

Comprehensive Annual Financial Report

For the Year Ended
June 30, 2018



County of Goochland, Virginia

COUNTY OF GOOCHLAND, VIRGINIA

COMPREHENSIVE **A**NNUAL

FINANCIAL **R**EPORT

FOR THE YEAR ENDED JUNE 30, 2018

COUNTY OF GOOCHLAND, VIRGINIA

Comprehensive Annual Financial Report

For the Year Ended June 30, 2018

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INTRODUCTORY SECTION

BOARD OF SUPERVISORS

Susan F. Lascolette, District 1
Robert H. Minnick, District 4
John Lumpkins, District 3
Manuel Alvarez, Vice-Chair, District 2
Kendall C. Peterson, Chair, District 5



John A. Budesky
County Administrator

Derek Stamey, MPA
Deputy County Administrator

Todd Kilduff, P.E.
Deputy County Administrator

www.goochlandva.us

November 20, 2018

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, 2018. 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, 2018. 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 289 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. 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. However, the School Board 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. Therefore, in accordance with GASB pronouncements, the School Board is classified as a discretely presented component unit in the accompanying financial statements.

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 2018 unemployment rate for the County of 2.7% compared favorably to the state's average unemployment rate of 2.9% and national average rate of 4.1% for the same period. Goochland County enjoys a high median household income of \$82,326 compared to Virginia with a median household income of \$66,149, and the United States with a median household income of \$55,322.

The County continues to be a destination for commercial development. In the past five years, the County has seen over \$300 million of new capital investment. Fiscal year 2017 is on record as being the highest year of new investment to date at over \$200 million. The Virginia Chamber of Commerce recently recognized the County as having the highest percent job growth over the last five 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 2018 include:

- Plans to build a Drive Shack, a 60,000 square-foot driving range and entertainment venue, were approved. Construction has begun, and the opening is slated for the spring of 2019.
- Sheltering Arms Physical Rehabilitation's Sheltering Arms Rehab Institute, a Joint Venture with Virginia Commonwealth University Health, purchased land and broke ground on a 114-bed rehabilitation hospital to be built in the County.
- Hardywood Brewery opened a second location, the Hardywood Park Craft Brewery, in the West Creek Business Park.
- Residence Inn by Marriott hotel chose West Creek as the location for a new hotel, marking the County's first national branded hotel.
- The second phase of the Medarva West Creek Surgery Center in West Creek Medical Park was completed. The second phase added more than 12,000 square feet of space to the facility that opened in July. It now has two operating rooms, five procedure rooms and a total of 19,200 square feet of space.
- Audi Richmond opened a new 50,000-square-foot showroom and service center.
- Goochland Drive-In expanded its offerings with the addition of a second screen.
- Bristol Development Group, a Nashville, Tennessee-based multifamily developer, opened the first phase of its newest community in the County. When totally built out, the more than \$50 million project will have a total of 373 apartments with 176 one-bedroom units and 197 two-bedroom units.

The County 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.

The County 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 the County 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 twenty-five years, and includes those items with a unit cost greater than \$50,000. The fiscal year 2019 capital budget for County, School, and Public Utility projects is \$7.3 million. Included in fiscal year 2019 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. The County has also approved a number of security projects for each of the schools as well as HVAC replacements and classroom additions and renovations at the 20-year old high school and a parking lot expansion at one of the elementary schools. The CIP also includes 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 2018, the following major accomplishments were achieved:

- Six joint town halls were held with the School Board and the Board of Supervisors at various locations around the County.
- Began the re-write of all zoning ordinances.
- Began work with the Economic Development Authority to update the Economic Development Strategic Plan.
- Maintained the County's AAA bond rating with Standard and Poor's.

- Phase I of a multi-phased expansion of parking capacity at the Administration Building Complex was completed.
- Improvements were made to Leake's Mill Park including an expanded playground and new picnic shelters.
- A ribbon cutting was held for the newly constructed Emergency Operations Center/Emergency Communication Center, the cornerstone of a multi-year project to modernize the County's emergency communication center.
- Ground was broken on a new 13,941 square-foot Goochland County Animal Shelter. Construction completion is expected in the spring of 2019.
- Central High School Cultural and Educational Complex was opened at the site of the renovated Central High School, a 1938 structure that had not been in use in over 10 years.

As a strategic goal, 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 68% of the school's fiscal year 2018 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 2017-2018 school year, the County was one of ten school divisions in the state to have 100% of its schools accredited by the state for over ten consecutive years. Goochland High School had an impressively high 95% on-time graduation rate, the entire division received the state Department of Education Distinguished Achievement award (one of 15 in state), four of our five schools joined an elite international group of Apple Distinguished Schools, and Goochland special education students performed eighth out of 132 divisions in the state based on the state Annual Performance Report. Goochland students are in the top 13 in the state in reading and math SOL scores and outpaced national growth averages by 12% in math and 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.

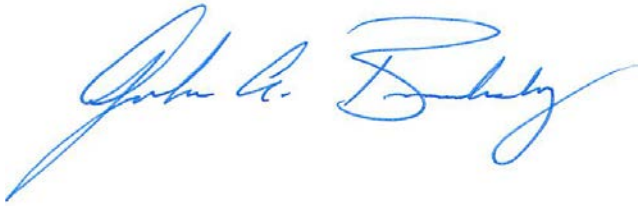
Some of the awards and recognitions earned by the County in fiscal year 2018 include:

- GFOA Certificate of Achievement for Excellence in Financial Reporting for the 2017 Comprehensive Annual Report Award,
- GFOA Distinguished Budget Presentation Award for the 2018 budget,
- For the third consecutive year, the Treasurer's Office was awarded office accreditation by the Treasurer's Association of Virginia,
- 2017 Virginia Recreation and Park Society award for Matthews Park,
- Governor's Environmental Excellence Award for Tucker Park,
- Goochland County was named the Most Taxpayer Friendly in the Nation, by the American City County Exchange.
- Goochland Schools is only one of a handful of school divisions in the nation to receive the new GFOA 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,



John A. Budesky, County Administrator
Goochland County



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

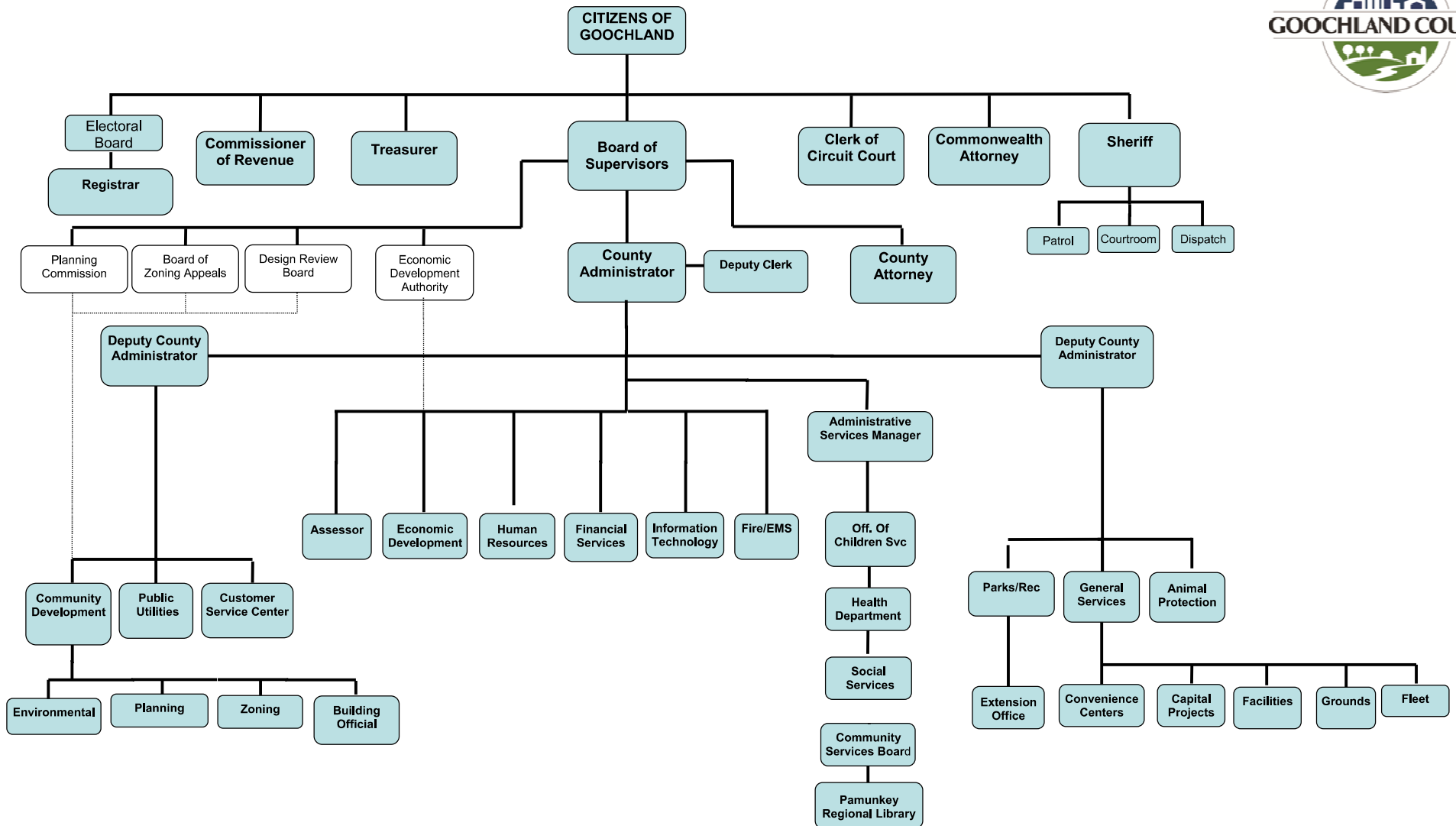
**County of Goochland
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO



Last Revised: 2/15/18

County of Goochland, Virginia

June 30, 2018

Board of Supervisors

Ken Peterson, Chairperson
Manuel Alvarez, Jr., Vice-Chairperson

Susan F. Lascolette
Robert H. Minnick

John Lumpkins, Jr.

School Board

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

Vernon Fleming
Michael E. Payne

W. Kevin Hazzard

Social Services Board

Janet Honeycutt, Chairperson

Glenda Leabough
Carol Nichols

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 A. 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, 2018, 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, 2018, 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.

Emphasis of Matter

Change in Accounting Principles

As discussed in Note V. K. to the financial statements, the County restated beginning net position for governmental activities, business-type activities, the Utilities Fund, and Component Unit School Board in order to record the liability for other postemployment benefits and related components in accordance with the implementation of GASB Statement No. 75.

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 14-24 and 102-124, 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 12, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 12, 2018

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, 2018. 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 \$79.8 million (net position). Of this amount, \$32.4 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 \$7.6 million, with governmental activities adding \$4.6 million while enterprise activities added \$3.0 million of net position.
- As of the close of fiscal year 2018, the County's governmental funds reported combined ending fund balances of \$48.6 million (Exhibit 3), a decrease of \$0.2 million from the previous year. Approximately 91.4% (\$44.4 million) of the total \$48.6 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 \$18.4 million and was 30.4% of the sum of the FY19 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 \$1.8 million from the previous year, with the result a General Fund balance of \$36.2 million.
- The County's long-term obligations decreased from \$147.5 million to \$143.4 million in fiscal year 2018. Governmental activities debt decreased \$2.8 million, the net of a \$2 million decrease in the net pension liability, an increase in the other post-employment benefits liability of \$2.1 million, and principal payments. Business-type activities debt decreased \$1.3 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 two discretely presented component units – the Goochland County School Board and 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 \$79.8 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 67.3	\$ 67.1	\$ 30.4	\$ 26.4	\$ 97.7	\$ 93.5
Capital assets	46.0	44.7	99.3	100.9	145.3	145.6
Total assets	113.3	111.8	129.7	127.3	243.0	239.1
Total deferred outflows of resources	1.1	1.6	3.1	3.4	4.2	5.0
Current liabilities	3.6	4.5	1.2	0.9	4.8	5.4
Long-term liabilities outstanding	23.0	25.8	120.4	121.7	143.4	147.5
Total liabilities	26.6	30.3	121.6	122.6	148.2	152.9
Total deferred inflows of resources	16.9	14.7	2.3	2.1	19.2	16.8
Net position						
Net investment in capital assets	29.5	25.3	3.9	3.2	33.4	28.5
Restricted	0.5	3.3	13.5	13.5	14.0	16.8
Unrestricted (deficit)	40.9	39.8	(8.5)	(10.7)	32.4	29.1
Total net position	\$ 70.9	\$ 68.4	\$ 8.9	\$ 6.0	\$ 79.8	\$ 74.4

The largest portion of the County's net position (41.9%) 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 (40.6%) 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 (17.5%) represents resources that are subject to external restrictions on how they may be used.

The largest portion of the component unit School Board's net position reflects its investment in capital assets (e.g. land, easements, buildings, improvements, and equipment). The School Board's net investment in capital assets increased by \$2.1 million during the current fiscal year. The School Board does not have taxing authority by law and, therefore cannot incur debt through general obligation bonds for its capital assets. For financial reporting purposes, legislation permits the County to report the portion of school property related to any outstanding debt. The remaining capital assets are reported by the School Board (refer to Note IV. E.). The capital assets transferred to the School Board for the current fiscal year, for buildings owned jointly, is a net increase of \$0.5 million, and equipment net additions were \$1.5 million (student transport vehicles, HVAC replacements, and internet fiber infrastructure to a remote school. The growing unrestricted net position deficit is principally due to a \$22.9 million pension liability and Virginia legislation that discourages an accumulation of reserves by returning most surplus funding at the end of the year back to the local government.

County of Goochland, Virginia		
Summary of Net Position		
(\$ in millions)		
Component Unit		
	School Board	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 2.8	\$ 2.9
Capital assets	31.2	29.2
Total assets	34.0	32.1
Total deferred outflows of resources	3.7	4.6
Current liabilities	1.9	2.0
Long-term liabilities outstanding	28.9	28.2
Total liabilities	30.8	30.2
Total deferred inflows of resources	3.0	1.0
Net position		
Net investment in capital assets	31.2	29.1
Unrestricted (deficit)	(27.3)	(23.6)
Total net position	\$ 3.9	\$ 5.5

The following tables summarize the Statement of Activities for the County and the School Board:

County of Goochland, Virginia Summary of Statement of Activities (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program revenues						
Charges for services	\$ 2.5	\$ 2.5	\$ 5.3	\$ 4.5	\$ 7.8	\$ 7.0
Operating grants and contributions	4.6	4.5	3.2	0.9	7.8	5.4
Capital grants and contributions	0.1	0.1	1.2	0.4	1.3	0.5
General revenues						
General property taxes	37.0	34.9	4.5	4.3	41.5	39.2
Other local taxes	7.0	6.6	-	-	7.0	6.6
Grants and contributions	3.8	3.9	-	-	3.8	3.9
Other general revenues	2.0	1.2	0.6	0.6	2.6	1.8
Total revenues	<u>57.0</u>	<u>53.7</u>	<u>14.8</u>	<u>10.7</u>	<u>71.8</u>	<u>64.4</u>
Expenses						
General government administration	5.1	4.9	-	-	5.1	4.9
Judicial administration	1.7	1.9	-	-	1.7	1.9
Public safety	11.0	9.2	-	-	11.0	9.2
Public works	2.1	2.2	-	-	2.1	2.2
Health and welfare	4.8	4.9	-	-	4.8	4.9
Education	24.6	24.7	-	-	24.6	24.7
Parks, recreation and facilities management	0.9	1.1	-	-	0.9	1.1
Community development	1.7	1.1	-	-	1.7	1.1
Interest and other fiscal charges	0.5	0.6	-	-	0.5	0.6
Utilities	-	-	11.8	11.5	11.8	11.5
Total expenses	<u>52.4</u>	<u>50.6</u>	<u>11.8</u>	<u>11.5</u>	<u>64.2</u>	<u>62.1</u>
Increase (decrease) in net position	4.6	3.1	3.0	(0.8)	7.6	2.3
Total net position - beginning, as restated	66.3	65.3	5.9	6.8	72.2	72.1
Total net position - ending	<u>\$ 70.9</u>	<u>\$ 68.4</u>	<u>\$ 8.9</u>	<u>\$ 6.0</u>	<u>\$ 79.8</u>	<u>\$ 74.4</u>

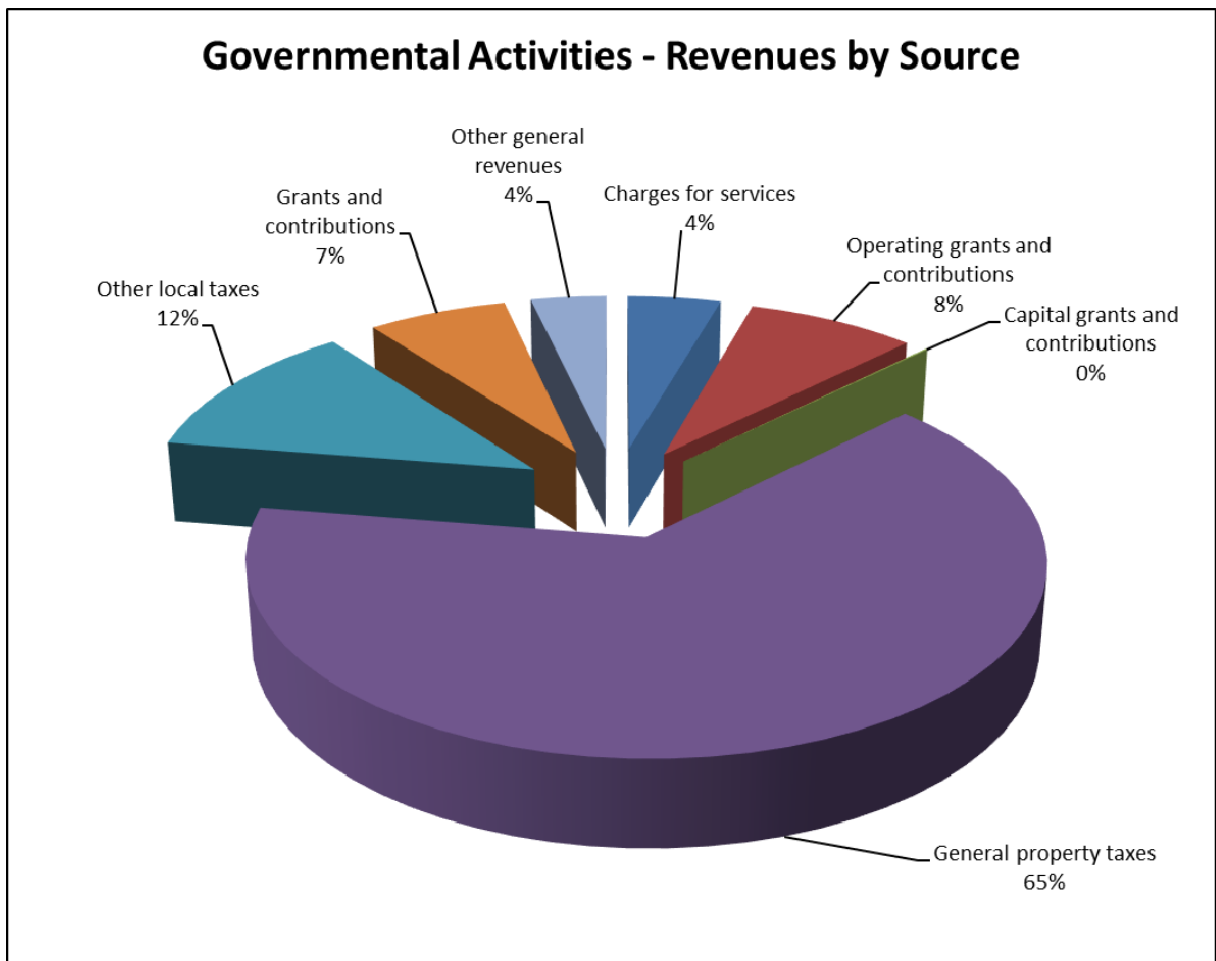
	Component Unit School Board	
	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues		
Charges for services	\$ 0.9	\$ 0.6
Operating grants and contributions	9.0	8.5
Capital grants and contributions	1.1	1.5
General revenues		
Intergovernmental non-categorical aid	23.6	22.7
Miscellaneous	0.3	0.2
Total revenues	<u>34.9</u>	<u>33.5</u>
Expenses		
Education	32.2	31.3
Increase (decrease) in net position	2.7	2.2
Total net position - beginning, as restated	1.2	3.3
Total net position - ending	<u>\$ 3.9</u>	<u>\$ 5.5</u>

The County's net position increased by \$7.6 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 \$4.6 million for an ending balance of \$70.9 million. In general, net position changes are the result of the difference between revenues and expenses. Fiscal year 2018 revenues of \$57.0 million increased \$3.3 million from the previous fiscal year and exceeded expenses by \$4.6 million.

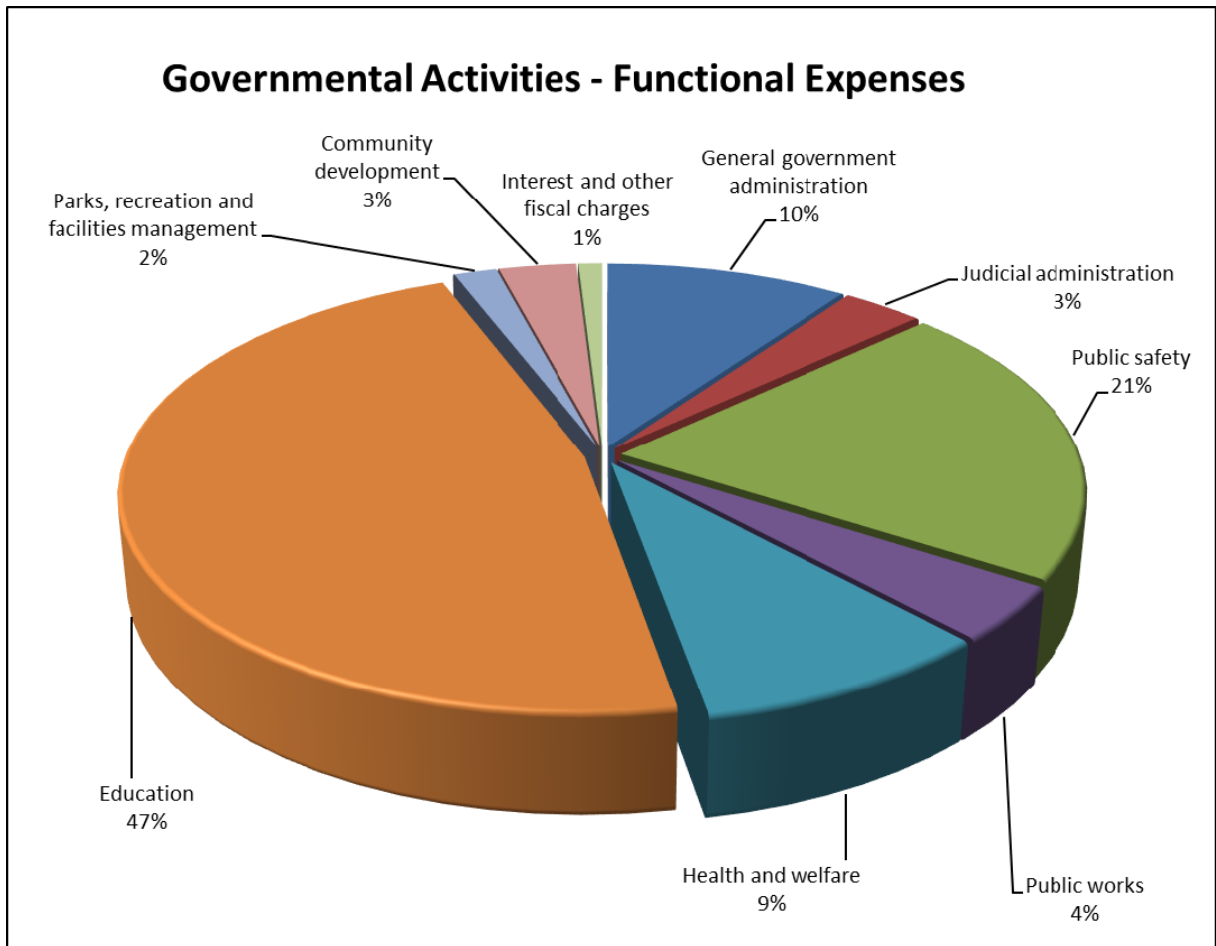
Key revenue elements include:

- Property taxes increased \$2.1 million from fiscal year 2017, primarily because of increases in real and personal property values and new construction.
- Other general revenues increased by \$0.8 million primarily due to an increase in revenue from use of money of \$0.3 million, and an increase in donations for the construction of the animal protection shelter of \$0.5 million.



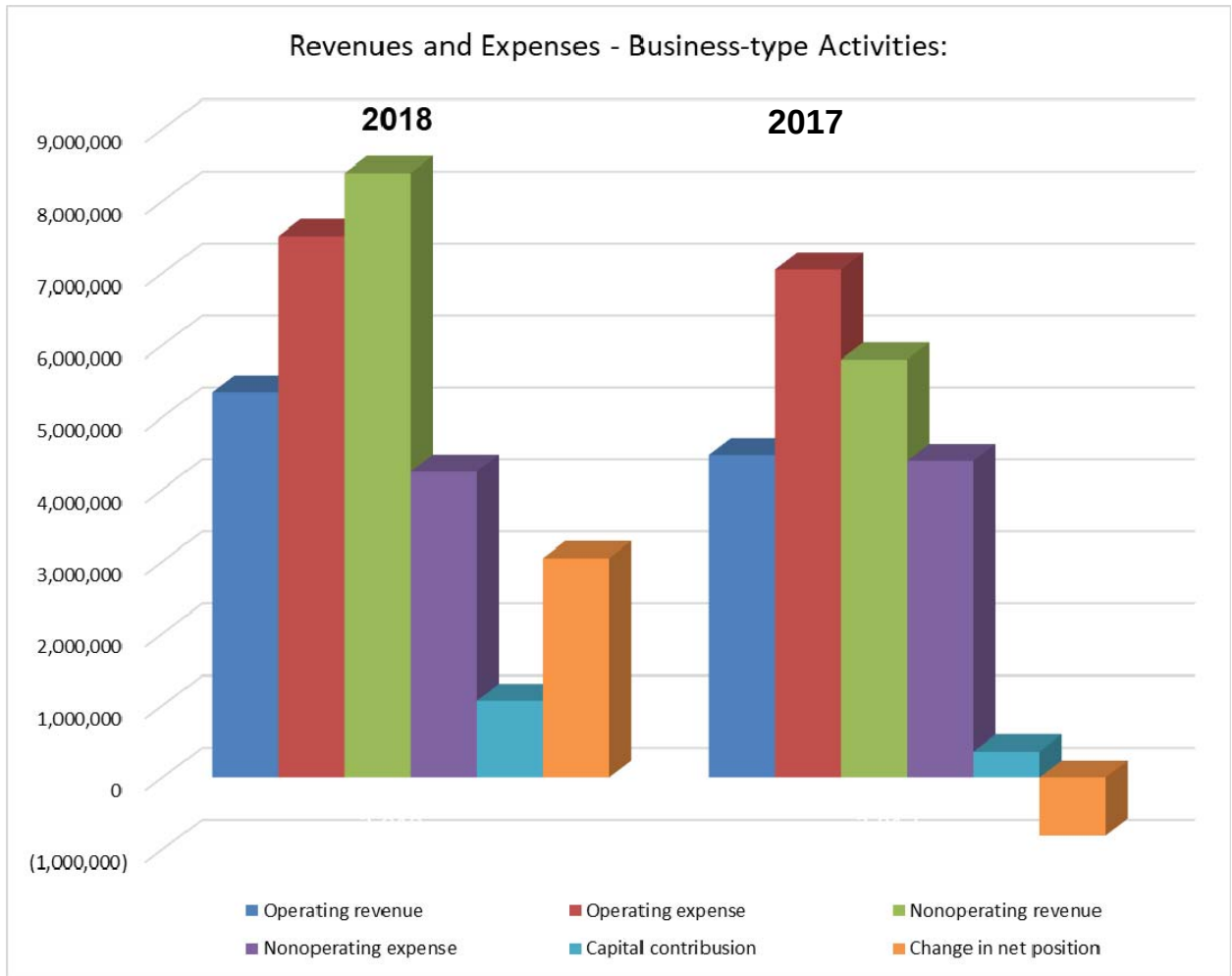
During fiscal year 2018, the governmental activities expenses totaled \$52.4 million, an increase of \$1.8 million over the previous fiscal year. The increase is primarily due to an increase in spending for public safety, as explained below:

- Public safety spending was \$11.0 million, representing a \$1.8 million increase over the previous fiscal year. The increase was primarily due to increased firefighter and emergency dispatch positions.
- Community development had an increase of \$0.6 million primarily due to the design of both a capital impact model and a major thoroughfare plan, and a pass-through grant to the Economic Development Authority for \$250,000.



Business-type Activities: During the current fiscal year, net position for business-type activities increased \$3.0 million to \$8.9 million. As stated earlier, net position changes are the result of the difference between revenues and expenses. Fiscal year 2018 revenues increased by \$4.1 million to \$14.8 million, and expenses of \$11.8 million increased \$0.3 million from the prior fiscal year.

The \$4.1 million increase in revenues can be attributed to an increase in both charges for services and connection fees. The \$0.3 million increase in expenses is primarily due to increased chemical costs resulting from increased usage.

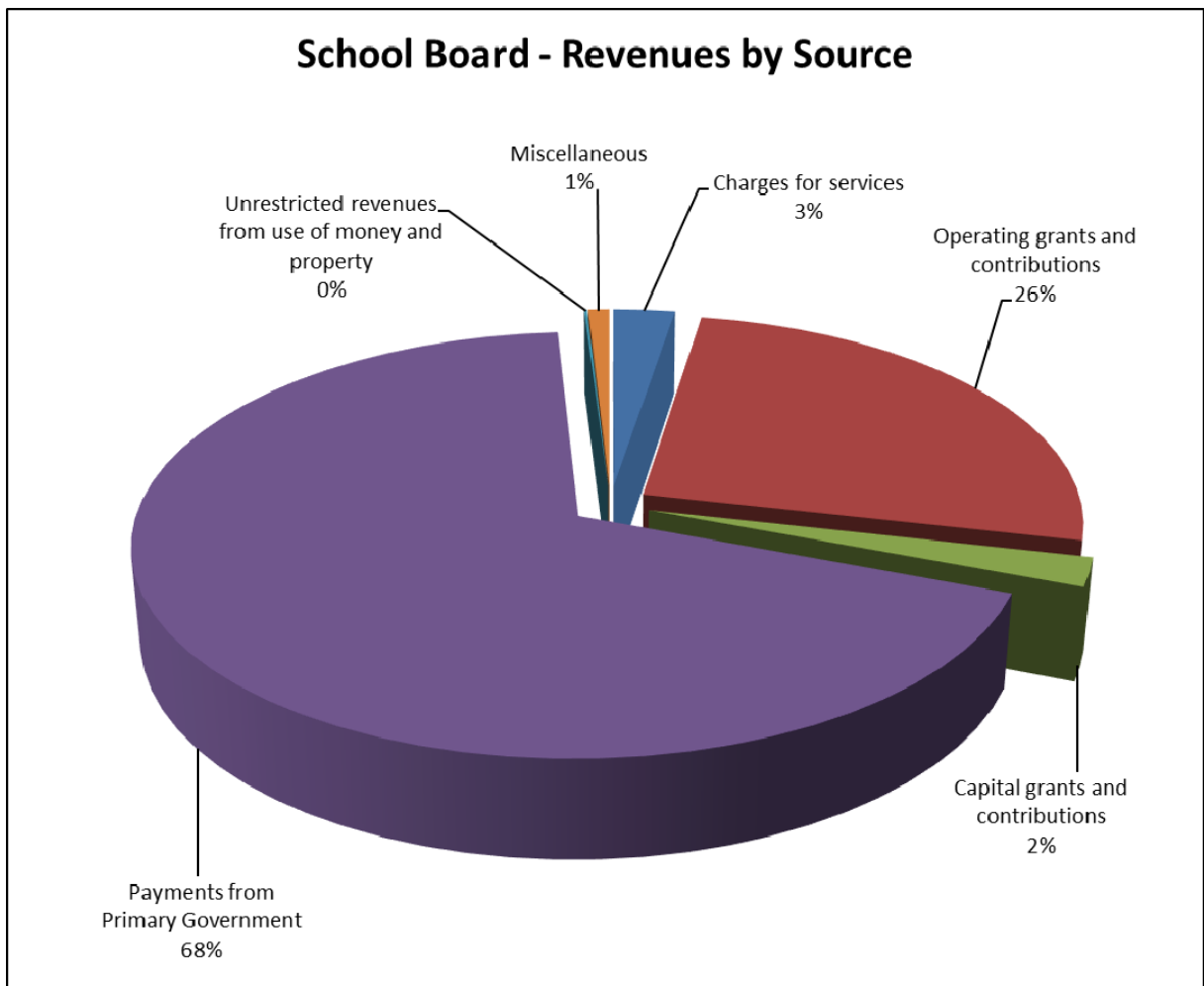


Component Unit – School Board: During the current fiscal year, net position for School Board activities increased \$2.7 million for an ending balance of \$3.9 million. In general, net position changes are the result of the difference between revenues and expenses. Fiscal year 2018 revenues of \$34.9 million increased \$1.4 million from the previous fiscal year and exceeded expenses by \$2.7 million. However, due to a \$4.3 million loss while restating the financial statements to establish OPEB-related beginning balances, the year over year change in ending net position decreased by \$1.6 million.

Key revenue elements include:

- The County’s contribution to the School Board increased \$0.9 million from fiscal year 2017, primarily because of increases in the regular contribution and the transfer of jointly owned assets.
- Operating grants and contributions increased by \$0.5 million primarily due to an increase in revenue from federal programs and charges for non-mandated services.

During fiscal year 2018, the School Board expenses totaled \$32.2 million, an increase of \$0.9 million over the previous fiscal year. The increase is primarily due to an increase in spending for teacher compensation (both for new staff due to growing enrollment and a 2% salary increase), related benefits, six new school buses, and higher special education services.



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 \$48.6 million. This is a slight decrease in the total fund balance over 2017 (\$0.2 million).

Approximately 91.3% (\$44.4 million) of the total \$48.6 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 \$18.4 million, while total fund balance increased \$1.8 million to \$36.2 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 36.6% of total General Fund expenditures, while total fund balance represents approximately 72.0% 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 property tax collections due to increased property values. The expenditure increase was due primarily to increased public safety staffing and spending capital assets.

The Capital Projects Fund, a major fund, had a \$ 2.0 million decrease in fund balance during the current fiscal year, which put the overall fund balance at \$12.3 million. This was primarily due to increased spending on capital 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 and Results: General fund budget amendments resulted in an increase of \$2.2 million between the originally adopted fiscal year 2018 budget appropriation for expenditures and transfers out and the final budget. The budget amendments were funded primarily by assigned fund balance. Significant amendments included:

- A \$1 million increase in operating expenditures is primarily accounted for by a mid-year State incentive grant that was passed through to the EDA and the re-appropriation of School Board funds remaining at the end of fiscal year 2017.
- A \$1.2 million increase in transfers out to capital projects is primarily for mid-year allocations to supplement ongoing projects and for new projects. Significant projects included were the animal shelter, administration parking, and renovations to the administration complex buildings. Funding primarily came from the general fund.
- General fund revenues exceeded the final revenue budget by \$5.1 million. General property taxes exceeded the final budget by \$2.4 million due to higher personal property taxes than budget. Other local taxes exceeded the budget by \$1.5 million primarily due to higher than budget bank stock and sales taxes.
- Operating expenditures were under the final budget by \$1.4 million, primarily due to vacancy savings in public safety. Transfers were \$0.3 million less than budget due to a decrease in the transfer to the Office of Children's services because of lower than anticipated expenses in that special revenue fund.

Capital Asset and Debt Administration

Capital Assets: The County's investment in capital assets for its governmental operations at June 30, 2018 amounted to \$46.0 million (net of accumulated depreciation and amortization), a \$1.3 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 the central high school cultural and educational complex renovations and phase one of the administration building parking lot.

Capital assets of the Business-type activities at June 30, 2018 were \$99.3 million (net of accumulated depreciation and amortization), a decrease of \$1.6 million due to greater depreciation than additions.

The School Board's capital assets at June 30, 2018 were \$31.2 (net of accumulated depreciation and amortization), which is an increase over the prior fiscal year by \$2.0 million. Machinery and equipment increased by \$1.5 million and buildings by \$0.5 million.

Additional information on the County's capital assets can be found in Note IV. E. of the Notes to 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 \$143.4 million. Of this amount, \$7.8 million is comprised of school construction 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, other post-employment benefits liability, capacity rights and landfill obligations. The decrease in long-term debt of \$4.1 million in fiscal year 2018 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 Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The June 2018 unemployment rate for the County of 2.7% compared favorably to the state's average unemployment rate of 2.9% and national average rate of 4.1% for the same period.
- The total assessed value of taxable property is within 3.4% of the high in 2008.
- The fiscal year 2019 budget increased by approximately 11.8% for all funds (including the component units). The largest drivers of the increase were increases in the general fund transfers to construction in process and utility construction in process. 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, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Economic Development Authority
ASSETS					
Cash and cash equivalents	\$ 45,847,459	\$ 15,160,997	\$ 61,008,456	\$ 1,682,852	\$ 487,767
Investments	-	-	-	-	195,208
Receivables (net of allowance for uncollectibles):					
Taxes receivable, including penalties, net	17,339,095	2,342,279	19,681,374	-	-
Accounts receivable, net	598,141	974,770	1,572,911	28,479	184
Notes receivable	112,850	-	112,850	-	15,677
Prepaid items	155,467	8,433	163,900	-	-
Internal balances	1,617,634	(1,617,634)	-	-	-
Due from Primary Government	-	-	-	-	1,782,490
Due from other governmental units	1,194,373	-	1,194,373	1,034,866	-
Inventories	4,754	-	4,754	43,784	-
Restricted assets	477,684	13,535,851	14,013,535	-	-
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	29,443,376	69,187,144	98,630,520	27,151,353	-
Capacity rights	-	26,960,266	26,960,266	-	-
Machinery and equipment	7,302,445	130,756	7,433,201	3,453,265	-
Construction in progress	5,364,209	155,884	5,520,093	-	-
Total assets	113,293,355	129,713,330	243,006,685	34,001,678	2,509,968
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	1,047,189	37,532	1,084,721	3,385,246	-
Other postemployment benefits plans	69,070	3,330	72,400	294,800	-
Deferred charge on refunding	-	3,104,736	3,104,736	-	-
Total deferred outflows of resources	1,116,259	3,145,598	4,261,857	3,680,046	-
LIABILITIES					
Accounts payable	799,569	360,242	1,159,811	323,475	-
Accrued liabilities	88,152	1,358	89,510	1,524,090	-
Due to other governmental units	-	119,641	119,641	-	-
Unearned revenue	672,468	272,357	944,825	-	-
Customer deposits	-	16,600	16,600	-	-
Accrued interest payable	216,031	405,190	621,221	-	-
Due to component unit	1,782,490	-	1,782,490	-	-
Long-term obligations:					
Due within one year	3,124,544	2,762,050	5,886,594	338,503	200,000
Net pension liability	762,175	10,786	772,961	22,884,584	-
Other postemployment benefits liability	3,039,026	146,536	3,185,562	5,676,338	-
Due in more than one year	16,103,038	117,530,127	133,633,165	21,243	1,482,490
Total liabilities	26,587,493	121,624,887	148,212,380	30,768,233	1,682,490
DEFERRED INFLOWS OF RESOURCES					
Pension plan	939,745	45,775	985,520	2,865,532	-
Other postemployment benefits plans	87,768	4,232	92,000	185,000	-
Property taxes	15,899,490	2,243,577	18,143,067	-	-
Total deferred inflows of resources	16,927,003	2,293,584	19,220,587	3,050,532	-
NET POSITION					
Net investment in capital assets	29,497,738	3,878,591	33,376,329	31,159,080	-
Restricted for:					
Debt covenants	477,684	13,535,851	14,013,535	-	-
Conservation easement	15,360	-	15,360	-	-
Courthouse maintenance	7,160	-	7,160	-	-
Grant programs	38,961	-	38,961	-	-
Unrestricted (deficit)	40,858,215	(8,473,985)	32,384,230	(27,296,121)	827,478
Total net position	\$ 70,895,118	\$ 8,940,457	\$ 79,835,575	\$ 3,862,959	\$ 827,478

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

County of Goochland, Virginia
Statement of Activities

Exhibit 2

Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	Expenses	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	\$ 5,159,350	\$ 148,624	\$ 385,234	\$ -	\$ (4,625,492)	\$ -	\$ (4,625,492)	\$ -	\$ -
Judicial administration	1,715,890	167,671	593,000	-	(955,219)	-	(955,219)	-	-
Public safety	10,992,193	1,841,212	1,104,812	54,900	(7,991,269)	-	(7,991,269)	-	-
Public works	2,105,022	35,622	5,518	-	(2,063,882)	-	(2,063,882)	-	-
Health and welfare	4,775,671	23,631	2,298,032	-	(2,454,008)	-	(2,454,008)	-	-
Education	24,617,455	-	-	-	(24,617,455)	-	(24,617,455)	-	-
Parks, recreation, and facilities management	914,960	208,116	-	-	(706,844)	-	(706,844)	-	-
Community development	1,667,282	128,488	250,000	-	(1,288,794)	-	(1,288,794)	-	-
Interest on long-term debt	505,074	-	-	-	(505,074)	-	(505,074)	-	-
Total governmental activities	52,452,897	2,553,364	4,636,596	54,900	(45,208,037)	-	(45,208,037)	-	-
Business-type activities:									
Utilities	11,760,612	5,346,858	3,175,036	1,166,520	-	(2,072,198)	(2,072,198)	-	-
Total Primary Government	\$ 64,213,509	\$ 7,900,222	\$ 7,811,632	\$ 1,221,420	(45,208,037)	(2,072,198)	(47,280,235)	-	-
Component Units									
School Board	\$ 32,285,773	\$ 896,679	\$ 8,975,140	\$ 1,111,178	-	-	-	(21,302,776)	-
Economic Development Authority	269,758	251,861	-	250,000	-	-	-	-	232,103
Total Component Units	\$ 32,555,531	\$ 1,148,540	\$ 8,975,140	\$ 1,361,178	-	-	-	(21,302,776)	232,103
General revenues:									
General property taxes					36,957,414	4,555,993	41,513,407	-	-
Other local taxes					6,952,062	-	6,952,062	-	-
Unrestricted revenues from use of money and property					675,161	562,392	1,237,553	42,727	1,659
Payments from Primary Government					-	-	-	23,624,878	-
Grants and contributions not restricted to specific programs					3,813,619	-	3,813,619	-	-
Miscellaneous					1,391,536	-	1,391,536	304,284	-
Total general revenues					49,789,792	5,118,385	54,908,177	23,971,889	1,659
Change in net position					4,581,755	3,046,187	7,627,942	2,669,113	233,762
Net position - beginning, as restated					66,313,363	5,894,270	72,207,633	1,193,846	593,716
Net position - ending					\$ 70,895,118	\$ 8,940,457	\$ 79,835,575	\$ 3,862,959	\$ 827,478

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

County of Goochland, Virginia
Balance Sheet - Governmental Funds

Exhibit 3

June 30, 2018

	General	Capital Projects	Nonmajor Governmental	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 33,485,845	\$ 12,260,234	\$ 101,380	\$ 45,847,459
Receivables (net of allowances for uncollectibles):				
Taxes receivable, including penalties	17,339,095	-	-	17,339,095
Accounts receivable	598,141	-	-	598,141
Notes receivable	112,850	-	-	112,850
Inventories	4,754	-	-	4,754
Prepaid items	154,857	-	610	155,467
Due from other fund	1,617,634	-	-	1,617,634
Due from other governmental units	1,086,320	-	108,053	1,194,373
Restricted cash	-	477,684	-	477,684
Total assets	<u>\$ 54,399,496</u>	<u>\$ 12,737,918</u>	<u>\$ 210,043</u>	<u>\$ 67,347,457</u>
LIABILITIES				
Accounts payable	\$ 251,128	\$ 467,874	\$ 80,567	\$ 799,569
Accrued liabilities	83,168	4,984	-	88,152
Unearned revenue	651,538	-	20,930	672,468
Total liabilities	<u>985,834</u>	<u>472,858</u>	<u>101,497</u>	<u>1,560,189</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - vehicle license fees	184,712	-	-	184,712
Unavailable revenue - property taxes	16,991,622	-	-	16,991,622
Total deferred inflows of resources	<u>17,176,334</u>	<u>-</u>	<u>-</u>	<u>17,176,334</u>
FUND BALANCES				
Nonspendable	1,890,095	-	610	1,890,705
Restricted	22,520	477,684	38,961	539,165
Committed	1,815,700	-	-	1,815,700
Assigned	14,083,500	11,787,376	68,975	25,939,851
Unassigned	18,425,513	-	-	18,425,513
Total fund balances	<u>36,237,328</u>	<u>12,265,060</u>	<u>108,546</u>	<u>48,610,934</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,399,496</u>	<u>\$ 12,737,918</u>	<u>\$ 210,043</u>	<u>\$ 67,347,457</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, 2018**

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 48,610,934
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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	\$ 74,705,800	
Less - accumulated depreciation and amortization	<u>(28,759,902)</u>	
		45,945,898

Deferred outflows of resources - pension and other postemployment plans 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.	1,116,259
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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.	1,276,844
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Deferred inflows of resources - pension plan and other postemployment plans 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.	(1,027,513)
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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	(7,845,790)	
Capital lease obligations	(8,602,370)	
Total other postemployment benefits liability	(3,039,026)	
Net pension liability	(762,175)	
Compensated absences	(1,015,134)	
Landfill post-closure care	(1,764,288)	
Due to component unit	(1,782,490)	
Interest payable	<u>(216,031)</u>	
		<u>(25,027,304)</u>

Net position of governmental activities	<u>\$ 70,895,118</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, 2018

	General	Capital Projects	Nonmajor Governmental	Total Governmental Funds
REVENUES				
General property taxes	\$ 37,025,060	\$ -	\$ -	\$ 37,025,060
Other local taxes	6,952,062	-	-	6,952,062
Permits, privilege fees, and regulatory licenses	1,364,408	-	-	1,364,408
Fines and forfeitures	115,307	-	-	115,307
Revenue from use of money and property	674,618	-	543	675,161
Charges for services	1,050,018	-	23,631	1,073,649
Miscellaneous	110,647	1,280,889	-	1,391,536
Recovered costs	348,704	-	-	348,704
Intergovernmental revenues:				
Commonwealth	6,505,500	54,900	470,802	7,031,202
Federal	1,458,653	-	15,260	1,473,913
Total revenues	55,604,977	1,335,789	510,236	57,451,002
EXPENDITURES				
Current:				
General government administration	4,685,070	1,013,315	-	5,698,385
Judicial administration	1,664,707	-	-	1,664,707
Public safety	9,501,305	4,026,798	-	13,528,103
Public works	2,355,915	522,565	-	2,878,480
Health and welfare	3,671,227	-	1,129,530	4,800,757
Education	22,111,909	534,875	-	22,646,784
Parks, recreation, and facilities management	935,973	-	-	935,973
Community development	1,896,244	141,647	-	2,037,891
Debt service:				
Principal retirement	2,912,706	-	-	2,912,706
Interest and other fiscal charges	573,011	-	-	573,011
Total expenditures	50,308,067	6,239,200	1,129,530	57,676,797
Excess (deficiency) of revenues over (under) expenditures	5,296,910	(4,903,411)	(619,294)	(225,795)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,887,100	631,320	3,518,420
Transfers out	(3,518,420)	-	-	(3,518,420)
Total other financing sources (uses), net	(3,518,420)	2,887,100	631,320	-
Net change in fund balances	1,778,490	(2,016,311)	12,026	(225,795)
Fund balances - beginning	34,458,838	14,281,371	96,520	48,836,729
Fund balances - ending	\$ 36,237,328	\$ 12,265,060	\$ 108,546	\$ 48,610,934

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, 2018

Net change in fund balances - total governmental funds \$ (225,795)

**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	\$ 6,246,923	
Depreciation and amortization	(2,835,020)	
Allocation of joint tenancy assets, net, to the School Board Component Unit	<u>(1,512,969)</u>	1,898,934

The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position. (615,409)

Revenues in the funds that do not provide current financial resources are not reported as revenues in the Statement of Activities. (67,646)

Deferred outflows of resources - pension and OPEB plan contributions subsequent to measurement date. 112,461

The repayment of principal on long-term debt consumes the current financial resources of governmental funds, but does not have any effect on net position:

Principal retired on general obligation long-term debt and capital lease obligations	2,912,706
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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	12,440	
Compensated absences	(58,967)	
OPEB expense	(50,048)	
Pension expense	382,702	
Interest payable	48,461	
Due to component unit	212,441	
Amortization of bond premium	<u>19,475</u>	566,504

Change in net position of governmental activities	<u>\$ 4,581,755</u>
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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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 34,609,971	\$ 34,609,971	\$ 37,025,060	\$ 2,415,089
Other local taxes	5,483,000	5,483,000	6,952,062	1,469,062
Permits, privilege fees, and regulatory licenses	1,049,400	1,049,400	1,364,408	315,008
Fines and forfeitures	100,000	100,000	115,307	15,307
Revenue from use of money and property	105,000	105,000	674,618	569,618
Charges for services	1,017,500	1,068,200	1,050,018	(18,182)
Miscellaneous	5,000	66,865	110,647	43,782
Recovered costs	92,500	98,031	348,704	250,673
Intergovernmental revenues:				
Commonwealth	6,388,200	6,651,121	6,505,500	(145,621)
Federal	1,283,386	1,283,386	1,458,653	175,267
Total revenues	50,133,957	50,514,974	55,604,977	5,090,003
EXPENDITURES				
Current:				
General government administration	5,179,344	4,874,844	4,685,070	189,774
Judicial administration	1,642,525	1,716,124	1,664,707	51,417
Public safety	10,115,703	10,280,806	9,501,305	779,501
Public works	2,343,317	2,339,564	2,355,915	(16,351)
Health and welfare	3,725,194	3,732,694	3,671,227	61,467
Education	21,830,000	22,209,066	22,111,909	97,157
Parks, recreation, and facilities management	882,287	936,787	935,973	814
Community development	1,558,739	2,107,934	1,896,244	211,690
Debt service:				
Principal retirement	3,078,550	3,116,894	2,912,706	204,188
Interest and other fiscal charges	432,298	433,242	573,011	(139,769)
Total expenditures	50,787,957	51,747,955	50,308,067	1,439,888
Excess (deficiency) of revenues over (under) expenditures	(654,000)	(1,232,981)	5,296,910	6,529,891
OTHER FINANCING USES				
Transfers out	(2,551,000)	(3,818,100)	(3,518,420)	299,680
Total other financing uses, net	(2,551,000)	(3,818,100)	(3,518,420)	299,680
Net change in fund balance	(3,205,000)	(5,051,081)	1,778,490	6,829,571
Fund balance - beginning	-	34,458,838	34,458,838	-
Fund balance - ending	\$ (3,205,000)	\$ 29,407,757	\$ 36,237,328	\$ 6,829,571

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

County of Goochland, Virginia
Statement of Net Position - Proprietary Fund

Exhibit 8

June 30, 2018

	Utilities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 15,160,997
Taxes receivable, including penalties, net	2,342,279
Accounts receivable, net	974,770
Prepaid items	8,433
Total current assets	18,486,479
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	895,651
Investments	12,640,200
Total restricted assets	13,535,851
Capital assets, net	99,308,634
Total noncurrent assets	112,844,485
Total assets	131,330,964
DEFERRED OUTFLOWS OF RESOURCES	
Pension and other postemployment benefit plans	40,862
Deferred charge on refunding	3,104,736
Total deferred outflows of resources	3,145,598
LIABILITIES	
Current liabilities:	
Accounts payable	360,242
Accrued liabilities	1,358
Due to other governmental units	119,641
Customer deposits	16,600
Accrued interest payable	405,190
Due to other fund	1,617,634
Unearned revenue	272,357
Bonds payable	1,756,561
Long-term amortization of capacity charges	1,000,000
Compensated absences	5,489
Total current liabilities	5,555,072
Noncurrent liabilities:	
Bonds payable - net of current portion	94,789,455
Long-term amortization of capacity charges - net of current portion	16,379,681
Net pension obligation	10,786
Other postemployment benefits liability	146,536
Compensated absences - net of current portion	49,396
Contractual agreement payable	6,311,595
Total noncurrent liabilities	117,687,449
Total liabilities	123,242,521
DEFERRED INFLOWS OF RESOURCES	
Pension and other postemployment benefit plans	50,007
Property taxes	2,243,577
Total deferred inflows of resources	2,293,584
NET POSITION	
Net investment in capital assets	3,878,591
Restricted for debt covenants	13,535,851
Unrestricted (deficit)	(8,473,985)
Total net position	\$ 8,940,457

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, 2018**

	Utilities
OPERATING REVENUES	
Charges for services:	
Charges for service	\$ 5,332,218
Penalties	14,640
Total operating revenues	<u>5,346,858</u>
OPERATING EXPENSES	
Personnel services	721,275
Contractual services	443,974
Other charges	3,492,977
Depreciation and amortization	2,859,141
Total operating expenses	<u>7,517,367</u>
Operating loss	<u>(2,170,509)</u>
NONOPERATING REVENUES (EXPENSES)	
Connection fees	3,175,036
Investment earnings	509,427
Property taxes	4,555,993
Lease revenue	52,965
Intergovernmental revenues:	
Commonwealth	99,451
Interest expense	(4,243,245)
Total nonoperating revenues, net	<u>4,149,627</u>
Income before capital contributions and transfers	1,979,118
Capital contributions	<u>1,067,069</u>
Change in net position	3,046,187
Total net position - beginning, as restated	5,894,270
Total net position - ending	<u><u>\$ 8,940,457</u></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, 2018

	Utilities
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 5,274,456
Payments to suppliers	(3,792,692)
Payments to employees	(722,189)
Net cash provided by operating activities	759,575
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Connection fees	3,175,036
Transfers out	(500,000)
Lease revenue	52,965
Tax revenue	4,723,826
Net cash provided by noncapital financing activities	7,451,827
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on bonds	(1,556,568)
Acquisition and construction of capital assets	(233,743)
Payments for capacity charges	(514,310)
Payments on contractual agreement payable	(185,747)
Payments from Commonwealth	99,451
Interest payments and fiscal agent fees	(3,091,808)
Net cash used in capital and related financing activities	(5,482,725)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends received	509,427
Net cash provided by investing activities	509,427
Net increase in cash and cash equivalents	3,238,104
Cash and cash equivalents - beginning	12,818,544
Cash and cash equivalents - ending	\$ 16,056,648
Cash and cash equivalents, as shown on the statement of net position:	
Cash and cash equivalents - current assets	\$ 15,160,997
Cash and cash equivalents - restricted assets	895,651
	\$ 16,056,648
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (2,170,509)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization expense	2,859,141
Pension expense	(13,572)
OPEB	2,432
Changes in assets and liabilities:	
Increase in accounts receivable	(45,658)
Increase in prepaid items	(2,248)
Increase in accrued liabilities	66,145
Increase in compensated absences	19,430
Decrease in customer deposits	(26,744)
Increase in accounts payable	81,720
Decrease in deferred outflows of resources	(10,562)
Total adjustments	2,930,084
Net cash provided by operating activities	\$ 759,575

Supplemental information on non-cash investing and financing activity:

Accreted interest on capital appreciation of bonds of \$1,074,981 represents non-cash transactions which resulted in an increase in outstanding debt during the year.

Capital contributions of \$1,067,069 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, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 823,307
Total assets	<u>\$ 823,307</u>
LIABILITIES	
Amounts held for social services clients	\$ 36,374
Performance bonds payable	786,933
Total liabilities	<u>\$ 823,307</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 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 unit of the County financial statements as of and for the fiscal year-ended June 30, 2018.

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 as of and for the fiscal year-ended June 30, 2018. 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 discretely presented 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 noncurrent liabilities of the County (such as capital assets and long-term liabilities for various employee

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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:

- o 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 discretely presented component unit. The General Fund is considered a major fund for reporting purposes.
- o 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:

- o 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:

- o Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds 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:

- o 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 with the exception of part of June state sales taxes for the School Board, which, due to a legislative change, will be received outside of the normal accrual period. 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

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

purpose of expenditure and are usually revocable only for 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 uncollectible property taxes amounted to \$423,170 at June 30, 2018 and is reported within each fund as follows: General Fund \$407,543, Utilities Fund \$15,627.

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.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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 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, 2018. 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, 2018 of \$14,013,535 which consists of unspent capital lease proceeds of \$477,684 restricted for capital projects in the Capital Projects Fund and \$13,535,851 in the Utilities Fund 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 discretely presented 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 repairs 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

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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 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 several 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 remaining items relate to the pension plan and other postemployment benefits (OPEB) plans. See Notes V. E. through V. I. for details regarding these items.

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 of resources, represents an acquisition 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 state and 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. The unavailable revenue from state taxes for the School Board is due to a legislative change in the timing of part of the June sales tax due to the School Board; the amount and receipt of that revenue will occur outside of the 60-day accrual period. 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 remaining items relate to the pension plan and other postemployment benefits (OPEB) plans. See Notes V. E. through V. I. for details regarding these items.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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, 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 constrained to use for specific purposes pursuant to formal action of the Board of Supervisors. The amounts cannot be used for other purposes unless the Board removes or changes the constraints via the same action used to initially commit them. The highest levels of formal action approved by the Board are ordinances and resolutions, which are equally binding.
- 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 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 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.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

G. Other postemployment benefits

Retiree Healthcare Plans

The Goochland County Retiree Healthcare Plan and the Goochland County Public Schools Retiree Healthcare Plan are single-employer plans administered by the County and the Schools. Experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is seven years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Group Life Insurance Program

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Health Insurance Credit Program

The School Board professional HIC Program is a multiple-employer, cost-sharing plan. The HIC Program was established pursuant to Section 51.1-1400 et seq. of the Code of Virginia, as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring the HIC Program's total OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC Program's OPEB, and the HIC Program's OPEB expense, information about the fiduciary net position of the HIC Program; and the additions to/deductions from the HIC Program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Virginia Local Disability Program

The County has two Virginia Local Disability Programs (VLDP). The first plan is the School Board non-professional plan, which is a political subdivision employee plan. The second plan is the School Board professional plan, which is a teacher employee plan. Both plans are a multiple-employer, cost-sharing plans. For purposes of measuring the net VLDP OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB, and the VLDP OPEB expenses, information about the fiduciary net position of the VLDP, and the additions to/deductions from the VLDPs' net fiduciary positions have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

H. 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.

I. Subsequent Events

The County has evaluated subsequent events through November 12, 2018, the date on which the financial statements were available to be issued.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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, “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$45,954,898 are as follows:

Land and land improvements	\$ 3,835,868
Construction in progress	5,364,209
Buildings and improvements	29,548,784
Less: Accumulated depreciation and amortization-building and improvements	(7,931,724)
Machinery and equipment	21,755,587
Less: Accumulated depreciation and amortization-machinery and equipment	(14,453,142)
Buildings - jointly owned assets	14,201,352
Less: Accumulated depreciation and amortization-buildings-jointly owned assets	<u>(6,375,036)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 45,945,898</u></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
Notes to Financial Statements

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 \$48,329,549 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, 2018 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+	Aaf
Local Government Investment Pool	\$ 48,329,549	\$ -	\$ -	\$ -
State Non-Arbitrage Pool (SNAP)	-	-	-	641,314
Repurchase agreements	-	-	6,000,000	-
U.S. Government Securities	254,337	6,640,200	-	-
Total	\$ 48,583,886	\$ 6,640,200	\$ 6,000,000	\$ 641,314

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 1 year	Greater Than 10 years
Investment:				
Repurchase agreements	\$ 6,000,000	\$ -	\$ 6,000,000	
Certificates of Deposit	195,208	195,208	-	
U.S. Government Securities	6,894,537	254,337	6,640,200	
Total	\$ 13,089,745	\$ 449,545	\$ 12,640,200	

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

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Following is a summary, as of June 30, 2018, of the Primary Government's cash, cash equivalents, and investments by asset type:

Government-Wide Accounts	Balance June 30, 2018
Cash and cash equivalents:	
Governmental Activities	\$ 45,847,459
Business-type Activities	15,160,997
School Board Component Unit	1,682,852
Economic Development Authority Component Unit	487,767
Investments - Economic Development Authority Component Unit	195,208
Restricted cash and cash equivalents - Governmental Activities	477,684
Restricted cash and cash equivalents - Business-type Activities	895,651
Restricted investments - Business-type Activities	12,640,200
Total cash, cash equivalents and investments	<u>\$ 77,387,818</u>

Asset Type	Balance June 30, 2018
Petty cash	\$ 4,700
Deposit accounts	15,322,510
Investments:	
Local Government Investment Pool	48,329,549
State Non-Arbitrage Pool	641,314
Repurchase agreements	6,000,000
Certificates of Deposit	195,208
U.S. Government Securities	6,894,537
Total cash, cash equivalents and investments	<u>\$ 77,387,818</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, 2018:

- U.S. Government securities of \$6,894,537 are valued using quoted market prices (Level 1 inputs).
- Certificates of deposit of \$195,208 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, 2018, 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	\$ 17,339,095	\$ -	\$ 2,342,279	\$ 19,681,374	\$ -
Accounts	598,141	-	974,770	1,572,911	28,479
Notes	112,850	-	-	112,850	-
Due from other governmental units:					
Commonwealth of Virginia	931,843	108,053	-	1,039,896	706,941
Federal government	154,477	-	-	154,477	313,455
Other	-	-	-	-	14,470
	<u>\$ 19,136,406</u>	<u>\$ 108,053</u>	<u>\$ 3,317,049</u>	<u>\$ 22,561,508</u>	<u>\$ 1,063,345</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 \$19,419,911 (governmental funds \$17,176,334 and proprietary fund \$2,243,577) is comprised of the following:

- o Unavailable revenue representing uncollected vehicle license fee billings not available for funding of current expenditures totaled \$184,712 at June 30, 2018. Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$16,991,622 for governmental funds at June 30, 2018. Of the \$16,991,622 reported in the governmental funds, \$1,276,844 does not provide current financial resources and, therefore, is not reported on the Statement of Net Position.
- o Unavailable revenue in the proprietary fund totaled \$2,243,577 at June 30, 2018 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 \$944,825 (governmental funds \$672,468 and proprietary fund \$272,357) is comprised of the following:

- o Unearned revenue representing property taxes due subsequent to June 30, 2018 but paid in advance by the taxpayers totaled \$651,538 in the General Fund and asset forfeiture funds received but unearned totaled \$20,930 in the Nonmajor Governmental Fund.
- o Unearned revenue representing property taxes due after June 30, 2018 but paid in advance by the taxpayers totaled \$118,807 in the proprietary fund and pass through funding received but unearned totaling \$153,550 from the Commonwealth for a water supply project.

C. Interfund receivables

Details of the Primary Government's interfund receivables and payables as of June 30, 2018 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,617,634	\$ -
Utilities Fund	-	1,617,634
	<u>\$ 1,617,634</u>	<u>\$ 1,617,634</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, 2018 are as follows:

	Due from Primary Government	Due to Component Unit
Primary Government - Governmental Activities	\$ -	\$ 1,782,490
Economic Development Authority	1,782,490	-
	<u>\$ 1,782,490</u>	<u>\$ 1,782,490</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, 2018:

	Balance July 1, 2017	Increases	(Deletions)/ Reclassifications	Balance June 30, 2018
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 3,835,868	\$ -	\$ -	\$ 3,835,868
Construction in progress	1,850,504	5,560,185	(2,046,480)	5,364,209
Total capital assets, not being depreciated or amortized	5,686,372	5,560,185	(2,046,480)	9,200,077
Capital assets, being depreciated or amortized:				
Buildings and improvements	28,117,713	-	1,431,071	29,548,784
Machinery and equipment	21,092,232	686,738	(23,383)	21,755,587
Buildings - jointly owned assets	16,946,732	-	(2,745,380)	14,201,352
Total capital assets, being depreciated or amortized	66,156,677	686,738	(1,337,692)	65,505,723
Less accumulated depreciation/amortization for:				
Buildings and improvements	(7,177,560)	(754,164)	-	(7,931,724)
Machinery and equipment	(12,786,650)	(1,689,875)	23,383	(14,453,142)
Buildings - jointly owned assets	(7,216,466)	(390,981)	1,232,411	(6,375,036)
Total accumulated depreciation/amortization	(27,180,676)	(2,835,020)	1,255,794	(28,759,902)
Total capital assets, being depreciated or amortized, net	38,976,001	(2,148,282)	(81,898)	36,745,821
Governmental activities capital assets, net	<u>\$ 44,662,373</u>	<u>\$ 3,411,903</u>	<u>\$ (2,128,378)</u>	<u>\$ 45,945,898</u>

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

Governmental Activities:

General government	\$ 431,661
Judicial administration	93,898
Public safety	1,549,745
Public works	140,710
Health and welfare	22,920
Education	390,981
Parks, recreation and facilities management	178,266
Community development	26,839
	<u>\$ 2,835,020</u>

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

A summary of proprietary fund capital assets at June 30, 2018 as follows:

	Balance July 1, 2017	Increases	(Deletions)/ Reclassifications	Balance June 30, 2018
Business-type activities:				
Capital assets, not being depreciated or amortized:				
Land and land improvements	\$ 2,874,584	\$ -	\$ -	\$ 2,874,584
Construction in progress	24,822	131,062	-	155,884
Total capital assets, not being depreciated or amortized	2,899,406	131,062	-	3,030,468
Capital assets, being depreciated or amortized:				
Water and sewer system	89,582,045	1,126,143	-	90,708,188
Capacity rights	37,985,116	-	-	37,985,116
Machinery and equipment	256,354	43,607	-	299,961
Total capital assets, being depreciated	127,823,515	1,169,750	-	128,993,265
Less accumulated depreciation/amortization for:				
Water and sewer system	(19,653,184)	(1,867,860)	-	(21,521,044)
Capacity rights	(10,075,222)	(949,628)	-	(11,024,850)
Machinery and equipment	(127,552)	(41,653)	-	(169,205)
Total accumulated depreciation/amortization	(29,855,958)	(2,859,141)	-	(32,715,099)
Total capital assets, being depreciated or amortized, net	97,967,557	(1,689,391)	-	96,278,166
Business-type activities capital assets, net	\$ 100,866,963	\$ (1,558,329)	\$ -	\$ 99,308,634

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, 2018 is that school related financed assets in the amount of \$7,826,316 (net of accumulated depreciation and amortization) are reported in the Primary Government as buildings - jointly owned assets for financial reporting purposes.

	Balance July 1, 2017	Increases	(Deletions)/ Reclassifications	Balance June 30, 2018
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	44,144,623	2,862,174	-	47,006,797
Machinery and equipment	6,946,555	1,276,342	378,055	8,600,952
Total capital assets, being depreciated or amortized	51,091,178	4,138,516	378,055	55,607,749
Less accumulated depreciation/amortization for:				
Buildings	(17,527,030)	(2,328,414)	-	(19,855,444)
Machinery and equipment	(4,955,489)	(412,334)	220,136	(5,147,687)
Total accumulated depreciation/amortization	(22,482,519)	(2,740,748)	220,136	(25,003,131)
Total capital assets, being depreciated or amortized, net	28,608,659	1,397,768	598,191	30,604,618
School Board Component Unit capital assets, net	\$ 29,215,738	\$ 1,397,768	\$ 598,191	\$ 31,211,697

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, 2018 are as follows:

Primary Government	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,518,420
Capital Projects Fund	2,887,100	-
Nonmajor Governmental Funds	631,320	-
	<u>\$ 3,518,420</u>	<u>\$ 3,518,420</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, 2018:

Primary Government	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Governmental activities:					
Incurred for County:					
Capital lease obligations	\$ 9,650,076	\$ -	\$ 1,047,706	\$ 8,602,370	\$ 1,028,556
Compensated absences	956,167	1,239,072	1,180,105	1,015,134	101,513
Liability for landfill post-closure	1,776,728	13,514	25,954	1,764,288	40,000
Total incurred for County	<u>12,382,971</u>	<u>1,252,586</u>	<u>2,253,765</u>	<u>11,381,792</u>	<u>1,170,069</u>
Incurred for School Board:					
Principal amount of bonds payable	9,555,000	-	1,865,000	7,690,000	1,935,000
Premium	175,265	-	19,475	155,790	19,475
Total incurred for School Board	<u>9,730,265</u>	<u>-</u>	<u>1,884,475</u>	<u>7,845,790</u>	<u>1,954,475</u>
Total governmental activities	<u>22,113,236</u>	<u>1,252,586</u>	<u>4,138,240</u>	<u>19,227,582</u>	<u>3,124,544</u>
Business-type activities:					
Utilities:					
Water and sewer revenue bonds payable:					
Principal amount of bonds payable	74,658,967	-	1,556,568	73,102,399	1,653,689
Premium	1,843,977	-	102,873	1,741,104	102,872
Total bonds payable	<u>76,502,944</u>	<u>-</u>	<u>1,659,441</u>	<u>74,843,503</u>	<u>1,756,561</u>
Accreted interest revenue bonds	20,627,543	2,453,412	1,378,442	21,702,513	-
Compensated absences	35,455	60,280	40,850	54,885	5,489
Capacity rights obligations	17,893,991	-	514,310	17,379,681	1,000,000
Contractual obligations	6,497,342	-	185,747	6,311,595	-
Total utilities	<u>121,557,275</u>	<u>2,513,692</u>	<u>3,778,790</u>	<u>120,292,177</u>	<u>2,762,050</u>
Total - Primary government	<u>\$ 143,670,511</u>	<u>\$ 3,766,278</u>	<u>\$ 7,917,030</u>	<u>\$ 139,519,759</u>	<u>\$ 5,886,594</u>
School Board Component Unit					
Capital lease obligations	\$ 95,595	\$ -	\$ 42,978	\$ 52,617	\$ 52,617
Compensated absences	303,164	260,469	256,504	307,129	285,886
Total - School Board Component Unit	<u>\$ 398,759</u>	<u>\$ 260,469</u>	<u>\$ 299,482</u>	<u>\$ 359,746</u>	<u>\$ 338,503</u>
EDA Component Unit					
Contractual agreement	\$ 1,869,931	\$ -	\$ 187,441	\$ 1,682,490	\$ 200,000
Total -EDA Component Unit	<u>\$ 1,869,931</u>	<u>\$ -</u>	<u>\$ 187,441</u>	<u>\$ 1,682,490</u>	<u>\$ 200,000</u>

Capital lease obligations, compensated absences, net pension liability, net OPEB liability and the liability for landfill closure reported as governmental activities liabilities of the Primary Government are liquidated by the General Fund. See Notes V.-E. and V.-F. for further discussion of net pension liability and net OPEB liability.

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, 2018 represents the estimated liability for post-closure monitoring (\$1,764,288) over a remaining period of fifteen 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 2018. 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 of 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, 2018, 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, 2018 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	\$ 2,875,000
VPSA Series 2006	4.48%-5.10%	5/11/2006	10,745,000	4,815,000
				<u>\$ 7,690,000</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%.				\$ 3,380,000
\$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%.				13,668,663
\$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>\$ 73,102,399</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.				\$ 17,194,477
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>4,508,036</u>
Total accreted interest				<u>\$ 21,702,513</u>

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Business-type activities:

\$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. \$ 17,379,681

\$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. 6,311,595

Total contractual obligations \$ 23,691,276

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
2019	\$ 1,935,000	\$ 331,523
2020	2,010,000	229,128
2021	535,000	163,309
2022	535,000	137,696
2023	535,000	113,420
2024-2027	2,140,000	206,243
Totals	<u>\$ 7,690,000</u>	<u>\$ 1,181,319</u>

Fiscal Year June 30,	Business-type Activities			
	Water and Sewer		Capacity Rights	Contractual
	Revenue Bonds		Obligation	Agreement
	Principal	Interest	Principal	Principal
2019	\$ 1,653,689	\$ 3,281,672	\$ 1,000,000	\$ -
2020	1,747,131	3,586,824	1,000,000	-
2021	1,663,020	3,673,138	1,000,000	-
2022	1,586,928	3,750,392	1,000,000	-
2023	1,512,487	3,820,483	1,000,000	-
2024-2028	8,505,408	26,227,408	6,500,000	-
2029-2033	17,343,804	15,987,361	5,879,681	1,620,319
2034-2038	14,589,932	18,423,668	-	4,691,276
2039-2042	24,500,000	2,010,600	-	-
	<u>\$ 73,102,399</u>	<u>\$ 80,761,546</u>	<u>\$ 17,379,681</u>	<u>\$ 6,311,595</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, 2018. \$ 1,682,490

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 \$25,000 per year. 100,000

Total due to component unit \$ 1,782,490

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Primary Government					
Governmental activities	\$ 1,994,931	\$ -	\$ 212,441	\$ 1,782,490	\$ 200,000
Due to component unit	\$ 1,994,931	\$ -	\$ 212,441	\$ 1,782,490	\$ 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.

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	(659,744)
Total capital assets, net	<u>\$ 6,989,508</u>

Fiscal Year June 30,	Minimum Lease Payments
2019	\$ 1,192,094
2020	1,192,180
2021	1,111,787
2022	1,111,176
2023	1,111,226
2024-2028	2,378,994
2029-2031	1,427,069
Total minimum lease payments	9,524,526
Portion representing interest	(922,156)
Present value of minimum lease payments	<u>\$ 8,602,370</u>

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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	(167,145)
Total capital assets, net	\$ 41,786
	Minimum
Fiscal Year June 30,	Lease Payments
2019	\$ 46,020
2020	7,927
Total minimum lease payments	53,947
Portion representing interest	(1,330)
Present value of minimum lease payments	\$ 52,617

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.

The County and School Board are fully self-insured for unemployment claims. The Virginia Employment Commission (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 (the 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 Pool for its workers' compensation coverage. These insurance pools have similar provisions as the Pool for assumptions of a loss deficit by the members.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

B. Fund Balance Classifications

Specific purpose information for fund balance classifications is as follows:

	Primary Government			Total	School Board
	General	Capital	Nonmajor	Governmental	Component
	Fund	Projects	Governmental	Funds	Unit
		Fund	Funds		
Nonspendable:					
Prepaid items	\$ 154,857	\$ -	\$ 610	\$ 155,467	\$ -
Inventories	4,754	-	-	4,754	43,784
Noncurrent notes receivable	1,730,484	-	-	1,730,484	-
Restricted for:					
Forfeiture funds	-	-	38,961	38,961	-
Stewardship funds	15,360	-	-	15,360	-
Courthouse maintenance	7,160	-	-	7,160	-
Capital improvements	-	477,684	-	477,684	-
Committed to:					
Revenue stabilization	1,815,700	-	-	1,815,700	-
Assigned to:					
Office of Children's Services	-	-	68,975	68,975	-
Capital improvements	8,915,000	11,787,376	-	20,702,376	-
Education	97,157	-	-	97,157	732,632
Community development	140,000	-	-	140,000	-
Reserve for future School debt	245,000	-	-	245,000	-
Information technology	7,843	-	-	7,843	-
Schools retiree healthcare liability	120,000	-	-	120,000	-
County retiree healthcare liability	210,000	-	-	210,000	-
Citizen survey	35,000	-	-	35,000	-
Fiscal year 2019 budget supplement	1,500,000	-	-	1,500,000	-
Park development	43,000	-	-	43,000	-
Site improvements	360,000	-	-	360,000	-
Courthouse security	607,000	-	-	607,000	-
Broadband plan	50,000	-	-	50,000	-
Economic development and planning	400,000	-	-	400,000	-
Utilities future debt service	1,000,000	-	-	1,000,000	-
Public safety	178,500	-	-	178,500	-
Social Services	175,000	-	-	175,000	-
Unassigned Fund Balance	18,425,513	-	-	18,425,513	-
Total fund balances	\$ 36,237,328	\$ 12,265,060	\$ 108,546	\$ 48,610,934	\$ 776,416

C. Commitments and contingent liabilities

Other Commitments

At June 30, 2018, the primary government had commitments for capital projects totaling \$10,375,758 as follows:

	Capital Projects	Utilities	Total
	Fund	Fund	Primary
			Government
Total capital commitments	\$ 10,001,442	\$ 374,316	\$ 10,375,758

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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	\$ 78,411	\$ 5,697,710	\$ 199,806	\$ 5,975,927	\$ 201,934

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 two years.

The total minimum rental commitment at July 1, 2018, under these leases is as follows:

	Minimum Rental Commitment
During the next three years	\$ 631,337

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:

o Pamunkey Regional Library (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 \$424,810 to the Library in fiscal year 2018. Complete financial statements can be obtained from the office of the County Administrator of Goochland County.

o Central Virginia Waste Authority (Authority)

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

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.

o 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 \$268,730 to the Board in fiscal year 2018. 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.

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	About Plan 2	About the Hybrid Retirement Plan
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.	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	The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • 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

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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, and they have not taken a refund.

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.

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.

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.

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 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.

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Retirement Contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. 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 member and employer contributions to provide funding for the future benefit payment.

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.

Retirement Contributions

Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.

Creditable Service

Same as Plan 1.

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 according to specified percentages.

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

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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 member contribution account balance if they leave employment and request a refund.

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

Vesting

Same as Plan 1.

the employer contribution portion of the plan.

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 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

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may withdraw 100% of employer contributions.

Distribution is not required by law until age 70½.

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.

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.

Average Final Compensation

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

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%.

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

Political subdivision hazardous duty employees: The retirement multiplier of

Calculating the Benefit

See definition under Plan 1.

Average Final Compensation

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

Service Retirement Multiplier

VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

Sheriffs and regional jail superintendents: Same as Plan 1.

Political subdivision hazardous duty employees: Same as Plan 1.

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

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

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: Not applicable.

Political subdivision hazardous duty employees: Not applicable.

Defined Contribution

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

Normal Retirement Age

Age 65.

Political subdivisions hazardous duty employees:
Age 60.

Normal Retirement Age

Normal Social Security retirement age.

Political subdivisions hazardous duty employees: Same as Plan 1.

Component:

Not applicable.

Normal Retirement Age

Defined Benefit Component:

Same as Plan 2.

Political subdivisions hazardous duty employees: Not applicable.

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.

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.

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.

Political subdivisions hazardous duty employees: Same as Plan 1.

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: 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.

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

Earliest Reduced Retirement Eligibility

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

Political subdivisions hazardous duty employees: Same as Plan 1.

Earliest Reduced Retirement Eligibility

Defined Benefit Component:

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

Political subdivisions hazardous duty employees: Not applicable.

Defined Contribution Component:

Members are eligible to receive distributions upon leaving

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**Cost-of-Living Adjustment
(COLA) in Retirement**

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 and is eligible to retire under

**Cost-of-Living Adjustment
(COLA) in Retirement**

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.

employment, subject to restrictions.

**Cost-of-Living Adjustment
(COLA) in Retirement**

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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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.

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.

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 retirement and the health insurance credit. Only active members are eligible to

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.

Defined Contribution Component:

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purchase prior service. Members also may be eligible to purchase periods of leave without pay.

Not applicable.

County Plan (Agent Plan)

Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	88
Inactive members:	
Vested inactive members	25
Non-vested inactive members	38
Active elsewhere in VRS	73
Total inactive members	136
Active members	190
Total covered employees	414

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, 2018 was 8.88% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2016.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the political subdivision were \$1,018,612 and \$879,535 for the years ended June 30, 2018 and June 30, 2017, respectively.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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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, 2016, 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, 2017.

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: 15 % of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

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Actuarial Assumptions – Public Safety Employees

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2016, 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, 2017.

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: 45% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 45%

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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
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.30%

* The above allocation provides a one-year return of 7.3%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected returns for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, 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, 2019, 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, 2019 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 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.

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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, 2016	\$ 30,567,111	\$ 27,659,390	\$ 2,907,721
Changes for the year:			
Service cost	1,222,010	-	1,222,010
Interest	2,091,477	-	2,091,477
Changes of assumptions	(232,989)	-	(232,989)
Difference between expected and actual experience	(476,088)	-	(476,088)
Contributions - employer	-	879,535	(879,535)
Contributions - employee	-	494,180	(494,180)
Net investment income	-	3,387,664	(3,387,664)
Benefit payments, including refunds of employee contributions	(1,377,730)	(1,377,730)	-
Administrative expense	-	(19,177)	19,177
Other changes	-	(3,032)	3,032
Net changes	1,226,680	3,361,440	(2,134,760)
Balances at June 30, 2017	\$ 31,793,791	\$ 31,020,830	\$ 772,961

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)	\$ 5,091,169	\$ 772,961	\$ (2,792,575)

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

For the year-ended June 30, 2018, the County recognized pension expense of \$483,260. The County 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	\$ 66,109	\$ 352,107
Changes of assumptions	-	172,315
Net difference between projected and actual earnings on plan investments	-	461,098
Employer contributions subsequent to the measurement date	1,018,612	-
	\$ 1,084,721	\$ 985,520

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The \$1,018,612 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, 2019. 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
2019	\$ (423,019)
2020	(43,973)
2021	(161,934)
2022	(290,485)
	<u>\$ (919,411)</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. The School Board Professional's contractually required contribution rate for the year-ended June 30, 2018 was 16.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2016 and reflects the transfer in June 2016 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. Contributions to the pension plan from the School Board for the professional plan were \$2,498,923 and \$2,168,675 for the years ended June 30, 2018 and June 30, 2017, respectively.

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

At June 30, 2018, the School Board reported a liability of \$22,821,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the School Board's proportion was 0.18557% as compared to 0.18811% at June 30, 2016.

For the year-ended June 30, 2018, the School Board recognized pension expense related to the professional plan of \$1,904,000. 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, 2018, 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	\$ -	\$ 1,616,000
Net difference between projected and actual earnings on plan investments	-	829,000
Change in assumptions	333,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	500,000	332,000
Employer contributions subsequent to the measurement date	2,498,923	-
	<u>\$ 3,331,923</u>	<u>\$ 2,777,000</u>

The \$2,498,923 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, 2019. 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
2019	\$ (676,000)
2020	39,000
2021	(346,000)
2022	(840,000)
2023	(121,000)
	<u>\$ (1,944,000)</u>

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2016, 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, 2017.

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 benefits.

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Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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, 2017, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 45,417,520
Plan fiduciary net position	33,119,545
Employers' net pension liability	<u>\$ 12,297,975</u>

Plan fiduciary net position as a percentage
of the total pension liability

72.92%

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 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	\$ 34,080,000	\$ 22,821,000	\$ 13,508,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at www.varetire.org/Pdf/Publications/2017-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, 2016 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	22
Inactive members:	
Vested inactive members	3
Non-vested inactive members	8
Active elsewhere in VRS	14
Total inactive members	25
Active members	22
Total covered employees	69

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, 2018 was 7.0% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2016.

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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 \$53,323 and \$48,627 for the years ended June 30, 2018 and June 30, 2017, respectively.

Net Pension Liability

The School Board's non-professional net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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, 2016, 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, 2017.

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: 15 % of deaths are assumed to be service related

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table to a more current mortality table – RP-2014 projected to 2020
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- Lowered disability rates
- No change to salary scale

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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, 2016	\$ 3,995,765	\$ 3,717,220	\$ 278,545
Changes for the year:			
Service cost	83,351	-	83,351
Interest	273,513	-	273,513
Changes of assumptions	(8,144)	-	(8,144)
Difference between expected and actual experience	(33,951)	-	(33,951)
Contributions - employer	-	48,627	(48,627)
Contributions - employee	-	34,502	(34,502)
Net investment income	-	449,637	(449,637)
Benefit payments, including refunds of employee contributions	(176,864)	(176,864)	-
Administrative expense	-	(2,638)	2,638
Other changes	-	(398)	398
Net changes	137,905	352,866	(214,961)
Balances at June 30, 2017	\$ 4,133,670	\$ 4,070,086	\$ 63,584

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)	\$ 542,883	\$ 63,584	\$ (343,136)

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

For the year ended June 30, 2018, the School Board recognized pension revenue related to its non-professional plan of \$23,423. 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	\$ -	\$ 25,644
Changes of assumptions	-	4,152
Net difference between projected and actual earnings on plan investments	-	58,736
Employer contributions subsequent to the measurement date	53,323	-
	\$ 53,323	\$ 88,532

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The \$53,323 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, 2019.

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
2019	\$ (65,829)
2020	15,964
2021	(104)
2022	(38,563)
	<u>\$ (88,532)</u>

F. Other Postemployment Benefits – Retiree Healthcare Plans

Plan Description

Goochland County Retiree Healthcare Plan

The Goochland County Retiree Healthcare Plan (County's plan) is a defined benefit other postemployment benefit (OPEB) plan which provides OPEB for all permanent full-time general and public safety employees of the County. The County's plan was established by the County's Board of Supervisors and any amendments to the plan must be approved by the Board of Supervisors. This plan is a single-employer defined benefit OPEB plan administered by the County. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. This plan does not issue stand-alone financial reports.

Goochland County Public Schools Retiree Healthcare Plan

The Goochland County Public Schools Retiree Healthcare Plan (School Board's plan) is a defined benefit plan which provides OPEB for all permanent full-time employees of the County's schools. The School Board's plan was established by the School Board and any amendments to the plan must be approved by the School Board. This plan is a single-employer defined benefit OPEB plan administered by the School Board. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. This plan does not issue stand-alone financial reports.

The specific information for the County's plan and School Board's plan (collectively referred to as "County Retiree Healthcare Plans"), including eligibility, is set out in the tables below:

County's Plan

COUNTY'S PLAN PROVISIONS
<i>Eligible Employees</i> Full-time employees hired prior to July 1, 2011 are eligible to participate in the County sponsored Healthcare plan if they terminate employment from the County, are eligible for retirement under the VRS and meet the retirement eligibility requirements. Spouses of eligible retirees may also participate in the plan.
<i>Retirement Eligibility</i> Employees must be eligible for retirement under the VRS and meet the following County years of service requirement: • If retiring under VRS with a reduced pension, must be age 50 with at least 10 years of County service or age 55 with 5 years of County service; • If retiring under VRS with an unreduced pension, must be age 50 with at least 10 years of County service or age 65 with 5 years of County service; • If a County public safety employee under LEOS and retiring under VRS with an unreduced

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pension, must be age 50 with 25 years of VRS service and 10 years of County service, or age 65 with 5 years of County service.
<i>Benefit Amounts</i> Retirees must pay the full, aggregate active employee rate for both individual and spousal coverage. For retirees who have completed 15 years of service with the County, a premium credit is provided to offset the cost of medical coverage. The amount of the credit is \$4.00 per month for each year of service, up to a maximum monthly credit of \$140 per month. The credit is payable for the lifetime of the retiree only; it is not paid on behalf of surviving spouses of retirees. The credit is payable to any eligible retiree, regardless of whether they choose to obtain postretirement healthcare coverage through the County.
<i>Death of a Retiree</i> Surviving spouses of current retirees may continue healthcare coverage upon the retiree's death, but do not receive the premium credit described in "Benefit Amounts."

School Board's Plan

SCHOOL BOARD'S PLAN PROVISIONS
<i>Eligible Employees</i> Retired employees may participate in the School Board health insurance program in accordance with the following terms and conditions: • The employee has served a minimum of 10 consecutive years as an employee of the School Board. • The employee is eligible for retirement under VRS and that his/her monthly payments are made through payroll deductions by the VRS. • Once the retired employee becomes eligible for or obtains other health coverage, the retired employee will no longer be eligible to participate in the group plan.
<i>Retirement Eligibility</i> School Board employees may retire under the VRS according to the same eligibility requirements as the County employees described above.
<i>Benefit Amounts</i> The School Board will pay \$10 monthly for the retiree until the retiree becomes eligible for or obtains other health coverage.
<i>Death of a Retiree</i> Upon death of a current retiree, the surviving spouse is eligible for coverage until age 65. Survivors of actives are not eligible for postretirement benefits, even if the deceased active was eligible to retire at the time of death.

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Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

County's Plan

	Number
Inactive employees or beneficiaries currently receiving benefit payments	35
Active employees	122
Total	157

School Board's Plan

	Number
Inactive employees or beneficiaries currently receiving benefit payments	39
Active employees	323
Total	362

Total Retiree Healthcare Plans' OPEB Liabilities

The County's total OPEB liability of \$2,356,562 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017. The School Board's total OPEB liability of \$2,018,338 was measured as of June 30, 2018, and was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions and Other Inputs

The total OPEB liabilities were based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	1.6%
Discount rate	3.55%
Healthcare cost trend rates	5.7% (2019) declining to 4.1% (2075+)

The discount rate was based on 20-year general obligation bonds as of June 30, 2017.

County's Plan

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2016 Annual Financial Statement for the Virginia Retirement System.

Pre-Commencement: 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-Commencement: 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2012.

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School Board's Plan

Mortality Rates

The following mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2016 Annual Financial Statement for the Virginia Retirement System.

Pre-Commencement: 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-Commencement: 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, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2012.

Changes in the Total OPEB Liabilities

County's Plan

	Total OPEB Liability
Balance at June 30, 2017	\$ 2,263,082
Changes for the year:	
Service cost	101,564
Interest	78,797
Benefit payments	(86,881)
Net changes	93,480
Balance at June 30, 2018	\$ 2,356,562

There were no changes in benefit terms, differences between assumptions and experience, or changes in assumptions for the current year.

School Board's Plan

	Total OPEB Liability
Balance at June 30, 2017	\$ 1,928,675
Changes for the year:	
Service cost	152,052
Interest	66,186
Benefit payments	(128,575)
Net changes	89,663
Balance at June 30, 2018	\$ 2,018,338

There were no changes in benefit terms, differences between assumptions and experience, or changes in assumptions for the current year.

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Sensitivity of the Total OPEB Liabilities to Changes in the Discount Rate

The following presents the total OPEB liabilities of the County's plan and the School Board's plan calculated using the stated discount rate, as well as what the County's plan and the School Board's plan total OPEB liabilities would be if it were calculated using a discount rate that is 1-percentage-point lower (2.55%) or 1-percentage-point higher (4.55%) than the current discount rate:

	1% Decrease (2.55%)	Current Discount Rate (3.55%)	1% Increase (4.55%)
County's Plan	\$ 2,652,459	\$ 2,356,562	\$ 2,105,081
School Board's Plan	2,219,641	2,018,338	1,837,918

Sensitivity of the Total OPEB Liabilities to Changes in Healthcare Cost Trend Rate

The following represents the total OPEB liabilities of the County's plan and the School Board's plan calculated using the stated discount rate, as well as what the County's plan and the School Board's plan total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.9% decreasing to 3.1% over 58 years) or 1-percentage-point higher (6.9% decreasing to 5.1% over 58 years) than the current discount rate:

	1% Decrease (4.9% decreasing to 3.1% over 58 years)	Current Medical Trend Rate (5.9% decreasing to 4.1% over 58 years)	1% Increase (6.9% decreasing to 5.1% over 58 years)
County's Plan	\$ 2,199,000	\$ 2,356,562	\$ 2,547,058
School Board's Plan	1,765,485	2,018,338	2,324,026

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County's plan and the School Board's plan recognized OPEB expense of \$180,361 and \$218,238, respectively.

County and School Board's Plan

As the 2017 valuation is the first GASB 75 valuation from the plan, there are no changes to benefit terms, differences between assumptions and experience or changes in assumptions. Thus, these elements are not part of the 2017-2018 OPEB expense and there are no deferred inflows or outflows of resources related to this OPEB developed in the 2017 valuation.

G. Other Postemployment Benefits – Group Life Insurance Program

Plan Description

All full-time, salaried permanent employees of the County, and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB.

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The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<i>Eligible Employees</i> The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.
<i>Benefit Amounts</i> The benefits payable under the GLI have several components. • Natural Death Benefit – The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled. • Accidental Death Benefit – The accidental death benefit is double the natural death benefit. • Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option
<i>Reduction in Benefit Amounts</i> The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
<i>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</i> For covered members with at least 30 years of creditable service, there is a minimum benefit payable under GLI. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 COLA and is currently \$8,111.

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Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2016. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the participating employers for the years ended June 30, 2018 and June 30, 2017 were as follows.

	2018	2017
County	\$ 59,400	\$ 52,832
School Board Non-Professional	3,961	3,699
School Board Professional	80,247	77,355

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2018, the participating employers' reported liabilities for their proportionate share of the net GLI OPEB liabilities are as follows:

	Amount
County	\$ 829,000
School Board Non-Professional	59,000
School Board Professional	1,214,000

The net GLI OPEB liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of that date. The covered employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, comparisons of the participating employers' proportions to June 30, 2016 are as follows:

	2017	2016
County	0.05508%	0.05424%
School Board Non-Professional	0.00386%	0.00435%
School Board Professional	0.08065%	0.08010%

For the year ended June 30, 2018, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$11,000, \$-0-, and \$16,000, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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At June 30, 2018, the employers reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

County

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 18,000
Net difference between projected and actual earnings on		
GLI OPEB program investments	-	31,000
Change in assumptions	-	43,000
Changes in proportion	13,000	-
Employer contributions subsequent to the measurement date	59,400	-
Total	\$ 72,400	\$ 92,000

The \$59,400 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2019	\$ (17,000)
2020	(17,000)
2021	(17,000)
2022	(17,000)
2023	(9,000)
Thereafter	(2,000)
Total	\$ (79,000)

School Board Non-Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,000
Net difference between projected and actual earnings on		
GLI OPEB program investments	-	2,000
Change in assumptions	-	3,000
Changes in proportion	-	8,000
Employer contributions subsequent to the measurement date	3,961	-
Total	\$ 3,961	\$ 14,000

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The \$3,961 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2019	\$ (2,000)
2020	(2,000)
2021	(2,000)
2022	(2,000)
2023	(2,000)
Thereafter	(4,000)
Total	\$ (14,000)

School Board Professional Plan

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 26,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	46,000
Change in assumptions	-	63,000
Changes in proportion	8,000	-
Employer contributions subsequent to the measurement date	80,247	-
Total	\$ 88,247	\$ 135,000

The \$80,427 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2019	\$ (26,000)
2020	(26,000)
2021	(26,000)
2022	(26,000)
2023	(16,000)
Thereafter	(7,000)
Total	\$ (127,000)

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Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
Teachers	3.5%-5.95%
Locality – general employees	3.5%-5.35%
Locality – hazardous duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, 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 the OPEB liabilities.

School Board Professional Plan

Mortality Rates – Teachers

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

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

County and School Board Non-Professional Plans

Mortality Rates – General Employees

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

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

Post-Disablement: RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward two years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Mortality Rates – Hazardous Duty Employees

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

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward one year with 1.0% increase compounded from ages 70 to 90; females set forward three years.

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the GLI is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 2,942,426
Plan fiduciary net position	<u>1,437,586</u>
Employers' net GLI OPEB liability	<u>\$ 4,380,012</u>

Plan fiduciary net position as a percentage of the total
GLI OPEB liability

48.86%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		<u>4.80%</u>
	Inflation		<u>2.50%</u>
	* Expected arithmetic nominal return		<u>7.30%</u>

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Participating Employers' Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the participating employers' proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the participating employers' proportionate share of the net GLI OPEB 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	\$ 1,072,000	\$ 829,000	\$ 632,000
School Board Non-Professional	76,000	59,000	45,000
School Board Professional	1,570,000	1,214,000	925,000

GLI Fiduciary Net Position

Detailed information about the GLI's fiduciary net position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

H. Other Postemployment Benefits – Health Insurance Credit Program

Plan Description

School Board Professional Plan

The County has one type of Health Insurance Credit Program (HIC) OPEB plan, a cost-sharing employer plan for VRS teacher employees (School Board professional plan). For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

School Board Professional Plan

The specific information for the Teacher Employee HIC OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HIC PLAN PROVISIONS	
<i>Eligible Employees</i> The Teacher Employee Retiree HIC was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.	
<i>Benefit Amounts</i> The Teacher Employee Retiree HIC provides the following benefits for eligible employees: • At Retirement – for teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • Disability Retirement – for teacher and other professional school employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either: - o \$4.00 per month, multiplied by twice the amount of service credit, or - o \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.	
<i>Health Insurance Credit Program Notes</i> • The monthly HIC benefit cannot exceed the individual premium amount • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.	

Contributions

School Board Professional Plan

The contribution requirement for active employees is governed by Section 51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. For the year ended June 30, 2018, the contractually required employer contribution rates for the School Board professional was 1.23% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2016. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC Program from the participating employers for the years ended June 30, 2018 and June 30, 2017 were as follows:

	2018	2017
School Board Professional	\$ 189,202	\$ 164,212

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Net HIC OPEB Liability

School Board Professional Plan

The net OPEB liability (NOL) for the Teacher Employee HIC represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the Teacher Employee HIC is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	\$ 1,364,702
Plan fiduciary net position	<u>96,091</u>
Teacher employee net HIC OPEB liability	<u><u>\$ 1,268,611</u></u>

Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	7.04%
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The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to financial statements and required supplementary information.

Actuarial Assumptions

School Board Professional Plan

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
Locality – general employees	3.5%-5.35%
Locality – hazardous duty employees	3.5%-4.75%
Teacher employees	3.5%-5.95%
Investment rate of return	7.0%, net of investment expenses, 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 the OPEB liabilities.

COUNTY OF GOOCHLAND, VIRGINIA
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School Board Professional Plan

Mortality Rates – Teachers

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

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Long-Term Expected Rate of Return

School Board Professional Plan

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
	Inflation		2.50%
	* Expected arithmetic nominal return		7.30%

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

School Board Professional Plan

The discount rate used to measure the total HIC OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the School Board professional plan for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Changes in Net HIC OPEB Liability

Sensitivity of the HIC Net OPEB Liability to Changes in the Discount Rate

School Board Professional Plan

The following presents the net HIC OPEB liability using the discount rate of 7.00%, as well as what the net HIC OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (amounts expressed in thousands):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School Board Professional	\$ 2,654,000	\$ 2,378,000	\$ 2,143,000

HIC OPEB Liability, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB

School Board Professional Plan

At June 30, 2018, the School Board professional plan reported a liability of \$2,378,000 for its proportionate share of the Teacher Employee HIC total OPEB liability. The total Teacher Employee HIC OPEB liability was measured as of June 30, 2017 and the total Teacher Employee HIC OPEB liability used to calculate the total Teacher Employee HIC OPEB liability was determined by an actuarial valuation as of that date. The School Board professional plan's proportion of the total Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the Teacher Employee HIC OPEB plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the School Board professional plan's proportion of the Teacher Employee HIC was 0.1881% as compared to 0.1875% at June 30, 2016.

For the year ended June 30, 2018, the School Board professional plan recognized Teacher Employee HIC OPEB expense of \$192,000. Since there was a change in proportionate share between June 30, 2016 and June 30, 2017, a portion of the Teacher Employee HIC net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2018, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on HIC OPEB program investments	\$ -	\$ 4,000
Change in assumptions	-	25,000
Changes in proportionate share	-	7,000
Employer contributions subsequent to the measurement date	189,202	-
Total	\$ 189,202	\$ 36,000

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

The \$189,202 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Year Ending June 30,	Amount
2019	\$ (6,000)
2020	(6,000)
2021	(6,000)
2022	(6,000)
2023	(5,000)
Thereafter	(7,000)
Total	\$ (36,000)

HIC Credit Program Plan Data

Information about the VRS Political Subdivision HIC is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

I. Other Postemployment Benefits – Virginia Local Disability Program

Plan Description

The County has two types of Virginia Local Disability Programs (VLDP) OPEB plans. The first plan, the School Board non-professional plan, is a single-employer plan for political subdivisions. The second plan, the School Board professional plan, is a multiple-employer, cost-sharing employer plan for VRS teacher employees. For the School Board non-professional plan, all full-time, salaried general employees, including local law enforcement officers, firefighters, or emergency medical technicians of the School Board non-professional plan who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee VLDP. For the School Board professional plan, all full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee VLDP. These plans are administered by the System, along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. These plans are required by Title 51.1 of the Code of Virginia, as amended, to provide short-term and long-term disability benefits for their Hybrid employees either through a local plan or through the VLDP.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

POLITICAL SUBDIVISION AND TEACHER EMPLOYEE VLDP PLAN PROVISIONS
School Board Non-Professional Plan <i>Eligible Employees</i> The Political Subdivision Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: • Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS. School Board Professional Plan <i>Eligible Employees</i> The Teacher Employee Virginia Local Disability Program was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: • Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.
Benefit Amounts The Political Subdivision VLDP provides the following benefits for eligible employees: • Short-Term Disability: ○ The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer. ○ During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability. ○ Once the eligibility period is satisfied, employees are eligible for higher income replacement levels. • Long-Term Disability: ○ The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week. ○ Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.
Virginia Local Disability Program Notes • Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible. • VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

COUNTY OF GOOCHLAND, VIRGINIA
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Contributions

The contribution requirement for active Hybrid employees is governed by Section 51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to the School Board non-professional and School Board professional plans by the Virginia General Assembly. For the year ended June 30, 2018, the contractually required employer contribution rates of covered employee compensation for employees in the VLDP for the School Board non-professional and School Board professional plans were 0.60% and 0.31%, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2016. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the VLDP from the School Board non-professional plan and School Board professional plan to the VLDP from the participating employers for the years ended June 30, 2018 and June 30, 2017 were as follows:

	2018	2017
School Board Non-Professional	\$ 840	\$ 648

VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB

At June 30, 2018, the School Board non-professional and School Board professional plans reported liabilities of \$1,000 and \$6,000 for their proportionate share of their VLDP net OPEB liabilities. The VLDP net OPEB liabilities were measured as of June 30, 2017 and the total VLDP OPEB liabilities used to calculate the VLDP net OPEB liabilities were determined by a actuarial valuations as of that date. The School Board non-professional and School Board professional plans' proportions of the VLDP net OPEB liabilities were based on the School Board non-professional and School Board professional plans' actuarially determined employer contributions to their VLDP OPEB plans for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, comparisons of the participating employers' proportions to June 30, 2016 are as follows:

	2017	2016
School Board Non-Professional	0.05881%	0.04071%

For the year ended June 30, 2018, the School Board non-professional and School Board professional plans recognized VLDP OPEB expenses of \$1,000 and \$6,000, respectively. Since there was a change in proportionate share between June 30, 2016 and June 30, 2017, a portion of the VLDP net OPEB expenses were related to deferred amounts from changes in proportion.

School Board Non-Professional Plan

At June 30, 2018, the School Board non-professional plan reported deferred outflows of resources related to the employer contributions subsequent to the measurement date.

The \$840 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2019.

COUNTY OF GOOCHLAND, VIRGINIA
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School Board Professional Plan

At June 30, 2018, the School Board professional plan reported deferred outflows of resources related to the VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 1,000	\$ -
Employer contributions subsequent to the measurement date	11,550	-
Total	\$ 12,550	\$ -

The \$11,550 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2019	\$ 1,000

Actuarial Assumptions

The total VLDP OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
Political subdivision employees	3.5%-5.35%
Teacher employees	3.5%-5.95%
Investment rate of return	7.0%, net of investment expenses, 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 the OPEB liabilities.

School Board Non-Professional Plan

Mortality Rates – Non-Largest Ten Locality Employers – General and Non-Hazardous Duty Employees

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

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward one year with 1.0% increase compounded from ages 70 to 90; females set forward three years.

Post-Disablement: RP-2014 Disability Life Mortality Table projected with Scale BB to 2020; males set forward two years; unisex using 100% male.

COUNTY OF GOOCHLAND, VIRGINIA
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The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each year, age and service
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

School Board Professional Plan

Mortality Rates – Teachers

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

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

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

Net VLDP OPEB Liability

The net OPEB liabilities (NOL) for the School Board non-professional and School Board professional plans VLDP represents the programs' total OPEB liabilities determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the School Board non-professional and School Board professional plans VLDP is as follows (amounts expressed in thousands):

	School Board Non- Professional Plan	School Board Professional Plan
	VLDP OPEB Plans	
Total VLDP OPEB liability	\$ 914	\$ 873
Plan fiduciary net position	351	279
Employers' net VLDP OPEB liability	\$ 563	\$ 594

Plan fiduciary net position as a percentage of the total

VLDP OPEB liability	38.40%	31.96%
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The total VLDP OPEB liabilities are calculated by the System's actuary, and the plan's fiduciary net positions are reported in the System's financial statements. The net VLDP OPEB liabilities are disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to financial statements and required supplementary information.

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.30%

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total VLDP OPEB was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by the School Board non-professional and School Board professional plans for the VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the School Board non-professional and School board professional plans VLDP OPEB plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total School Board non-professional School Board professional plans VLDP OPEB liabilities.

Sensitivity of the VLDP Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net VLDP OPEB liabilities using the discount rate of 7.00%, as well as what the proportionate share of the net VLDP OPEB liabilities would be if they 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:

Proportionate Share of the VLDP OPEB Plan Net VLDP OPEB Liability	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School Board Non-Professional	\$ 1,000	\$ 1,000	\$ -
School Board Professional	7,000	6,000	5,000

VLDP OPEB Fiduciary Net Position

Detailed information about the School Board non-professional plan VLDP's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

J. 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, 2018.

For the fiscal year-ended June 30, 2018, the County through the EDA abated property taxes to a financial corporation totaling \$187,411 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

K. Restatement of net position

The following adjustment was made to beginning net position at June 30, 2017:

	Primary Government		Component Unit
	Governmental	Business-type	School
	Activities	Activities/ Utilities Fund	Board
Net position, end of year, as previously reported	\$ 68,384,225	\$ 6,039,634	\$ 5,531,007
To establish beginning balances for OPEB-related items in accordance with GASB No. 75	(2,070,862)	(145,364)	(4,337,161)
Net position, June 30, 2017, as restated	<u>\$ 66,313,363</u>	<u>\$ 5,894,270</u>	<u>\$ 1,193,846</u>

L. Pending GASB statements

At June 30, 2018, 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. 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. 87, *Leases*, will increase the usefulness of the Company'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.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, will improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. Statement No. 88 will be effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Statement No. 89 will be effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 will be effective for reporting periods beginning after December 15, 2018.

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	2017
Total pension liability:				
Service Cost	\$ 1,009,510	\$ 1,130,059	\$ 1,224,914	\$ 1,222,010
Interest	1,697,680	1,815,347	1,944,652	2,091,477
Changes of assumptions	-	-	-	(232,989)
Difference between expected and actual experience	-	17,229	119,708	(476,088)
Benefit Payments, including refunds of employee contributions	(827,416)	(1,225,029)	(1,005,819)	(1,377,730)
Net change in total pension liability	1,879,774	1,737,606	2,283,455	1,226,680
Total pension liability, beginning	24,666,276	26,546,050	28,283,656	30,567,111
Total pension liability, ending (a)	\$ 26,546,050	\$ 28,283,656	\$ 30,567,111	\$ 31,793,791
Plan fiduciary net position:				
Contributions - employer	\$ 1,098,298	\$ 939,774	\$ 984,325	\$ 879,535
Contributions - employee	438,821	460,160	477,799	494,180
Net investment income	3,429,951	1,172,620	487,177	3,387,664
Benefit payments, including refunds of employee contributions	(827,416)	(1,225,029)	(1,005,819)	(1,377,730)
Administrative expense	(17,703)	(15,681)	(16,227)	(19,177)
Other	181	(249)	(202)	(3,032)
Net change in plan fiduciary net position	4,122,132	1,331,595	927,053	3,361,440
Plan fiduciary net position - beginning	21,278,610	25,400,742	26,732,337	27,659,390
Plan fiduciary net position - ending (b)	\$ 25,400,742	\$ 26,732,337	\$ 27,659,390	\$ 31,020,830
Net pension liability - ending (a)-(b)	\$ 1,145,308	\$ 1,551,319	\$ 2,907,721	\$ 772,961
Plan fiduciary net position as a percentage of the total pension liability covered payroll	95.69%	94.52%	90.49%	97.57%
	\$ 9,355,179	\$ 9,186,452	\$ 9,621,945	\$ 9,904,673
Net pension liability as a percentage of covered payroll	12.24%	16.89%	30.22%	7.80%

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	2017
Total pension liability:				
Service Cost	\$ 85,613	\$ 87,520	\$ 83,222	\$ 83,351
Interest	231,123	245,059	266,650	273,513
Changes of assumptions	-	-	-	(8,144)
Difference between expected and actual experience	-	107,899	(96,074)	(33,951)
Benefit Payments, including refunds of employee contributions	(105,866)	(129,446)	(134,628)	(176,864)
Net change in total pension liability	210,870	311,032	119,170	137,905
Total pension liability, beginning	3,354,693	3,565,563	3,876,595	3,995,765
Total pension liability, ending (a)	\$ 3,565,563	\$ 3,876,595	\$ 3,995,765	\$ 4,133,670
Plan fiduciary net position:				
Contributions - employer	\$ 78,372	\$ 68,960	\$ 71,588	\$ 48,627
Contributions - employee	51,366	37,319	38,550	34,502
Net investment income	481,752	162,620	64,336	449,637
Benefit Payments, including refunds of employee contributions	(105,866)	(129,446)	(134,628)	(176,864)
Administrative expense	(2,549)	(2,217)	(2,281)	(2,638)
Other	25	(33)	(27)	(398)
Net change in plan fiduciary net position	503,100	137,203	37,538	352,866
Plan fiduciary net position - beginning	3,039,379	3,542,479	3,679,682	3,717,220
Plan fiduciary net position - ending (b)	\$ 3,542,479	\$ 3,679,682	\$ 3,717,220	\$ 4,070,086
Net pension liability - ending (a)-(b)	\$ 23,084	\$ 196,913	\$ 278,545	\$ 63,584
Plan fiduciary net position as a percentage of the total pension liability covered payroll	99.35%	94.92%	93.03%	98.46%
	\$ 769,107	\$ 747,129	\$ 775,601	\$ 694,671
Net pension liability as a percentage of covered payroll	3.00%	26.36%	35.91%	9.15%

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	2017
Employer's proportion of the net pension liability	0.18686%	0.18865%	0.18811%	0.18557%
Employer's proportionate share of the net pension liability	\$ 22,581,000	\$ 23,744,000	\$ 26,362,000	\$ 22,821,000
Employer's covered payroll	13,665,309	14,026,124	14,342,930	14,793,145
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	165.24%	169.28%	183.80%	154.27%
Plan fiduciary net position as a percentage of the total pension liability	70.88%	70.68%	68.28%	72.92%

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 - Virginia Retirement System.

Schedule of County Contributions - Virginia Retirement System

	Fiscal Year June 30,				
	2014	2015	2016	2017	2018
Contractually required contribution (CRC)	\$ 1,098,298	\$ 939,774	\$ 984,325	\$ 879,535	\$ 1,018,612
Contributions in relation to the CRC	1,098,298	939,774	984,325	879,535	1,018,612
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 9,355,179	\$ 9,186,452	\$ 9,621,945	\$ 9,904,673	\$ 11,470,856
Contributions as a percentage of covered payroll	11.74%	10.23%	10.23%	8.88%	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 - Virginia Retirement System.

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

	Fiscal Year June 30,				
	2014	2015	2016	2017	2018
Contractually required contribution (CRC)	\$ 78,372	\$ 68,960	\$ 71,588	\$ 48,627	\$ 53,323
Contributions in relation to the CRC	78,372	68,960	71,588	48,627	53,323
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 769,107	\$ 747,129	\$ 775,601	\$ 694,671	\$ 761,757
Contributions as a percentage of covered payroll	10.19%	9.23%	9.23%	7.0%	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 - Virginia Retirement System.

Schedule of School Board Professional Contributions - Virginia Retirement System

	Fiscal Year June 30,				
	2014	2015	2016	2017	2018
Contractually required contribution (CRC)	\$ 1,593,375	\$ 2,033,788	\$ 2,016,616	\$ 2,168,675	\$ 2,498,923
Contributions in relation to the CRC	1,593,375	2,033,788	2,016,616	2,168,675	2,498,923
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 13,665,309	\$ 14,026,124	\$ 14,342,930	\$ 14,793,145	\$15,312,028
Contributions as a percentage of covered payroll	11.66%	14.50%	14.06%	14.66%	16.32%

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 - Virginia Retirement System.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Required Supplementary Information – Virginia Retirement System
Year Ended June 30, 2018

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, 2017 are not material.

II. Changes of assumptions

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ended June 30, 2016:

County and School Board Non-Professional:

General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Public Safety Employees with Hazardous Duty Benefits

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 45%

School Board Professional:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience each year, age and service through nine years of service

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Required Supplementary Information – Virginia Retirement System
Year Ended June 30, 2018

Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

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:

General Employees

- Mortality Rates: 15% of deaths are assumed to be service related.
- Pre-retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.
 - Post-retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward three years; females 1.0% increase compounded from ages 70 to 90.
 - Post-disablement: RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward two years, 110% of rates; females 125% of rates.

Public Safety Employees with Hazardous Duty Benefits

- Mortality Rates: 45% of deaths are assumed to be service related.
- Pre-retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward one year.
 - Post-retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward one year, 1.0% increase compounded from ages 70 to 90; females set forward three years.
 - Post-disablement: RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward two years; unisex using 100% male.

School Board Professional Plan (Cost-Sharing Plan)

- Mortality Rates:
- Pre-retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.
 - Post-retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back three years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.
 - Post-disablement: RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

**Schedules of Changes in the County's Total OPEB Liability and Related Ratios -
Retiree Healthcare Plan**

	Fiscal Year June 30, 2018
Total OPEB liability:	
Service cost	\$ 101,564
Interest	78,797
Benefit payments	(86,881)
Net change in total OPEB liability	93,480
Total OPEB liability - beginning	2,263,082
Total OPEB liability - ending	\$ 2,356,562
Covered payroll	\$ 11,470,856
Total OPEB liability as a percentage of covered payroll	20.54%

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.

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedules of Changes in the School Board's Total OPEB Liability and Related Ratios -
Retiree Healthcare Plan**

	Fiscal Year June 30, 2018
Total OPEB liability:	
Service cost	\$ 152,052
Interest	66,186
Benefit payments	(128,575)
Net change in total OPEB liability	89,663
Total OPEB liability - beginning	1,928,675
Total OPEB liability - ending	\$ 2,018,338
Covered payroll	\$ 18,873,994
Total OPEB liability as a percentage of covered payroll	10.69%

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 - Other Postemployment Benefits.

**Schedule of Employer's Share of Net OPEB Liability -
Group Life Insurance Program**

	Fiscal Year June 30, 2017
County:	
Employer's proportion of the net GLI OPEB liability	0.05508%
Employer's proportionate share of the net GLI OPEB liability	\$ 829,000
Employer's covered payroll	10,159,907
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%
School Board Non-Professional:	
Employer's proportion of the net GLI OPEB liability	0.00386%
Employer's proportionate share of the net GLI OPEB liability	\$ 59,000
Employer's covered payroll	711,426
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.29%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%
School Board Professional:	
Employer's proportion of the net GLI OPEB liability	0.08065%
Employer's proportionate share of the net GLI OPEB liability	\$ 1,214,000
Employer's covered payroll	14,875,910
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.16%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	48.86%

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 and the School Board non-professional, and the School Board professional will present information for those years for which information is available.

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of County Contributions - OPEB -
Group Life Insurance Program**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution (CRC)	\$ 27,005	\$ 28,341	\$ 32,567	\$ 31,889	\$ 41,558	\$ 46,143	\$ 48,960	\$ 51,657	\$ 52,832	\$ 59,400
Contributions in relation to the CRC	20,254	15,912	20,724	20,293	37,637	41,790	44,341	46,783	52,832	59,400
Contribution deficiency (excess)	\$ 6,751	\$ 12,429	\$ 11,843	\$ 11,596	\$ 3,921	\$ 4,353	\$ 4,619	\$ 4,874	\$ -	\$ -
Employer's covered payroll	\$ 7,501,381	\$ 5,893,302	\$ 7,401,524	\$ 7,247,482	\$ 7,841,075	\$ 8,706,181	\$ 9,237,807	\$ 9,746,517	\$ 10,159,907	\$ 11,470,856
Contributions as a percentage of covered payroll	0.27%	0.27%	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of School Board Non-Professional Contributions - OPEB -
Group Life Insurance Program**

	Fiscal Year June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Contractually required contribution (CRC)	\$ 3,212	\$ 3,153	\$ 3,834	\$ 3,316	\$ 3,934	\$ 4,076	\$ 3,964	\$ 4,140	\$ 3,699	\$ 3,961	
Contributions in relation to the CRC	2,409	1,749	2,440	2,110	3,563	3,692	3,590	3,749	3,699	3,961	
Contribution deficiency (excess)	\$ 803	\$ 1,404	\$ 1,394	\$ 1,206	\$ 371	\$ 384	\$ 374	\$ 391	\$ -	\$ -	
Employer's covered payroll	\$ 892,254	\$ 647,927	\$ 871,413	\$ 753,748	\$ 742,325	\$ 769,108	\$ 748,015	\$ 781,049	\$ 711,426	\$ 761,757	
Contributions as a percentage of covered payroll	0.27%	0.27%	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%	

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of School Board Professional Contributions - OPEB -
Group Life Insurance Program**

	Fiscal Year June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution (CRC)	\$ 48,360	\$ 49,697	\$ 55,860	\$ 56,035	\$ 67,239	\$ 72,520	\$ 74,477	\$ 76,287	\$ 77,355	\$ 80,247
Contributions in relation to the CRC	36,270	26,547	35,547	35,659	60,896	65,679	67,451	69,090	77,355	80,247
Contribution deficiency (excess)	\$ 12,090	\$ 23,150	\$ 20,313	\$ 20,376	\$ 6,343	\$ 6,841	\$ 7,026	\$ 7,197	\$ -	\$ -
Employer's covered payroll	\$ 13,433,219	\$ 9,832,147	\$ 12,695,522	\$ 12,735,192	\$ 12,686,609	\$ 13,683,101	\$ 14,052,263	\$ 14,393,764	\$ 14,875,910	\$ 15,312,028
Contributions as a percentage of covered payroll	0.27%	0.27%	0.28%	0.28%	0.48%	0.48%	0.48%	0.48%	0.52%	0.52%

See Notes to Required Supplementary Information - Other Postemployment Benefits.

Schedule of Changes in the School Board Professional Plan's Net OPEB Liability and Related Ratios - Health Insurance Credit Program

	Fiscal Year June 30, 2017
Employer's proportion of the net HIC OPEB liability	0.18745%
Employer's proportionate share of the net HIC OPEB liability	\$ 2,378,000
Employer's covered payroll	14,793,917
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	16.07%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.04%

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 professional plan will present information for those years which information is available.

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of School Board Professional Plan Contributions - OPEB -
Health Insurance Credit Program**

	Fiscal Year June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution (CRC)	\$ 150,425	\$ 154,614	\$ 137,085	\$ 137,547	\$ 147,734	\$ 159,884	\$ 165,508	\$ 169,247	\$ 181,965	\$ 189,202
Contributions in relation to the CRC	145,052	102,254	76,158	76,415	140,158	151,685	148,677	152,035	164,212	189,202
Contribution deficiency (excess)	\$ 5,373	\$ 52,360	\$ 60,927	\$ 61,132	\$ 7,576	\$ 8,199	\$ 16,831	\$ 17,212	\$ 17,753	\$ -
Employer's covered payroll	\$ 13,430,777	\$ 9,832,147	\$ 12,693,077	\$ 12,735,840	\$ 12,626,853	\$ 13,665,311	\$ 14,026,128	\$ 14,342,930	\$ 14,793,917	\$ 15,312,028
Contributions as a percentage of covered payroll	1.08%	1.04%	0.60%	0.60%	1.11%	1.11%	1.06%	1.06%	1.11%	1.24%

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of School Board Non-Professional Plan Share of Net OPEB Liability -
Virginia Local Disability Program**

	Fiscal Year June 30, 2017
Employer's proportion of the net VLDP OPEB liability	0.0588%
Employer's proportionate share of the net VLDP OPEB liability	\$ 1,000
Employer's covered payroll	108,001
Employer's proportionate share of the net VLDP OPEB liability as a percentage of its covered payroll	0.9259%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	38.40%

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 non-professional plan will present information for those years for which information is available.

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of School Board Professional Plan Share of Net OPEB Liability -
Virginia Local Disability Program**

	Fiscal Year June 30, 2017
Employer's proportion of the net VLDP OPEB liability	1.0444%
Employer's proportionate share of the net VLDP OPEB liability	\$ 6,000
Employer's covered payroll	2,947,192
Employer's proportionate share of the net VLDP OPEB liability as a percentage of its covered payroll	0.2036%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	31.96%

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 professional plan will present information for those years for which information is available.

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of School Board Non-Professional Plan Contributions - OPEB -
Virginia Local Disability Program**

	Fiscal Year June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution (CRC) \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49	\$ 302	\$ 648	\$ 840
Contributions in relation to the CRC	-	-	-	-	-	-	49	302	648	840
Contribution deficiency (excess) \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 8,223	\$ 50,285	\$ 108,001	\$ 139,976
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	0.60%	0.60%	0.60%	0.60%

See Notes to Required Supplementary Information - Other Postemployment Benefits.

**Schedule of School Board Professional Contributions - OPEB -
Virginia Local Disability Program**

	Fiscal Year June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually required contribution (CRC)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,985	\$ 6,278	\$ 9,136	\$ 11,550
Contributions in relation to the CRC	-	-	-	-	-	-	3,985	6,278	9,136	11,550
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,373,998	\$ 2,164,860	\$ 2,947,192	\$ 3,746,746
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	0.29%	0.29%	0.31%	0.31%

See Notes to Required Supplementary Information - Other Postemployment Benefits.

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements – Other Postemployment Benefits
Year Ended June 30, 2018

I. Retiree Healthcare Plan

Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period presented:

2018 3.55%

II. Group Life Insurance Program

Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

Changes of Assumptions

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the Virginia Retirement System for the four-year period ended June 30, 2016:

School Board Professional

Teachers

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

County and School Board Non-Professional Plans

General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements – Other Postemployment Benefits
Year Ended June 30, 2018

Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

III. Health Insurance Credit Program

Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

Changes of Assumptions

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the Virginia Retirement System for the four-year period ended June 30, 2016:

School Board Non-Professional Plan

Non-Largest Ten Locality Employers – General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

School Board Professional Plan

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

COUNTY OF GOOCHLAND, VIRGINIA
Notes to Financial Statements – Other Postemployment Benefits
Year Ended June 30, 2018

IV. Virginia Local Disability Program

Changes of Benefit Terms

There have been no actuarially material changes to the Virginia Retirement System benefit provisions since the prior actuarial valuation.

Changes of Assumptions

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the Virginia Retirement System for the four-year period ended June 30, 2016:

School Board Non-Professional Plan

Non-Largest Ten Locality Employers – General and Non-Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

School Board Professional Plan

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

SUPPLEMENTARY INFORMATION

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
General property taxes:				
Real property tax	\$ 25,505,000	\$ 25,505,000	\$ 25,786,768	\$ 281,768
TCSD property tax revenue share	(1,450,000)	(1,450,000)	(1,383,885)	66,115
Real and personal PSC property tax	700,000	700,000	754,919	54,919
Personal property tax	9,374,971	9,374,971	11,315,543	1,940,572
Penalties	230,000	230,000	239,475	9,475
Interest	250,000	250,000	312,240	62,240
Total general property taxes	34,609,971	34,609,971	37,025,060	2,415,089
Other local taxes:				
Local sales and use tax	2,700,000	2,700,000	3,026,300	326,300
Consumer utility tax	450,000	450,000	466,496	16,496
Consumption tax	97,000	97,000	102,772	5,772
Business license tax	766,000	766,000	910,624	144,624
Motor vehicle licenses	880,000	880,000	855,475	(24,525)
Bank stock tax	100,000	100,000	1,020,586	920,586
Tax on recordation and wills	490,000	490,000	569,809	79,809
Total other local taxes	5,483,000	5,483,000	6,952,062	1,469,062
Permits, privilege fees, and regulatory licenses:				
Animal licenses	27,000	27,000	25,716	(1,284)
Land use application fees	3,000	3,000	2,350	(650)
Transfer fees	700	700	1,053	353
Zoning and subdivision permits	67,000	67,000	87,363	20,363
Building permits	850,000	850,000	1,099,302	249,302
Other permits and licenses	101,700	101,700	148,624	46,924
Total permits, privilege fees, and regulatory licenses	1,049,400	1,049,400	1,364,408	315,008
Fines and forfeitures:				
Court fines and forfeitures	100,000	100,000	115,307	15,307
Revenue from use of money and property:				
Revenue from use of money	100,000	100,000	668,599	568,599
Revenue from use of property	5,000	5,000	6,019	1,019
Total revenue from use of money and property	105,000	105,000	674,618	569,618
Charges for services:				
Sheriff fees	3,500	3,500	4,902	1,402
Commonwealth's Attorney	2,000	2,000	1,753	(247)
Courthouse security	55,000	55,000	38,790	(16,210)
Other court services	15,000	15,000	11,821	(3,179)
Sanitation and waste removal	32,000	32,000	35,622	3,622
Parks, recreation, and facilities management	164,000	214,700	208,116	(6,584)
Community development	21,000	21,000	37,722	16,722
Fire and rescue	725,000	725,000	711,292	(13,708)
Total charges for services	1,017,500	1,068,200	1,050,018	(18,182)
Miscellaneous:				
Miscellaneous revenues	5,000	66,865	110,647	43,782

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES (Continued)				
Revenues from local sources (continued):				
Recovered costs:				
Public assistance refunds	\$ -	\$ -	\$ 23,818	\$ 23,818
Other recovered costs	92,500	98,031	324,886	226,855
Total recovered costs	92,500	98,031	348,704	250,673
Total revenue from local sources	42,462,371	42,580,467	47,640,824	5,060,357
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications sales and use tax	840,000	840,000	781,865	(58,135)
Rolling stock tax	80,000	80,000	5,624	(74,376)
Mobile home titling tax	7,000	7,000	12,252	5,252
State recordation tax	110,000	110,000	137,504	27,504
Auto rental tax	10,000	10,000	23,362	13,362
Personal property tax relief funds	2,853,012	2,853,012	2,853,012	-
Total noncategorical aid	3,900,012	3,900,012	3,813,619	(86,393)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	267,955	267,955	275,573	7,618
Sheriff	906,806	906,806	924,928	18,122
Commissioner of Revenue	89,134	89,134	90,529	1,395
Treasurer	97,313	97,313	108,581	11,268
Registrar/electoral board	35,495	35,495	37,365	1,870
Clerk of the Circuit Court	244,297	244,297	247,482	3,185
Total shared expenses	1,641,000	1,641,000	1,684,458	43,458
Other categorical aid:				
Public assistance and welfare administration	584,328	584,328	476,529	(107,799)
Fire programs fund	70,474	72,603	72,603	-
DMV agent compensation	90,000	90,000	135,963	45,963
Wireless E911	42,000	42,000	46,965	4,965
Four 4 life funds	25,886	25,858	-	(25,858)
Fire training grants	-	-	3,035	3,035
Victim-witness grant	20,000	20,000	4,014	(15,986)
Litter control	7,500	7,500	5,518	(1,982)
Economic development	-	250,000	250,000	-
Other categorical aid	7,000	17,820	12,796	(5,024)
Total other categorical aid	847,188	1,110,109	1,007,423	(102,686)
Total categorical aid	2,488,188	2,751,109	2,691,881	(59,228)
Total revenue from the Commonwealth	6,388,200	6,651,121	6,505,500	(145,621)
Revenue from the Federal government:				
Categorical aid:				
Public assistance and welfare administration	1,186,482	1,186,482	1,335,441	148,959
Emergency management performance grant	16,904	16,904	15,947	(957)
Highway safety grant	30,000	30,000	41,334	11,334
Other federal funds	50,000	50,000	65,931	15,931
Total categorical aid	1,283,386	1,283,386	1,458,653	175,267
Total revenue from the Federal government	1,283,386	1,283,386	1,458,653	175,267
Total intergovernmental	7,671,586	7,934,507	7,964,153	29,646
Total revenues	50,133,957	50,514,974	55,604,977	5,090,003

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
General government administration:				
Legislative:				
Board of Supervisors	\$ 152,862	\$ 152,862	\$ 145,672	\$ 7,190
General and financial administration:				
County Administrator	556,481	595,381	596,732	(1,351)
County Attorney	382,908	382,908	356,715	26,193
Human resources	169,003	174,503	165,007	9,496
Commissioner of the Revenue	375,837	393,837	394,759	(922)
Assessor	422,195	434,195	409,981	24,214
Other general and financial administration	732,301	257,951	224,651	33,300
Treasurer	461,319	488,319	416,308	72,011
Information systems	1,114,720	1,151,320	1,174,016	(22,696)
Finance	466,565	468,415	463,974	4,441
Purchasing	108,832	108,832	102,331	6,501
Total general and financial administration	4,790,161	4,455,661	4,304,474	151,187
Board of Elections:				
Registrar	236,321	266,321	234,924	31,397
Total general government administration	5,179,344	4,874,844	4,685,070	189,774
Judicial administration:				
Courts:				
Circuit Court	38,292	78,171	80,917	(2,746)
General District Court	19,938	19,938	18,519	1,419
Sheriff - court services	487,719	504,719	481,134	23,585
Clerk of the Circuit Court	557,980	574,700	567,027	7,673
Total courts	1,103,929	1,177,528	1,147,597	29,931
Commonwealth's Attorney	538,596	538,596	517,110	21,486
Total judicial administration	1,642,525	1,716,124	1,664,707	51,417
Public safety:				
Law enforcement and traffic control:				
Sheriff	3,625,128	3,658,128	3,335,451	322,677
Sheriff's grants	30,000	30,000	35,919	(5,919)
Total law enforcement and traffic control	3,655,128	3,688,128	3,371,370	316,758
Fire and rescue services:				
Fire and rescue	3,074,974	3,176,370	2,927,750	248,620
Emergency planning	130,168	146,275	139,717	6,558
Fire and rescue revenue recovery	688,867	688,867	603,885	84,982
Total fire and rescue services	3,894,009	4,011,512	3,671,352	340,160
Correction and detention:				
Confinement and care of prisoners	412,918	412,918	373,481	39,437
Inspections:				
Building inspections	682,205	683,405	636,745	46,660

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)				
Public safety (continued):				
Other protection:				
Animal control	\$ 388,708	\$ 402,108	\$ 378,999	\$ 23,109
Emergency dispatch services	263,000	263,000	257,376	5,624
E911 System	819,735	819,735	811,982	7,753
Total other protection	1,471,443	1,484,843	1,448,357	36,486
Total public safety	10,115,703	10,280,806	9,501,305	779,501
General services:				
Convenience centers	867,355	839,102	833,924	5,178
Facilities management	994,462	1,026,362	1,075,558	(49,196)
Grounds management	481,500	474,100	446,433	27,667
Total general services	2,343,317	2,339,564	2,355,915	(16,351)
Health and welfare:				
Health:				
Supplement of local health department	245,784	245,784	245,784	-
Mental health and mental retardation:				
Goochland Powhatan Community Services	271,980	271,980	271,813	167
Welfare:				
Public assistance and welfare administration	2,436,932	2,436,932	2,378,519	58,413
Tax relief for the elderly and disabled	445,000	452,500	452,281	219
Goochland Cares	181,050	181,050	177,761	3,289
Contributions	144,448	144,448	145,069	(621)
Total welfare	3,207,430	3,214,930	3,153,630	61,300
Total health and welfare	3,725,194	3,732,694	3,671,227	61,467
Parks, recreation, and facilities management:				
Parks, recreation, and facilities management	457,477	510,977	510,617	360
Contribution to regional library	424,810	425,810	425,356	454
Total parks, recreation, and facilities management	882,287	936,787	935,973	814
Community development:				
Planning and community development:				
Planning and zoning	522,133	826,213	736,356	89,857
Community development	136,674	137,824	119,067	18,757
Plan review and code enforcement	420,271	414,236	347,581	66,655
Extension office	62,428	62,428	55,593	6,835
Economic development	417,233	417,233	387,647	29,586
Appropriation to Economic Development Authority	-	250,000	250,000	-
Total community development	1,558,739	2,107,934	1,896,244	211,690
Education:				
Appropriation to the County School Board	21,830,000	22,209,066	22,111,909	97,157
Total education	21,830,000	22,209,066	22,111,909	97,157

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund**Year Ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
EXPENDITURES (Continued)				
Debt service:				
Principal retirement	\$ 3,078,550	\$ 3,116,894	\$ 2,912,706	\$ 204,188
Interest and other fiscal charges	432,298	433,242	573,011	(139,769)
Total debt service	3,510,848	3,550,136	3,485,717	64,419
Total expenditures	50,787,957	51,747,955	50,308,067	1,439,888
Excess (deficiency) of revenues over (under) expenditures	(654,000)	(1,232,981)	5,296,910	6,529,891
OTHER FINANCING USES				
Other financing uses:				
Transfer to Capital Projects Fund	(1,620,000)	(2,887,100)	(2,887,100)	-
Transfer to Office of Children's Services Fund	(931,000)	(931,000)	(631,320)	(299,680)
Total other financing uses	(2,551,000)	(3,818,100)	(3,518,420)	(299,680)
Net change in fund balance	(3,205,000)	(5,051,081)	1,778,490	(6,829,571)
Fund balance - beginning	-	34,458,838	34,458,838	-
Fund balance - ending	\$ (3,205,000)	\$ 29,407,757	\$ 36,237,328	\$ (6,829,571)

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Miscellaneous	\$ 1,207,500	\$ 1,262,816	\$ 1,280,889	\$ 18,073
Intergovernmental:				
Revenue from the Commonwealth	2,557,000	422,900	54,900	(368,000)
Total revenues	3,764,500	1,685,716	1,335,789	(349,927)
EXPENDITURES				
General government administration	295,000	3,511,490	1,013,315	2,498,175
Public safety	535,500	8,453,979	4,026,798	4,427,181
Public works	550,000	890,071	522,565	367,506
Education	750,000	2,440,987	534,875	1,906,112
Community development	5,123,000	944,119	141,647	802,472
Total expenditures	7,253,500	16,240,646	6,239,200	10,001,446
Deficiency of revenues under expenditures	(3,489,000)	(14,554,930)	(4,903,411)	9,651,519
OTHER FINANCING SOURCES				
Transfers in	1,620,000	2,887,100	2,887,100	-
Total other financing sources	1,620,000	2,887,100	2,887,100	-
Net change in fund balance	(1,869,000)	(11,667,830)	(2,016,311)	9,651,519
Fund balance - beginning	-	14,281,371	14,281,371	-
Fund balance - ending	\$ (1,869,000)	\$ 2,613,541	\$ 12,265,060	\$ 9,651,519

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2018

	Nonmajor Governmental Funds		
	Asset Forfeiture	Office of Children's Services	Totals
ASSETS			
Cash and cash equivalents	\$ 59,891	\$ 41,489	\$ 101,380
Prepaid items	-	610	610
Due from other governmental units	-	108,053	108,053
Total assets	<u>\$ 59,891</u>	<u>\$ 150,152</u>	<u>\$ 210,043</u>
LIABILITIES			
Accounts payable	\$ -	\$ 80,567	\$ 80,567
Unearned revenue	20,930	-	20,930
Total liabilities	<u>20,930</u>	<u>80,567</u>	<u>101,497</u>
FUND BALANCES			
Nonspendable	-	610	610
Restricted	38,961	-	38,961
Assigned	-	68,975	68,975
Total fund balances	<u>38,961</u>	<u>69,585</u>	<u>108,546</u>
Total liabilities and fund balances	<u>\$ 59,891</u>	<u>\$ 150,152</u>	<u>\$ 210,043</u>

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

Year Ended June 30, 2018

	Nonmajor Governmental Funds		
	Asset Forfeiture	Office of Children's Services	Totals
REVENUES			
Revenue from local sources:			
Revenue from use of money and property	\$ 543	\$ -	\$ 543
Charges for services	-	23,631	23,631
Intergovernmental:			
Revenue from the Commonwealth	-	470,802	470,802
Revenue from the Federal government	-	15,260	15,260
Total revenues	543	509,693	510,236
EXPENDITURES			
Health and welfare	-	1,129,530	1,129,530
Total expenditures	-	1,129,530	1,129,530
Excess (deficiency) of revenues over (under) expenditures	543	(619,837)	(619,294)
OTHER FINANCING SOURCES			
Transfers in	-	631,320	631,320
Net change in fund balances	543	11,483	12,026
Fund balances - beginning	38,418	58,102	96,520
Fund balances - ending	\$ 38,961	\$ 69,585	\$ 108,546

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from use of money and property	\$ -	\$ -	\$ 543	\$ 543
Total revenues	-	-	543	543
EXPENDITURES				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	543	543
Net change in fund balance	-	-	543	543
Fund balance - beginning	-	38,418	38,418	-
Fund balance - ending	\$ -	\$ 38,418	\$ 38,961	\$ 543

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Charges for services	\$ 31,000	\$ 31,000	\$ 23,631	\$ (7,369)
Intergovernmental:				
Revenue from the Commonwealth	713,411	713,411	470,802	(242,609)
Revenue from the Federal government	-	-	15,260	15,260
Total revenues	744,411	744,411	509,693	(234,718)
EXPENDITURES				
Health and welfare	1,675,411	1,675,411	1,129,530	545,881
Total expenditures	1,675,411	1,675,411	1,129,530	545,881
Deficiency of revenues under expenditures	(931,000)	(931,000)	(619,837)	311,163
OTHER FINANCING SOURCES				
Transfers in	931,000	931,000	631,320	(299,680)
Net change in fund balance	-	-	11,483	11,483
Fund balance - beginning	-	58,102	58,102	-
Fund balance - ending	\$ -	\$ 58,102	\$ 69,585	\$ 11,483

Combining Statement of Net Position - Fiduciary Funds

June 30, 2018

	Agency Funds			
	Special Welfare	Towers & Roads	Performance Bond Escrow	Total
ASSETS				
Cash and cash equivalents	\$ 36,374	\$ 260,440	\$ 526,493	\$ 823,307
Total assets	\$ 36,374	\$ 260,440	\$ 526,493	\$ 823,307
LIABILITIES				
Amounts held for social services clients	\$ 36,374	\$ -	\$ -	\$ 36,374
Performance bonds payable	-	260,440	526,493	786,933
Total liabilities	\$ 36,374	\$ 260,440	\$ 526,493	\$ 823,307

Combining Statement of Changes in Assets and Liabilities - Agency Funds

Year Ended June 30, 2018

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare				
Assets:				
Cash and cash equivalents	\$ 22,839	\$ 42,962	\$ (29,427)	\$ 36,374
Liabilities:				
Amounts held for social services clients	\$ 22,839	\$ 42,962	\$ (29,427)	\$ 36,374
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	\$ 445,465	\$ 177,528	\$ (96,500)	\$ 526,493
Liabilities:				
Performance bonds payable	\$ 445,465	\$ 177,528	\$ (96,500)	\$ 526,493
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 728,744	\$ 220,490	\$ (125,927)	\$ 823,307
Liabilities:				
Amounts held for social services clients	\$ 22,839	\$ 42,962	\$ (29,427)	\$ 36,374
Performance bonds payable	705,905	177,528	(96,500)	786,933
Total liabilities	\$ 728,744	\$ 220,490	\$ (125,927)	\$ 823,307

Combining Balance Sheet - Discretely Presented Component Unit - School Board

June 30, 2018

	Governmental Funds				
	School Operating	Textbook	Cafeteria	Special Revenue	Totals
ASSETS					
Cash and cash equivalents	\$ 1,115,220	\$ 436,958	\$ -	\$ 130,674	\$ 1,682,852
Accounts receivable	15,123	-	13,356	-	28,479
Due from other governmental units	1,029,848	-	5,018	-	1,034,866
Inventories	-	-	43,784	-	43,784
Total assets	<u>\$ 2,160,191</u>	<u>\$ 436,958</u>	<u>\$ 62,158</u>	<u>\$ 130,674</u>	<u>\$ 2,789,981</u>
LIABILITIES					
Accounts payable	\$ 297,407	\$ 15,527	\$ 5,335	\$ 5,206	\$ 323,475
Accrued liabilities	1,496,247	-	27,843	-	1,524,090
Total liabilities	<u>1,793,654</u>	<u>15,527</u>	<u>33,178</u>	<u>5,206</u>	<u>1,847,565</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - sales tax held by Commonwealth	166,000	-	-	-	166,000
Total deferred inflow of resources	<u>166,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,000</u>
FUND BALANCES					
Nonspendable	-	-	43,784	-	43,784
Assigned	200,537	421,431	(14,804)	125,468	732,632
Total fund balances	<u>200,537</u>	<u>421,431</u>	<u>28,980</u>	<u>125,468</u>	<u>776,416</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,160,191</u>	<u>\$ 436,958</u>	<u>\$ 62,158</u>	<u>\$ 130,674</u>	<u>\$ 2,789,981</u>

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

Total fund balances per above	<u>\$ 776,416</u>
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	56,214,828
Less - accumulated depreciation and amortization	<u>(25,003,131)</u>
	<u>31,211,697</u>
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	166,000
Deferred outflows of resources - pension and other postemployment plans 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.	3,680,046
Deferred inflows of resources - pension plan and other postemployment plans 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.	(3,050,532)
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Capital leases	(52,617)
Compensated absences	(307,129)
Net pension liability	(22,884,584)
Other postemployment benefits	<u>(5,676,338)</u>
	<u>(28,920,668)</u>
Net position of governmental activities	<u>\$ 3,862,959</u>

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

Year Ended June 30, 2018

	Governmental Funds				
	School Operating	Textbook	Cafeteria	Special Revenue	Totals
REVENUES					
Revenue from local sources:					
Revenue from use of money and property	\$ 42,727	\$ -	\$ -	\$ -	\$ 42,727
Charges for services	156,696	-	490,627	249,356	896,679
Miscellaneous	275,088	-	20,621	8,575	304,284
Payments from primary government	21,887,905	224,004	-	-	22,111,909
Intergovernmental revenues:					
Revenue from the Commonwealth	7,041,874	56,001	9,557	-	7,107,432
Revenue from the Federal government	1,201,820	-	499,888	-	1,701,708
Total revenues	30,606,110	280,005	1,020,693	257,931	32,164,739
EXPENDITURES					
Education	30,936,644	167,340	1,009,061	132,463	32,245,508
Debt service:					
Principal retirement	42,978	-	-	-	42,978
Interest and other fiscal charges	3,042	-	-	-	3,042
Total expenditures	30,982,664	167,340	1,009,061	132,463	32,291,528
Excess (deficiency) of revenues over (under) expenditures	(376,554)	112,665	11,632	125,468	(126,789)
Net change in fund balances	(376,554)	112,665	11,632	125,468	(126,789)
Fund balances - beginning	577,091	308,766	17,348	-	903,205
Fund balances - ending	\$ 200,537	\$ 421,431	\$ 28,980	\$ 125,468	\$ 776,416

Net change in fund balances - total governmental funds - per above \$ (126,789)

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	1,044,257
Depreciation and amortization expense	(1,508,337)
Transfer of depreciation and amortization expense related to joint tenancy assets from Primary Government	(1,232,411)
Transfer of joint tenancy assets from Primary Government	2,745,380
	<u>1,048,889</u>

Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. 166,000

The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.

Disposals	\$ (10,253)
Acquisition value of donated assets	<u>957,323</u>
	<u>947,070</u>

Deferred outflows of resources - pension plan contributions subsequent to measurement date 370,543

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	42,978
Pension expense	280,050
Other postemployment benefits	(55,663)
Compensated absences	(3,965)
	<u>263,400</u>

Change in net position of governmental activities \$ 2,669,113

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

Year Ended June 30, 2018

	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	\$ 42,727	\$ 1,637
Charges for services	218,493	183,493	156,696	(26,797)
Miscellaneous	111,039	286,440	275,088	(11,352)
Payments from primary government	21,608,684	22,563,551	21,887,905	(675,646)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Share of State sales tax	3,291,041	3,302,308	3,224,928	(77,380)
Basic school aid	2,241,107	2,275,328	2,270,753	(4,575)
Instructional fringe benefits	596,465	511,945	511,944	(1)
Special education	393,686	453,135	432,375	(20,760)
Remedial education	136,399	134,399	135,652	1,253
VPSA technology grant	180,000	221,709	52,945	(168,764)
Other state categorical aid	232,189	398,657	413,277	14,620
Revenue from the Federal government:				
IDEA Part B Special Education	649,656	709,452	669,367	(40,085)
Title I Part A Basic Education	443,511	422,867	330,038	(92,829)
Other federal categorical aid	195,763	267,027	202,415	(64,612)
Total revenues	30,339,123	31,771,401	30,606,110	(1,165,291)
EXPENDITURES				
Education:				
Instruction	21,334,101	21,664,559	21,361,575	302,984
Administration, attendance, and health	1,779,145	1,786,776	1,752,859	33,917
Pupil transportation	2,417,704	2,650,191	2,575,965	74,226
Operation and maintenance	2,493,682	3,087,579	2,936,936	150,643
Facilities	-	79,249	79,249	-
Technology	2,314,491	2,457,027	2,230,060	226,967
Debt service:				
Principal retirement	-	42,978	42,978	-
Interest and other fiscal charges	-	3,042	3,042	-
Total expenditures	30,339,123	31,771,401	30,982,664	788,737
Deficiency of revenues under expenditures	-	-	(376,554)	(376,554)
Net change in fund balance	-	-	(376,554)	(376,554)
Fund balance - beginning	-	577,091	577,091	-
Fund balance - ending	\$ -	\$ 577,091	\$ 200,537	\$ (376,554)

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Payments from primary government	\$ 221,316	\$ 324,004	\$ 224,004	\$ (100,000)
Intergovernmental:				
Revenue from the Commonwealth	55,329	56,001	56,001	-
Total revenues	276,645	380,005	280,005	(100,000)
EXPENDITURES				
Education	276,645	380,005	167,340	212,665
Total expenditures	276,645	380,005	167,340	212,665
Excess of revenues over expenditures	-	-	112,665	112,665
Net change in fund balance	-	-	112,665	112,665
Fund balance - beginning	-	308,766	308,766	-
Fund balance - ending	\$ -	\$ 308,766	\$ 421,431	\$ 112,665

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Charges for services	\$ 500,000	\$ 500,000	\$ 490,627	\$ (9,373)
Miscellaneous	3,000	24,421	20,621	(3,800)
Intergovernmental:				
Revenue from the Commonwealth	9,210	9,557	9,557	-
Revenue from the Federal government	452,565	499,665	499,888	223
Total revenues	964,775	1,033,643	1,020,693	(12,950)
EXPENDITURES				
Education	964,775	1,033,643	1,009,061	24,582
Total expenditures	964,775	1,033,643	1,009,061	24,582
Excess of revenues over expenditures	-	-	11,632	11,632
Net change in fund balance	-	-	11,632	11,632
Fund balance - beginning	-	17,348	17,348	-
Fund balance - ending	\$ -	\$ 17,348	\$ 28,980	\$ 11,632

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

Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Charges for services	\$ -	\$ 252,300	\$ 249,356	\$ (2,944)
Miscellaneous	-	10,000	8,575	(1,425)
Total revenues	-	262,300	257,931	(4,369)
EXPENDITURES				
Education	-	262,300	132,463	129,837
Total expenditures	-	262,300	132,463	129,837
Excess of revenues over expenditures	-	-	125,468	125,468
Net change in fund balance	-	-	125,468	125,468
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 125,468	\$ 125,468

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

Year Ended June 30, 2018

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

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

June 30, 2018

ASSETS

Current assets:

Cash and cash equivalents	\$ 487,767
Interest receivable	184
Investments	195,208
Total current assets	<u>683,159</u>

Noncurrent assets:

Note receivable	15,677
Due from primary government	1,782,490
Land held for resale	28,642
Total noncurrent assets	<u>1,826,809</u>
Total assets	<u>2,509,968</u>

LIABILITIES

Current liabilities:

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

Non-current liabilities:

Contractual agreement payable	1,482,490
Total liabilities	<u>1,682,490</u>

NET POSITION

Unrestricted	827,478
Total net position	<u>\$ 827,478</u>

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

Year Ended June 30, 2018

OPERATING REVENUES

Charges for services	\$ 251,861
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OPERATING EXPENSES

Economic development	269,758
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Operating loss	<u>(17,897)</u>
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NONOPERATING REVENUES

Revenue from use of money	1,659
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Loss before capital grants and contributions	<u>(16,238)</u>
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Capital grants and contributions - primary government	<u>250,000</u>
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Change in net position	233,762
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Total net position - beginning	593,716
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Total net position - ending	<u><u>\$ 827,478</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:

Tables

Financial trends information 1-4

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 5-8

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 9-10

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 11-12

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 13-15

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,									
	2009	2010	2011	2012	2013	2014 ⁽²⁾	2015	2016	2017 ⁽³⁾	2018
Governmental activities										
Net investment in capital assets	\$ 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	\$ 29,497,738
Restricted	-	-	-	-	-	209,922	109,498	138,572	3,341,960	539,165
Unrestricted	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	40,858,215
Total governmental activities net position	\$ 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	\$ 70,895,118
Business-type activities										
Net investment in capital assets	\$ 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	\$ 3,878,591
Restricted	-	-	-	-	13,526,684	13,782,829	14,279,691	13,535,478	13,529,930	13,535,851
Unrestricted	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)	(8,473,985)
Total business-type activities net position	\$ 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	\$ 8,940,457
Primary Government										
Net investment in capital assets	\$ 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	\$ 33,376,329
Restricted	-	-	-	-	13,526,684	13,992,751	14,389,189	13,674,050	16,871,890	14,075,016
Unrestricted	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	32,384,230
Total Primary Government net position	\$ 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	\$ 79,835,575

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.
- (3) At June 30, 2017, net position was restated for the implementation of GASB Statement No. 75 which reduced net position by \$2,216,226.

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

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government administration	\$ 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	\$ 5,159,350
Judicial administration	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	1,715,890
Public safety	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	10,992,193
Public works	2,971,577	1,928,762	1,732,979	796,180	801,403	784,017	825,229	760,112	2,220,929	2,105,022
Health and welfare	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	4,775,671
Education	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	24,617,455
Parks, recreation, and facilities management	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	914,960
Community development	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	1,667,282
Interest and other fiscal charges	1,354,281	1,015,677	1,078,901	949,236	836,779	726,881	598,042	539,984	627,357	505,074
Total governmental activities expenses	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	52,452,897
Business-type activities:										
Public utilities	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	11,760,612
Total Primary Government expenses	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	64,213,509
Program revenues										
Governmental activities:										
Charges for services:										
General government	-	18,000	-	-	-	64,513	77,785	97,985	124,371	148,624
Judicial administration	63,485	64,192	13,130	14,964	28,814	75,219	75,504	83,059	173,188	167,671
Public safety	282,823	32,381	163,368	87,764	317,460	1,251,462	1,309,043	1,826,008	1,809,165	1,841,212
Public works	35,736	25,833	34,529	36,284	34,325	39,768	26,794	36,532	35,705	35,622
Health and welfare	-	44,059	59,859	47,247	36,672	30,672	21,182	25,725	24,790	23,631
Education	-	-	354,115	765,182	974,569	-	-	-	-	-
Parks, recreation, and facilities management	74,697	77,420	86,923	126,822	127,380	135,617	152,552	195,078	217,490	208,116
Community development	327,729	247,900	-	-	-	27,659	28,625	309,049	124,718	128,488
Operating grants and contributions	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	4,636,596
Capital grants and contributions	-	155,624	27,181	190,358	37,000	1,366,358	105,238	118,814	125,000	54,900
Total governmental activities revenues	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	7,244,860
Business-type activities:										
Charges for services:										
Public utilities	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	5,346,858
Operating grants and contributions	-	-	-	-	-	878,797	778,312	1,156,394	878,797	3,175,036
Capital grants and contributions	474,120	319,998	351,790	1,790,690	932,860	2,335,129	453,250	654,500	360,651	1,166,520
Total business-type activities revenues	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	9,688,414
Total Primary Government program revenues	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	16,933,274

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

	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net expense:										
Governmental activities	\$ (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)	\$ (45,208,037)
Business-type activities	(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)	(2,072,198)
Total Primary Government net expense	(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)	(47,280,235)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	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	36,957,414
Local sales and use taxes	2,359,776	1,901,294	1,866,228	2,255,251	2,277,542	2,495,443	2,800,373	-	2,822,028	3,026,300
Consumer utility taxes	418,162	418,249	421,353	422,363	423,108	390,637	441,456	453,843	459,699	466,496
Communications tax ⁽¹⁾	865,751	896,132	890,874	876,103	875,140	-	-	-	-	-
Other local taxes	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	3,459,266
Unrestricted grants and contributions	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	3,813,619
Unrestricted revenues from use of money and property	466,093	184,717	161,386	217,982	90,781	154,059	59,084	133,704	311,479	675,161
Fines and forfeitures	-	-	170,670	182,360	130,802	124,052	117,109	123,069	-	-
Miscellaneous	35,650	451,414	722,591	375,003	796,524	729,424	811,268	506,539	856,126	1,391,536
Transfers	(432,547)	(468,154)	(483,356)	(466,067)	(546,650)	(790,577)	(381,000)	(250,000)	-	-
Total general revenues, governmental activities	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	49,789,792
Business-type activities:										
Taxes:										
Property taxes	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	4,555,993
Unrestricted revenues from use of money and property	358,289	351,471	358,005	336,694	424,269	520,733	524,238	552,765	557,051	562,392
Miscellaneous	2,110	25,235	18,129	369	3,939	2,492	6,847	1,227	-	-
Transfers	432,547	468,154	483,356	466,067	546,650	790,577	381,000	250,000	-	-
Total general revenues, business-type activities	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	5,118,385
Total general revenues, Primary Government	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	54,908,177
Change in net position										
Governmental activities	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	4,581,755
Business-type activities	(2,310,605)	(2,803,938)	(2,451,243)	(947,188)	(1,870,892)	1,341,356	(1,603,771)	47,482	(804,650)	3,046,187
Total Primary Government	\$ (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	\$ 7,627,942

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,									
	2009	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 7,390,926	\$ 7,854,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, undesignated	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	1,890,095
Restricted	-	-	114,244	111,334	105,609	108,620	92,580	89,250	55,239	22,520
Committed	-	-	2,693,315	3,914,260	-	-	-	-	580,000	1,815,700
Assigned	-	-	1,349,452	2,358,443	6,066,496	11,756,216	11,674,825	12,261,758	11,954,116	14,083,500
Unassigned	-	-	15,676,774	16,884,189	22,873,972	19,401,025	19,401,951	19,404,095	19,450,499	18,425,513
Total general fund	\$ 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	\$ 36,237,328
All other governmental funds										
Unreserved, reported in:										
Special revenue fund	\$ 143,954	\$ 166,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School capital projects	2,186,492	2,339,629	-	-	-	-	-	-	-	-
Nonspendable for:										
Comprehensive services/ Office of Children's Services	-	-	-	506	488	-	529	543	582	610
Restricted for:										
Forfeiture funds	-	-	129,822	125,664	117,233	101,302	90,808	49,322	38,418	38,961
Capital improvements	-	-	-	-	-	-	-	-	3,303,542	477,684
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	11,787,376
Special revenue fund	-	-	69,577	505	57,642	198,594	142,743	58,087	57,520	68,975
Unassigned	-	-	-	(506)	-	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 12,373,606

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
General property taxes	\$ 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	\$ 37,025,060
Other local taxes	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	6,952,062
Permits, privilege fees, and regulatory licenses	529,926	267,341	256,225	764,566	973,999	594,726	796,842	1,323,690	1,435,503	1,364,408
Fines and forfeitures	45,601	117,107	170,670	182,360	130,802	124,052	117,109	123,069	114,795	115,307
Revenue from use of money and property	466,093	184,717	161,387	217,982	93,455	154,059	59,084	133,704	311,479	675,161
Charges for services	208,943	242,444	355,699	313,697	545,221	1,030,184	894,643	968,146	959,129	1,073,649
Miscellaneous	25,450	334,307	542,121	555,473	796,524	729,424	811,268	788,139	856,126	1,391,536
Recovered costs	265,623	227,446	134,372	144,144	200,640	206,319	178,954	156,350	170,160	348,704
Intergovernmental:										
Commonwealth	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	7,031,202
Federal	858,893	999,794	994,544	943,199	916,023	1,018,813	1,180,144	1,169,312	1,398,100	1,473,913
Total revenues	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	57,451,002
Expenditures										
General government administration	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	5,698,385
Judicial administration	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	1,664,707
Public safety	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	13,528,103
Public works	2,598,655	2,062,509	1,675,599	839,369	842,089	776,933	712,448	843,705	2,481,016	2,878,480
Health and welfare	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	4,800,757
Education	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	22,646,784
Parks, recreation, and facilities management	946,161	880,499	938,631	1,813,179	1,866,550	2,355,179	2,189,014	2,477,416	1,350,010	935,973
Community development	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	2,037,891
Capital projects	3,056,652	5,081,761	592,450	1,025,164	2,024,139	-	-	-	-	-
Debt service:										
Principal	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	2,912,706
Interest and other fiscal charges	1,425,488	1,090,361	1,154,774	1,019,155	906,679	789,572	655,086	599,976	643,012	573,011
Total expenditures	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	57,676,797
Excess (deficiency) of revenues over (under) expenditures	(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)	(225,795)
Other financing sources (uses)										
Operating transfers in	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	3,518,420
Operating transfers out	(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)	(3,518,420)
Long-term debt issued	-	-	-	462,951	-	-	-	151,580	10,192,871	-
Total other financing sources (uses), net	(432,547)	(468,154)	(483,356)	(3,116)	(553,490)	(790,577)	(381,000)	(98,420)	10,192,871	-
Net change in fund balances	\$ (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	\$ (225,795)
Debt service as a percentage of noncapital expenditures	10.11%	9.78%	11.36%	10.15%	9.27%	6.84%	6.04%	5.28%	5.90%	6.78%

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

Calendar 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
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%
2018	4,864,785,549	287,214,586	44,200,310	146,834,768	5,343,035,213	0.72	5,343,035,213	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

Calendar Year	Direct Rates			Total Direct Tax Rate ⁽²⁾	Tuckahoe Creek Service District Ad Valorem
	Real Estate	Personal Property	Machinery and Tools		
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
2018	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

Taxpayer	Business Type	Rank	Fiscal Year 2018**		Rank	Fiscal year 2009**	
			Tax Year 2017 Assessed Valuation	% of Total Assessed Valuation		Tax Year 2008 Assessed Valuation	% of Total Assessed Valuation
Capital One Bank	Bank Headquarters	1	\$ 188,808,704	3.53%	1	\$ 157,343,900	3.21%
West Creek/WC/GC Land	Land Developers	2	131,999,124	2.47%	2	145,035,800	2.96%
Dominion Virginia Power	Public Utility	3	70,352,373	1.32%	4	38,437,559	0.78%
Car Max Business Services	Car Sales Headquarters	4	37,841,400	0.71%	3	48,443,700	0.99%
Riverstone Group LLC	Commercial Real Estate	5	36,667,300	0.69%			
Pruitt, Richard I	Rock Quarries	6	30,166,649	0.56%	6	27,174,600	0.55%
Federal Reserve Bank	Bank Headquarters	7	24,186,200	0.45%	7	27,021,500	0.55%
Gottwald, James T	Individual	8	24,105,338	0.45%	8	26,116,400	0.53%
CSX Transportation	Railroad	9	22,946,459	0.43%			
Luck Stone Corporation	Rock Quarries	10	22,066,830	0.41%	5	29,323,500	0.60%
Markel Properties LLC	Insurance/RE assets				9	25,729,500	0.52%
Verizon	Public Utility				10	23,132,090	0.47%
			<u>\$ 589,140,377</u>	<u>11.03%</u>			
						<u>\$ 547,758,549</u>	<u>11.16%</u>

Source: Commissioner of Revenue

**Commissioner's figures are based on Calendar Year 2018 and Calendar Year 2009 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
2009	\$ 33,921,962	\$ 32,187,530	94.89%	\$ 1,644,479	\$ 33,832,009	99.73%
2010	31,742,964	29,874,484	94.11%	1,788,033	31,662,517	99.75%
2011	31,180,137	29,377,651	94.22%	1,721,167	31,098,818	99.74%
2012	31,544,172	29,854,001	94.64%	1,595,204	31,449,205	99.70%
2013	35,903,587	34,089,797	94.95%	1,714,762	35,804,559	99.72%
2014	33,104,770	31,802,496	96.07%	1,243,798	33,046,294	99.82%
2015	34,354,491	33,176,890	96.57%	1,196,548	34,373,438	100.06%
2016	36,476,715	35,342,767	96.89%	1,055,985	36,398,752	99.79%
2017	38,190,041	37,032,670	96.97%	982,673	38,015,343	99.54%
2018	40,127,807	38,886,293	96.91%	-	38,886,293	96.91%

Source: County Treasurer's office

Note: 2015 appears to have collected over 100%. For comparability, the total tax levy for fiscal year is not updated for subsequent assessments.

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			
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	6.80%	6,013
2017	9,730,265	9,650,076	76,502,944	20,627,543	17,893,991	6,497,342	140,902,161	7.01%	6,206
2018	7,845,790	8,602,370	74,843,503	21,702,513	17,379,681	6,311,595	136,685,452	6.69%	5,917

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)
2009	\$ 24,715,000	0.50%	\$ 1,162
2010	22,615,000	0.45%	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
2018	7,845,790	0.15%	340

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)
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	1,974,018	88,473	45.20	2,495	3.60%
2017	22,705	2,008,788	88,473	46.20	2,496	3.60%
2018	23,102	2,043,942	88,473	48.40	2,567	2.70%

Notes:

- (1) Population estimates from Weldon Cooper Center for Public Service, University of Virginia. Latest estimate available is 2017. Estimate for 2018 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 2016. Per capita personal income calculated by dividing personal income by the population estimate for each year. Per capita personal income for 2017 and 2018 is assumed same as 2016 (latest total personal income data). Total personal income for 2017 and 2018 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	2018		2009	
	Employees	Rank	Employees	Rank
Capital One Bank	1000 and over	1	1,000 and over	1
Carmax Auto Superstores Inc	1000 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 II LLC	250 to 499	5		
Performance Food Group Inc.	250 to 499	6	100 to 249	9
Luck Stone Corporation	250 to 499	7	250 to 499	4
County of Goochland	100 to 249	8	100 to 249	7
Virginia Farm Bureau Mutual Insurance, Inc.	100 to 249	9	250 to 499	6
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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Government:										
General government	35	32	29	32	36	36	35	34	35	37
Judicial administration	12	12	15	24	24	24	15	16	17	17
Public safety:										
Sheriff's department	42	41	38	39	41	41	41	45	50	37
Fire and rescue	16	17	16	19	20	22	24	27	34	41
Building inspections	6	6	4	5	6	6	7	7	8	8
Animal control	3	3	3	3	3	3	3	4	5	7
General services:										
Facilities maintenance	16	12	11	-	-	-	-	-	17	16
Convenience centers	7	8	6	7	6	6	6	6	6	6
Utilities	6	6	6	6	6	6	6	7	8	8
Health and welfare:										
Department of social services	19	20	21	22	22	22	23	23	23	21
Parks, recreation, and facilities management	2	5	7	18	18	19	16	19	4	5
Community development:										
Planning	11	11	9	11	10	10	10	10	10	10
Total Government	175	173	165	186	192	195	186	198	217	213
School Board:										
Central office administrators	18	21	14	13	11	12	13	13	13	13
Principals and Assistant Principals ⁽¹⁾	-	-	8	8	8	8	8	8	9	9
Instructors:										
Elementary school	103	87	97	99	97	102	104	105	105	109
Middle school	43	41	47	50	51	52	51	50	48	51
High school	54	49	56	56	55	55	58	60	62	63
Special education professionals ⁽¹⁾	-	-	13	12	12	14	14	14	14	14
Instructional aides (all schools) ⁽¹⁾	-	-	33	33	33	36	39	37	39	36
Other administrative support staff ⁽¹⁾	-	-	23	24	24	23	25	25	25	25
Custodians, bus drivers, cafeteria workers ⁽¹⁾	-	-	78	76	79	75	75	77	78	76
Total School Board	218	198	369	371	370	377	387	389	393	396
Total County	393	371	534	557	562	572	573	587	610	609

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PUBLIC SAFETY										
Sheriff's department:										
Physical arrests	661	637	548	427	492	478	421	419	464	438
Traffic violations	4,606	5,205	6,299	5,784	5,847	6,447	6,720	6,953	8,409	7,878
Civil papers	5,693	4,951	5,227	5,143	4,689	4,259	4,466	4,780	4,847	5,269
Fire and rescue:										
Number of calls answered	3,414	3,146	2,906	3,444	2,718	2,572	2,522	2,680	2,444	2,809
Building inspections:										
New residential and commercial permits	84	73	37	63	145	150	216	236	293	273
Animal control:										
Number of calls answered	5,110	5,020	5,475	5,712	5,548	5,500	534	637	1,212	1,421
CULTURE AND RECREATION										
Parks and recreation:										
After-school program participants	227	1,189	1,211	1,279	1,255	1,648	1,683	2,041	2,358	2,287
Youth sports participants	495	1,100	1,975	1,350	1,475	1,300	1,450	1,575	1,060	1,104
COMPONENT UNIT - SCHOOL BOARD										
Education:										
School age population ⁽¹⁾										
Elementary school	1,207	1,134	1,129	1,039	1,001	1,061	1,036	1,108	1,098	1,118
Middle school	564	583	585	556	580	570	588	575	585	611
High school	770	764	729	734	727	756	768	812	817	838
Free and reduced meals served ⁽²⁾	116,082	128,880	121,302	123,274	119,515	127,674	121,617	124,036	131,906	139,678

Source: Individual county departments

Note:

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

(2) Based on Virginia Department of Education SNP Report.

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

Function	June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government:										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	6	9	6	6	4	3	3	4	3	3
Public safety:										
Sheriff's department:										
Patrol units	50	54	53	55	55	55	55	60	63	63
Fire and rescue:										
Vehicles	9	11	14	16	15	34	34	36	36	36
Building inspections:										
Vehicles	4	4	4	4	5	4	5	4	5	6
Animal control:										
Vehicles	3	3	3	3	3	3	3	4	4	4
Public works:										
General maintenance:										
Trucks/vehicles ⁽¹⁾	26	18	15	-	-	-	-	-	13	17
Convenience center:										
Vehicles	2	2	2	1	1	2	2	2	3	3
Equipment	3	1	1	1	1	1	1	2	2	2
Sites	2	2	2	2	2	2	2	2	2	2
Health and welfare:										
Department of Social Services:										
Vehicles	7	6	6	6	7	6	6	5	5	5
Parks, recreation, and facilities management:										
Community Centers	1	1	1	2	1	1	1	1	1	1
Vehicles	3	3	4	19	18	16	15	15	1	1
Community development:										
Planning:										
Vehicles	4	3	1	2	3	3	4	4	5	3
Business-type activities: ⁽²⁾										
Utilities:										
Vehicles	-	-	-	4	5	6	6	7	8	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	57	57	54	53	52	51	55	56	56	62
School buses	68	68	66	60	60	59	58	61	60	63

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, 2018

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal Catalog of Domestic Assistance Number	Pass-Through Entity Identifying Number	Provided 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	\$ -	\$ 61,452
Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	201716N109941	-	100,122
National School Lunch Program	10.555	201716N109941	-	336,616
Summer Food Service Program for Children	10.559	600260000	-	1,698
Total Child Nutrition Cluster				499,888
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010117/0010118/0040117/0040118	-	255,171
Total SNAP Cluster				255,171
Total Department of Agriculture				755,059
DEPARTMENT OF DEFENSE				
Direct payments:				
JROTC	12.U01	N/A	-	17,324
Total Department of Defense				17,324
DEPARTMENT OF JUSTICE				
Pass-through payments:				
Department of Criminal Justice Services				
Crime Victim Assistance	16.575	16-S9582VW15	-	65,931
Total Department of Justice				65,931
DEPARTMENT OF TRANSPORTATION				
Pass-through payments:				
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	SC-2017-57271-6920	-	11,641
State and Community Highway Safety	20.600	FSC-2018-58287-8287	-	12,893
Total Highway Safety Cluster				24,534
Alcohol Open Container Requirements	20.607	154AL-2017-57270-6919	-	6,264
Alcohol Open Container Requirements	20.607	M60T-2018-58281-8281	-	10,536
Total Department of Transportation				41,334
DEPARTMENT OF EDUCATION				
Pass-through payments:				
Virginia Department of Education:				
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	H027A160107-2017-430710000	-	647,675
Special Education - Grants to States	84.027	H027A170107-2017-430710000	-	2,000
Special Education - Preschool Grants	84.173	H173A160112-2017-625210000	-	19,692
Total Special Education Cluster (IDEA)				669,367

County of Goochland, Virginia

Schedule of Expenditures of Federal Awards

Page 2

Year Ended June 30, 2018

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal Catalog of Domestic Assistance Number	Pass-Through Entity Identifying Number	Provided To Subrecipients	Total Federal Expenditures
DEPARTMENT OF EDUCATION (CONTINUED):				
Pass-through payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A160046-2017-429010000	\$ -	\$ 330,038
Title I, Part D: State Agency Program for Neglected and Delinquent Children and Youth	84.010	S010A160046-2017-429350000	-	105,748
Career and Technical Education - Basic Grant to States	84.048	V048A150046-2017-610950000	-	31,654
Education for Homeless Children and Youth	84.196	S196A160048	-	698
Title III, Part A: English Language Acquisition State Grant	84.365	S365A160046-2017-605120000	-	3,467
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	S367A160044-2017-614800000	-	43,523
				515,128
Total Department of Education				1,184,495
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-through payments:				
Department of Social Services:				
Promoting Safe and Stable Families	93.556	0950116/0950117	-	13,865
TANF Cluster:				
Temporary Assistance to Needy Families (TANF)	93.558	0400117/0400118	-	124,084
Total TANF Cluster				124,084
Refugee and Entrant Assistance - State Administered Programs	93.566	0500117/0500118	-	230
Low Income Home Energy Assistance	93.568	0600417/0600418	-	15,706
Community Services Block Grant	93.569	not provided	-	234,763
Child Care and Development Fund Cluster:				
Administration for Children and Families	93.575	0770118	-	(25)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760117/0760118	-	20,007
Total Child Care and Development Fund Cluster				19,982
Stephanie Tubbs Jones Child Welfare Services Program	93.645	090116/0900117	-	356
Foster Care - Title IV-E	93.658	1100117/1100118	-	172,180
Adoption Assistance	93.659	1120117/1120118	-	118,293
Social Services Block Grant	93.667	1000117/100118	-	125,267
Chafee Foster Care Independence Program	93.674	9150117/9150118	-	3,420
Children's Health Insurance Program	93.767	0540117/0540118	-	9,352
Medicaid Cluster:				
Medical Assistance Program (Title XIX)	93.778	1200117/1200118	-	258,034
Total Medicaid Cluster				258,034
Total Department of Health and Human Services				1,095,532
DEPARTMENT OF HOMELAND SECURITY				
Pass-through payments:				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	not provided	-	15,947
Total Department of Homeland Security				15,947
Total Federal Expenditures				\$ 3,175,622

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, 2018

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, 2018. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior year.

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 \$61,452 at the time received were consumed during the year ended June 30, 2018. These commodities were included in the determination of federal awards expended during the year ended June 30, 2018.



**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, 2018, 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 12, 2018.

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 that 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 12, 2018



**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, 2018. 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 that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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 Program

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, 2018.

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 that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County'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.

JB Mares, LLP

Harrisonburg, Virginia
November 12, 2018

COUNTY OF GOOCHLAND, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

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
84.010	Title I Grants to Local Educational Agencies
Medicaid Cluster:	
93.778	Medical Assistance Program
Special Education Cluster:	
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants

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

Auditee qualified as low-risk auditee?

_____ Yes √ No

Section II. FINANCIAL STATEMENT FINDINGS

None.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COUNTY OF GOOCHLAND, VIRGINIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2018

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs.