station and significant parts of a new public safety radio system. Capital assets of the business-type activities at June 30, 2017 were \$100.9 million (net of accumulated depreciation and amortization), a decrease of \$2.1 million due to greater depreciation than additions.

Additional information on the County's capital assets can be found in Note IV.-E. of the Notes to the Financial Statements.

Long-term Debt: At the end of the current fiscal year, the County had long-term obligations (Governmental and Business-type activities) of \$147.5 million. Of this amount, \$9.7 million is comprised of debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources, capital leases, compensated absences, net pension liability, capacity rights and landfill obligations. The increase in long-term debt of \$8.2 million in fiscal year 2017 was explained previously in the financial highlights section of this discussion.

Additional information on the County of Goochland, Virginia's long-term debt can be found in Note IV.-G. of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The June 2017 unemployment rate for the County of 3.6% compared favorably to the state's average unemployment rate of 3.9% and national average rate of 4.5% for the same period.
- The fiscal year 2018 budget increased by approximately 10% for all funds (including the component units). The largest drivers of the increase were increases to debt service in the general fund as a result of a full year's debt service payment to the capital lease for the radio system and a doubling of the capital projects budget due to a major intersection improvement project. The general real estate tax rate remained the same at \$0.53 per \$100 of assessed valuation.

Requests for Information

This financial report is designed to provide a general overview of the County'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 County Administrator, 1800 Sandy Hook Rd., Goochland, Virginia 23063.

BASIC FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Economic Development Authority
ASSETS					
Cash and cash equivalents	\$ 43,267,769	\$ 11,928,814	\$ 55,196,583	\$ 1,410,331	\$ 291,771
Investments	-	-	-	-	125,749
Receivables (net of allowance for uncollectibles):					
Taxes receivable, including penalties, net	16,312,467	2,170,477	18,482,944	-	-
Accounts receivable, net	493,424	929,111	1,422,535	58,813	-
Notes receivable	152,650	-	152,650	-	22,554
Prepaid items	138,794	6,185	144,979	419,009	-
Internal balances	2,117,634	(2,117,634)	-	-	-
Due from Primary Government	-	-	-	-	1,994,931
Due from other governmental units	1,303,810	-	1,303,810	962,304	-
Inventories	10,488	-	10,488	33,913	-
Restricted assets	3,303,542	13,529,930	16,833,472	-	-
Land held for resale	-	-	-	-	28,642
Capital assets (net of accumulated depreciation and amortization):					
Land and land improvements	3,835,868	2,874,584	6,710,452	607,079	-
Buildings and system	30,670,419	69,928,861	100,599,280	26,617,593	-
Capacity rights	-	27,909,894	27,909,894	-	-
Machinery and equipment	8,305,582	128,802	8,434,384	1,991,066	-
Construction in progress	1,850,504	24,822	1,875,326	-	-
Total assets	111,762,951	127,313,846	239,076,797	32,100,108	2,463,647
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	1,654,927	67,135	1,722,062	4,628,088	-
Deferred charge on refunding	-	3,286,716	3,286,716	-	-
Total deferred outflows of resources	1,654,927	3,353,851	5,008,778	4,628,088	-
LIABILITIES					
Accounts payable	1,209,682	278,521	1,488,203	558,139	-
Accrued liabilities	70,366	-	70,366	1,423,026	-
Due to other governmental units	-	54,853	54,853	-	-
Unearned revenue	938,858	94,926	1,033,784	-	-
Customer deposits	-	43,344	43,344	-	-
Accrued interest payable	264,492	407,831	672,323	-	-
Due to component unit	1,994,931	-	1,994,931	-	-
Long-term obligations:					
Due within one year	3,067,781	2,384,501	5,452,282	253,703	200,000
Net pension liability	2,797,780	109,940	2,907,720	26,640,545	-
Due in more than one year	19,989,311	119,172,774	139,162,085	1,355,570	1,669,931
Total liabilities	30,333,201	122,546,690	152,879,891	30,230,983	1,869,931
DEFERRED INFLOWS OF RESOURCES					
Pension plan	-	-	-	966,206	-
Property taxes	14,700,452	2,081,373	16,781,825	-	-
Total deferred inflows of resources	14,700,452	2,081,373	16,781,825	966,206	-
NET POSITION					
Net investment in capital assets	25,282,032	3,259,402	28,541,434	29,120,143	-
Restricted for:					
Debt covenants	3,303,542	13,529,930	16,833,472	-	-
Grant programs	38,418	-	38,418	-	-
Unrestricted (deficit)	39,760,233	(10,749,698)	29,010,535	(23,589,136)	593,716
Total net position	\$ 68,384,225	\$ 6,039,634	\$ 74,423,859	\$ 5,531,007	\$ 593,716

The accompanying notes are an integral part of these financial statements.

County of Goochland, Virginia

Statement of Activities

Exhibit 2

Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	School Board	EDA
Primary Government									
Governmental activities:									
General government administration	\$ 4,937,982	\$ 124,371	\$ 375,458	\$ -	\$ (4,438,153)	\$ -	\$ (4,438,153)	\$ -	\$ -
Judicial administration	1,855,368	173,188	573,174	-	(1,109,006)	-	(1,109,006)	-	-
Public safety	9,191,033	1,809,165	1,075,141	125,000	(6,181,727)	-	(6,181,727)	-	-
Public works	2,220,929	35,705	6,891	-	(2,178,333)	-	(2,178,333)	-	-
Health and welfare	4,982,426	24,790	2,432,477	-	(2,525,159)	-	(2,525,159)	-	-
Education	24,665,127	-	-	-	(24,665,127)	-	(24,665,127)	-	-
Parks, recreation, and facilities management	1,050,389	217,490	-	-	(832,899)	-	(832,899)	-	-
Community development	1,105,859	124,718	-	-	(981,141)	-	(981,141)	-	-
Interest on long-term debt	627,357	-	-	-	(627,357)	-	(627,357)	-	-
Total governmental activities	50,636,470	2,509,427	4,463,141	125,000	(43,538,902)	-	(43,538,902)	-	-
Business-type activities									
Utilities	11,447,534	4,478,230	878,797	360,651	-	(5,729,856)	(5,729,856)	-	-
Total Primary Government	\$ 62,084,004	\$ 6,987,657	\$ 5,341,938	\$ 485,651	(43,538,902)	(5,729,856)	(49,268,758)	-	-
Component Units									
School Board	\$ 31,336,541	\$ 644,200	\$ 8,510,533	\$ 1,516,034	-	-	-	(20,665,774)	-
Economic Development Authority	708,607	3,146	-	-	-	-	-	-	(705,461)
Total Component Units	\$ 32,045,148	\$ 647,346	\$ 8,510,533	\$ 1,516,034	-	-	-	(20,665,774)	(705,461)
General revenues:									
General property taxes					34,908,623	4,368,155	39,276,778	-	-
Other local taxes					6,622,197	-	6,622,197	-	-
Unrestricted revenues from use of money and property					311,479	557,051	868,530	43,424	1,657
Payments from Primary Government					-	-	-	22,707,261	-
Grants and contributions not restricted to specific programs					3,913,355	-	3,913,355	-	-
Miscellaneous					856,126	-	856,126	163,238	-
Total general revenues					46,611,780	4,925,206	51,536,986	22,913,923	1,657
Change in net position					3,072,878	(804,650)	2,268,228	2,248,149	(703,804)
Net position - beginning					65,311,347	6,844,284	72,155,631	3,282,858	1,297,520
Net position - ending					\$ 68,384,225	\$ 6,039,634	\$ 74,423,859	\$ 5,531,007	\$ 593,716

The accompanying notes are an integral part of these financial statements.

County of Goochland, Virginia
Balance Sheet - Governmental Funds

Exhibit 3

June 30, 2017

	General	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 31,301,818	\$ 11,856,164	\$ 109,787	\$ 43,267,769
Receivables (net of allowances for uncollectibles):				
Taxes receivable, including penalties	16,312,467	-	-	16,312,467
Accounts receivable	493,424	-	-	493,424
Notes receivable	152,650	-	-	152,650
Inventories	10,488	-	-	10,488
Prepaid items	138,212	-	582	138,794
Due from other fund	2,117,634	-	-	2,117,634
Due from other governmental units	1,181,232	-	122,578	1,303,810
Restricted cash	-	3,303,542	-	3,303,542
Total assets	<u>\$ 51,707,925</u>	<u>\$ 15,159,706</u>	<u>\$ 232,947</u>	<u>\$ 67,100,578</u>
LIABILITIES				
Accounts payable	\$ 228,936	\$ 870,662	\$ 110,084	\$ 1,209,682
Accrued liabilities	62,693	7,673	-	70,366
Unearned revenue	912,515	-	26,343	938,858
Total liabilities	<u>1,204,144</u>	<u>878,335</u>	<u>136,427</u>	<u>2,218,906</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - vehicle license fees	168,410	-	-	168,410
Unavailable revenue - property taxes	15,876,533	-	-	15,876,533
Total deferred inflows of resources	<u>16,044,943</u>	<u>-</u>	<u>-</u>	<u>16,044,943</u>
FUND BALANCES				
Nonspendable	2,418,984	-	582	2,419,566
Restricted	55,239	3,303,542	38,418	3,397,199
Committed	580,000	-	-	580,000
Assigned	11,954,116	10,977,829	57,520	22,989,465
Unassigned	19,450,499	-	-	19,450,499
Total fund balances	<u>34,458,838</u>	<u>14,281,371</u>	<u>96,520</u>	<u>48,836,729</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,707,925</u>	<u>\$ 15,159,706</u>	<u>\$ 232,947</u>	<u>\$ 67,100,578</u>

The accompanying notes are an integral part of these financial statements.

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**June 30, 2017**

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 48,836,729
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Capital assets	\$ 71,843,049	
Less - accumulated depreciation and amortization	<u>(27,180,676)</u>	
		44,662,373

Deferred outflows of resources - pension plan represent a consumption of net position that applies to a future period and, therefore, are not recognized as deferred outflows of resources in the governmental funds.	1,654,927
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Receivables in the governmental funds do not provide current financial resources and, therefore, are not reported on the Statement of Net Position.	1,344,491
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

General obligation bonds, including unamortized premiums	(9,730,265)	
Capital lease obligations	(9,650,076)	
Other postemployment benefits	(943,856)	
Net pension liability	(2,797,780)	
Compensated absences	(956,167)	
Landfill post-closure care	(1,776,728)	
Due to component unit	(1,994,931)	
Interest payable	<u>(264,492)</u>	
		<u>(28,114,295)</u>

Net position of governmental activities	<u><u>\$ 68,384,225</u></u>
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The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2017

	General	Capital Projects	Nonmajor Governmental	Total Governmental Funds
REVENUES				
General property taxes	\$ 34,968,837	\$ -	\$ -	\$ 34,968,837
Other local taxes	6,622,197	-	-	6,622,197
Permits, privilege fees, and regulatory licenses	1,435,503	-	-	1,435,503
Fines and forfeitures	114,795	-	-	114,795
Revenue from use of money and property	311,400	-	79	311,479
Charges for services	934,339	-	24,790	959,129
Miscellaneous	128,466	727,660	-	856,126
Recovered costs	170,160	-	-	170,160
Intergovernmental revenues:				
Commonwealth	6,316,630	125,000	661,766	7,103,396
Federal	1,393,296	-	4,804	1,398,100
Total revenues	52,395,623	852,660	691,439	53,939,722
EXPENDITURES				
Current:				
General government administration	4,329,438	883,575	-	5,213,013
Judicial administration	1,716,551	-	-	1,716,551
Public safety	8,643,190	6,411,031	11,746	15,065,967
Public works	2,142,700	338,316	-	2,481,016
Health and welfare	3,600,952	-	1,435,934	5,036,886
Education	21,320,034	1,452,416	-	22,772,450
Parks, recreation, and facilities management	961,764	388,246	-	1,350,010
Community development	1,345,530	4,263	-	1,349,793
Debt service:				
Principal retirement	2,413,563	-	-	2,413,563
Interest and other fiscal charges	602,947	40,065	-	643,012
Total expenditures	47,076,669	9,517,912	1,447,680	58,042,261
Excess (deficiency) of revenues over (under) expenditures	5,318,954	(8,665,252)	(756,241)	(4,102,539)
OTHER FINANCING SOURCES (USES)				
Issuance of capital leases	310,871	9,882,000	-	10,192,871
Transfers in	200,000	4,812,000	744,809	5,756,809
Transfers out	(5,756,809)	-	-	(5,756,809)
Total other financing sources (uses), net	(5,245,938)	14,694,000	744,809	10,192,871
Net change in fund balances	73,016	6,028,748	(11,432)	6,090,332
Fund balances - beginning	34,385,822	8,252,623	107,952	42,746,397
Fund balances - ending	\$ 34,458,838	\$ 14,281,371	\$ 96,520	\$ 48,836,729

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities**

Year Ended June 30, 2017

Net change in fund balances - total governmental funds \$ 6,090,332

**Amounts reported for governmental activities in the Statement of Activities
are different because:**

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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	\$ 10,130,040	
Depreciation and amortization	(2,479,612)	
Allocation of joint tenancy assets, net, to the School Board Component Unit	(1,387,227)	
		6,263,201

The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(1,542,404)
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Revenues in the funds that do not provide current financial resources are not reported as revenues in the Statement of Activities.		(60,214)
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Deferred outflows of resources - pension plan contributions subsequent to measurement date		(87,682)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal retired on general obligation long-term debt and capital lease obligations	2,413,563	
Capital leases issued	(10,192,871)	
		(7,779,308)

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:

Landfill post-closure liability	37,402	
Compensated absences	(53,216)	
Net OPEB obligation	(119,784)	
Pension expense	109,220	
Interest payable	(3,820)	
Due to component unit	199,676	
Amortization of bond premium	19,475	
		188,953

Change in net position of governmental activities		\$ 3,072,878
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The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 33,015,000	\$ 33,015,000	\$ 34,968,837	\$ 1,953,837
Other local taxes	5,073,000	5,073,000	6,622,197	1,549,197
Permits, privilege fees, and regulatory licenses	534,900	534,900	1,435,503	900,603
Fines and forfeitures	100,000	100,000	114,795	14,795
Revenue from use of money and property	35,000	35,000	311,400	276,400
Charges for services	852,000	889,500	934,339	44,839
Miscellaneous	5,000	52,475	128,466	75,991
Recovered costs	76,500	76,500	170,160	93,660
Intergovernmental revenues:				
Commonwealth	6,256,192	6,349,406	6,316,630	(32,776)
Federal	1,121,900	1,356,676	1,393,296	36,620
Total revenues	47,069,492	47,482,457	52,395,623	4,913,166
EXPENDITURES				
Current:				
General government administration	4,880,879	4,751,617	4,329,438	422,179
Judicial administration	1,611,794	1,738,830	1,716,551	22,279
Public safety	9,258,866	9,489,802	8,643,190	846,612
Public works	2,204,238	2,164,238	2,142,700	21,538
Health and welfare	3,574,281	3,771,607	3,600,952	170,655
Education	21,160,000	21,699,100	21,320,034	379,066
Parks, recreation, and facilities management	887,531	962,031	961,764	267
Community development	1,478,381	1,478,381	1,345,530	132,851
Debt service:				
Principal retirement	2,497,000	2,535,000	2,413,563	121,437
Interest and other fiscal charges	511,522	513,522	602,947	(89,425)
Total expenditures	48,064,492	49,104,128	47,076,669	2,027,459
Excess (deficiency) of revenues over (under) expenditures	(995,000)	(1,621,671)	5,318,954	6,940,625
OTHER FINANCING SOURCES (USES)				
Issuance of capital leases	-	-	310,871	310,871
Transfers in	-	-	200,000	200,000
Transfers out	(1,510,000)	(5,892,000)	(5,756,809)	135,191
Total other financing uses, net	(1,510,000)	(5,892,000)	(5,245,938)	646,062
Net change in fund balance	(2,505,000)	(7,513,671)	73,016	7,586,687
Fund balance - beginning	-	34,385,822	34,385,822	-
Fund balance - ending	\$ (2,505,000)	\$ 26,872,151	\$ 34,458,838	\$ 7,586,687

The accompanying notes are an integral part of these financial statements.

Statement of Net Position - Proprietary Fund

June 30, 2017

	Utilities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 11,928,814
Taxes receivable, including penalties, net	2,170,477
Accounts receivable, net	929,111
Prepaid items	6,185
Total current assets	15,034,587
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	889,730
Investments	12,640,200
Total restricted assets	13,529,930
Capital assets, net	100,866,963
Total noncurrent assets	114,396,893
Total assets	129,431,480
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	67,135
Deferred charge on refunding	3,286,716
Total deferred outflows of resources	3,353,851
LIABILITIES	
Current liabilities:	
Accounts payable	278,521
Due to other governmental units	54,853
Customer deposits	43,344
Accrued interest payable	407,831
Due to other fund	2,117,634
Unearned revenue	94,926
Bonds payable	1,659,441
Long-term amortization of capacity charges	500,000
Compensated absences	3,500
Contractual agreement payable	221,560
Total current liabilities	5,381,610
Noncurrent liabilities:	
Bonds payable - net of current portion	95,471,046
Long-term amortization of capacity charges - net of current portion	17,393,991
Net pension obligation	109,940
Compensated absences - net of current portion	31,955
Contractual agreement payable - net of current portion	6,275,782
Total noncurrent liabilities	119,282,714
Total liabilities	124,664,324
DEFERRED INFLOWS OF RESOURCES	
Property taxes	2,081,373
Total deferred inflows of resources	2,081,373
NET POSITION	
Net investment in capital assets	3,259,402
Restricted for debt covenants	13,529,930
Unrestricted (deficit)	(10,749,698)
Total net position	\$ 6,039,634

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund**Year Ended June 30, 2017**

	Utilities
OPERATING REVENUES	
Charges for services:	
Charges for service	\$ 4,467,720
Penalties	10,510
Total operating revenues	<u>4,478,230</u>
OPERATING EXPENSES	
Personnel services	580,946
Contractual services	436,142
Other charges	3,177,270
Depreciation and amortization	2,858,043
Total operating expenses	<u>7,052,401</u>
Operating loss	<u>(2,574,171)</u>
NONOPERATING REVENUES (EXPENSES)	
Connection fees	878,797
Investment earnings	499,555
Property taxes	4,368,155
Lease revenue	57,496
Payment to Economic Development Authority	(149,000)
Interest expense	(4,246,133)
Total nonoperating revenues, net	<u>1,408,870</u>
Loss before capital contributions and transfers	(1,165,301)
Capital contributions	360,651
Transfers in	200,000
Transfers out	<u>(200,000)</u>
Change in net position	(804,650)
Total net position - beginning	<u>6,844,284</u>
Total net position - ending	<u>\$ 6,039,634</u>

The accompanying notes are an integral part of these financial statements.

County of Goochland, Virginia
Statement of Cash Flows - Proprietary Fund

Exhibit 10

Year Ended June 30, 2017

	Utilities
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 4,586,198
Payments to suppliers	(3,545,881)
Payments to employees	(571,421)
Net cash provided by operating activities	468,896
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	200,000
Transfer to other funds	(400,000)
Lease revenue	57,496
Tax revenue	4,364,489
Net cash provided by noncapital financing activities	4,221,985
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on bonds	(1,447,128)
Acquisition and construction of capital assets	(536,804)
Payments for capacity charges	(621,244)
Payments on contractual agreement payable	(194,126)
Payment to component unit	(149,000)
Connection fees	878,797
Interest payments and fiscal agent fees	(2,836,461)
Net cash used in capital and related financing activities	(4,905,966)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investments purchased	(6,000,000)
Interest and dividends received	499,555
Net cash used in investing activities	(5,500,445)
Net decrease in cash and cash equivalents	(5,715,530)
Cash and cash equivalents - beginning	18,534,074
Cash and cash equivalents - ending	\$ 12,818,544
Cash and cash equivalents, as shown on the statement of net position:	
Cash and cash equivalents - current assets	\$ 11,928,814
Cash and cash equivalents - restricted assets	889,730
	\$ 12,818,544
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (2,574,171)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization expense	2,858,043
Pension expense	(1,447)
Changes in assets and liabilities:	
Decrease in accounts receivable	108,268
Increase in prepaid expenses	(667)
Increase in accrued liabilities	54,853
Increase in compensated absences	10,448
Decrease in customer deposits	(300)
Increase in accounts payable	13,345
Decrease in deferred outflows of resources	524
Total adjustments	3,043,067
Net cash provided by operating activities	\$ 468,896

Supplemental information on non-cash investing and financing activity:

Accreted interest on capital appreciation of bonds of \$1,337,007 represents non-cash transactions which resulted in an increase in outstanding debt during the year.

Capital contributions of \$211,651 were received in the current year which were donations of assets by developers and are non-cash transactions.

The accompanying notes are an integral part of these financial statements.

County of Goochland, Virginia
Statement of Fiduciary Net Position

Exhibit 11

June 30, 2017

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 728,744
Total assets	<u>\$ 728,744</u>
LIABILITIES	
Amounts held for social services clients	\$ 22,839
Performance bonds payable	705,905
Total liabilities	<u>\$ 728,744</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

I. Summary of significant accounting policies

A. Reporting entity

The County of Goochland, Virginia (County) was established in 1728 and operates under the board-administrator form of government. The County is governed by an elected, five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County 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 most significant of the government's accounting policies are described below.

The financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County. The County and its component units are together referred to as the reporting entity.

Discretely Presented Component Units

School Board: The Goochland County Public School Board (School Board) members are elected by the citizens of Goochland County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County as the County has the ability to approve its budget and any amendments, and the primary funding source for the School System is the County General Fund. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discretely presented component of the County financial statements as of and for the fiscal year ended June 30, 2017.

Economic Development Authority: The Goochland County Economic Development Authority (EDA) was established by the Goochland County Board of Supervisors in accordance with § 15.2-4900 of the Code of Virginia. The members of the EDA are appointed by the Goochland County Board of Supervisors. The Treasurer of the EDA maintains suitable records of all financial transactions of the Authority. By statute, the EDA has the power to cause the issuance of tax-exempt industrial development revenue bonds to qualifying enterprises wishing to utilize that form of financing. The EDA also provides economic development activities for the County and may acquire property, issue debt in its own name, and enter into lease/purchase arrangements with the County. The County is obligated to see that the EDA's contractual agreement obligations are met. The EDA is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discretely presented component unit for the fiscal year ended June 30, 2017. The EDA does not issue separate financial statements.

B. Basis of presentation – government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The Statement of Net Position is designed to display the financial position of the Primary Government (governmental and business-type activities) and its discretely presented component units. In addition to reporting current assets and liabilities, the Statement of Net Position includes both noncurrent assets and

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

noncurrent liabilities of the County (such as capital assets and long-term liabilities for various employee benefits) as well as deferred outflows of resources and deferred inflows of resources. The Net Position of the County may be presented in three categories — (1) net investment in capital assets; (2) restricted; and (3) unrestricted. The County generally first uses restricted resources for expenses incurred for which both restricted and unrestricted Net Position is available.

The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the County's functions (e.g., public safety, public works, health and welfare, etc.). The expense of individual functions is compared to the revenues generated directly by the function (e.g., through user charges or intergovernmental grants). Program revenues include: (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes and intergovernmental aid not restricted to specific purposes, are presented as general revenues.

C. Basis of presentation – fund financial statements

The fund financial statements organize and report the financial transactions and balances of the County on the basis of fund categories. Separate statements for each of the County's three fund categories — Governmental (i.e., General, Capital Projects and Special Revenue funds), Proprietary (i.e., Utilities fund) and Fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are combined in a single column in the fund financial statements.

The government reports the following major governmental funds:

- 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 revenue is used principally to finance the operations of the School Board, a component unit. The General Fund is considered a major fund for reporting purposes.
- Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects fund is considered a major fund for reporting purposes.

Additionally the government reports the following nonmajor governmental funds:

- Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Special Revenue Funds are considered nonmajor funds for reporting purposes. These funds consist of the Asset Forfeiture Fund and the Office of Children's Services Fund whose revenues are restricted for drug enforcement and health and welfare, respectively.

The government reports the following major enterprise fund:

- Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is based upon determination of operating income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds, which distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's sole Enterprise Fund consists of the Utilities fund, which provides water and sewer services for the County.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Additional fund types reported:

- Fiduciary Funds (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, consisting of the Special Welfare, Towers & Roads, and Performance Bond Escrow funds, utilize the accrual basis of accounting. Since by definition these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds in the governmental activities (the governmental funds) and business-type activities (the enterprise fund) are eliminated so that only the net amount is included as internal balances in the governmental and business-type activities columns.

The principal operating revenues of the County's proprietary fund is charges for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, contractual services, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Unbilled charges for water and wastewater services are recorded at year-end to the extent they can be estimated.

D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, wherein revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Non-exchange transactions, in which the County receives value without directly giving equal value in exchange, include property taxes, state sales taxes, grants, entitlements, and donations. Revenue from state sales taxes is recognized on the accrual basis in the fiscal year during which the underlying exchange transaction takes place, which is generally within two months preceding receipt by the County. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements, including time requirements, if any, have been satisfied. Property taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become susceptible to accrual - that is, in the fiscal year in which they become both measurable and available to finance expenditures of the fiscal period. 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, pensions, landfill, and other postemployment benefits obligations, are recorded only when payment is due. This is the manner in which these funds are normally budgeted. Property taxes, sales taxes, grants, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Property taxes are recognized as receivables and unavailable revenue when billed and revenue is recognized as the taxes are collected. Property taxes not collected within 45 days after year-end, net of allowances for uncollectible amounts, are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables when the underlying exchange occurs and are remitted to the County by the state within two months of the transaction. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

failure to comply with prescribed compliance requirements. Reimbursement grants are recognized as revenue when measurable, all eligibility criteria have been met, the related amounts become available, and if received within one year. 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 County considers non-grant revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

E. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Deposits and investments

Cash and Cash Equivalents

The County'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. All funds, unless otherwise classified as restricted, are deposited into the County's pooled bank account, defined as the operating account.

Investments

Cash of individual funds other than the Asset Forfeiture and Economic Development Fund is combined to form a pool of cash and investments. The pool consists primarily of government obligations, repurchase agreements, and external local government investment pools. The government securities are stated at fair value based on quoted market prices (level 1 inputs). The repurchase agreement, a restricted investment held by a third party, is reported at fair value and is not transferrable (Level 2 input). The external local government investment pools are reported at amortized cost and classified as cash and cash equivalents. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on average monthly balances.

2. Receivables and payables

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. The allowance for uncollectable property taxes amounted to \$611,769 at June 30, 2017 and is reported within each fund as follows: General Fund \$598,584, Utilities Fund \$13,185.

The County levies real estate taxes on all real estate within its boundaries, except that exempted by statute. The real estate in the County is assessed each year as of January 1 on the estimated market value of the property. On January 1, the real estate taxes become an enforceable lien on the property. For real estate assessed on January 1, payment is due in two equal installments on June 5 and December 5. The County bills and collects real estate taxes and recognizes such as revenues when measurable and available in the General Fund and for the period in which they are levied in the Governmental and Business-type activities.

The County levies personal property taxes on motor vehicles, boats, mobile homes, aircraft, and tangible business property. Personal property tax levies are based on the estimated fair market value as of January 1, with payment due in two equal installments on June 5 and December 5. On January 1, personal property taxes become an enforceable lien on the property.

Property taxes, net of allowance for uncollectible amounts, not collected within 45 days after year end are reflected as unavailable revenues in the governmental fund financial statements. Taxes are budgeted and billed to fund operations occurring within the year they are required to be paid. Accordingly, payments received by June 30 with a December 5 due date are intended to fund the operations of the next fiscal year and are recorded as unavailable revenues at June 30.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first \$20,000 of personal use cars, motorcycles and

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

trucks. During the 2005 Special Session I, the Virginia General Assembly passed Senate Bill 5005 which provided for the Commonwealth to reimburse a portion of the tangible personal property tax levied based on a fixed relief amount. The fixed relief amount was capped at \$950,000,000 in total for all localities with the County's share capped at \$2,853,012, which the County received during the year ended June 30, 2017. The Commonwealth requires localities to record the revenue from PPTRA as noncategorical State aid, not as property taxes.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted assets

In accordance with applicable bond covenants, governmental and business-type activities report restricted cash, cash equivalents, and investments at June 30, 2017 of \$16,833,472 which consists of unspent capital lease proceeds of \$3,303,542 restricted for capital projects in the Capital Projects Fund and \$13,529,930 maintained as reserves required by water and sewer revenue bond covenants.

5. Capital assets

Capital assets, which include property and equipment, and contractual rights to such assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements.

Capital assets are defined by the County and its component units as items with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost (based on appraisals or another acceptable method of valuation) when historical costs are not available. The County records the value of purchased capacity rights to water and wastewater treatment facilities at cost. Contributed capital assets are recorded at acquisition value at the time of receipt. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed or purchased. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed and is amortized over the estimated useful life of the related asset.

Capital assets of the governmental activities, as well as the component units, are depreciated and amortized using the straight-line method over the following estimated useful lives.

Building improvements	40 years
Furniture, vehicles, office and computer equipment	5 - 20 years
Buses	8 - 15 years

Capital assets of the enterprise fund are depreciated and amortized as follows:

Pipes	50 years
Capacity rights	40 years
Meters	35 years
Vehicles and equipment	5 - 10 years

6. Compensated absences

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. Total accumulated vacation leave is reported as an expense as incurred in the Statement of Activities and

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

a long-term obligation in the Statement of Net Position. 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. For the proprietary fund, the cost of vacation and sick leave is recorded as a liability when incurred.

7. Long-term obligations

In the government-wide and proprietary fund Statements of Net Position, long-term debt and other long-term obligations are reported as liabilities.

In the governmental funds financial statements, proceeds from long-term debt including bond premiums, discounts and issuance costs are reported in the Statement of Revenues, Expenditures and Changes in Fund Balances during the current period. The face amount of debt issued and premiums 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.

8. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. The County and discretely presented component unit, the School Board, have five items that qualify for reporting in this category. The first item is a deferred charge on refunding resulting from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded or refunding debt. The four additional items include the employer's fiscal year 2017 Virginia Retirement System contribution, the changes in proportion and differences between employer contributions and proportionate share of contributions, the net difference between projected and actual earnings on plan investments, and differences between expected and actual experience and are reported in the government-wide Statement of Net Position for the County, School Board, and the Utilities Fund.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows or resources, represents of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Three types of items qualify for reporting in this category. Accordingly, one item, unavailable revenue, which arises under the modified accrual basis of accounting, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from property taxes and vehicle license fees receivable. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The unavailable revenue from property taxes is comprised of amounts prepaid on the second half installments and all uncollected property taxes due prior to June 30 reduced by amounts collected within 45 days after year end. The unavailable revenue from vehicle license fees is comprised of all uncollected vehicle license fees reduced by amounts collected within 45 days after year end. Under the accrual basis, the second half installment of property taxes are reported as deferred inflows of resources on the Statement of Net Position. The two additional items, the difference between expected and actual experience plus the changes in proportion and differences between employer contributions and proportionate share of contributions, are reported in the government-wide Statement of Net Position for the County, School Board, and the Utilities Fund.

9. Net position/fund balances

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents assets, net of accumulated depreciation and amortization, less the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Restricted net position represents constraints on resources that are either externally imposed by creditors,

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

grantors, contributors, laws and regulations of other governments or imposed by law through State statute. When both restricted and unrestricted resources are available for use, generally it is the County's policy to use restricted resources first, then unrestricted resources when they are needed.

Fund balances in governmental funds are classified as follows:

- Nonspendable fund balance - amounts that cannot be spent because of their nature (such as the County's prepaid items and inventory) and amounts that must be maintained intact legally or contractually (such as the long-term amount of notes receivable).
- Restricted fund balance - amounts constrained for a specific purpose by external parties, constitutional provisions, or legislation (such as asset forfeiture funds and courthouse maintenance fees).
- Committed fund balance - amounts that can be used only for the specific purposes determined by the Board of Supervisors, before the close of the fiscal year.
- Assigned fund balance - amounts that include the intended use of resources established by the governing body itself.
- Unassigned fund balance - residual balance of General Fund that has not been classified as nonspendable, restricted, committed or assigned to specific purposes within the General Fund and negative unassigned fund balances of other governmental funds.

Resources, whether restricted or unrestricted, are available for use only when appropriated by the Board of Supervisors in accordance with the adopted budget. In determining the classification of ending fund balances, when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available and have been appropriated for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When amounts in any of the three unrestricted fund balance classifications are available and have been appropriated for use, expenditures are made from committed amounts first, followed by assigned amounts, and then by unassigned amounts.

The Board of Supervisors has adopted a minimum fund balance policy that states that the General Fund unassigned fund balance shall be at least equal to twenty percent of the total annual adopted General Fund budget of the subsequent fiscal year, plus the non-local portion of the School operating fund budget.

F. Pensions

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

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

H. Subsequent Events

The County has evaluated subsequent events through November 8, 2017, the date on which the financial statements were available to be issued.

II. Reconciliation of government-wide and fund financial statements

Explanation of certain differences between the Governmental Funds Balance Sheet and the government-wide Statement of Net Position

Since the governmental funds financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a summary reconciliation of the difference between total fund balances as reflected on the Governmental Funds Balance Sheet and total governmental activities Net Position as shown on the government-wide Statement of Net Position is presented in Exhibit 4. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$44,662,373 are as follows:

Land	\$ 3,835,868
Construction in progress	1,850,504
Buildings and improvements	28,117,713
Less: Accumulated depreciation and amortization-building and improvements	(7,177,560)
Machinery and equipment	21,092,232
Less: Accumulated depreciation and amortization-machinery and equipment	(12,786,650)
Buildings - jointly owned assets	16,946,732
Less: Accumulated depreciation and amortization-buildings-jointly owned assets	(7,216,466)
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 44,662,373</u>

III. Stewardship, compliance, and accountability

Budgetary information

On or before March 30 of each year, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year beginning the following July 1. Public hearings are conducted to obtain citizen comments. 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. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The capital projects fund is appropriated on a project-length basis.

Budgetary compliance is monitored and reported at the function level. All appropriations lapse at year-end, with the exception of Federal and State grants, capital improvements, and outstanding encumbrances (which are addressed by resolution).

IV. Detailed notes on all activities and funds

A. Deposits and investments

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

COUNTY OF GOOCHLAND, VIRGINIA
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Investments. The State Treasurer's Local Government Investment Pool (LGIP) is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 of the Code of Virginia, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The County's investments in the LGIP, totaling \$42,660,950, are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an "AAAm" rating by Standard & Poor's. The maturity of the LGIP is less than one year.

Investment Policy - State statutes authorize local governments and other public bodies to invest in obligations of the United States or its 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, bankers' acceptances, repurchase agreements, and the State's LGIP and the State Non-Arbitrage Program (SNAP).

The County does not have a formal policy for foreign currency risk, custodial credit risk, or concentration of credit risk.

Credit Policy - Credit risk is the risk that the County funds will not recover their investments due to the ability of the counterparty to fulfill its obligation. The County's rated debt investments as of June 30, 2017 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The County's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are required to be rated no lower than *Standard and Poor's* A-1 and *Moody's* Investor Service P-1.

	Fair Quality Ratings		
	AAAm	AA+	A+
Local Government Investment Pool	\$ 42,660,950	\$ -	\$ -
State Non-Arbitrage Pool (SNAP)	640,803	-	-
Repurchase agreements	-	-	6,000,000
U.S. Government Securities	248,927	6,640,200	-
Total	<u>\$ 43,550,680</u>	<u>\$ 6,640,200</u>	<u>\$ 6,000,000</u>

Interest rate risk is the risk that the fair value of investments will decrease because of an increase in interest rates. The County's policy states that the County's cash equivalent's maturities match the expected need of funds.

	Fair Value	Less Than	Greater Than
		1 year	10 years
Investment:			
Local Government Investment Pool	\$ 42,660,950	\$ 42,660,950	\$ -
State Non-Arbitrage Pool (SNAP)	640,803	640,803	-
Repurchase agreements	6,000,000	-	6,000,000
Certificates of Deposit	194,280	194,280	-
U.S. Government Securities	6,889,127	248,927	6,640,200
Total	<u>\$ 56,385,160</u>	<u>\$ 43,744,960</u>	<u>\$ 12,640,200</u>

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

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Notes to Financial Statements

Following is a summary, as of June 30, 2017, of the Primary Government's cash, cash equivalents, and investments by asset type:

Government-Wide Accounts	Balance June 30, 2017
Cash and cash equivalents	
Governmental Activities	\$ 43,267,769
Business-type Activities	11,928,814
School Board Component Unit	1,410,331
Economic Development Authority Component Unit	291,771
Investments - Economic Development Authority Component Unit	125,749
Restricted cash and cash equivalents - Governmental Activities	3,303,542
Restricted cash and cash equivalents - Business-type Activities	889,730
Restricted investments - Business-type Activities	12,640,200
Total cash, cash equivalents and investment	<u>\$ 73,857,906</u>

Asset Type	Balance June 30, 2017
Petty cash	\$ 4,700
Deposit accounts	17,468,046
Investments:	
Local Government Investment Pool	42,660,950
State Non-Arbitrage Pool	640,803
Repurchase agreements	6,000,000
Certificates of Deposit	194,280
U.S. Government Securities	6,889,127
Total cash, cash equivalents and investment	<u>\$ 73,857,906</u>

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2017:

- U.S. Government securities of \$6,889,127 are valued using quoted market prices (Level 1 inputs).
- Certificates of deposit of \$194,280 are valued using quoted market prices (Level 1 inputs).
- Repurchase agreements of \$6,000,000 are valued using significant other observable inputs (Level 2 inputs).

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

B. Receivables, unavailable and unearned revenues

At June 30, 2017, receivables for the Primary Government and School Board Component Unit were as follows:

	Primary Government			School Board Component Unit
	General	Nonmajor Governmental	Utilities	Total Primary Government
Receivables:				
Taxes, net	\$ 16,312,467	\$ -	\$ 2,170,477	\$ 18,482,944
Accounts	493,424	-	929,111	1,422,535
Notes	152,650	-	-	152,650
Due from other governmental units:				
Commonwealth of Virginia	1,007,911	122,578	-	1,130,489
Federal government	173,321	-	-	-
Other	-	-	-	-
	<u>\$ 18,139,773</u>	<u>\$ 122,578</u>	<u>\$ 3,099,588</u>	<u>\$ 21,188,618</u>
				<u>\$ 1,021,117</u>

Unavailable revenues represent amounts in connection with receivables and revenues that are not considered available to liquidate liabilities of the current period. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unavailable revenue totaling \$18,126,316 (governmental funds \$16,044,943 and proprietary fund \$2,081,373) is comprised of the following:

- Unavailable revenue representing uncollected vehicle license fee billing not available for funding of current expenditures totaled \$168,410 at June 30, 2017. Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$15,876,533 for governmental funds at June 30, 2017. Of the \$15,876,533 reported in the governmental funds, \$1,344,491 does not provide current financial resources and, therefore, is not reported on the Statement of Net Position.
- Unavailable revenue in the proprietary fund totaled \$2,081,373 at June 30, 2017 and was comprised of assessed but uncollected property taxes not intended to fund current period expenses.

Unearned revenues represent amounts that have been received but not earned and, therefore, revenue recognition has been deferred. Unearned revenue totaling \$1,033,784 (governmental funds \$938,858 and proprietary fund \$94,926) is comprised of the following:

- Unearned revenue representing property taxes due subsequent to June 30, 2017 but paid in advance by the taxpayers totaled \$912,515 in the General Fund and asset forfeiture funds received but unearned totaled \$26,343 in the Nonmajor Governmental Fund.
- Unearned revenue representing property taxes due after June 30, 2017 but paid in advance by the taxpayers totaled \$94,926 in the proprietary fund.

C. Interfund receivables

Details of the Primary Government's interfund receivables and payables as of June 30, 2017 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 2,117,634	\$ -
Utilities Fund	-	2,117,634
	<u>\$ 2,117,634</u>	<u>\$ 2,117,634</u>

The outstanding balances between funds result from timing differences wherein (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances have been recorded to cover fund cash deficits; however, it is expected that future revenue streams will enable repayment from the Utilities Fund.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

D. Due to component unit

Details of the Primary Government's Due to Component Units as of June 30, 2017 are as follows:

	Due from Primary Government	Due to Component Unit
Primary Government - Governmental Activities	\$ -	\$ 1,994,931
Economic Development Authority	1,994,931	-
	<u>\$ 1,994,931</u>	<u>\$ 1,994,931</u>

These due to/from balances represent long-term contractual agreements between the County and the EDA (see note IV.G. for further discussion).

E. Capital assets

The following is a summary of changes in capital assets for the year ended June 30, 2017:

	Balance July 1, 2016	Increases	(Deletions)/ Reclassifications	Balance June 30, 2017
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 3,835,868	\$ -	\$ -	\$ 3,835,868
Construction in progress	5,943,838	8,993,793	(13,087,127)	1,850,504
Total capital assets, not being depreciated or amortized	<u>9,779,706</u>	<u>8,993,793</u>	<u>(13,087,127)</u>	<u>5,686,372</u>
Capital assets, being depreciated or amortized:				
Buildings and improvements	17,887,604	156,761	10,073,348	28,117,713
Machinery and equipment	18,983,220	979,486	1,129,526	21,092,232
Buildings - jointly owned assets	19,362,799	-	(2,416,067)	16,946,732
Total capital assets, being depreciated or amortized	<u>56,233,623</u>	<u>1,136,247</u>	<u>8,786,807</u>	<u>66,156,677</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(6,663,404)	(514,156)	-	(7,177,560)
Machinery and equipment	(11,609,766)	(1,518,733)	341,849	(12,786,650)
Buildings - jointly owned assets	(7,798,583)	(446,723)	1,028,840	(7,216,466)
Total accumulated depreciation/amortization	<u>(26,071,753)</u>	<u>(2,479,612)</u>	<u>1,370,689</u>	<u>(27,180,676)</u>
Total capital assets, being depreciated or amortized, net	<u>30,161,870</u>	<u>(1,343,365)</u>	<u>10,157,496</u>	<u>38,976,001</u>
Governmental activities capital assets, net	<u>\$ 39,941,576</u>	<u>\$ 7,650,428</u>	<u>\$ (2,929,631)</u>	<u>\$ 44,662,373</u>

Depreciation and amortization expense was charged to functions/programs/funds as follows:

Governmental Activities:

General government	\$ 400,183
Judicial administration	95,951
Public safety	1,199,801
Public works	118,195
Health and welfare	25,349
Education	446,723
Parks, recreation and facilities management	165,770
Community development	27,640
	<u>\$ 2,479,612</u>

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

A summary of proprietary fund capital assets at June 30, 2017 follows:

	Balance July 1, 2016	Increases	(Deletions)/ Reclassifications	Balance June 30, 2017
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 2,874,584	\$ -	\$ -	\$ 2,874,584
Construction in progress	61,488	448,846	(485,512)	24,822
Total capital assets, not being depreciated or amortized	2,936,072	448,846	(485,512)	2,899,406
Capital assets, being depreciated or amortized:				
Water and sewer system	88,858,451	238,082	485,512	89,582,045
Capacity rights	37,985,116	-	-	37,985,116
Machinery and equipment	194,827	61,527	-	256,354
Total capital assets, being depreciated	127,038,394	299,609	485,512	127,823,515
Less accumulated depreciation/amortization for:				
Water and sewer system	(17,775,300)	(1,877,884)	-	(19,653,184)
Capacity rights	(9,125,594)	(949,628)	-	(10,075,222)
Machinery and equipment	(97,021)	(30,531)	-	(127,552)
Total accumulated depreciation/amortization	(26,997,915)	(2,858,043)	-	(29,855,958)
Total capital assets, being depreciated or amortized, net	100,040,479	(2,558,434)	485,512	97,967,557
Business-type activities capital assets, net	\$ 102,976,551	\$ (2,109,588)	\$ -	\$ 100,866,963

Legislation enacted during the fiscal year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, 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 law, local governments have a "tenancy in common" with their 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 permitted 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 for the year ended June 30, 2017 is that school related financed assets in the amount of \$9,730,266 (net of accumulated depreciation and amortization) are reported in the Primary Government as buildings - jointly owned assets for financial reporting purposes.

	Balance July 1, 2016	Increases	(Deletions)/ Reclassifications	Balance June 30, 2017
School Board Component Unit activities:				
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 607,079	\$ -	\$ -	\$ 607,079
Total capital assets, not being depreciated or amortized	607,079	-	-	607,079
Capital assets, being depreciated or amortized:				
Buildings	40,410,365	2,437,814	1,296,444	44,144,623
Machinery and equipment	6,116,876	743,222	86,457	6,946,555
Total capital assets, being depreciated or amortized	46,527,241	3,181,036	1,382,901	51,091,178
Less accumulated depreciation/amortization for:				
Buildings	(15,495,153)	(2,031,877)	-	(17,527,030)
Machinery and equipment	(4,699,788)	(377,487)	121,786	(4,955,489)
Total accumulated depreciation/amortization	(20,194,941)	(2,409,364)	121,786	(22,482,519)
Total capital assets, being depreciated or amortized, net	26,332,300	771,672	1,504,687	28,608,659
School Board Component Unit capital assets, net	\$ 26,939,379	\$ 771,672	\$ 1,504,687	\$ 29,215,738

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

F. Interfund transfers

The primary purpose of interfund transfers is to provide funding for operations and capital projects. Interfund transfers for the year ended June 30, 2017 are as follows:

Primary Government	Transfers In	Transfers Out
General Fund	\$ 200,000	\$ 5,756,809
Capital Projects Fund	4,812,000	-
Nonmajor Governmental Funds	744,809	-
Utilities Fund	200,000	200,000
	<u>\$ 5,956,809</u>	<u>\$ 5,956,809</u>

G. Long-term obligations

The following is a summary of changes in the government-wide noncurrent liabilities and the School Board Component Unit for the year ended June 30, 2017:

Primary Government	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Governmental activities:					
Incurred for County:					
Capital lease obligations	\$ 75,768	\$ 10,192,871	\$ 618,563	\$ 9,650,076	\$ 1,047,706
Compensated absences	902,951	1,049,040	995,824	956,167	95,600
Liability for landfill post-closure	1,814,130	9,968	47,370	1,776,728	40,000
Other postemployment benefits	824,072	185,997	66,213	943,856	-
Total incurred for County	<u>3,616,921</u>	<u>11,437,876</u>	<u>1,727,970</u>	<u>13,326,827</u>	<u>1,183,306</u>
Incurred for School Board:					
Principal amount of bonds payable	11,350,000	-	1,795,000	9,555,000	1,865,000
Premium	194,740	-	19,475	175,265	19,475
Total incurred for School Board	<u>11,544,740</u>	<u>-</u>	<u>1,814,475</u>	<u>9,730,265</u>	<u>1,884,475</u>
Total governmental activities	<u>15,161,661</u>	<u>11,437,876</u>	<u>3,542,445</u>	<u>23,057,092</u>	<u>3,067,781</u>
Business-type activities:					
Utilities:					
Water and sewer revenue bonds payable:					
Principal amount of bonds payable	76,106,095	-	1,447,128	74,658,967	1,556,569
Premium	1,946,850	-	102,873	1,843,977	102,872
Total bonds payable	<u>78,052,945</u>	<u>-</u>	<u>1,550,001</u>	<u>76,502,944</u>	<u>1,659,441</u>
Accreted interest revenue bonds	19,290,536	2,459,879	1,122,872	20,627,543	-
Compensated absences	25,007	44,334	33,886	35,455	3,500
Capacity rights obligations	18,515,235	-	621,244	17,893,991	500,000
Contractual obligations	6,691,468	-	194,126	6,497,342	221,560
Total utilities	<u>122,575,191</u>	<u>2,504,213</u>	<u>3,522,129</u>	<u>121,557,275</u>	<u>2,384,501</u>
Total - Primary government	<u>\$ 137,736,852</u>	<u>\$ 13,942,089</u>	<u>\$ 7,064,574</u>	<u>\$ 144,614,367</u>	<u>\$ 5,452,282</u>
School Board Component Unit					
Capital lease obligations	\$ 136,891	\$ -	\$ 41,296	\$ 95,595	\$ 42,978
Compensated absences	325,833	181,209	203,878	303,164	210,725
Other postemployment benefits	1,111,662	219,072	120,220	1,210,514	-
Total - School Board Component Unit	<u>\$ 1,574,386</u>	<u>\$ 400,281</u>	<u>\$ 365,394</u>	<u>\$ 1,609,273</u>	<u>\$ 253,703</u>
EDA Component Unit					
Contractual agreement	\$ 2,193,607	\$ -	\$ 323,676	\$ 1,869,931	\$ 200,000
Total - EDA Component Unit	<u>\$ 2,193,607</u>	<u>\$ -</u>	<u>\$ 323,676</u>	<u>\$ 1,869,931</u>	<u>\$ 200,000</u>

Liability for Landfill Post-closure

State and federal laws and regulations require that the County perform certain maintenance and monitoring functions subsequent to closure of the County's landfill site. The County closed its landfill and is liable for post-closure monitoring over a period of 30 years. The amount reported as landfill post-closure liability at June 30, 2017 represents the estimated liability for post-closure monitoring (\$1,776,728) over a remaining period of sixteen years. This amount includes the County's liability of \$1,000,000 for corrective action. These amounts are based on what it would cost to perform all post-closure care in 2017. The total current cost of landfill post-closure care is an estimate subject to change due to inflation, deflation, technology, or changes in applicable laws or regulations.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds (including Virginia Public School Authority bonds) have been issued for construction and renovation of Schools facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

Revenue Bonds

The County also issues revenue bonds for which it pledges the income derived from the acquired or constructed assets to pay the debt service. Outstanding revenue bonds have been issued on behalf of the water and sewer system function.

In prior years, the County defeased certain outstanding revenue bonds by placing the proceeds of newly issued bonds in irrevocable escrow funds to provide for all future debt service payments on the old bonds. At June 30, 2017, the County had revenue bonds that were outstanding but considered defeased totaling \$2,790,393.

A rate covenant exists with respect to the revenue bonds in the Utilities Fund. The County has pledged its future Utilities Fund Operating Income or Loss, prior to depreciation expense, and its Utilities Fund Nonoperating Revenues to secure the remaining debt service requirements of the bonds.

County General Obligation Bonds and Revenue Bonds

Outstanding general obligation bonds and revenue bonds as of June 30, 2017 are comprised of the following issues:

Purpose	Interest Rates	Date Issued	Original Issue	Principal Outstanding
Governmental activities:				
General obligation bonds:				
Schools:				
VPSA Series 1999	5.10%-5.23%	5/13/1999	\$ 19,350,000	\$ 4,205,000
VPSA Series 2006	4.48%-5.10%	5/11/2006	10,745,000	5,350,000
				<u>\$ 9,555,000</u>
Business-type activities:				
\$3,605,000 Virginia Resources Authority, issued April 25, 2016, maturing annually through October 1, 2029, interest payable at rates ranging from 4.15% to 5.13%.				\$ 3,490,000
\$2,595,000 Virginia Resources Authority, issued June 7, 2007, partially defeased on April 25, 2016, maturing on October 1, 2017, interest payable at a rate of 4.5%.				125,000
\$62,747,167 Virginia Resources Authority, issued July 31, 2002, partially defeased on November 6, 2012, maturing annually through October 1, 2027, interest payable at rates ranging from 4.74% to 5.35%.				14,990,231
\$56,053,736 Virginia Resources Authority, issued November 6, 2012, maturing annually from October 1, 2028, through October 1, 2041, interest payable at rates ranging from 3.55% to 4.01%.				<u>56,053,736</u>
Total revenue bond obligations				<u>\$ 74,658,967</u>
Accreted interest on \$19,253,420 of capital appreciation bonds issued as part of the \$62,747,167 Virginia Resources Authority issue dated July 31, 2002, and remaining after the November 1, 2012, refunding and partial defeasance.				\$ 16,991,505
Accreted interest on \$19,303,736 of capital appreciation bonds issued as part of the \$56,053,736 Virginia Resources Authority issue dated November 6, 2012.				<u>3,636,038</u>
Total accreted interest				<u>\$ 20,627,543</u>

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

\$21,300,000 Wastewater treatment capacity rights purchased from the City of Richmond in June 2002. Payable at 0% interest over thirty years, through treatment rates paid by the County, which commenced January 2007. \$ 17,893,991

\$6,691,468 Contractual agreement with the City of Richmond related to the County's share of Nutrient Reduction Program infrastructure completed during fiscal year 2012, payable at 0% interest over thirty years, through treatment rates paid by the County, which commenced during fiscal year 2013. 6,497,342

Total contractual obligations \$ 24,391,333

The future principal and interest payments related to debt and contractual obligations are as follows:

Fiscal Year June 30,	Governmental Activities	
	General Obligation	
	Bonds	
	Principal	Interest
2018	\$ 1,865,000	\$ 429,297
2019	1,935,000	331,523
2020	2,010,000	229,128
2021	535,000	163,309
2022	535,000	137,696
2023-2027	2,675,000	319,663
Totals	<u>\$ 9,555,000</u>	<u>\$ 1,610,616</u>

Fiscal Year June 30,	Business-type Activities			
	Water and Sewer		Capacity Rights	Contractual
	Revenue Bonds		Obligation	Agreement
	Principal	Interest	Principal	Principal
2018	\$ 1,556,569	\$ 3,004,473	\$ 500,000	\$ 221,560
2019	1,653,688	3,281,672	500,000	221,560
2020	1,747,131	3,586,824	500,000	221,560
2021	1,663,020	3,673,138	800,000	221,560
2022	1,586,928	3,750,392	800,000	221,560
2023-2027	8,351,782	22,674,526	4,510,000	1,107,800
2028-2032	16,432,365	17,089,964	4,970,000	1,186,240
2033-2037	11,647,484	21,346,516	5,313,991	1,500,000
2038-2042	30,020,000	3,101,000	-	1,595,502
	<u>\$ 74,658,967</u>	<u>\$ 81,508,505</u>	<u>\$ 17,893,991</u>	<u>\$ 6,497,342</u>

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Contractual Agreement (EDA)

The County entered into a three-party agreement with the EDA and Capital One Bank (Capital One) in 2001. The County will pay a portion of the increase in real property taxes generated by a site owned by Capital One to the EDA, an aggregate amount of \$4,300,000. The carrying amount of the obligation represents the original contractual amount less payments made through June 30, 2017. \$ 1,869,931

During 2012, the County entered into a three-party agreement with the EDA and a private developer. The EDA reimbursed the developer \$250,000 for its costs related to water infrastructure over which the County would assume ownership. In exchange, the County agreed to reimburse this amount to the EDA. Payments to the EDA began in fiscal year 2013 and will be in principal amounts no less than \$15,000 per year, with 3% annual interest payable beginning in fiscal year 2014. 125,000

Total due to component unit \$ 1,994,931

As part of the above agreement with a private developer, the County Utilities Fund agreed to rebate \$6,000 of each residential sewer connection fee collected within the developed property to the EDA up to \$425,000, and the EDA reimbursed the developer for costs related to sewer infrastructure over which the County had assumed ownership as those fees were collected. This contractual agreement was deemed complete in March 2017.

Primary Government	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Governmental activities	\$ 2,194,607	\$ -	\$ 199,676	\$ 1,994,931	\$ 200,000
Business-type activities	149,000	-	149,000	-	-
Due to component unit	\$ 2,343,607	\$ -	\$ 348,676	\$ 1,994,931	\$ 200,000

Capital Lease – Primary Government

The County has financed the acquisition of a communications system and other equipment by entering into capital lease agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

On September 29, 2016, the County entered into a master equipment lease/purchase agreement with Banc of America Public Capital Corporation for \$9,882,000 to finance the construction and acquisition of a new Public Safety radio communication system. The agreement matures on April 1, 2031 and carries an interest rate of 1.88% with semi-annual interest and principal payments.

The capital assets acquired through capital leases, the future minimum lease payments, and the present value of the minimum lease payments are as follows:

Asset Class	Primary Government
Building	\$ 4,552,318
Machinery and equipment	3,096,934
Total capital assets, at cost	7,649,252
Accumulated depreciation	(176,000)
Total capital assets, net	\$ 7,473,252

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Fiscal Year June 30,	Minimum Lease Payments
2018	\$ 1,231,976
2019	1,192,094
2020	1,192,180
2021	1,111,787
2022	1,111,177
2023-2027	3,014,029
2028-2031	1,903,262
Total minimum lease payments	10,756,505
Portion representing interest	(1,106,429)
Present value of minimum lease payments	<u>\$ 9,650,076</u>

Capital Lease – School Board

The School Board has a lease agreement for financing the acquisition of copiers and other computer equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The capital assets acquired through capital leases, the future minimum lease payments, and the present value of the minimum lease payments are as follows:

Asset Class	Component Unit School Board
Machinery and equipment	\$ 208,931
Total capital assets, at cost	208,931
Accumulated depreciation	(125,359)
Total capital assets, net	<u>\$ 83,572</u>

Fiscal Year June 30,	Minimum Lease Payments
2018	\$ 46,020
2019	46,020
2020	7,927
Total minimum lease payments	99,967
Portion representing interest	(4,372)
Present value of minimum lease payments	<u>\$ 95,595</u>

V. Other information

A. Risk Management

The County and School Board utilize commercially available insurance to mitigate various risks of loss. The County and School Board have not had reductions in insurance coverage from the prior year and there were no settlements which exceeded insurance coverage in the past three years.

The County and School Board have contracted with private carriers to administer employee health insurance. Accounting for these activities is made in the General and School Operating Funds. The health insurance plans are fully insured. The County and School Board have no liability for claims incurred but not reported.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

The County and School Board are fully self-insured for unemployment claims. The VEC bills the entities for all unemployment claims. No liability has been recorded for estimated unreported claims as the amount of estimated unreported claims is not deemed significant based on historical trends.

The County and School Board contract with the Virginia Association of Counties Group Self Insurance Risk Pool and private insurance carriers to provide coverage for property damage, employee crime and dishonesty, and general liability. In the event of a loss deficit and depletion of all assets and available insurance of the Pool, the Pool may assess all members in the proportion to the premium each bears to the total premiums of all members in the year in which such deficit occurs. The property coverage is for specific amounts based on values assigned to the insured properties. Liability coverage is \$2,000,000 for the County and \$5,000,000 for the School Board.

The County and School Board also contract with the Virginia Association of Counties Group Self Insurance Risk Pool for its workers' compensation coverage. These insurance pools have similar provisions as the Virginia Association of Counties Group Self Insurance Risk Pool for assumptions of a loss deficit by the members.

B. Fund Balance Classifications

Specific purpose information for fund balance classifications is as follows:

	Primary Government			Total	School Board
	General	Capital	Nonmajor	Governmental	School Board
	Fund	Projects	Governmental	Funds	Component
	Fund	Fund	Funds	Funds	Unit
Nonspendable:					
Prepaid items	\$ 138,212	\$ -	\$ 582	\$ 138,794	\$ 419,009
Inventories	10,488	-	-	10,488	33,913
Noncurrent notes receivable	2,270,284	-	-	2,270,284	-
Restricted for:					
Forfeiture funds	-	-	38,418	38,418	-
Stewardship funds	15,360	-	-	15,360	-
Courthouse maintenance	39,879	-	-	39,879	-
Capital improvements	-	3,303,542	-	3,303,542	-
Committed to:					
Revenue stabilization	580,000	-	-	580,000	-
Assigned to:					
Office of Children's Services	-	-	57,520	57,520	-
Capital improvements	4,880,000	10,977,829	-	15,857,829	-
Education	379,066	-	-	379,066	450,283
Community development	440,000	-	-	440,000	-
Reserve for future School debt	150,000	-	-	150,000	-
Information technology	75,100	-	-	75,100	-
Schools retiree healthcare liability	120,000	-	-	120,000	-
County retiree healthcare liability	210,000	-	-	210,000	-
Citizen survey	35,000	-	-	35,000	-
Fiscal year 2018 budget supplement	2,000,000	-	-	2,000,000	-
Park development	118,000	-	-	118,000	-
Broadband plan	50,000	-	-	50,000	-
Economic development and planning	500,000	-	-	500,000	-
New animal shelter	592,000	-	-	592,000	-
Fire and rescue	1,015,000	-	-	1,015,000	-
Utilities future debt service	1,000,000	-	-	1,000,000	-
Courthouse security	168,000	-	-	168,000	-
Public safety	21,950	-	-	21,950	-
Social Services	200,000	-	-	200,000	-
Unassigned Fund Balance	19,450,499	-	-	19,450,499	-
Total fund balances	\$ 34,458,838	\$ 14,281,371	\$ 96,520	\$ 48,836,729	\$ 903,205

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

C. Commitments and contingent liabilities

Other commitments

At June 30, 2017, the primary government had commitments for capital projects totaling \$13,323,387 as follows:

	Capital Projects Fund	Utilities Fund	Total Primary Government
Total capital commitments	\$ 12,205,543	\$ 175,700	\$ 12,381,243

Encumbrances

Encumbrance accounting, under which purchase orders for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in governmental funds. In accordance with the County's adopted Budget Policy, encumbered funds are reappropriated annually by the Board of Supervisors in the succeeding year's budget resolution. Encumbrances represent the estimated amount of expenditures that will ultimately result if open purchase orders are paid. Encumbrances outstanding at the end of the fiscal year are disclosed below, in accordance with GAAP. However, encumbered amounts are already included within the restricted, committed or assigned fund balances, as appropriate, and are not in addition thereto.

	General Fund	Capital Projects Fund	Utilities Fund	Total Primary Government	School Board Component Unit
Encumbrances outstanding at fiscal year end	\$ 21,950	\$ 2,440,950	\$ 43,623	\$ 2,506,523	\$ 578,489

Federal and State-Assisted Programs

Federal programs in which the County and the discretely presented School Board component unit participate are audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Pursuant to the provisions of the Uniform Guidance, all major programs, and certain other programs, were tested for compliance with applicable grant requirements. While matters of noncompliance may be disclosed by the audit, the grantors may also subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, future disallowance of current grant program expenditures, if any, would likely be immaterial.

Lease commitments

The School Board has entered into operating lease agreements for computers and iPads, with varying expiration dates over the next three years.

The total minimum rental commitment at July 1, 2017, under these leases is as follows:

	Minimum Rental Commitment
During the next three years	\$ 942,144

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

D. Jointly governed organizations

Jointly governed organizations are regional governments or other multi-governmental arrangements that are governed by representation from each of the governments that create the organizations, and the participants do not retain an ongoing financial interest or responsibility in the organization.

The following entities are jointly governed organizations and are excluded from the accompanying basic financial statements:

○ **Pamunkey Regional Library**

The Counties of King William, King and Queen, Hanover, and Goochland provide the financial support for the Library and appoint its governing board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints two (2) of the seven (7) members of the Board of Trustees. The County of Hanover provides over 50% of the Library's funding. The County has no equity interest in the Library and made operating contributions of \$412,300 to the Library in fiscal year 2017. Complete financial statements can be obtained from the office of the County Administrator of Goochland County.

○ **Central Virginia Waste Authority**

The Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan and Prince George and the Municipalities of Colonial Heights, Hopewell, Petersburg, Richmond and the Town of Ashland provide financial support for the Authority and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints one or more members to the Board. No one locality contributes more than 50% of the Authority's funding or has oversight responsibility over its operations. The County has no equity interest in the Authority. Complete financial statements can be obtained from the office of the County Administrator of Goochland County.

○ **Goochland-Powhatan Community Services (Board)**

The Counties of Goochland and Powhatan provide the financial support for the Board and appoint its governing board in which is vested the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. The County, which has no equity interest in the Board, made operating contributions of \$263,730 to the Board in fiscal year 2017. Complete financial statements can be obtained from the Goochland-Powhatan Community Services.

E. Pension plan – Virginia Retirement System

Plan Description – County, School Board Professional and Non-Professional Plans

Plan	Virginia Retirement System (VRS)
Identification of plan	Agent and Cost Sharing Multiple-Employer Pension Plans
Administering entity	Virginia Retirement System (System)

All full-time, salaried permanent employees of the County of Goochland and the Goochland County School Board are automatically covered by the VRS Retirement Plan or the VRS Teacher Retirement Plan upon employment. These plans are administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active duty military service, certain periods of leave, and previously refunded service.

COUNTY OF GOOCHLAND, VIRGINIA
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The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

Plan 1	Plan 2	Hybrid Retirement Plan
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members") • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • Political subdivision employees* • Members in Plan 1 or Plan 2

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Hybrid Opt-In Election

Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.

Retirement Contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both

Hybrid Opt-In Election

Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.

Retirement Contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.

who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

- School division employees (teachers)

***Non-Eligible Members**

Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Retirement Contributions

A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions

COUNTY OF GOOCHLAND, VIRGINIA
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member and employer contributions to provide funding for the future benefit payment.

according to specified percentages.

Creditable Service

Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Creditable Service

Same as Plan 1.

Creditable Service

Defined Benefit Component:

Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Defined Contributions Component:

Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

Vesting

Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their

Vesting

Same as Plan 1.

Vesting

Defined Benefit Component:

Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted

COUNTY OF GOOCHLAND, VIRGINIA
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member contribution account balance if they leave employment and request a refund.

Members are always 100% vested in the contributions that they make.

Calculating the Benefit

The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.

Calculating the Benefit

See definition under Plan 1.

into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contributions

Component:

Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.

Members are always 100% vested in the contributions that they make.

Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distribution is not required by law until age 70½.

Calculating the Benefit

Defined Benefit Component:

See definition under Plan 1.

Defined Contribution

Component:

The benefit is based on contributions made by the member and any matching

COUNTY OF GOOCHLAND, VIRGINIA
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An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

contributions made by the employer, plus net investment earnings on those contributions.

Average Final Compensation

A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

Average Final Compensation

A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

Average Final Compensation

Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

Service Retirement Multiplier

VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.

Service Retirement Multiplier

VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

Service Retirement Multiplier

Defined Benefit Component:

VRS: The retirement multiplier for the defined benefit component is 1.00%.

For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.

Sheriffs and regional jail superintendents: Same as Plan 1.

Sheriffs and regional jail superintendents: Not applicable.

Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.

Political subdivision hazardous duty employees: Same as Plan 1.

Political subdivision hazardous duty employees: Not applicable.

Defined Contribution Component:

Not applicable.

Normal Retirement Age

Age 65.

Normal Retirement Age

Normal Social Security retirement age.

Normal Retirement Age

Defined Benefit Component:

Same as Plan 2.

Political subdivisions hazardous duty employees:

Political subdivisions hazardous duty employees:

Political subdivisions hazardous duty employees: Not applicable.

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Age 60.

Same as Plan 1.

Defined Contribution Component:

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Unreduced Retirement Eligibility

Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

Earliest Unreduced Retirement Eligibility

Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Earliest Unreduced Retirement Eligibility

Defined Benefit Component:

Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Political subdivisions hazardous duty employees:
Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

Political subdivisions hazardous duty employees:
Same as Plan 1.

Political subdivisions hazardous duty employees: Not applicable.

Defined Contribution Component:

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Reduced Retirement Eligibility

Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

Earliest Reduced Retirement Eligibility

Age 60 with at least five years (60 months) of creditable service.

Earliest Retirement Eligibility

Defined Benefit Component:

Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Political subdivisions hazardous duty employees:
Age 50 with at least five years of creditable service.

Political subdivisions hazardous duty employees:
Same as Plan 1.

Political subdivisions hazardous duty employees: Not applicable.

Defined Contribution Component:

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Cost-of-Living Adjustment (COLA) in Retirement

Cost-of-Living Adjustment (COLA) in Retirement

Cost-of-Living Adjustment (COLA) in Retirement

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The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.

Eligibility:

For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

Exceptions to COLA Effective Dates:

School Division (Teachers) and Political Subdivision Employees:

The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member is involuntarily separated from employment for causes other than job performance or misconduct

The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), to a maximum COLA of 3%.

Eligibility:

Same as Plan 1

Exceptions to COLA Effective Dates:

School Division (Teachers) and Political Subdivision Employees:

Same as Plan 1.

Defined Benefit Component:

Same as Plan 2.

Defined Contribution Component:

Not applicable.

Eligibility:

Same as Plan 1 and Plan 2.

Exceptions to COLA Effective Dates:

School Division (Teachers) and Political Subdivision Employees:

Same as Plan 1 and Plan 2.

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and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.

- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

Political Subdivision

Employees:

- The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).

Disability Coverage

Political Subdivision

Employees:

Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Disability Coverage

Political Subdivision Employees:

Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Disability Coverage

Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.

Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of Prior Service

Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for

Purchase of Prior Service

Same as Plan 1.

Purchase of Prior Service

Defined Benefit Component:

Same as Plan 1, with the following exceptions:

- Hybrid Retirement Plan members are ineligible for ported service.

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retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

- The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.
- Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one year period, the rate for most categories of service will change to actuarial cost.

Defined Contribution Component:

Not applicable.

County Plan (Agent Plan)

Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	80
Inactive members:	
Vested inactive members	25
Non-vested inactive members	36
Active elsewhere in VRS	64
Total inactive members	125
Active members	185
Total covered employees	390

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County's contractually required contribution rate for the year ended June 30, 2017 was 8.88% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

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This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$902,988 and \$984,325 for the years ended June 30, 2017 and June 30, 2016, respectively.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension benefits.

Mortality rates: 14 % of deaths are assumed to be service related

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

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Actuarial Assumptions – Public Safety Employees

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Inflation	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension benefits.

Mortality rates: 60% of deaths are assumed to be service related.

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Decrease in male and female rates of disability
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal

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Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non-U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non-Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
	Inflation		2.50%
			8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons, the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the County's retirement plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected

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future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2015	\$ 28,283,656	\$ 26,732,337	\$ 1,551,319
Changes for the year:			
Service cost	1,224,914	-	1,224,914
Interest	1,944,652	-	1,944,652
Difference between expected and actual experience	119,708	-	119,708
Contributions - employer	-	984,325	(984,325)
Contributions - employee	-	477,799	(477,799)
Net investment income	-	487,178	(487,178)
Benefit payments, including refunds of employee contributions	(1,005,819)	(1,005,819)	-
Administrative expense	-	(16,227)	16,227
Other changes	-	(202)	202
Net changes	2,283,455	927,054	1,356,401
Balances at June 30, 2016	\$ 30,567,111	\$ 27,659,391	\$ 2,907,720

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability (asset)	\$ 6,975,070	\$ 2,907,720	\$ (457,408)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2017, the County recognized pension expense of \$873,659. The County also reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 99,380
Net difference between projected and actual earnings on plan investments	719,694
Employer contributions subsequent to the measurement date	902,988
	<u>\$ 1,722,062</u>

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The \$902,988 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	\$ 52,123
2019	52,121
2020	431,167
2021	283,663
	<u>\$ 819,074</u>

School Board Professional Plan (Cost-Sharing Plan)

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The School Board Professional's contractually required contribution rate for the year ended June 30, 2017 was 14.66% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2014 and reflects the transfer in June 2015 of \$192,884,000 as an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the Code of Virginia, as amended, the contributions were funded at 89.84% of the actuarial rate for the year ended June 30, 2017. Contributions to the pension plan from the School Board for the professional plan were \$2,168,675 and \$2,016,616 for the years ended June 30, 2017 and June 30, 2016, respectively.

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

At June 30, 2017, the School Board reported a liability of \$26,362,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2016 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2016, the School Board's proportion was 0.18811% as compared to 0.18865% at June 30, 2015.

For the year ended June 30, 2017, the School Board recognized pension expense related to the professional plan of \$2,541,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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At June 30, 2017, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 854,000
Net difference between projected and actual earnings on plan investments	1,506,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	797,000	60,000
Employer contributions subsequent to the measurement date	2,168,675	-
	<u>\$ 4,471,675</u>	<u>\$ 914,000</u>

The \$2,168,675 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	\$ 97,000
2019	97,000
2020	824,000
2021	435,000
2022	(64,000)
	<u>\$ 1,389,000</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.95%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

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Mortality rates:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females were set back 5 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females were set back 3 years.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2016, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 44,182,326
Plan fiduciary net position	<u>30,168,211</u>
Employers' net pension liability	<u>\$ 14,014,115</u>
Plan fiduciary net position as a percentage of the total pension liability	68.28%

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

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

The following presents the School Board professional plan's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the School Board professional plan's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School Board professional net pension liability	\$ 37,579,000	\$ 26,362,000	\$ 17,122,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2016 Comprehensive Annual Financial Report (CAFR). A copy of the 2016 VRS CAFR may be downloaded from the VRS website at www.varetire.org/Pdf/Publications/2016-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

School Board Non-Professional Plan (Agent Plan)

Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	21
Inactive members:	
Vested inactive members	4
Non-vested inactive members	7
Active elsewhere in VRS	14
Total inactive members	25
Active members	22
Total covered employees	68

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5.00% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The School Board non-professional's contractually required contribution rate for the year ended June 30, 2017 was 7.0% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

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This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were \$49,829 and \$71,588 for the years ended June 30, 2017 and June 30, 2016, respectively.

Net Pension Liability

The School Board's non-professional net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Actuarial Assumptions – General Employees – School Board Non-Professional Plan

The total pension liability for General Employees in the School Board non-professional retirement plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Inflation	2.5%
Salary increases, including	
Inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension benefits.

Mortality rates: 14 % of deaths are assumed to be service related

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

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The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2015	\$ 3,876,595	\$ 3,679,682	\$ 196,913
Changes for the year:			
Service cost	83,222	-	83,222
Interest	266,650	-	266,650
Difference between expected and actual experience	(96,074)	-	(96,074)
Contributions - employer	-	71,588	(71,588)
Contributions - employee	-	38,550	(38,550)
Net investment income	-	64,336	(64,336)
Benefit payments, including refunds of employee contributions	(134,628)	(134,628)	-
Administrative expense	-	(2,281)	2,281
Other changes	-	(27)	27
Net changes	119,170	37,538	81,632
Balances at June 30, 2016	\$ 3,995,765	\$ 3,717,220	\$ 278,545

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School Board non-professional plan using the discount rate of 7.00%, as well as what the political subdivision's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School Board non-professional net pension liability (asset)	\$ 745,006	\$ 278,545	\$ (116,578)

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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

For the year ended June 30, 2017, the School Board recognized pension expense related to its non-professional plan of \$64,094. The School Board also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,361	\$ 52,206
Net difference between projected and actual earnings on plan investments	97,223	-
Employer contributions subsequent to the measurement date	49,829	-
	<u>\$ 156,413</u>	<u>\$ 52,206</u>

The \$49,829 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the School Board non-professional plan will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2018	\$ (32,804)
2019	(6,630)
2020	55,353
2021	38,459
	<u>\$ 54,378</u>

F. Other Postemployment Benefits – County and School Board Sponsored

Plan Description – Primary Government

The County provides continuous medical insurance coverage for full-time employees who retired directly from the County prior to July 1, 2011, have 15 years of VRS creditable service, and are eligible to receive an early or regular retirement benefit from the County. Full-time employees who retire directly from the County on or after July 1, 2011, may retire under VRS with an unreduced pension benefit and access to the County's continuous medical insurance coverage if they have: 1) reached age 50 with at least 30 years of VRS service credit and at least 10 years of consecutive service with the County or 2) reached age 65 with at least five years of consecutive service with the County. Full-time employees who retire directly from the County on or after July 1, 2011, may also retire early under VRS with a reduced pension benefit and access to the County's continuous medical insurance coverage only if they have 1) reached age 50 with at least 10 years of consecutive service with the County or 2) reached age 55 with at least five years of consecutive service with the County. County public safety employees under LEOS/SPORS may also retire under VRS with an unreduced pension benefit under the following requirements: 1) age 50 with at least 25 years of VRS service credit and at least 10 years of consecutive service with the County, or 2) age 65 with at least five years of consecutive service with the County. Employees hired on or after July 1, 2011, do not have access to retiree group health coverage with the County.

Retirees receive a stipend from the County for their healthcare premiums based on years of service in excess of 15 years. Retirees are responsible for their healthcare premiums, less any stipends. Dental insurance also continues after retirement at the retiree rate. Surviving spouses of retirees may elect to remain in the deceased member's health insurance plan for up to 36 months after the death of the member

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

paying the same rate as the retiree, but without the County's contribution. Twenty-five retirees, ten covered spouses, and 122 active members participated in the plan as of June 30, 2016, the effective date of the biennial OPEB valuation. There have been no significant changes in the number covered or the type of coverage since that date.

Plan Description - Component Unit School Board

The School Board provides continuous medical insurance coverage for full-time employees who retire directly from the School Board and are eligible to receive an early or regular retirement benefit from the School Board. The School Board does not provide stipends for retirees toward healthcare premiums (except indirectly through the VRS Retiree Health Insurance Credit Program as described in Note V. - G.). Retirees are responsible for their healthcare premiums. Dental insurance also continues after retirement at the active employee rate. Surviving spouses of retirees may elect to remain in the deceased member's health insurance plan after the death of the member paying the same rate as the retiree up until they reach age 65. Thirty retirees, nine covered spouses, and 323 active employees participated in the plan as of June 30, 2016, the effective date of the biennial OPEB valuation. There have been no other significant changes in the number covered or the type of coverage since that date.

Funding

The County and School Board currently pay for postemployment healthcare benefits on a pay-as you-go basis. Although both entities are studying the establishment of trusts that would be used to accumulate and invest assets necessary to pay for any accumulated liability on an actuarial basis, these financial statements assume that pay-as-you-go funding will continue.

Annual OPEB Cost and Net OPEB Obligation

The County's and School Board's other postemployment benefit (OPEB) costs (expenses) are calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities for funding purposes over a period not to exceed thirty years. For fiscal years 2017, 2016, and 2015, the County's annual required contribution (\$190,170, \$149,146, and \$144,281, respectively) approximated its cost and the School Board's annual required contribution (\$224,702, \$179,601, and \$172,493, respectively) approximated its cost. The following table shows the components of County's and School Board's annual OPEB cost for the year, the amount contributed to the plan, and changes in the County's and School Board's net OPEB obligation to the Plan:

	Primary Government	Component Unit School Board
Annual required contribution	\$ 190,170	\$ 224,702
Interest on the Net OPEB Obligation (NOO)	23,486	31,682
Adjustment to ARC	(27,659)	(37,312)
Annual OPEB cost (AOC)	185,997	219,072
Contribution for fiscal year ended June 30, 2017	(66,213)	(120,220)
Increase in net OPEB obligation	119,784	98,852
Net OPEB obligation - beginning	824,072	1,111,662
Net OPEB obligation - ending	\$ 943,856	\$ 1,210,514
Percentage of AOC contributed	35.60%	54.88%
Actuarial accrued liability	\$ 2,345,904	\$ 1,933,740
Unfunded actuarial liability (UAAL)	\$ 2,345,904	\$ 1,933,740
Funded ratio	n/a	n/a
Annual covered payroll	\$ 9,603,973	\$ 17,809,288
UAAL as a percentage of covered payroll valuation as of June 30, 2016	24.43%	10.86%

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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 the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. Premiums are based on a blend of the insurer's pooled rate and the entity's medical/surgical claims experience. The unfunded actuarial accrued liability is being amortized over a closed 30 years on a level dollar open basis. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the 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 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. In the June 30, 2016, actuarial valuation, the liabilities were computed using the entry age normal cost method and the level dollar amortization. The actuarial assumptions utilized a 2.85% discount rate. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 2.85% rate. The valuation assumes an inflation rate of 2.5% and a 5.9% healthcare cost trend increase for fiscal year 2017.

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 actual accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

G. Other Postemployment Benefits – Health Insurance Credit Program – Schools

The School Board's professional employees participate in the VRS Retiree Health Insurance Credit Program which is an agent, multiple-employer plan. It provides eligible retirees a tax-free reimbursement for health insurance premiums for single coverage under qualifying health plans, including coverage under a spouse's plan, not to exceed the amount of the monthly premium or the maximum credit, whichever is less. Premiums for health plans covering specific conditions are ineligible for reimbursement. Employers of teachers and other School Board professional employees are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute to the program. The amount is financed based on employer contribution rates determined by the System's actuary. Goochland County School Board contributed 1.11% of eligible covered payroll in fiscal year 2017 to this program for a total of \$164,212.

H. Tax Abatements

Goochland County enters into property tax abatement agreements with local businesses on an individual basis. All property tax abatement agreements are based on performance agreements between Goochland County, the EDA, and the local business and are approved by the Goochland County Board of Supervisors and the EDA Board. The County provides the agreed upon tax abatement payments to the EDA, and then the EDA pays the local business if the terms of the agreement have been met. Goochland County and the EDA have tax abatement agreements with three entities as of June 30, 2017.

For the fiscal year ended June 30, 2017, the County through the EDA abated property taxes to a financial corporation totaling \$174,675 because of a real estate tax abatement of 30% of the incremental tax increase above a base year. The payment period for the other agreements has not begun.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

I. Pending GASB Statements

At June 30, 2017, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will improve accounting and financial reporting by state and local governments for OPEB. It will also require the recognition of the entire OPEB liability and a comprehensive measure of OPEB expense. Statement No. 75 will be effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (ARO's). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for ARO's. Statement No. 83 will be effective for fiscal years beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*, will improve the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 will be effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 85, *Omnibus 2017*, will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of state and local government financial statements. Statement No. 85 will be effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, will improve accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance. Statement No. 86 will be effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 87, *Leases*, will increase the usefulness of the County's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 will be effective for fiscal years beginning after December 15, 2019.

Management has not determined the effects these new Statements may have on prospective financial statements.

J. Subsequent Events

On July 5, 2017, the County entered into a \$4,500,000 contract for the construction of a new animal protection shelter. It is anticipated construction will be complete in September 2018.

On August 16, 2017, the EDA approved a resolution authorizing the issuance of up to \$76,500,000 of hospital facility revenue bonds by the EDA for the benefit of Sheltering Arms Corporation. On October 18, 2017, \$74,335,000 of hospital facility revenue bonds were issued by the EDA for the benefit of Sheltering Arms Corporation.

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of Changes in the County Net Pension Liability and Related Ratios -
Virginia Retirement System**

	Fiscal Year June 30,		
	2014	2015	2016
Total pension liability:			
Service Cost	\$ 1,009,510	\$ 1,130,059	\$ 1,224,914
Interest	1,697,680	1,815,347	1,944,652
Difference between expected and actual experience	-	17,229	119,708
Benefit Payments, including refunds of employee contributions	(827,416)	(1,225,029)	(1,005,819)
Net change in total pension liability	1,879,774	1,737,606	2,283,455
Total pension liability, beginning	24,666,276	26,546,050	28,283,656
Total pension liability, ending (a)	<u>\$ 26,546,050</u>	<u>\$ 28,283,656</u>	<u>\$ 30,567,111</u>
Plan fiduciary net position:			
Contributions - employer	\$ 1,098,298	\$ 939,774	\$ 984,325
Contributions - employee	438,821	460,160	477,799
Net investment income	3,429,951	1,172,620	487,178
Benefit Payments, including refunds of employee contributions	(827,416)	(1,225,029)	(1,005,819)
Administrative expense	(17,703)	(15,681)	(16,227)
Other	181	(249)	(202)
Net change in plan fiduciary net position	4,122,132	1,331,595	927,054
Plan fiduciary net position - beginning	21,278,610	25,400,742	26,732,337
Plan fiduciary net position - ending (b)	<u>\$ 25,400,742</u>	<u>\$ 26,732,337</u>	<u>\$ 27,659,391</u>
Net pension liability - ending (a)-(b)	<u>\$ 1,145,308</u>	<u>\$ 1,551,319</u>	<u>\$ 2,907,720</u>
Plan fiduciary net position as a percentage of the total pension liability	95.69%	94.52%	90.49%
Covered-employee payroll	\$ 9,355,179	\$ 9,186,452	\$ 9,621,945
Net pension liability as a percentage of covered-employee payroll	12.24%	16.89%	30.22%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

**Schedule of Changes in the School Board Non-Professional Net Pension
Liability and Related Ratios - Virginia Retirement System**

	Fiscal Year June 30,		
	2014	2015	2016
Total pension liability:			
Service Cost	\$ 85,613	\$ 87,520	\$ 83,222
Interest	231,123	245,059	266,650
Difference between expected and actual experience	-	107,899	(96,074)
Benefit Payments, including refunds of employee contributions	(105,866)	(129,446)	(134,628)
Net change in total pension liability	210,870	311,032	119,170
Total pension liability, beginning	3,354,693	3,565,563	3,876,595
Total pension liability, ending (a)	\$ 3,565,563	\$ 3,876,595	\$ 3,995,765
Plan fiduciary net position:			
Contributions - employer	\$ 78,372	\$ 68,960	\$ 71,588
Contributions - employee	51,366	37,319	38,550
Net investment income	481,752	162,620	64,336
Benefit Payments, including refunds of employee contributions	(105,866)	(129,446)	(134,628)
Administrative expense	(2,549)	(2,217)	(2,281)
Other	25	(33)	(27)
Net change in plan fiduciary net position	503,100	137,203	37,538
Plan fiduciary net position - beginning	3,039,379	3,542,479	3,679,682
Plan fiduciary net position - ending (b)	\$ 3,542,479	\$ 3,679,682	\$ 3,717,220
Net pension liability - ending (a)-(b)	\$ 23,084	\$ 196,913	\$ 278,545
Plan fiduciary net position as a percentage of the total pension liability	99.35%	94.92%	93.03%
Covered-employee payroll	\$ 769,107	\$ 747,129	\$ 775,601
Net pension liability as a percentage of covered-employee payroll	3.00%	26.36%	35.91%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

**Schedule of Employer's Share of Net Pension Liability - VRS Teacher Retirement Plan
(Cost-Sharing)**

	Fiscal Year June 30,		
	2014	2015	2016
Employer's proportion of the net pension liability	0.18686%	0.18865%	0.18811%
Employer's proportionate share of the net pension liability	\$ 22,581,000	\$ 23,744,000	\$ 26,362,000
Employer's covered-employee payroll	13,665,309	14,026,124	14,342,930
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.24%	169.28%	183.80%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

See Notes to Required Supplementary Information.

County of Goochland, Virginia
Schedule of County Contributions - Virginia Retirement System

Exhibit 15

	Fiscal Year June 30,			
	2014	2015	2016	2017
Contractually required contribution (CRC)	\$ 1,098,298	\$ 939,774	\$ 984,325	\$ 902,988
Contributions in relation to the CRC	1,098,298	939,774	984,325	902,988
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 9,355,179	\$ 9,186,452	\$ 9,621,945	\$ 10,168,784
Contributions as a percentage of covered-employee payroll	11.74%	10.23%	10.23%	8.88%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available

See Notes to Required Supplementary Information.

Schedule of School Board Non-Professional Contributions - Virginia Retirement System

	Fiscal Year June 30,			
	2014	2015	2016	2017
Contractually required contribution (CRC)	\$ 78,372	\$ 68,960	\$ 71,588	\$ 49,829
Contributions in relation to the CRC	78,372	68,960	71,588	49,829
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 769,107	\$ 747,129	\$ 775,601	\$ 711,843
Contributions as a percentage of covered-employee payroll	10.19%	9.23%	9.23%	7.0%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years for which information is available

See Notes to Required Supplementary Information.

Schedule of School Board Professional Contributions - Virginia Retirement System

	Fiscal Year June 30,			
	2014	2015	2016	2017
Contractually required contribution (CRC)	\$ 1,593,375	\$ 2,033,788	\$ 2,016,616	\$ 2,168,675
Contributions in relation to the CRC	1,593,375	2,033,788	2,016,616	2,168,675
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 13,665,309	\$ 14,026,124	\$ 14,342,930	\$ 14,793,145
Contributions as a percentage of covered-employee payroll	11.66%	14.50%	14.06%	14.66%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years for which information is available

See Notes to Required Supplementary Information.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Required Supplementary Information
Virginia Retirement System
Year Ended June 30, 2017

I. Changes of benefit terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2016 are not material.

II. Changes of assumptions

The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ended June 30, 2012:

County and School Board Non-Professional:

Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

School Board Professional:

- Update mortality table
- Adjustments to rates of service retirement
- Decrease in rate of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

III. Contractually required contributions

The actuarially determined contribution rates are calculated as of June 30, one year prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

County and School Board Non-Professional:

Non-LEOS:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19-28 years
Asset valuation method	5-year smoothed marked
Cost-of-living adjustments	2.25%-2.50%
Projected salary increases	3.50%-5.35%, including inflation at 2.50%
Investment rate of return	7.0%, including inflation at 2.50%

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Required Supplementary Information
Virginia Retirement System
Year Ended June 30, 2017

County and School Board Non-Professional:

LEOS:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19-28 years
Asset valuation method	5-year smoothed marked
Cost-of-living adjustments	2.25%-2.50%
Projected salary increases	3.50%-4.75%, including inflation at 2.50%
Investment rate of return	7.0%, including inflation at 2.50%

School Board Professional:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19-28 years
Asset valuation method	5-year smoothed marked
Cost-of-living adjustments	2.25%-2.50%
Projected salary increases	3.50%-5.95%, including inflation at 2.50%
Investment rate of return	7.0%, including inflation at 2.50%

Schedule of Other Postemployment Benefits Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
PRIMARY GOVERNMENT						
<i>County Other Postemployment Benefits</i>						
6/30/2016	\$	- \$ 2,345,904	\$ 2,345,904	- %	\$ 9,603,973	24.43%
6/30/2015		- 1,915,023	1,915,023	- %	9,389,385	20.40%
6/30/2014		- 1,859,045	1,859,045	- %	8,888,818	20.91%
DISCRETELY PRESENTED COMPONENT UNIT						
<i>School Board Other Postemployment Benefits</i>						
6/30/2016	\$	- \$ 1,933,740	\$ 1,933,740	- %	\$ 17,809,288	10.86%
6/30/2015		- 2,076,081	2,076,081	- %	17,597,083	11.80%
6/30/2014		- 1,983,056	1,983,056	- %	16,931,113	11.71%

Schedule of Employer Contributions - Other Postemployment Benefits

PRIMARY GOVERNMENT		
Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2017	\$ 190,170	34.82%
2016	149,146	44.86%
2015	144,281	57.65%
DISCRETELY PRESENTED COMPONENT UNIT		
Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2017	\$ 224,702	53.50%
2016	179,601	62.28%
2015	172,493	43.04%

SUPPLEMENTARY INFORMATION

GENERAL FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund**Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
General property taxes:				
Real property tax	\$ 24,585,000	\$ 24,585,000	\$ 25,011,685	\$ 426,685
TCSD property tax revenue share	(1,250,000)	(1,250,000)	(1,335,690)	(85,690)
Real and personal PSC property tax	620,000	620,000	701,876	81,876
Personal property tax	8,605,000	8,605,000	10,138,217	1,533,217
Penalties	230,000	230,000	243,178	13,178
Interest	225,000	225,000	209,571	(15,429)
Total general property taxes	33,015,000	33,015,000	34,968,837	1,953,837
Other local taxes:				
Local sales and use tax	2,600,000	2,600,000	2,822,028	222,028
Consumer utility tax	415,000	415,000	459,699	44,699
Consumption tax	97,000	97,000	96,852	(148)
Business license tax	716,000	716,000	899,632	183,632
Motor vehicle licenses	725,000	725,000	767,700	42,700
Bank stock tax	100,000	100,000	988,648	888,648
Tax on recordation and wills	420,000	420,000	587,638	167,638
Total other local taxes	5,073,000	5,073,000	6,622,197	1,549,197
Permits, privilege fees, and regulatory licenses:				
Animal licenses	26,000	26,000	25,703	(297)
Land use application fees	2,500	2,500	4,400	1,900
Transfer fees	700	700	1,035	335
Zoning and subdivision permits	47,000	47,000	94,373	47,373
Building permits	400,000	400,000	1,185,621	785,621
Other permits and licenses	58,700	58,700	124,371	65,671
Total permits, privilege fees, and regulatory licenses	534,900	534,900	1,435,503	900,603
Fines and forfeitures:				
Court fines and forfeitures	100,000	100,000	114,795	14,795
Revenue from use of money and property:				
Revenue from use of money	30,000	30,000	240,338	210,338
Revenue from use of property	5,000	5,000	71,062	66,062
Total revenue from use of money and property	35,000	35,000	311,400	276,400
Charges for services:				
Sheriff fees	3,500	3,500	6,084	2,584
Commonwealth's Attorney	2,000	2,000	1,506	(494)
Courthouse security	55,000	55,000	52,883	(2,117)
Other court services	3,000	3,000	4,004	1,004
Sanitation and waste removal	30,000	30,000	35,705	5,705
Parks, recreation, and facilities management	134,000	171,500	217,490	45,990
Community development	24,500	24,500	24,910	410
Fire and rescue	600,000	600,000	591,757	(8,243)
Total charges for services	852,000	889,500	934,339	44,839
Miscellaneous:				
Miscellaneous revenues	5,000	52,475	128,466	75,991

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund**Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Recovered costs:				
Public assistance refunds	\$ -	\$ -	\$ 23,495	\$ 23,495
Other recovered costs	76,500	76,500	146,665	70,165
Total recovered costs	76,500	76,500	170,160	93,660
Total revenue from local sources	39,691,400	39,776,375	44,685,697	4,909,322
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications sales and use tax	840,000	840,000	807,097	(32,903)
Rolling stock tax	80,000	80,000	79,290	(710)
Mobile home titling tax	7,000	7,000	9,097	2,097
State recordation tax	100,000	100,000	144,053	44,053
Auto rental tax	7,500	7,500	20,806	13,306
Personal property tax relief funds	2,853,012	2,853,012	2,853,012	-
Total noncategorical aid	3,887,512	3,887,512	3,913,355	25,843
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	263,000	263,000	265,884	2,884
Sheriff	890,000	890,000	886,164	(3,836)
Commissioner of Revenue	87,500	87,500	88,609	1,109
Treasurer	95,500	95,500	97,416	1,916
Registrar/electoral board	35,000	35,000	37,029	2,029
Clerk of the Circuit Court	240,000	240,000	243,378	3,378
Total shared expenses	1,611,000	1,611,000	1,618,480	7,480
Other categorical aid:				
Public assistance and welfare administration	503,280	568,800	468,194	(100,606)
Fire programs fund	68,802	77,380	70,474	(6,906)
DMV agent compensation	75,000	75,000	117,475	42,475
Wireless E911	42,000	42,000	41,773	(227)
Four 4 life funds	23,529	25,886	25,858	(28)
Fire training grants	-	2,142	4,284	2,142
Victim-witness grant	30,569	17,556	14,917	(2,639)
Litter control	7,500	7,500	6,891	(609)
Other categorical aid	7,000	34,630	34,929	299
Total other categorical aid	757,680	850,894	784,795	(66,099)
Total categorical aid	2,368,680	2,461,894	2,403,275	(58,619)
Total revenue from the Commonwealth	6,256,192	6,349,406	6,316,630	(32,776)
Revenue from the Federal government:				
Categorical aid:				
Public assistance and welfare administration	1,104,996	1,236,802	1,298,475	61,673
Emergency management performance grant	16,904	16,904	16,904	-
Highway safety grant	-	50,301	28,922	(21,379)
Other federal funds	-	52,669	48,995	(3,674)
Total categorical aid	1,121,900	1,356,676	1,393,296	36,620
Total revenue from the Federal government	1,121,900	1,356,676	1,393,296	36,620
Total intergovernmental	7,378,092	7,706,082	7,709,926	3,844
Total revenues	47,069,492	47,482,457	52,395,623	4,913,166

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund**Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
General government administration:				
Legislative:				
Board of Supervisors	\$ 159,702	\$ 159,702	\$ 143,788	\$ 15,914
General and financial administration:				
County Administrator	392,872	440,372	439,596	776
County Attorney	387,424	394,924	396,313	(1,389)
Human resources	133,797	133,797	120,969	12,828
Commissioner of the Revenue	387,281	387,281	359,701	27,580
Assessor	418,581	430,581	409,826	20,755
Other general and financial administration	633,412	416,412	216,005	200,407
Treasurer	438,787	454,287	457,776	(3,489)
Information systems	1,082,947	1,088,185	1,049,670	38,515
Finance	491,058	491,058	418,839	72,219
Purchasing	106,472	106,472	102,467	4,005
Total general and financial administration	4,472,631	4,343,369	3,971,162	372,207
Board of Elections:				
Registrar	248,546	248,546	214,488	34,058
Total general government administration	4,880,879	4,751,617	4,329,438	422,179
Judicial administration:				
Courts:				
Circuit court	33,900	93,650	91,299	2,351
General District Court	17,000	17,000	16,771	229
Sheriff - court services	519,650	519,650	521,495	(1,845)
Clerk of the Circuit Court	563,244	590,874	585,834	5,040
Total courts	1,133,794	1,221,174	1,215,399	5,775
Commonwealth's attorney:	478,000	517,656	501,152	16,504
Total judicial administration	1,611,794	1,738,830	1,716,551	22,279
Public safety:				
Law enforcement and traffic control:				
Sheriff	3,352,152	3,422,152	3,263,646	158,506
Sheriff's grants	-	51,303	37,843	13,460
Total law enforcement and traffic control	3,352,152	3,473,455	3,301,489	171,966
Fire and rescue services:				
Fire and rescue	2,854,377	2,910,014	2,581,621	328,393
Emergency planning	126,140	139,217	125,076	14,141
Fire and rescue revenue recovery	600,000	600,000	484,234	115,766
Total fire and rescue services	3,580,517	3,649,231	3,190,931	458,300
Correction and detention:				
Confinement and care of prisoners	458,541	458,541	329,851	128,690
Inspections:				
Building inspections	549,510	571,985	572,247	(262)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund**Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Other protection:				
Animal control	\$ 347,622	\$ 360,622	\$ 349,036	\$ 11,586
Emergency dispatch services	263,000	268,444	234,838	33,606
E911 System	707,524	707,524	664,798	42,726
Total other protection	1,318,146	1,336,590	1,248,672	87,918
Total public safety	9,258,866	9,489,802	8,643,190	846,612
Public Works:				
Sanitation and waste removal:				
Refuse disposal	809,373	769,373	720,323	49,050
Facilities Management	1,394,865	1,394,865	1,422,377	(27,512)
Total public works	2,204,238	2,164,238	2,142,700	21,538
Health and welfare:				
Health:				
Supplement of local health department	243,726	243,726	243,726	-
Mental health and mental retardation:				
Chapter X Board	266,980	266,980	265,202	1,778
Welfare:				
Public assistance and welfare administration	2,274,398	2,471,724	2,299,472	172,252
Tax relief for the elderly and disabled	435,000	435,000	437,483	(2,483)
Goochland Free Clinic and Family Services	223,202	223,202	215,369	7,833
Contributions	130,975	130,975	139,700	(8,725)
Total welfare	3,063,575	3,260,901	3,092,024	168,877
Total health and welfare	3,574,281	3,771,607	3,600,952	170,655
Parks, recreation, and facilities management:				
Parks, recreation, and facilities management	475,231	547,731	547,722	9
Contribution to regional library	412,300	414,300	414,042	258
Total parks, recreation, and facilities management	887,531	962,031	961,764	267
Community development:				
Planning and community development:				
Planning and zoning	529,001	529,001	490,787	38,214
Community development	241,528	241,528	181,701	59,827
Plan review and code enforcement	262,352	262,352	261,969	383
Extension office	56,232	56,232	46,922	9,310
Economic development	389,268	389,268	364,151	25,117
Total community development	1,478,381	1,478,381	1,345,530	132,851
Education:				
Appropriation to the County School Board	21,160,000	21,699,100	21,320,034	379,066
Total education	21,160,000	21,699,100	21,320,034	379,066

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund**Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt service:				
Principal retirement	\$ 2,497,000	\$ 2,535,000	\$ 2,413,563	\$ 121,437
Interest and other fiscal charges	511,522	513,522	602,947	(89,425)
Total debt service	3,008,522	3,048,522	3,016,510	32,012
Total expenditures	48,064,492	49,104,128	47,076,669	2,027,459
Excess (deficiency) of revenues over (under) expenditures	(995,000)	(1,621,671)	5,318,954	6,940,625
OTHER FINANCING SOURCES (USES)				
Other financing sources:				
Issuance of capital lease	-	-	310,871	310,871
Transfer from Utilities Fund	-	-	200,000	200,000
Total other financing sources	-	-	510,871	510,871
Other financing uses:				
Transfer to Capital Projects Fund	(430,000)	(4,812,000)	(4,812,000)	-
Transfer to Office of Children's Services Fund	(880,000)	(880,000)	(744,809)	(135,191)
Transfer to Utilities Fund	(200,000)	(200,000)	(200,000)	-
Total other financing uses	(1,510,000)	(5,892,000)	(5,756,809)	(135,191)
Net change in fund balance	(2,505,000)	(7,513,671)	73,016	(7,586,687)
Fund balance - beginning	-	34,385,822	34,385,822	-
Fund balance - ending	\$ (2,505,000)	\$ 26,872,151	\$ 34,458,838	\$ (7,586,687)

CAPITAL PROJECTS FUND

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Capital Projects Fund**

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Miscellaneous	\$ 950,000	\$ 2,027,158	\$ 727,660	\$ (1,299,498)
Intergovernmental:				
Revenue from the Commonwealth	-	30,213	125,000	94,787
Total revenues	950,000	2,057,371	852,660	(1,204,711)
EXPENDITURES				
General government administration	775,000	3,865,582	883,575	2,982,007
Public safety	85,000	13,330,387	6,411,031	6,919,356
Public works	205,000	439,864	338,316	101,548
Education	2,320,000	4,443,403	1,452,416	2,990,987
Parks, recreation, and facilities management	230,000	533,944	388,246	145,698
Community development	-	546,254	4,263	541,991
Debt service:				
Interest and other fiscal changes	-	40,065	40,065	-
Total expenditures	3,615,000	23,199,499	9,517,912	13,681,587
Deficiency of revenues under expenditures	(2,665,000)	(21,142,128)	(8,665,252)	12,476,876
OTHER FINANCING SOURCES				
Issuance of capital lease	1,500,000	9,882,000	9,882,000	-
Transfers in	1,165,000	4,812,000	4,812,000	-
Total other financing sources	2,665,000	14,694,000	14,694,000	-
Net change in fund balance	-	(6,448,128)	6,028,748	12,476,876
Fund balance - beginning	-	8,252,623	8,252,623	-
Fund balance - ending	\$ -	\$ 1,804,495	\$ 14,281,371	\$ 12,476,876

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2017

	Nonmajor Governmental Funds		
	Asset Forfeiture	Office of Children's Services	Totals
ASSETS			
Cash and cash equivalents	\$ 64,761	\$ 45,026	\$ 109,787
Prepaid items	-	582	582
Due from other governmental units	-	122,578	122,578
Total assets	\$ 64,761	\$ 168,186	\$ 232,947
LIABILITIES			
Accounts payable	\$ -	\$ 110,084	\$ 110,084
Unearned revenue	26,343	-	26,343
Total liabilities	26,343	110,084	136,427
FUND BALANCES			
Nonspendable	-	582	582
Restricted	38,418	-	38,418
Assigned	-	57,520	57,520
Total fund balances	38,418	58,102	96,520
Total liabilities and fund balances	\$ 64,761	\$ 168,186	\$ 232,947

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds**

Year Ended June 30, 2017

	Nonmajor Governmental Funds		
	Asset Forfeiture	Office of Children's Services	Totals
REVENUES			
Revenue from local sources:			
Revenue from use of money and property	\$ 79	\$ -	\$ 79
Charges for services	-	24,790	24,790
Intergovernmental:			
Revenue from the Commonwealth	762	661,004	661,766
Revenue from the Federal government	-	4,804	4,804
Total revenues	841	690,598	691,439
EXPENDITURES			
Public safety	11,746	-	11,746
Health and welfare	-	1,435,934	1,435,934
Total expenditures	11,746	1,435,934	1,447,680
Deficiency of revenues under expenditures	(10,905)	(745,336)	(756,241)
OTHER FINANCING SOURCES			
Transfers in	-	744,809	744,809
Net change in fund balances	(10,905)	(527)	(11,432)
Fund balances - beginning	49,323	58,629	107,952
Fund balances - ending	\$ 38,418	\$ 58,102	\$ 96,520

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Asset Forfeiture Fund**

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ -	\$ -	\$ 79	\$ 79
Intergovernmental:				
Revenue from the Commonwealth	-	-	762	762
Revenue from the Federal government	-	47,012	-	(47,012)
Total revenues	-	47,012	841	(46,171)
EXPENDITURES				
Public safety	-	47,012	11,746	35,266
Total expenditures	-	47,012	11,746	35,266
Deficiency of revenues under expenditures	-	-	(10,905)	(10,905)
Net change in fund balance	-	-	(10,905)	(10,905)
Fund balance - beginning	-	49,323	49,323	-
Fund balance - ending	\$ -	\$ 49,323	\$ 38,418	\$ (10,905)

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Office of Children's Services Fund**

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Charges for services	\$ 31,000	\$ 31,000	\$ 24,790	\$ (6,210)
Intergovernmental:				
Revenue from the Commonwealth	671,585	671,585	661,004	(10,581)
Revenue from the Federal government	-	-	4,804	4,804
Total revenues	702,585	702,585	690,598	(11,987)
EXPENDITURES				
Health and welfare	1,582,585	1,582,585	1,435,934	146,651
Total expenditures	1,582,585	1,582,585	1,435,934	146,651
Deficiency of revenues under expenditures	(880,000)	(880,000)	(745,336)	134,664
OTHER FINANCING SOURCES				
Transfers in	880,000	880,000	744,809	(135,191)
Net change in fund balance	-	-	(527)	(527)
Fund balance - beginning	-	58,629	58,629	-
Fund balance - ending	\$ -	\$ 58,629	\$ 58,102	\$ (527)

FIDUCIARY FUNDS

Combining Statement of Net Position - Fiduciary Funds

June 30, 2017

	Agency Funds			
	Special Welfare	Towers & Roads	Performance Bond Escrow	Total
ASSETS				
Cash and cash equivalents	\$ 22,839	\$ 260,440	\$ 445,465	\$ 728,744
Total assets	\$ 22,839	\$ 260,440	\$ 445,465	\$ 728,744
LIABILITIES				
Amounts held for social services clients	\$ 22,839	\$ -	\$ -	\$ 22,839
Performance bonds payable	-	260,440	445,465	705,905
Total liabilities	\$ 22,839	\$ 260,440	\$ 445,465	\$ 728,744

Combining Statement of Changes in Assets and Liabilities - Agency Funds

Year Ended June 30, 2017

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare				
Assets:				
Cash and cash equivalents	\$ 26,925	\$ 41,284	\$ (45,370)	\$ 22,839
Liabilities:				
Amounts held for social services clients	\$ 26,925	\$ 41,284	\$ (45,370)	\$ 22,839
Towers & Roads				
Assets:				
Cash and cash equivalents	\$ 260,440	\$ -	\$ -	\$ 260,440
Liabilities:				
Performance bonds payable	\$ 260,440	\$ -	\$ -	\$ 260,440
Performance Bond Escrow				
Assets:				
Cash and cash equivalents	\$ 233,055	\$ 364,332	\$ (151,922)	\$ 445,465
Liabilities:				
Performance bonds payable	\$ 233,055	\$ 364,332	\$ (151,922)	\$ 445,465
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 520,420	\$ 405,616	\$ (197,292)	\$ 728,744
Liabilities:				
Amounts held for social services clients	\$ 26,925	\$ 41,284	\$ (45,370)	\$ 22,839
Performance bonds payable	493,495	364,332	(151,922)	705,905
Total liabilities	\$ 520,420	\$ 405,616	\$ (197,292)	\$ 728,744

**DISCRETELY PRESENTED COMPONENT UNIT –
SCHOOL BOARD**

Combining Balance Sheet - Discretely Presented Component Unit - School Board

June 30, 2017

	Governmental Funds			
	School Operating	Textbook	Cafeteria	Totals
ASSETS				
Cash and cash equivalents	\$ 1,069,557	\$ 330,474	\$ 10,300	\$ 1,410,331
Accounts receivable	58,813	-	-	58,813
Prepaid items	419,009	-	-	419,009
Due from other governmental units	957,393	-	4,911	962,304
Inventories	-	-	33,913	33,913
Total assets	\$ 2,504,772	\$ 330,474	\$ 49,124	\$ 2,884,370
LIABILITIES				
Accounts payable	\$ 533,979	\$ 21,708	\$ 2,452	\$ 558,139
Accrued liabilities	1,393,702	-	29,324	1,423,026
Total liabilities	1,927,681	21,708	31,776	1,981,165
FUND BALANCES				
Nonspendable	419,009	-	33,913	452,922
Assigned	158,082	308,766	(16,565)	450,283
Total fund balances	577,091	308,766	17,348	903,205
Total liabilities and fund balances	\$ 2,504,772	\$ 330,474	\$ 49,124	\$ 2,884,370

Reconciliation of the School Board's Combining Balance Sheet to the Statement of Net Position (Exhibit 1)

Total fund balances per above	\$ 903,205
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:	
Capital assets, cost	51,698,257
Less - accumulated depreciation and amortization	(22,482,519)
	29,215,738
Deferred outflows of resources-pension plan represent a consumption of net position that applies to a future period and, therefore, are not recognized as deferred outflows of resources in the governmental funds.	4,628,088
Deferred inflows of resources-pension plan represent an acquisition of net position that applies to a future period and, therefore, are not recognized as deferred inflows of resources in the governmental funds.	(966,206)
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Capital lease	(95,595)
Compensated absences	(303,164)
Net pension liability	(26,640,545)
Other postemployment benefits	(1,210,514)
	(28,249,818)
Net position of governmental activities	\$ 5,531,007

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Discretely Presented Component Unit - School Board**

Year Ended June 30, 2017

	Governmental Funds			
	School Operating	Textbook	Cafeteria	Totals
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ 43,424	\$ -	\$ -	\$ 43,424
Charges for services	150,547	-	493,653	644,200
Miscellaneous	156,467	-	6,771	163,238
Payments from primary government	21,100,274	219,760	-	21,320,034
Intergovernmental revenues:				
Revenue from the Commonwealth	6,966,762	54,894	10,094	7,031,750
Revenue from the Federal government	1,010,642	-	468,141	1,478,783
Total revenues	29,428,116	274,654	978,659	30,681,429
EXPENDITURES				
Education	29,038,210	205,898	979,913	30,224,021
Debt service:				
Principal retirement	41,296	-	-	41,296
Interest and other fiscal charges	4,724	-	-	4,724
Total expenditures	29,084,230	205,898	979,913	30,270,041
Excess (deficiency) of revenues over (under) expenditures	343,886	68,756	(1,254)	411,388
Net change in fund balances	343,886	68,756	(1,254)	411,388
Fund balances - beginning	233,205	240,010	18,602	491,817
Fund balances - ending	\$ 577,091	\$ 308,766	\$ 17,348	\$ 903,205
Net change in fund balances - total governmental funds - per above				\$ 411,388
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:				
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 and amortization expense. This is the amount by which capital assets were impacted by capital outlays, depreciation, amortization, and transfers of joint tenancy assets in the current period.				
Capital outlay				764,969
Depreciation and amortization expense				(1,380,524)
Acquisition value of donated assets				1,516,034
Transfer of depreciation and amortization expense related to joint tenancy assets from Primary Government				(1,028,840)
Transfer of joint tenancy assets from Primary Government				2,416,067
				2,287,706
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.				(11,347)
Deferred outflows of resources - pension plan contributions subsequent to measurement date				129,796
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:				
Capital lease				41,296
Pension expense				(534,507)
Other postemployment benefits				(98,852)
Compensated absences				22,669
				(569,394)
Change in net position of governmental activities				\$ 2,248,149

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
School Operating Fund - School Board**

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ 41,090	\$ 41,090	\$ 43,424	\$ 2,334
Charges for services	78,617	162,367	150,547	(11,820)
Miscellaneous	119,460	164,475	156,467	(8,008)
Payments from primary government	20,935,960	21,479,340	21,100,274	(379,066)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Share of State sales tax	3,289,763	3,289,763	3,294,317	4,554
Basic school aid	2,277,954	2,277,954	2,231,810	(46,144)
Instructional fringe benefits	488,624	488,624	443,532	(45,092)
Special education	364,225	364,225	366,525	2,300
Remedial education	142,040	149,274	137,289	(11,985)
VPSA technology grant	234,000	234,000	192,252	(41,748)
Other state categorical aid	226,007	294,737	301,037	6,300
Revenue from the Federal government:				
IDEA Part B Special Education	595,161	630,449	551,368	(79,081)
Title I Part A Basic Education	308,423	403,158	282,362	(120,796)
Other federal categorical aid	177,657	208,442	176,912	(31,530)
Total revenues	29,278,981	30,187,898	29,428,116	(759,782)
EXPENDITURES				
Education:				
Instruction	20,441,106	20,754,865	20,260,843	494,022
Administration, attendance, and health	1,758,494	1,809,818	1,767,638	42,180
Pupil transportation	2,502,857	2,467,610	2,117,576	350,034
Operation and maintenance	2,518,718	2,907,274	2,714,159	193,115
Facilities	-	90,000	15,723	74,277
Technology	2,057,806	2,345,499	2,162,271	183,228
Debt service:				
Principal retirement	-	41,296	41,296	-
Interest and other fiscal charges	-	4,724	4,724	-
Total expenditures	29,278,981	30,421,086	29,084,230	1,336,856
Excess (deficiency) of revenues over (under) expenditures	-	(233,188)	343,886	577,074
Net change in fund balance	-	(233,188)	343,886	577,074
Fund balance - beginning	-	233,205	233,205	-
Fund balance - ending	\$ -	\$ 17	\$ 577,091	\$ 577,074

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Textbook Fund - School Board**

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Payments from primary government	\$ 224,040	\$ 219,760	\$ 219,760	\$ -
Intergovernmental:				
Revenue from the Commonwealth	56,010	56,010	54,894	(1,116)
Total revenues	280,050	275,770	274,654	(1,116)
EXPENDITURES				
Education	280,050	344,770	205,898	138,872
Total expenditures	280,050	344,770	205,898	138,872
Excess (deficiency) of revenues over (under) expenditures	-	(69,000)	68,756	137,756
Net change in fund balance	-	(69,000)	68,756	137,756
Fund balance - beginning	-	240,010	240,010	-
Fund balance - ending	\$ -	\$ 171,010	\$ 308,766	\$ 137,756

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Cafeteria Fund - School Board**

Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Charges for services	\$ 515,000	\$ 515,000	\$ 493,653	\$ (21,347)
Miscellaneous	-	7,196	6,771	(425)
Intergovernmental:				
Revenue from the Commonwealth	9,800	9,239	10,094	855
Revenue from the Federal government	451,000	451,000	468,141	17,141
Total revenues	975,800	982,435	978,659	(3,776)
EXPENDITURES				
Education	975,800	982,435	979,913	2,522
Total expenditures	975,800	982,435	979,913	2,522
Deficiency of revenues under expenditures	-	-	(1,254)	(1,254)
Net change in fund balance	-	-	(1,254)	(1,254)
Fund balance - beginning	-	18,602	18,602	-
Fund balance - ending	\$ -	\$ 18,602	\$ 17,348	\$ (1,254)

Statement of Net Position - Agency Fund - School Board

June 30, 2017

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 172,337</u>
Total assets	<u><u>\$ 172,337</u></u>
LIABILITIES	
Amounts held for CodeRVA Regional High School	<u>\$ 172,337</u>
Total liabilities	<u><u>\$ 172,337</u></u>

Statement of Changes in Assets and Liabilities - Agency Fund - School Board

Year Ended June 30, 2017

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
CodeRVA Regional High School:				
Assets:				
Cash and cash equivalents	\$ 94,792	\$ 326,137	\$ (248,592)	\$ 172,337
Total assets	\$ 94,792	\$ 326,137	\$ (248,592)	\$ 172,337
Liabilities:				
Amounts held for CodeRVA Regional High School	\$ 94,792	\$ 326,137	\$ (248,592)	\$ 172,337
Total liabilities	\$ 94,792	\$ 326,137	\$ (248,592)	\$ 172,337

**DISCRETELY PRESENTED COMPONENT UNIT –
ECONOMIC DEVELOPMENT AUTHORITY**

**Statement of Net Position - Discretely Presented Component Unit -
Economic Development Authority**

June 30, 2017

ASSETS

Current assets:

Cash and cash equivalents	\$ 291,771
Investments	125,749
Total current assets	<u>417,520</u>

Noncurrent assets:

Note receivable	22,554
Due from primary government	1,994,931
Land held for resale	28,642
Total noncurrent assets	<u>2,046,127</u>
Total assets	<u>2,463,647</u>

LIABILITIES

Current liabilities:

Contractual agreement payable	200,000
Total current liabilities	<u>200,000</u>

Non-current liabilities:

Contractual agreement payable	1,669,931
Total liabilities	<u>1,869,931</u>

NET POSITION

Unrestricted	593,716
Total net position	<u><u>\$ 593,716</u></u>

**Schedule of Revenues, Expenses, and Change in Net Position -
Discretely Presented Component Unit - Economic Development Authority**

Year Ended June 30, 2017

OPERATING REVENUES

Charges for services	\$ 3,146
----------------------	----------

OPERATING EXPENSES

Economic development	36,149
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Operating loss	<u>(33,003)</u>
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NONOPERATING REVENUES (EXPENSES)

Revenue from use of money	1,657
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Loss on investment - land held for resale	<u>(146,558)</u>
---	------------------

Total nonoperating expenses, net	<u>(144,901)</u>
----------------------------------	------------------

Loss before special item	<u>(177,904)</u>
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Special item - loss on sale of land held for resale	<u>(525,900)</u>
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Change in net position	(703,804)
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Total net position - beginning	<u>1,297,520</u>
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Total net position - ending	<u><u>\$ 593,716</u></u>
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STATISTICAL SECTION

COUNTY OF GOOCHLAND, VIRGINIA

Statistical Section (Unaudited)

The statistical section of the Comprehensive Annual Financial Report provides readers with additional detailed information as a context to assist in understanding what the information in the financial statements, accompanying notes, and required supplementary information indicates about the County's economic condition over an extended period of time. Information is presented in the following five categories:

Financial trends information 108-112

Financial trends information is intended to help the reader understand and assess how the County's financial position has changed over time.

Revenue capacity information 113-116

Revenue capacity information is intended to help the reader understand and assess the County's ability to generate its most significant local revenue source, the property tax.

Debt capacity information 117-118

Debt capacity information is intended to help the reader understand and assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and economic information 119-120

Demographic and economic information is intended to help the reader understand the socioeconomic environment within which the County's financial activities take place.

Operating information 121-123

Operating information is intended to provide information about the County's services and capital asset resources to help the reader understand how the information in the financial report relates to the services the County provides and the activities it performs.

Net Position by Component (Unaudited) ⁽¹⁾
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	June 30,									
	2008	2009	2010	2011	2012	2013	2014 ⁽²⁾	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 16,930,704	\$ 18,841,162	\$ 23,380,680	\$ 19,953,566	\$ 20,135,687	\$ 21,842,273	\$ 22,927,053	\$ 23,112,562	\$ 28,321,068	\$ 25,282,032
Restricted	-	-	-	-	-	-	209,922	109,498	138,572	3,341,960
Unrestricted	28,851,763	23,182,061	19,393,949	20,924,342	24,303,629	32,334,297	36,164,646	36,331,089	36,851,707	39,760,233
Total governmental activities net position	\$ 45,782,467	\$ 42,023,223	\$ 42,774,629	\$ 40,877,908	\$ 44,439,316	\$ 54,176,570	\$ 59,301,621	\$ 59,553,149	\$ 65,311,347	\$ 68,384,225
Business-type activities										
Net investment in capital assets	\$ 18,898,718	\$ 11,551,649	\$ 9,808,497	\$ 7,691,315	\$ 5,886,806	\$ 3,160,779	\$ 3,251,218	\$ 2,616,401	\$ 3,185,598	\$ 3,259,402
Restricted	-	-	-	-	-	13,526,684	13,782,829	14,279,691	13,535,478	13,529,930
Unrestricted	4,459,567	5,518,352	4,457,566	4,123,505	4,980,826	(7,690,723)	(8,548,768)	(10,099,290)	(9,876,792)	(10,749,698)
Total business-type activities net position	\$ 23,358,285	\$ 17,070,001	\$ 14,266,063	\$ 11,814,820	\$ 10,867,632	\$ 8,996,740	\$ 8,485,279	\$ 6,796,802	\$ 6,844,284	\$ 6,039,634
Primary Government										
Net investment in capital assets	\$ 35,829,422	\$ 30,392,811	\$ 33,189,177	\$ 27,644,881	\$ 26,022,493	\$ 10,789,930	\$ 26,178,271	\$ 25,728,963	\$ 31,506,666	\$ 28,541,434
Restricted	-	-	-	-	-	13,526,684	13,992,751	14,389,189	13,674,050	16,871,890
Unrestricted	33,311,330	28,700,413	23,851,515	25,047,847	29,284,455	38,856,696	27,615,878	26,231,799	26,974,915	29,010,535
Total Primary Government net position	\$ 69,140,752	\$ 59,093,224	\$ 57,040,692	\$ 52,692,728	\$ 55,306,948	\$ 63,173,310	\$ 67,786,900	\$ 66,349,951	\$ 72,155,631	\$ 74,423,859

Notes:

- (1) This table reports financial information based on the full accrual basis of accounting. The County implemented GASB Statement No. 63 in fiscal year 2013. This standard eliminated the use of the term "net assets" and now refers to this measurement as "net position."
- (2) At June 30, 2014, net position was restated for the implementation of GASB Statements No. 68 and 71 which reduced net position by \$2,284,368.

Changes in Net Position (Unaudited)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government administration	\$ 3,543,975	\$ 3,703,204	\$ 3,788,584	\$ 3,364,513	\$ 3,775,282	\$ 3,783,527	\$ 4,036,684	\$ 4,197,626	\$ 4,392,816	\$ 4,937,982
Judicial administration	1,450,165	1,607,973	1,568,521	1,513,768	1,456,810	1,561,657	1,631,514	1,527,917	1,641,333	1,855,368
Public safety	5,253,389	6,002,676	7,211,154	7,513,474	7,130,848	7,658,681	8,223,726	8,105,378	8,531,631	9,191,033
Public works	2,414,201	2,971,577	1,928,762	1,732,979	796,180	801,403	784,017	825,229	760,112	2,220,929
Health and welfare	3,273,716	3,894,233	3,997,944	4,112,538	3,880,617	3,938,769	4,031,891	4,342,568	4,744,149	4,982,426
Education	20,406,154	22,230,249	20,890,262	22,136,778	17,700,882	19,467,678	20,255,232	23,761,695	21,875,546	24,665,127
Parks, recreation, and facilities management	1,091,454	1,176,038	959,783	991,726	2,045,649	2,089,590	2,124,874	2,031,018	2,415,654	1,050,389
Community development	1,320,752	1,206,680	1,163,011	924,947	1,191,392	1,020,421	1,265,385	1,121,129	1,844,255	1,105,859
Interest and other fiscal charges	1,406,465	1,354,281	1,015,677	1,078,901	949,236	836,779	726,881	598,042	539,984	627,357
Total governmental activities expenses	40,160,271	44,146,911	42,523,698	43,369,624	38,926,896	41,158,505	43,080,204	46,510,602	46,745,480	50,636,470
Business-type activities:										
Public utilities	6,551,077	10,380,369	10,168,993	10,064,571	10,199,319	10,922,109	10,761,364	1,208,532	11,672,931	11,447,534
Total Primary Government expenses	46,711,348	54,527,280	52,692,691	53,434,195	49,126,215	52,080,614	53,841,568	47,719,134	58,418,411	62,084,004
Program revenues										
Governmental activities:										
Charges for services:										
General government	-	-	18,000	-	-	-	64,513	77,785	97,985	124,371
Judicial administration	164,268	63,485	64,192	13,130	14,964	28,814	75,219	75,504	83,059	173,188
Public safety	578,857	282,823	32,381	163,368	87,764	317,460	1,251,462	1,309,043	1,826,008	1,809,165
Public works	28,983	35,736	25,833	34,529	36,284	34,325	39,768	26,794	36,532	35,705
Health and welfare	18,000	-	44,059	59,859	47,247	36,672	30,672	21,182	25,725	24,790
Education	154,669	-	-	354,115	765,182	974,569	-	-	-	-
Parks, recreation, and facilities management	69,294	74,697	77,420	86,923	126,822	127,380	135,617	152,552	195,078	217,490
Community development	200,843	327,729	247,900	-	-	-	27,659	28,625	309,049	124,718
Operating grants and contributions	3,775,146	3,945,782	3,746,337	3,828,860	3,407,998	3,606,738	3,693,077	3,872,169	4,899,901	4,463,141
Capital grants and contributions	171,522	-	155,624	27,181	190,358	37,000	1,366,358	105,238	118,814	125,000
Total governmental activities revenues	5,161,582	4,730,252	4,411,746	4,567,965	4,676,619	5,162,958	6,684,345	5,668,892	7,592,151	7,097,568
Business-type activities:										
Charges for services:										
Public utilities	2,479,214	3,940,435	3,205,803	3,350,912	3,576,014	4,014,710	4,272,246	4,610,848	5,021,894	4,478,230
Operating grants and contributions	-	-	-	-	-	-	878,797	778,312	1,156,394	878,797
Capital grants and contributions	1,263,689	474,120	319,998	351,790	1,790,690	932,860	2,335,129	453,250	654,500	360,651
Total business-type activities revenues	3,742,903	4,414,555	3,525,801	3,702,702	5,366,704	4,947,570	7,486,172	5,842,410	6,832,788	5,717,678
Total Primary Government program revenues	8,904,485	9,144,807	7,937,547	8,270,667	10,043,323	10,110,528	14,170,517	11,511,302	14,424,939	12,815,246

Changes in Net Position (Unaudited) (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net expense:										
Governmental activities	\$ (34,998,689)	\$ (39,416,658)	\$ (38,111,952)	\$ (38,801,659)	\$ (34,250,277)	\$ (35,995,547)	\$ (36,395,859)	\$ (40,841,710)	\$ (39,153,329)	\$ (43,538,902)
Business-type activities	(2,808,174)	(5,965,814)	(6,643,192)	(6,361,869)	(4,832,615)	(5,974,539)	(3,275,192)	(6,166,122)	(4,840,143)	(5,729,856)
Total Primary Government net expense	(37,806,863)	(45,382,472)	(44,755,144)	(45,163,528)	(39,082,892)	(41,970,086)	(39,671,051)	(47,007,832)	(43,993,472)	(49,268,758)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	30,341,072	32,246,409	30,839,772	28,577,269	29,314,852	33,172,749	30,880,310	31,564,455	33,856,674	34,908,623
Local sales and use taxes	2,359,158	2,359,776	1,901,294	1,866,228	2,255,251	2,277,542	2,495,443	2,800,373	-	2,822,028
Consumer utility taxes	319,706	418,162	418,249	421,353	422,363	423,108	390,637	441,456	453,843	459,699
Communications tax ⁽¹⁾	1,024,954	865,751	896,132	890,874	876,103	875,140	-	-	-	-
Other local taxes	2,213,072	1,763,898	1,647,718	1,622,389	1,698,638	5,453,754	3,592,955	3,965,972	6,174,773	3,340,470
Unrestricted grants and contributions	3,130,576	3,055,367	2,992,216	2,955,534	2,935,200	3,059,051	3,944,607	3,919,183	3,912,925	3,913,355
Unrestricted revenues from use of money and property	1,029,969	466,093	184,717	161,386	217,982	90,781	154,059	59,084	133,704	311,479
Fines and forfeitures	-	-	-	170,670	182,360	130,802	124,052	117,109	123,069	-
Miscellaneous	159,142	35,650	451,414	722,591	375,003	796,524	729,424	811,268	506,539	856,126
Transfers	(424,637)	(432,547)	(468,154)	(483,356)	(466,067)	(546,650)	(790,577)	(381,000)	(250,000)	-
Total general revenues, governmental activities	40,153,012	40,778,559	38,863,358	36,904,938	37,811,685	45,732,801	41,520,910	43,297,900	44,911,527	46,611,780
Business-type activities:										
Taxes:										
Property taxes	2,529,679	2,862,263	2,994,394	3,051,136	3,082,297	3,128,789	3,302,746	3,650,266	4,083,633	4,368,155
Unrestricted revenues from use of money and property	514,150	358,289	351,471	358,005	336,694	424,269	520,733	524,238	552,765	557,051
Miscellaneous	23,021	2,110	25,235	18,129	369	3,939	2,492	6,847	1,227	-
Transfers	424,637	432,547	468,154	483,356	466,067	546,650	790,577	381,000	250,000	-
Total general revenues, business-type activities	3,491,487	3,655,209	3,839,254	3,910,626	3,885,427	4,103,647	4,616,548	4,562,351	4,887,625	4,925,206
Total general revenues, primary government	43,644,499	44,433,768	42,702,612	40,815,564	41,697,112	49,836,448	46,137,458	47,860,251	49,799,152	51,536,986
Change in net position										
Governmental activities	5,154,323	1,361,901	751,406	(1,896,721)	3,561,408	9,737,254	5,125,051	2,456,190	5,758,198	3,072,878
Business-type activities	683,313	(2,310,605)	(2,803,938)	(2,451,243)	(947,188)	(1,870,892)	1,341,356	(1,603,771)	47,482	(804,650)
Total Primary Government	\$ 5,837,636	\$ (948,704)	\$ (2,052,532)	\$ (4,347,964)	\$ 2,614,220	\$ 7,866,362	\$ 6,466,407	\$ 852,419	\$ 5,805,680	\$ 2,268,228

Note:

(1) Beginning in fiscal year 2014, communications tax was reclassified as unrestricted grants and contributions.

County of Goochland, Virginia

Table 3

Fund Balances - Governmental Funds (Unaudited)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	June 30,									
	2008	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 405,907	\$ 7,390,926	\$ 7,854,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, undesignated	25,228,969	18,298,631	12,522,344	-	-	-	-	-	-	-
Nonspendable	-	-	-	3,338,836	2,986,987	2,585,293	2,577,195	2,594,189	2,630,719	2,418,984
Restricted	-	-	-	114,244	111,334	105,609	108,620	92,580	89,250	55,239
Committed	-	-	-	2,693,315	3,914,260	-	-	-	-	580,000
Assigned	-	-	-	1,349,452	2,358,443	6,066,496	11,756,216	11,674,825	12,261,758	11,954,116
Unassigned	-	-	-	15,676,774	16,884,189	22,873,972	19,401,025	19,401,951	19,404,095	19,450,499
Total general fund	\$ 25,634,876	\$ 25,689,557	\$ 20,376,627	\$ 23,172,621	\$ 26,255,213	\$ 31,631,370	\$ 33,843,056	\$ 33,763,545	\$ 34,385,822	\$ 34,458,838
All other governmental funds										
Reserved for construction	\$ 631,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	644,646	143,954	166,214	-	-	-	-	-	-	-
School capital projects	3,872,321	2,186,492	2,339,629	-	-	-	-	-	-	-
Nonspendable for										
Comprehensive services/ Office of Children's Services	-	-	-	-	506	488	-	529	543	582
Restricted for										
Forfeiture funds	-	-	-	129,822	125,664	117,233	101,302	90,808	49,322	38,418
Capital improvements	-	-	-	-	-	-	-	-	-	3,303,542
Assigned, reported in:										
Capital projects	-	-	-	1,953,419	2,488,471	4,700,812	6,613,619	8,780,683	8,252,623	10,977,829
Special revenue fund	-	-	-	69,577	505	57,642	198,594	142,743	58,087	57,520
Unassigned	-	-	-	-	(506)	-	-	-	-	-
Total all other government funds	\$ 5,148,862	\$ 2,330,446	\$ 2,505,843	\$ 2,152,818	\$ 2,614,640	\$ 4,876,175	\$ 6,913,515	\$ 9,014,763	\$ 8,360,575	\$ 14,377,891

Note:

- (1) The presentation of fund balance changed in 2011 as a result of the implementation of GASB No. 54. Prior to 2011, fund balances are reported only as 'Reserved' and 'Unreserved'. Effective 2011, fund balances are reported as described in Note I-E of the notes to the financial statements.

Changes in Fund Balances - Governmental Funds (Unaudited)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
General property taxes	\$ 30,001,893	\$ 31,816,302	\$ 29,728,457	\$ 29,635,464	\$ 29,123,912	\$ 32,914,846	\$ 31,119,082	\$ 31,996,585	\$ 34,024,340	\$ 34,968,837
Other local taxes	5,916,890	5,407,587	4,863,393	4,800,844	5,252,355	9,029,544	6,479,035	7,207,801	6,628,616	6,622,197
Permits, privilege fees, and regulatory licenses	941,957	529,926	267,341	256,225	764,566	973,999	594,726	796,842	1,323,690	1,435,503
Fines and forfeitures	105,799	45,601	117,107	170,670	182,360	130,802	124,052	117,109	123,069	114,795
Revenue from use of money and property	1,010,495	466,093	184,717	161,387	217,982	93,455	154,059	59,084	133,704	311,479
Charges for services	167,458	208,943	242,444	355,699	313,697	545,221	1,030,184	894,643	968,146	959,129
Miscellaneous	159,142	25,450	334,307	542,121	555,473	796,524	729,424	811,268	788,139	856,126
Recovered costs	630,172	265,623	227,446	134,372	144,144	200,640	206,319	178,954	156,350	170,160
Intergovernmental:										
Commonwealth	6,127,044	6,142,256	5,894,383	5,817,031	5,590,356	5,749,766	6,618,871	6,716,446	7,762,328	7,103,396
Federal	950,200	858,893	999,794	994,544	943,199	916,023	1,018,813	1,180,144	1,169,312	1,398,100
Total revenues	46,011,050	45,766,674	42,859,389	42,868,357	43,088,044	51,350,820	48,074,565	49,958,876	53,077,694	53,939,722
Expenditures										
General government administration	3,495,023	3,610,265	3,537,879	3,188,558	3,537,551	3,717,286	4,113,215	4,255,040	4,660,951	5,213,013
Judicial administration	1,330,735	1,487,461	1,470,118	1,400,109	1,391,446	1,488,895	1,507,389	1,482,281	1,606,251	1,716,551
Public safety	5,586,668	5,969,814	6,430,553	6,348,125	6,185,483	6,687,191	7,436,057	8,806,727	13,684,127	15,065,967
Public works	2,311,191	2,598,655	2,062,509	1,675,599	839,369	842,089	776,933	712,448	843,705	2,481,016
Health and welfare	3,264,094	3,897,632	3,995,451	4,128,044	3,875,096	3,961,330	3,969,700	4,396,878	4,768,175	5,036,886
Education	18,591,193	20,136,653	18,598,005	16,382,429	15,860,009	17,539,786	18,614,757	21,824,649	20,383,046	22,772,450
Parks, recreation, and facilities management	906,674	946,161	880,499	938,631	1,813,179	1,866,550	2,355,179	2,189,014	2,477,416	1,350,010
Community development	1,365,326	1,506,566	1,321,710	906,998	1,105,405	1,220,688	1,435,436	1,452,284	2,171,726	1,349,793
Capital projects	3,805,931	3,056,652	5,081,761	592,450	1,025,164	2,024,139	-	-	-	-
Debt service:										
Principal	2,448,648	3,092,169	3,059,922	3,326,315	2,888,657	2,905,005	2,036,724	1,781,732	1,815,812	2,413,563
Interest and other fiscal charges	1,449,219	1,425,488	1,090,361	1,154,774	1,019,155	906,679	789,572	655,086	599,976	643,012
Total expenditures	44,554,702	47,727,516	47,528,768	40,042,032	39,540,514	43,159,638	43,034,962	47,556,139	53,011,185	58,042,261
Excess (deficiency) of revenues over (under) expenditures	1,456,348	(1,960,842)	(4,669,379)	2,826,325	3,547,530	8,191,182	5,039,603	2,402,737	66,509	(4,102,539)
Other financing sources (uses)										
Operating transfers in	2,095,325	2,417,859	5,821,252	5,398,246	1,261,307	4,397,117	3,474,087	5,903,664	5,840,551	5,756,809
Operating transfers out	(2,519,962)	(2,850,406)	(6,289,406)	(5,881,602)	(1,727,374)	(4,950,607)	(4,264,664)	(6,284,664)	(6,090,551)	(5,756,809)
Long-term debt issued	2,499,750	-	-	-	462,951	-	-	-	151,580	10,192,871
Total other financing sources (uses), net	2,075,113	(432,547)	(468,154)	(483,356)	(3,116)	(553,490)	(790,577)	(381,000)	(98,420)	10,192,871
Net change in fund balances	\$ 3,531,461	\$ (2,393,389)	\$ (5,137,533)	\$ 2,342,969	\$ 3,544,414	\$ 7,637,692	\$ 4,249,026	\$ 2,021,737	\$ (31,911)	\$ 6,090,332
Debt service as a percentage of noncapital expenditures	9.76%	10.11%	9.78%	11.36%	10.15%	9.27%	6.84%	6.04%	5.28%	6.38%

County of Goochland, Virginia**Table 5****Assessed Value and Estimated Actual Value of Taxable Property (Unaudited)
Last Ten Calendar Years**

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate ⁽¹⁾	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2008	\$ 5,176,505,515	\$ 235,141,920	\$ 10,629,142	\$ 107,045,905	\$ 5,529,322,482	\$ 0.68	\$ 5,529,322,482	100.00%
2009	4,538,569,000	253,241,328	10,991,246	101,958,404	4,904,759,978	0.71	5,082,384,099	96.51%
2010	4,716,357,200	223,269,562	10,707,945	115,927,483	5,066,262,190	0.68	4,700,768,490	107.78%
2011	4,350,863,500	256,886,512	11,302,821	118,435,658	4,737,488,491	0.72	4,737,488,491	100.00%
2012	4,200,112,700	262,588,986	9,708,425	118,768,766	4,591,178,877	0.73	4,591,178,877	100.00%
2013	4,066,751,908	258,095,897	9,074,954	120,057,618	4,453,980,377	0.73	4,453,980,377	100.00%
2014	4,054,090,042	275,403,341	9,286,565	119,954,347	4,458,734,295	0.74	4,458,734,295	100.00%
2015	4,207,913,780	273,133,074	35,772,558	117,609,110	4,634,428,522	0.74	4,634,428,522	100.00%
2016	4,535,164,147	280,261,771	38,640,103	129,676,678	4,983,742,699	0.73	4,983,742,699	100.00%
2017	4,657,013,092	281,314,285	42,501,277	132,940,480	5,113,769,134	0.72	5,113,769,134	100.00%

Note:

(1) The total direct rate for each fiscal year is per \$100 of assessed valuation, calculated on the weighted average basis.

Source: Commissioner of Revenue

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

Fiscal Year	Direct Rates			Total Direct Tax Rate ⁽²⁾	Tuckahoe Creek Service District Ad Valorem
	Real Estate	Personal Property	Machinery and Tools		
2008	\$ 0.53	\$ 4.00	\$ 3.75	\$ 0.68	\$ 0.23
2009	0.53	4.00	3.75	0.71	0.23
2010	0.53	4.00	3.75	0.68	0.23/0.27
2011	0.53	4.00	3.75	0.72	0.27/0.31
2012	0.53	4.00	3.75	0.73	0.31/0.32
2013	0.53	4.00	3.75	0.73	0.32
2014	0.53	4.00	1.00	0.74	0.32
2015	0.53	4.00	1.00	0.74	0.32
2016	0.53	4.00	1.00	0.73	0.32
2017	0.53	4.00	1.00	0.72	0.32

Notes:

(1) The individual tax rates are per \$100 of assessed value.

(2) The total direct tax rates are calculated per \$100 of assessed valuation and calculated on the weighted average basis.

Principal Property Taxpayers (Unaudited)
Current Year and the Period Nine Years Prior

Table 7

Taxpayer	Business Type	Fiscal Year 2017**			Fiscal year 2008**		
		Rank	Tax Year 2016 Assessed Valuation	% of Total Assessed Valuation	Rank	Tax Year 2007 Assessed Valuation	% of Total Assessed Valuation
Capital One Bank	Bank Headquarters	1	\$ 180,779,688	4.05%	2	\$ 144,527,800	4.49%
West Creek/WC/GC Land	Land Developers	2	111,484,127	2.50%	1	145,934,100	4.54%
Dominion Virginia Power	Public Utility	3	61,431,470	1.38%	4	38,916,054	1.21%
Riverstone Group LLC	Commercial Real Estate	4	43,814,132	0.98%			
Car Max Business Services	Car Sales Headquarters	5	37,031,930	0.83%	3	45,303,300	1.41%
Pruitt, Richard I	Rock Quarries	6	28,638,216	0.64%	6	27,349,200	0.85%
Federal Reserve Bank	Bank Headquarters	7	23,533,611	0.53%	7	27,021,500	0.84%
Gotwald, James T	Individual	8	22,130,628	0.50%	8	26,036,900	0.81%
CSX Transportation	Railroad	9	21,432,319	0.48%			
Luck Stone Corporation	Rock Quarries	10	21,042,034	0.47%	9	23,681,200	0.74%
Verizon Virginia Inc.	Communications				5	27,509,074	0.86%
Markell Properties LLC	Insurance and Investments				10	23,055,100	0.72%
			\$ 551,318,155	12.36%		\$ 529,334,228	16.47%

Source: Commissioner of Revenue

**Commissioner's figures are based on Calendar Year 2016 and Calendar Year 2007 without abatements or supplements.

Property Tax Levies and Collections (Unaudited)
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 31,751,540	\$ 30,382,467	95.69%	\$ 1,293,377	\$ 31,675,844	99.76%
2009	33,921,962	32,187,530	94.89%	1,629,534	33,817,064	99.69%
2010	31,742,964	29,874,484	94.11%	1,769,492	31,643,976	99.69%
2011	31,180,137	29,377,651	94.22%	1,698,565	31,076,216	99.67%
2012	31,544,172	29,854,001	94.64%	1,555,377	31,409,378	99.57%
2013	35,903,587	34,089,797	94.95%	1,668,564	35,758,361	99.60%
2014	33,104,770	31,802,496	96.07%	1,182,975	32,985,471	99.64%
2015	34,354,491	33,176,890	96.57%	1,088,743	34,265,633	99.74%
2016	36,476,715	35,342,767	96.89%	888,462	36,231,229	99.33%
2017	38,190,041	37,032,670	96.97%	-	37,032,670	96.97%

Source: County Treasurer's office

Ratios of Outstanding Debt by Type ^{(1) (Unaudited)}
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Total Debt as a Percent of Personal Income (2)	Total Debt Per Capita (2)
	General Obligation Bonds	Capital Leases	Revenue Bonds	Accreted Interest on Revenue Bonds	Capacity Rights Obligations	Contractual Obligations			
2008	\$ 26,760,000	\$ 4,433,886	\$ 68,582,167	\$ 9,598,659	\$ -	\$ -	\$ 109,374,712	8.17%	\$ 5,232
2009	24,715,000	3,801,378	67,997,167	11,524,570	20,668,206	-	128,706,321	10.12%	6,054
2010	22,615,000	2,841,455	67,397,167	13,551,008	20,595,224	-	126,999,854	9.74%	5,848
2011	20,460,000	1,846,977	66,492,167	15,683,222	20,222,224	-	124,704,590	8.80%	5,733
2012	18,585,000	1,263,304	65,337,167	17,926,838	19,630,367	1,762,260	124,504,936	8.58%	5,881
2013	16,963,165	216,485	81,842,364	14,213,122	19,359,886	4,245,963	136,840,985	8.56%	6,394
2014	15,003,690	101,732	80,658,180	16,039,612	19,069,443	5,099,856	135,972,513	7.26%	6,265
2015	13,304,215	-	79,352,175	17,747,281	18,776,878	5,855,594	135,036,143	7.20%	6,062
2016	11,544,740	75,768	78,052,945	19,290,536	18,515,235	6,691,468	134,170,692	7.15%	6,013
2017	9,730,265	9,650,076	76,502,944	20,627,543	17,893,991	6,497,342	140,902,161	7.37%	6,206

Notes:

(1) Details regarding the County's outstanding debt can be found in Note IV-G to the financial statements.

(2) See Table 11 for population and personal income data.

**Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita (Unaudited)
Last Ten Fiscal Years**

Fiscal Year	Gross Bonded Debt (1)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (3)
2008	\$ 26,760,000	0.48%	\$ 1,280
2009	24,715,000	0.50%	1,162
2010	22,615,000	0.48%	1,041
2011	20,460,000	0.43%	941
2012	18,585,000	0.40%	878
2013	16,963,165	0.38%	793
2014	15,003,690	0.34%	691
2015	13,304,215	0.29%	597
2016	11,544,740	0.23%	517
2017	9,730,265	0.19%	429

Notes:

(1) Includes all long-term general obligation bonded debt and excludes revenue bonds

(2) See Table 5 for assessed value data

(3) See Table 11 for population data

Demographic and Economic Statistics (Unaudited)
Last Ten Years

Fiscal Year	Population (1)	Total Personal Income (000's) (1)	Per Capita Personal Income (1)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2008	20,905	\$ 1,338,804	\$ 64,042	41.40	2,367	3.30%
2009	21,261	1,272,294	59,842	40.00	2,430	6.70%
2010	21,717	1,303,806	60,036	45.20	2,459	6.20%
2011	21,753	1,417,622	65,169	45.20	2,409	5.40%
2012	21,169	1,450,321	68,512	45.20	2,359	5.32%
2013	21,400	1,598,816	74,711	45.20	2,315	4.50%
2014	21,703	1,872,528	86,280	45.20	2,387	4.50%
2015	22,277	1,874,874	84,162	45.20	2,392	4.70%
2016	22,312	1,877,820	84,162	45.20	2,495	3.60%
2017	22,702	1,910,682	84,162	46.20	2,496	3.60%

Notes:

- (1) Population estimates from Weldon Cooper Center for Public Service, University of Virginia. Latest estimate available is 2016. Estimate for 2017 calculated using expected growth rate of 1.75%. Total personal income from U.S. Department of Commerce, Bureau of Economic Analysis. Latest data available is 2015. Per capita personal income calculated by dividing personal income by the population estimate for each year. Per capita personal income for 2016 and 2017 is assumed same as 2015 (latest total personal income data). Total personal income for 2016 and 2017 are calculated by multiplying population estimate by per capital personal income for each of those years.
- (2) U. S. Department of Commerce, Census Bureau.
- (3) Based on Virginia Department of Education "Superintendent's Annual Report" (end-of-year Average Daily Membership). Current year numbers are preliminary and based on the "Spring Student Record Collection."
- (4) Virginia Employment Commission.

Principal Employers (Unaudited)
Current Year and the Period Nine Years Prior

Employer	2017		2008	
	Employees	Rank	Employees	Rank
Capital One Bank	1,000 and over	1	1,000 and over	1
CarMax Auto Superstores	1,000 and over	2	500 to 999	2
Goochland County School Board	500 to 999	3	250 to 499	3
Capital One, NA	250 to 499	4		
Capital One Services, LLC	250 to 499	5		
Luck Stone Corporation	250 to 499	6	250 to 499	4
Performance Food Group Inc.	250 to 499	7	100 to 249	7
Virginia Farm Bureau Mutual Insurance, Inc.	100 to 249	8	250 to 499	6
County of Goochland	100 to 249	9	100 to 249	9
Virginia Correctional Center for Women	100 to 249	10	100 to 249	8
James River Correctional Center			250 to 499	5
Psychiatric Institute of Richmond			100 to 249	10

Source: Virginia Employment Commission, Quarterly Census of Employment and Wages

Full-time Equivalent County Employees by Function (Unaudited)
Last Ten Fiscal Years

Function	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government:										
General government	35	35	32	29	32	36	36	35	34	35
Judicial administration	15	12	12	15	24	24	24	15	16	17
Public safety:										
Sheriff's department	33	42	41	38	39	41	41	41	45	50
Fire and rescue	6	16	17	16	19	20	22	24	27	34
Building inspections	9	6	6	4	5	6	6	7	7	8
Animal control	2	3	3	3	3	3	3	3	4	5
General services:										
Facilities maintenance	12	16	12	11	-	-	-	-	-	17
Convenience centers	7	7	8	6	7	6	6	6	6	6
Utilities	7	6	6	6	6	6	6	6	7	8
Health and welfare:										
Department of social services	19	19	20	21	22	22	22	23	23	23
Parks, recreation, and facilities management	5	2	5	7	18	18	19	16	19	4
Community development:										
Planning	10	11	11	9	11	10	10	10	10	10
Total Government	160	175	173	165	186	192	195	186	198	217
School Board:										
Central office administrators	18	18	21	14	13	11	12	13	13	13
Principals and Assistant Principals ⁽¹⁾	-	-	-	8	8	8	8	8	8	9
Instructors:										
Elementary school	102	103	87	97	99	97	102	104	105	105
Middle school	41	43	41	47	50	51	52	51	50	48
High school	63	54	49	56	56	55	55	58	60	62
Special education professionals ⁽¹⁾	-	-	-	13	12	12	14	14	14	14
Instructional aides (all schools) ⁽¹⁾	-	-	-	33	33	33	36	39	37	39
Other administrative support staff ⁽¹⁾	-	-	-	23	24	24	23	25	25	25
Custodians, bus drivers, cafeteria workers ⁽¹⁾	-	-	-	78	76	79	75	75	77	78
Total School Board	224	218	198	369	371	370	377	387	389	393
Total County	384	393	371	534	557	562	572	573	587	610

Source: Human Resources, Virginia Department of Education IPAL (Instructional Personnel and Licensure) and the related IPAL survey

Note:

(1) New category for fiscal year 2011. Previously, only positions reported in IPAL were shown on this table and not all School Board employees. There may be some duplication of FTEs between the different IPAL reports.

County of Goochland, Virginia

Table 14

Operating Indicators by Function (Unaudited)
Last Ten Fiscal Years

Function	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PUBLIC SAFETY										
Sheriff's department:										
Physical arrests	789	661	637	548	427	492	478	421	419	464
Traffic violations	4,228	4,606	5,205	6,299	5,784	5,847	6,447	6,720	6,953	8,409
Civil papers	4,890	5,693	4,951	5,227	5,143	4,689	4,259	4,466	4,780	4,847
Fire and rescue:										
Number of calls answered	2,643	3,414	3,146	2,906	3,444	2,718	2,572	2,522	2,680	2,444
Building inspections:										
New residential and commercial permits	156	84	73	37	63	145	150	216	236	293
Animal control:										
Number of calls answered	4,680	5,110	5,020	5,475	5,712	5,548	5,500	534	637	1,212
CULTURE AND RECREATION										
Parks and recreation:										
After-school program participants	274	227	1,189	1,211	1,279	1,255	1,648	1,683	2,041	2,358
Youth sports participants	310	495	1,100	1,975	1,350	1,475	1,300	1,450	1,575	1,060
COMPONENT UNIT - SCHOOL BOARD										
Education:										
School age population ⁽¹⁾										
Elementary school	1,082	1,207	1,134	1,129	1,039	1,001	1,061	1,036	1,108	1,098
Middle school	508	564	583	585	556	580	570	588	575	585
High school	763	770	764	729	734	727	756	768	812	817
Free and reduced meals served ⁽²⁾	99,088	116,082	128,880	121,302	123,274	119,515	127,674	121,617	124,036	131,906

Source: Individual county departments

Note:

(1) Based on Virginia Department of Education "Spring Student Record Collection."

Capital Asset Statistics by Function (Unaudited)
Last Ten Fiscal Years

Function	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
General government:										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	6	9	6	6	4	3	3	4	3
Public safety:										
Sheriff's department:										
Patrol units	52	50	54	53	55	55	55	55	60	63
Fire and rescue:										
Vehicles	6	9	11	14	16	15	34	34	36	36
Building inspections:										
Vehicles	4	4	4	4	4	5	4	5	4	5
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	4	4
Public works:										
General maintenance:										
Trucks/vehicles ⁽¹⁾	19	26	18	15	-	-	-	-	-	13
Convenience center:										
Vehicles	4	2	2	2	1	1	2	2	2	3
Equipment	2	3	1	1	1	1	1	1	2	2
Sites	2	2	2	2	2	2	2	2	2	2
Health and welfare:										
Department of Social Services:										
Vehicles	6	7	6	6	6	7	6	6	5	5
Parks, recreation, and facilities management:										
Community Centers	1	1	1	1	2	1	1	1	1	1
Vehicles	3	3	3	4	19	18	16	15	15	1
Community development:										
Planning:										
Vehicles	2	4	3	1	2	3	3	4	4	5
Business-type activities: ⁽²⁾										
Utilities:										
Vehicles	-	-	-	-	4	5	6	6	7	8
Education:										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Elementary schools	3	3	3	3	3	3	3	3	3	3
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
Vehicles	53	57	57	54	53	52	51	55	56	56
School buses	64	68	68	66	60	60	59	58	61	60

Source: Human Resources/Risk Management, School administration

Notes:

(1) Combined with Parks and Recreation vehicles beginning in fiscal year 2012.

(2) Information not available prior to fiscal year 2012.

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards**Year Ended June 30, 2017**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Pass-through payments:				
Department of Agriculture and Consumer Services:				
Child Nutrition Cluster:				
Commodity Distributions	10.555	00185	\$ -	\$ 57,441
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	201616N109941	-	89,225
National School Lunch Program	10.555	201616N109941	-	320,816
Summer Food Service Program for Children	10.559	10104	-	659
Total Child Nutrition Cluster				<u>468,141</u>
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010116/0010117/0040116/0040117	-	224,659
Total SNAP cluster				<u>224,659</u>
Total Department of Agriculture				<u>692,800</u>
DEPARTMENT OF DEFENSE				
Direct Payments:				
JROTC	12.U01	N/A	-	1,856
Total Department of Defense				<u>1,856</u>
DEPARTMENT OF JUSTICE				
Direct payments:				
Equitable sharing program	16.922	N/A	-	9,070
Pass-through payments:				
Department of Criminal Justice Services				
Crime Victim Assistance	16.575	16-S9582VW15	-	48,995
Total Department of Justice				<u>58,065</u>
DEPARTMENT OF TRANSPORTATION				
Pass-through payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	SC-2017-57271-6920	-	7,923
Total Highway Safety Cluster				<u>7,923</u>
Alcohol Open Container Requirements	20.607	154AL-2017-57270-6919	-	20,999
Total Department of Transportation				<u>28,922</u>

See Notes to Schedule of Expenditures of Federal Awards.

Schedule of Expenditures of Federal Awards**Year Ended June 30, 2017**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF EDUCATION				
Pass-through payments:				
Virginia Department of Education:				
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	H027A160107-2016-430710000	\$ -	\$ 538,309
Special Education - Preschool Grants	84.173	H173A160112-2016-625210000	-	13,059
Total Special Education Cluster (IDEA)				<u>551,368</u>
Title I Grants to Local Educational Agencies	84.010	S010A160046-2016-429010000 S010A150046 S010A160046-2016-429350000	-	366,478
Career and Technical Education - Basic Grant to States	84.048	V048A150046-2016-610950000	-	28,132
Education for Homeless Children and Youth	84.196	S196A160048	-	3,212
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330	not provided	-	1,044
Title III, Part A: English Language Acquisition State Grant	84.365	S3635A150046-2015-605120000	-	4,501
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	S367A160044-2016-614800000 S367A160044-2016-614800000	-	54,051
Total Department of Education				<u>1,008,786</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-through payments:				
Department of Social Services:				
Promoting Safe and Stable Families	93.556	0950115/0950116	-	6,079
TANF Cluster:				
Temporary Assistance to Needy Families (TANF)	93.558	0400116/0400117	-	126,902
Total TANF Cluster				<u>126,902</u>
Refugee and Entrant Assistance - State Administered Programs	93.566	0500116/0500117	-	393
Low Income Home Energy Assistance	93.568	0600416/0600417	-	14,982
Community Services Block Grant	93.569	not provided	-	229,889
Child Care and Development Fund Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760116/0760117	-	25,609
Total Child Care and Development Fund Cluster				<u>25,609</u>
Chafee Education and Training Vouchers Program	93.599	9160114/9160115	-	2,590
Adoption and Legal Guardianship Incentive Payments	93.603	1130114/1130115	-	2,898
Stephanie Tubbs Jones Child Welfare Services Program	93.645	090116	-	172
Foster Care - Title IV-E	93.658	1100116/1100117	-	157,354
Adoption Assistance	93.659	1120116/1120117	-	113,629
Social Services Block Grant	93.667	1000116/1000117	-	111,410
Chafee Foster Care Independence Program	93.674	9150116/9150117	-	2,255
Children's Health Insurance Program	93.767	0540116/0540117	-	8,169
Medicaid Cluster:				
Medical Assistance Program	93.778	1200116/1200117	-	276,289
Total Medicaid Cluster				<u>276,289</u>
Total Department of Health and Human Services				<u>1,078,620</u>

See Notes to Schedule of Expenditures of Federal Awards.

Schedule of Expenditures of Federal Awards**Year Ended June 30, 2017**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF HOMELAND SECURITY				
Pass-through payments:				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	not provided	\$ -	\$ 16,904
Total Department of Homeland Security				<u>16,904</u>
Total Expenditures of Federal Awards				<u>\$ 2,885,953</u>

See Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

I. Basis of presentation and accounting

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the *County of Goochland, Virginia* (County) and component units of the *Goochland County Public School Board and the Goochland County Economic Development Authority* under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Nonmonetary deferral assistance including food commodities is considered federal assistance and, therefore, is reported on the Schedule. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments – Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs – The Single Audit Act Amendments of 1996 and Uniform Guidance establish the criteria to be used in defining major programs. Major programs for the County of Goochland, Virginia and its component units were determined using a risk-based approach in accordance with Uniform Guidance.

Catalog of Federal Domestic Assistance – The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number), which is reflected in the Schedule.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following are the clusters administered by the County of Goochland, Virginia and its component units: Child Nutrition, SNAP, Highway Safety, Special Education, TANF, Child Care and Development Fund, and Medicaid.

II. Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

III. Indirect cost rate

The County has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

IV. Non-cash assistance

In addition to amounts reported on the Schedule, the County of Goochland, Virginia consumed non-cash assistance in the form of food commodities. Commodities with a fair value of \$57,441 at the time received were consumed during the year ended June 30, 2017. These commodities were included in the determination of federal awards expended during the year ended June 30, 2017.



**INDEPENDENT AUDITOR'S 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 Goochland, Virginia

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of the County of Goochland, Virginia (County), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 8, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

PBMares, LLP

Harrisonburg, Virginia
November 8, 2017



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of the Board of Supervisors
County of Goochland, Virginia

Report on Compliance for Each Major Federal Program

We have audited the County of Goochland, Virginia's (County) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require 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's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

PB Mares, LLP

Harrisonburg, Virginia
November 8, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

Section I. SUMMARY OF AUDITOR'S RESULTS*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes √ No

Significant deficiencies identified?

_____ Yes √ None Reported

Noncompliance material to financial statements noted?

_____ Yes √ No*Federal Awards*

Internal control over major programs:

Material weakness identified?

_____ Yes √ No

Significant deficiencies identified?

_____ Yes √ None Reported

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

Any audit findings disclosed that are required
to be reported in accordance with section
2 CFR 200.516(a)?_____ Yes √ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
Medicaid Cluster:	
93.778	Medical Assistance Program
Special Education Cluster:	
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
Child Nutrition Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Commodity Distributions
10.559	Summer Food Service Program for Children
SNAP Cluster:	
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee?

_____ Yes √ No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

Section II. FINANCIAL STATEMENT FINDINGS

None.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2017

Identifying Number: 2016-01

Audit Finding:

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Department of Health and Human Services

2016-001: Eligibility – Medical Assistance Program – CFDA Number 93.778; Award period: Year Ended June 30, 2016; Pass-through entity name: Virginia Department of Social Services

Criteria and Condition: Code of Federal Regulations 42 CFR 435.916 – Periodic redeterminations of Medicaid eligibility – “The agency must redetermine the eligibility of Medicaid beneficiaries, with respect to circumstances that may change, at least every 12 months.” The program has not complied with this requirement.

Context: Of the 60 eligibility determinations tested, 13 redeterminations within the specified 12 month timeframe were not performed. Although the Code of Federal Regulations allows certain eligibility factors such as blindness and disability to be considered as continuing until the conditions are no longer met, other eligibility factors which may change require redeterminations be performed.

Cause: Due to limited resources within the Goochland Department of Social Services.

Effect: Noncompliance with regulations may result in improper payments to individuals who have not received a timely redetermination of eligibility.

Questioned Costs: Undeterminable

Repeat Finding: This is a repeat finding, as the prior year finding was identified as 2015-001.

Recommendation: The Goochland Department of Social Services should develop internal control procedures to ensure employees complete the annual eligibility redeterminations in a timely manner as required by program regulations.

Corrective Action Taken:

Management: The Director and the Supervisor review the Medicaid Overdue report each week and determine the status of each case. The Benefit Specialists are required to provide weekly updates on the status of each case. If a staff person has a case lingering towards the end of the month, the worker must work overtime to clear the case out of VaCMS. Weekly reviews allow the Supervisor and the worker to troubleshoot problematic cases with the Medicaid consultant, as well as submit help tickets in the VaCMS, if necessary.

Staff in the Benefits unit was placed on mandatory overtime beginning October 2015-March 2016 until all overdue cases were cleared out of VaCMS. In April 2016, overtime was optional with the understanding that if a case is at risk of becoming overdue, the worker must work overtime hours to clear the case out of VaCMS before the deadline.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2017

Identifying Number: 2016-01 (Continued)

Corrective Action Taken: (Continued)

Because of the issues cited above, the Goochland County Board of Supervisors approved two new Benefit Program Specialist positions in fiscal year 2017. To accommodate the new positions, Goochland County approved renovations to the DSS space to create additional offices. Individuals without Benefit Program experience who are hired into these positions must receive extensive policy and systems training in each program area before becoming fully functional and able to manage a caseload. This takes approximately one year and is partly dependent upon the State's training session availability.

- In addition to the creation of two new positions, the Goochland Social Services Board approved a Salary Range revision for the Department effective October 1, 2016. This Salary Range revision increased the starting salary for Benefits and Services staff. The intent of the Salary Range revision is to attract and retain quality staff to Goochland DSS.
- To accommodate these positions, Goochland County is working with our agency to create more office space for the new workers.
- Goochland DSS continues to work diligently to address the issues with the VaCMS and complete cases in a timely manner.