

Comprehensive Annual Financial Report



For the Year Ended
June 30, 2010

Goochland County, Virginia

COUNTY OF GOOCHLAND, VIRGINIA

Comprehensive Annual Financial Report

June 30, 2010

(With Independent Auditors' Report Thereon)

Prepared by

Goochland County Department of Finance

COUNTY OF GOOCHLAND, VIRGINIA
 Comprehensive Annual Financial Report
 June 30, 2010

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COUNTY OF GOOCHLAND, VIRGINIA

As of June 30, 2010

Board of Supervisors

William E. Quarles, Jr., Chairperson
James W. Eads, Vice-Chairperson

Malvern R. Butler
Andrew W. Pryor

Ned S. Creasey

School Board

Maxwell G. Cisne, Chairperson
Ivan O. Mattox, Sr., Vice-Chairperson

James L. Haskell
Raymond A. Miller

Andrew A. Meng

Social Services Board

James Waldrop, Chairperson
Billie Reid, Vice-Chairperson

Rita Brighton
Carol Salmon

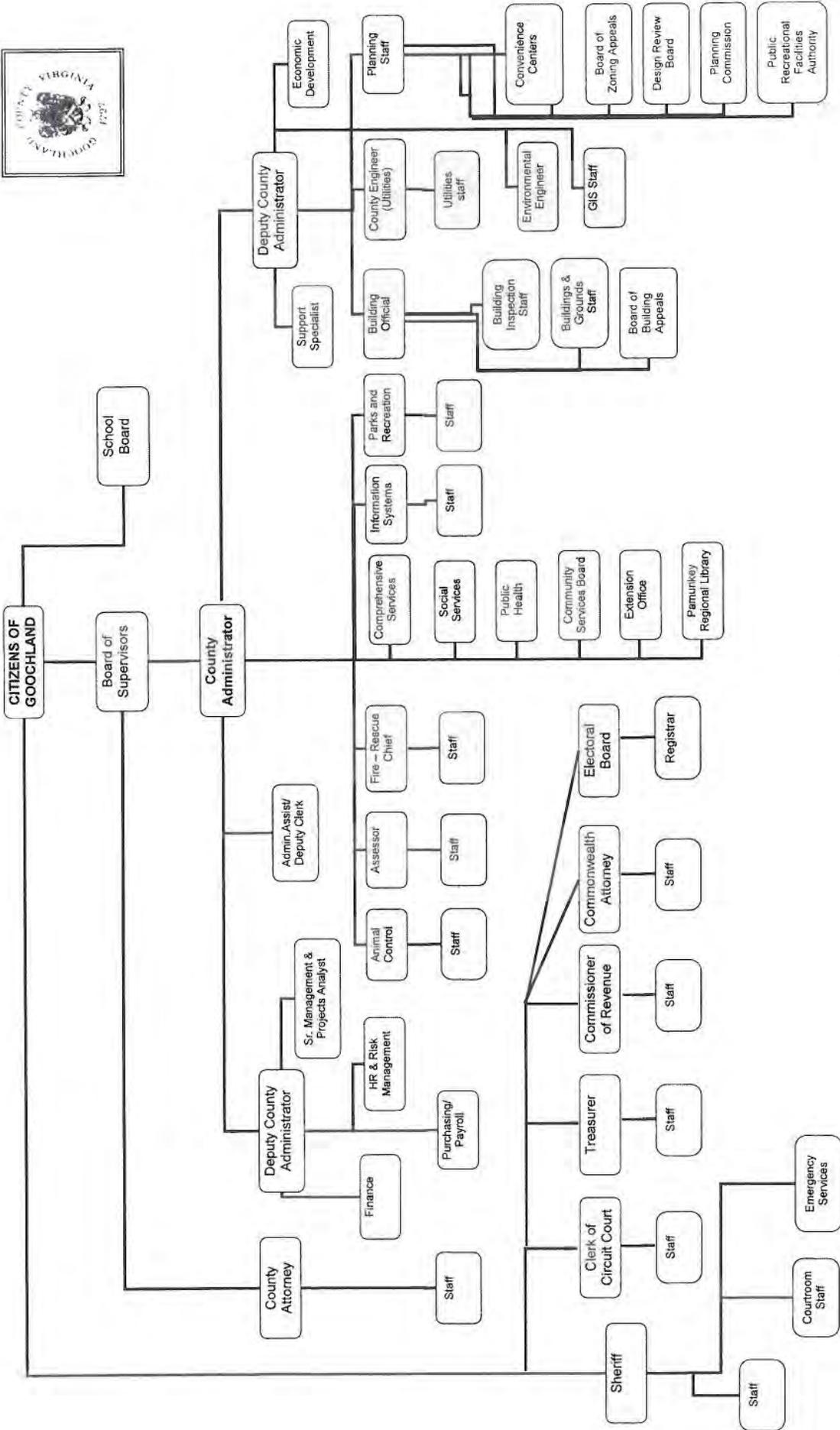
June Frick

Other Officials

County Administrator
County Attorney
Deputy County Administrator for Financial Services
Deputy County Administrator for Community Development
Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Commonwealth's Attorney
Judge of the Juvenile and Domestic Relations Court
Sheriff
Superintendent of Schools
Clerk of the School Board
Director of Social Services
Commissioner of the Revenue
Treasurer

Rebecca T. Dickson
Norman B. Sales
John B. Wack
Donald L. Charles
Timothy K. Sanner
Lee G. Turner
Edward K. Carpenter
Claiborne H. Stokes, Jr.
Edward Dej. Berry
James L. Agnew
Dr. Linda Underwood
Diane Bennett
Kimberly Jefferson
Jean S. Bryant
Brenda S. Grubbs

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BOARD OF SUPERVISORS
COUNTY OF GOOCHLAND
OFFICE OF THE COUNTY ADMINISTRATOR

January 4, 2011

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

The Commonwealth 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. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the County of Goochland (the County) as of and for the fiscal year ended June 30, 2010.

Management assumes 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.

KPMG LLP, Certified Public Accountants have issued an unqualified opinion on the County's basic financial statements for the year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* (Single Audit) designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only the fair presentation of basic financial statements, but also on the County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). 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.

Organization of Government

The County was established in 1727 by an act of the Virginia General Assembly, and 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 selected annually by its members. Each member serves a four-year term.

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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

The accompanying basic financial statements comply with GAAP as promulgated by the Governmental Accounting Standards Board (the GASB), in that the basic financial statements include all the organizations, activities, functions, and component units for which the County (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the County's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide financial benefit to or impose a financial burden on the County.

Based on the foregoing, 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 system and the wastewater collection systems, which are reported as enterprise funds.

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.

Economic Condition and Outlook

Goochland County is in the eastern Piedmont region of Central Virginia between Richmond and Charlottesville. The County is 290 square miles in land area and has an estimated population of 21,441. There are no independent cities or incorporated towns within the County.

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

West Creek Corporate Center is the largest development and encompasses over 3,500 acres in the eastern portion of the County. Capital One has seven office buildings on their 316 acre campus, and has a cafeteria and a town center which houses a fitness center and other amenities. Capital One is the County's largest employer. 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.

State Route 288, the Richmond's area's western bypass is a 4 lane limited access road (interstate quality). Along with I-64, these are the "economic development highways" for the County.

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 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.

The water and sewer system serving Goochland Courthouse is serving the western campus of J. Sergeant Reynolds Community College, the County's high school (which opened in 2001) and a shopping center (approximately 50,000 square feet) which opened in the fall of 2004. In 2007, the two outparcels were sold and are now home to a Hardees and a branch of the Bank of Goochland.

Despite the economic downturn of 2009-2010, Goochland is growing in a purposeful and organized manner. The County plans to pursue focused strategies and programs to promote quality development. Quality, well planned development that fits with the County's Comprehensive Plan and does not burden the infrastructure is the paramount consideration in the County's economic development strategy.

Major Initiatives

The County made progress in different areas for the year ending June 30, 2010.

The County continued work on the Computer Aided Dispatch/Records Management System proposed for the Sheriff's Office and Fire-Rescue. The project is nearly completed.

Significant renovations were made to Randolph Elementary and Byrd Elementary schools, focusing on modernized multipurpose rooms. Work on these projects is expected to be completed by the end of calendar year 2010.

In response to a Federal Communications Commission (FCC) mandate, the County has begun the process of replacing its Public Safety radio system. Working with its communications consultant, the County has reviewed all of its radio communications needs and established a system design, including public safety agencies, schools and County departments. The project will replace vehicle and handheld radios as well as the base transmitting and receiving equipment. The new system will be operational in 2013.

The County is a participant in a grant-funded communications project that will connect Emergency Operations Centers in the region with a voice and video conferencing system. The system will allow localities to communicate more effectively during emergencies. The system will be complete in the spring of 2011, and includes the establishment of a tower at Fire and Rescue Company 5.

A Parks and Recreation Master Plan was presented to the Goochland Board of Supervisors in February 2010, and then adopted in April. This Master Plan is intended to guide and assist with parks and recreation decision making for the next five years, and identifies facilities and amenities that would be developed to meet the leisure and recreational needs of the County's citizens.

Late in the fiscal year, progress was made in granting a perpetual conservation easement to the Virginia Outdoors Foundation, and towards receiving a \$250,000 donation from the Community Foundation, in order to develop Leake's Mill Park. Development planned for this site includes the establishment of soccer and other athletic fields, while the easement area will likely allow for non-motorized trails, bridge crossings, observation decks, and camping areas.

In June 2010, a Performance Agreement was approved between the County, the Goochland Economic Development Authority, and PT Land Co. LLC for the extension of water and sewer lines to a project on Pouncey Tract Road. This project will expand the County's tax base (within the Tuckahoe Creek Service District) through the planned development of a convenience store with an outside patio, fuel islands, and a car wash.

Progress was made towards the first phase of development of the West Creek Medical Center in Goochland County. HCA Virginia announced in August 2010 that a freestanding emergency room (ER) would be built to enhance the region's health care delivery system, with construction to be completed by early 2012.

The County and its Public Utilities staff continued to review long range rate-setting plans that would support existing infrastructure commitments, as well as potential expansion of the customer and tax base in future years through strategic development. The County is actively pursuing private development along with potential public financial incentives during the upcoming year.

Financial Information

County management is responsible for developing and maintaining a financial system to ensure that adequate internal accounting controls are established. This provides reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and to ensure the reliability of financial records necessary for the preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2010 has been completed; the County received an unqualified opinion, and no violations of laws or regulations have been found. Material weaknesses in internal control related to financial reporting were identified, which are noted in schedule of findings and questioned costs in the Compliance Section of this report.

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, except those to incur mandated expenditures, may be greater or less than contemplated in the budget. A supplemental appropriation that exceeds \$500,000 or 1% of the budget, whichever is less, requires a public hearing before approval.

The County maintains budgetary controls to ensure compliance with the annual budget. Control is maintained at the sub function level through the monitoring of payrolls and with the encumbrance of purchase orders. The payroll system requires that every position and related fringe benefits are to be authorized by the Board of Supervisors and approved by the County Administrator. Purchase orders which would result in the overrun of function level appropriations are not approved until the Board makes an additional appropriation. All appropriations lapse at year-end.

Similar budgetary controls exist for the Component Unit School Board.

Retirement Plan

A substantial number of County employees participate in the Virginia Retirement System (VRS). The VRS is an agent, multiple employer public employee retirement system that acts as a common investment and administrative agent for the political subdivisions in the Commonwealth of Virginia. The VRS determines the contribution rate for localities every two years.

Regional Cooperative Efforts

The County is a member of the Central Virginia Waste Management Authority (the Authority) that handles all of the County's solid waste needs. The Authority is composed of 13 local jurisdictions in the Richmond/Tri-Cities area. The County is a member of the Pamunkey Regional Library along with the Counties of Hanover, King William, and King & Queen. The Goochland-Powhatan Community Services Board is also

a regional effort in operating a mental health, mental retardation, and substance abuse services. Goochland participates in the Henrico Regional Jail, as needed, for adult offenders. The James River Juvenile Detention Commission was created by Goochland, Henrico, and Powhatan Counties.

Cash Management

The County's Treasurer is responsible for investing County and School Board funds. The County's and School Board's cash reserves were invested with Wachovia, US Bank, Bank of Goochland, Evergreen Money Market Funds, Sun Trust Money Securities, Virginia State Non-Arbitrage Fund and the Local Government Investment Pool as of June 30, 2010.

Independent Audit

Section 15.2-2511, Code of Virginia of 1950, as amended requires an annual audit of the books, financial records, and transactions of all departments and agencies of the County by an independent auditor. The Board of Supervisors engaged the firm of KPMG LLP, to complete this audit. This requirement has been complied with and the auditors' report is an integral part of this report.

Acknowledgments

We could not accomplish the preparation of this report without the efficient and dedicated service provided by the staffs of the Finance Department, 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,



Rebecca T. Dickson, County Administrator

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KPMG LLP
Suite 2000
1021 East Cary Street
Richmond, VA 23219-4023

Independent Auditor's Report

The Honorable Members of the
Board of Supervisors of the
County of Goochland, Virginia:

We have audited the accompanying financial statements 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 of Goochland, Virginia (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (Specifications) issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and Specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Goochland, Virginia as of June 30, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in the notes to the financial statements, the County adopted the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective July 1, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 10, the Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund and related notes on pages 69 and 70, and the Schedules of Pension and Other Postemployment Benefits Funding Progress on page 71 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information listed as the Introductory Section, Other Supplementary Information, Supporting Schedules and the Statistical Section in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary Information and Supporting Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

January 3, 2011

COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

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, 2010. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

Financial Highlights

Government-Wide Financial Statements

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$57,040,692, (net assets). Of this amount, \$23,851,515 represents unrestricted net assets which may be used to meet the County's ongoing obligations and provide adequate cash flow. These figures include the Governmental activities and Business-type activities (water and sewer funds) of the County. Net assets are calculated using the economic resources measurement focus and accrual basis of accounting, similar to private businesses. The economic resources measurement focus and accrual basis of accounting includes balances and transactions involving capital assets, and long-term debt, and recognizes revenues and expenses when earned.
- Net assets decreased for the fiscal year by \$2,052,532. Net assets of the governmental activities increased by \$51,406 while net assets of the business-type activities decreased by (\$2,803,938).
- Combined (Governmental & Business-type activities) long-term obligations totaled \$129,812,479, representing a decrease of \$1,683,483 during the current fiscal year.

Fund Financial Statements

- The Governmental funds, on a current financial resources measurement focus and modified accrual basis accounting, reported expenditures and other financing uses in excess of revenues and other financing sources of \$5,137,533 (Exhibit 5) after making contributions totaling \$18,598,005 to the School Board.
- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$22,882,470, a decrease of (\$5,137,533) in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$12,522,344, a decrease of (\$5,776,287) and was 27% of total General Fund expenditures and other uses. The County reserved and designated \$7,854,283 in fund balance of the General Fund for various projects and uses during FY2010. Total fund balance represented 43% of General Fund expenditures and other uses.

Overview of the Financial Statements

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

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to financial statements.

COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

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 similar to a private sector business.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (Governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-type activities). The Governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation. The 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 a legally separate school district and an economic development authority for which the County is financially accountable and reported as component units. Financial information for the component units is reported separately from the financial information presented for the Primary Government itself.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions 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 that of 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 County Capital Projects Fund.

COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

Proprietary Funds

Proprietary funds consist of enterprise funds, which are established to account for the delivery of goods and services to the general public and use the economic resources measurement focus and accrual basis of accounting, similar to private sector business.

The James River Sanitary District (JRSD) Fund, the Utility Fund and the Tuckahoe Creek Service District (TCSD) Fund provide a centralized source for water/sewer services to County residents.

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 of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. 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 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. The School Board issues separate financial statements.

COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

Government-Wide Financial Analysis

Net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$57,040,692 at the close of the most recent fiscal year. The following table summarized the County's Statement of Net Assets:

County of Goochland, Virginia's Net Assets						
	Governmental activities		Business-type activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 36,343,392	41,775,464	12,733,902	13,621,899	49,077,294	55,397,363
Capital assets	49,148,725	47,688,604	105,085,230	105,461,592	154,233,955	153,150,196
Total assets	<u>\$ 85,492,117</u>	<u>89,464,068</u>	<u>117,819,132</u>	<u>119,083,491</u>	<u>203,311,249</u>	<u>208,547,559</u>
Current liabilities	\$ 14,194,977	15,865,661	2,263,101	2,092,712	16,458,078	17,958,373
Long-term liabilities outstanding	28,522,511	31,575,184	101,289,968	99,920,778	129,812,479	131,495,962
Total liabilities	<u>\$ 42,717,488</u>	<u>47,440,845</u>	<u>103,553,069</u>	<u>102,013,490</u>	<u>146,270,557</u>	<u>149,454,335</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 23,380,680	18,841,162	9,808,497	11,551,649	33,189,177	30,392,811
Unrestricted	19,393,949	23,182,061	4,457,566	5,518,352	23,851,515	28,700,413
Total net assets	<u>\$ 42,774,629</u>	<u>42,023,223</u>	<u>14,266,063</u>	<u>17,070,001</u>	<u>57,040,692</u>	<u>59,093,224</u>

Net assets invested in capital assets, net of related debt include land, buildings and improvements, machinery and equipment and other capital assets net of the related debt currently outstanding, which was used to acquire or construct these assets. The County uses this component of net assets to provide services to citizens, and therefore these assets are not available for future spending.

COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

The County's net assets decreased by \$2,052,532 during the current fiscal year. The following table summarizes the County's Statement of Activities.

County of Goochland, Virginia's Changes in Net Assets						
	Governmental activities		Business-type activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 509,785	784,470	3,205,803	3,940,435	3,715,588	4,724,905
Operating grants and contributions	3,746,337	3,945,782	—	—	3,746,337	3,945,782
Capital grants and contributions	155,624	—	319,998	474,120	475,622	474,120
General revenues:						
General property taxes	30,839,772	32,246,409	2,994,394	2,862,263	33,834,166	35,108,672
Other local taxes	4,863,393	5,407,587	—	—	4,863,393	5,407,587
Grants and other contributions not restricted	2,992,216	3,055,367	—	—	2,992,216	3,055,367
Other general revenues	636,131	501,743	376,706	360,399	1,012,837	862,142
Total revenues	<u>43,743,258</u>	<u>45,941,358</u>	<u>6,896,901</u>	<u>7,637,217</u>	<u>50,640,159</u>	<u>53,578,575</u>
Expenses:						
General government administration	3,788,584	3,703,204	—	—	3,788,584	3,703,204
Judicial administration	1,568,521	1,607,973	—	—	1,568,521	1,607,973
Public safety	7,211,154	6,002,676	—	—	7,211,154	6,002,676
Public works	1,928,762	2,971,577	—	—	1,928,762	2,971,577
Health and welfare	3,997,944	3,894,232	—	—	3,997,944	3,894,232
Education	20,890,262	22,230,249	—	—	20,890,262	22,230,249
Parks, recreation, and cultural	959,783	1,176,038	—	—	959,783	1,176,038
Community development	1,163,011	1,206,680	—	—	1,163,011	1,206,680
Interest and other fiscal charges	1,015,677	1,354,281	—	—	1,015,677	1,354,281
Utilities	—	—	10,168,993	10,380,369	10,168,993	10,380,369
Total expenses	<u>42,523,698</u>	<u>44,146,910</u>	<u>10,168,993</u>	<u>10,380,369</u>	<u>52,692,691</u>	<u>54,527,279</u>
Change in net assets before transfers	1,219,560	1,794,448	(3,272,092)	(2,743,152)	(2,052,532)	(948,704)
Transfers	(468,154)	(432,547)	468,154	432,547	—	—
Change in net assets	<u>751,406</u>	<u>1,361,901</u>	<u>(2,803,938)</u>	<u>(2,310,605)</u>	<u>(2,052,532)</u>	<u>(948,704)</u>
Beginning of year, as restated in 2009	42,023,223	40,661,322	17,070,001	19,380,606	59,093,224	60,041,928
End of year	<u>\$ 42,774,629</u>	<u>42,023,223</u>	<u>14,266,063</u>	<u>17,070,001</u>	<u>57,040,692</u>	<u>59,093,224</u>

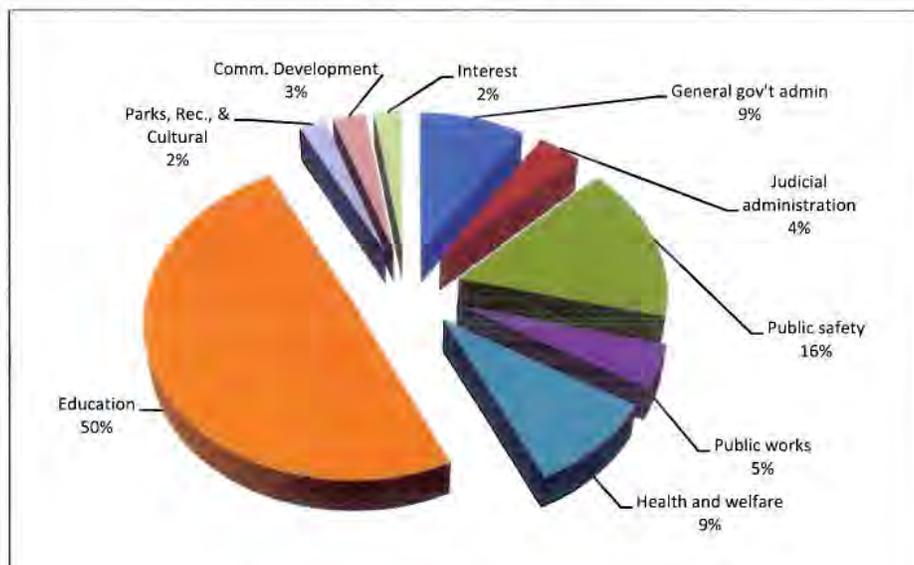
COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

Governmental Activities Expenses

Fiscal Year 2009-2010



Generally, net asset changes result from differences between revenues and expenses. The following are key elements of the increase in net assets:

- Increase in net assets for Governmental activities of \$751,406 was the result of a reduction in long-term obligations due in more than one year.
- Decreases in net assets for business-type activities of (\$2,803,938) resulted primarily from an operating loss in the TCSD of (\$2,545,578). Interest expense for the TCSD exceeded taxes, connection fees, and other miscellaneous revenue sources to cover that expense.

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$22,882,470, a decrease of \$5,137,533 during the current year. The decrease was primarily due to the expenditure of unexpended balances in the County's Capital Projects Fund designated for specific projects.

COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

Approximately 55% of this total fund balance amount constitutes unreserved General Fund balance, which is available for spending at the County's discretion. During FY2010, the County reserved and designated \$7,854,283 in General Fund balances for various projects and uses.

The County Capital Projects Fund accounts for all major general public improvements, excluding capital projects related to Business-type activities, which are accounted for as part of those funds. At the end of the fiscal year, the fund balance in the Capital Projects Fund was \$2,339,629. A significant portion of the County Capital Projects fund was utilized during FY2010 for renovations at two elementary school facilities.

Proprietary Funds

The County's proprietary funds provide the same type of information found for those funds in the government-wide financial statements, but in more detail. Unrestricted net assets at the end of the year for the three business-type entities were \$4,457,566. Unrestricted net assets at the end of the prior year were \$5,518,352, for a decrease in unrestricted net assets during the year of (\$1,060,786). Total net assets decreased for the year by \$2,803,938, largely due to depreciation expense and the accreted interest on capital appreciation bonds of the TCSD.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for expenditures were \$1,327,629 and can be briefly summarized as follows:

- \$130,000 increase in education expenditures
- \$250,494 increase in general government administrative expenditures
- \$571,613 increase in public safety expenditures
- \$58,864 increase in Community Development expenditures
- \$275,164 increase in health and welfare expenditures
- \$71,494 increase spread throughout other General Fund departments

The increase in budgeted General Fund expenditures resulted in an increase in the budgeted use of beginning General Fund balance. During the year, revenues and other sources/uses fell short of amended budgetary estimates by \$4,000,401. Expenditures were less than budgetary estimates by \$3,486,763, thus reducing the planned draw upon budgeted fund balance. Actual revenues exceeded expenditures by \$538,322; however, transfers to and from other governmental and proprietary funds netted to (\$5,851,252), resulting in a reduction of existing fund balance of (\$5,312,930) for the year.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental operations as of June 30, 2009 amounted to \$49,148,725 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and machinery and equipment. Capital assets of the Business-type activities at June 30, 2010 were \$105,085,230 (net of accumulated depreciation).

COUNTY OF GOOCHLAND, VIRGINIA

Management's Discussion and Analysis

June 30, 2010

Additional information on the County's capital assets can be found in note 6 of the Notes to the Financial Statements.

Long-term Debt

At the end of the current fiscal year, the County had long-term obligations (Governmental and Business-type activities) of \$129,812,479. Of this amount, \$22,615,000 is comprised of debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources, capital leases, compensated absences, capacity rights and landfill obligations.

The County's total long-term obligations decreased by \$1,683,483 during the current fiscal year.

Additional information on the County of Goochland, Virginia's long-term debt can be found in note 8 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The July 2010 unemployment rate for the County of 6.5% compared favorably to the state's average unemployment rate of 6.9% and national average rate of 9.5% for the same period.
- The fiscal year 2011 budget decreased by approximately (5.5%) for all funds (including the component units) and (8.3%) for the General Fund. 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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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County of Goochland, Virginia
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents	18,319,817	7,064,462	\$ 25,384,279	\$ 2,361,379	\$ 567,184
Receivables (net of allowance for uncollectibles):					
Taxes receivable	13,063,865	1,479,367	14,543,232	-	-
Accounts receivable	160,361	701,847	862,208	-	-
Notes receivable	357,711	-	357,711	-	-
Internal Balances	3,593,350	(3,593,350)	-	-	-
Due from Primary Government	-	-	-	-	3,047,292
Due from other governmental units	848,288	93,900	942,188	853,820	-
Inventories	-	-	-	31,819	-
Restricted assets:					
Investments	-	6,000,000	6,000,000	258,056	-
Other assets:					
Unamortized bond issue costs	-	987,676	987,676	-	-
Land held for resale	-	-	-	-	801,100
Capital assets (net of accumulated depreciation):					
Land and land improvements	3,060,853	2,874,584	5,935,437	459,907	-
Buildings and system	34,246,519	65,629,294	99,875,813	15,810,437	-
Capacity rights	-	34,557,289	34,557,289	-	-
Machinery and equipment	5,044,535	11,005	5,055,540	2,076,853	-
Construction in progress	6,796,818	2,013,058	8,809,876	-	-
Total assets	<u>85,492,117</u>	<u>117,819,132</u>	<u>\$ 203,311,249</u>	<u>\$ 21,852,271</u>	<u>\$ 4,415,576</u>
LIABILITIES					
Accounts payable	466,561	403,931	\$ 870,492	\$ 346,941	-
Accrued liabilities	187,673	1,700	189,373	2,516,551	-
Customers' deposits	-	20,396	20,396	-	-
Accrued interest payable	539,388	347,201	886,589	38,705	-
Due to component unit	3,047,292	-	3,047,292	-	-
Due to other governmental units	-	23,445	23,445	-	-
Unearned revenues	9,954,063	1,466,428	11,420,491	-	-
Long-term obligations:					
Due within one year	3,284,392	1,602,989	4,887,381	736,493	210,000
Due in more than one year	25,238,119	99,686,979	124,925,098	1,069,320	2,837,292
Total liabilities	<u>42,717,488</u>	<u>103,553,069</u>	<u>\$ 146,270,557</u>	<u>\$ 4,708,010</u>	<u>\$ 3,047,292</u>
NET ASSETS					
Invested in capital assets, net of related debt	23,380,680	9,808,497	\$ 33,189,177	\$ 17,755,089	-
Unrestricted (deficit)	19,393,949	4,457,566	23,851,515	(610,828)	1,368,284
Total net assets	<u>42,774,629</u>	<u>14,266,063</u>	<u>\$ 57,040,692</u>	<u>\$ 17,144,261</u>	<u>\$ 1,368,284</u>
 Total Liabilities and Net Assets	<u>85,492,117</u>	<u>117,819,132</u>	<u>\$ 203,311,249</u>	<u>\$ 21,852,271</u>	<u>\$ 4,415,576</u>

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

County of Goochland, Virginia
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 3,788,584	\$ 18,000	\$ 249,368	\$ -	\$ (3,521,216)	\$ -	\$ (3,521,216)
Judicial administration	1,568,521	64,192	540,665	-	(963,664)	-	(963,664)
Public safety	7,211,154	32,381	1,031,924	-	(6,146,849)	-	(6,146,849)
Public works	1,928,762	25,833	5,637	-	(1,897,292)	-	(1,897,292)
Health and welfare	3,997,944	44,059	1,918,743	-	(2,035,142)	-	(2,035,142)
Education	20,890,262	-	-	-	(20,890,262)	-	(20,890,262)
Parks, recreation, and cultural	959,783	77,420	-	-	(882,363)	-	(882,363)
Community development	1,163,011	247,900	-	155,624	(759,487)	-	(759,487)
Interest on long-term debt	1,015,677	-	-	-	(1,015,677)	-	(1,015,677)
Total governmental activities	\$ 42,523,698	\$ 509,785	\$ 3,746,337	\$ 155,624	\$ (38,111,952)	\$ -	\$ (38,111,952)
Business-type activities:							
James River Sanitary District	\$ 41,848	\$ 8,215	\$ -	\$ -	\$ (33,633)	\$ (33,633)	\$ (33,633)
Utilities	1,379,223	602,963	-	45,988	(730,262)	(730,262)	(730,262)
Tuckahoe Creek Sanitary District	8,747,922	2,594,625	-	274,000	(5,879,297)	(5,879,297)	(5,879,297)
Total business-type activities	\$ 10,168,993	\$ 3,205,803	\$ -	\$ 319,988	\$ (6,643,192)	\$ (6,643,192)	\$ (6,643,192)
Total Primary Government	\$ 52,692,691	\$ 3,715,588	\$ 3,746,337	\$ 475,622	\$ (44,755,144)	\$ -	\$ (44,755,144)
COMPONENT UNITS:							
School Board	\$ 27,964,664	\$ 676,736	\$ 5,241,904	\$ -	\$ (22,046,024)	\$ (22,046,024)	\$ (22,046,024)
Economic Development Authority	17,488	23,845	-	-	-	-	-
Total component units	\$ 27,982,152	\$ 700,581	\$ 5,241,904	\$ -	\$ (22,046,024)	\$ (22,046,024)	\$ (22,046,024)
General revenues:							
General property taxes					\$ 30,839,772	\$ 2,994,394	\$ 33,834,166
Other local taxes:							
Local sales and use taxes					1,901,294	-	1,901,294
Other local taxes					2,962,099	-	2,962,099
Fines and forfeitures					117,107	-	117,107
Unrestricted revenues from use of money and property					184,717	351,471	536,188
Miscellaneous					334,307	25,235	359,542
Payments from Primary Government					2,992,216	-	2,992,216
Grants and contributions not restricted to specific programs					(468,154)	468,154	-
Transfers							
Total general revenues and transfers					\$ 38,863,558	\$ 3,839,254	\$ 42,702,812
Change in net assets					\$ 751,406	\$ (2,803,938)	\$ (2,052,532)
Net assets - beginning					42,023,233	17,070,001	59,093,234
Net assets - ending					\$ 42,774,629	\$ 14,266,063	\$ 57,040,692
					\$ 17,144,261	\$ 17,144,261	\$ 1,368,284

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

FUND FINANCIAL STATEMENTS

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County of Goochland, Virginia
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General</u>	<u>Capital Projects</u>	<u>Other Non-major Governmental Special Revenue</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 15,456,092	\$ 2,816,916	\$ 46,809	\$ 18,319,817
Receivables (net of allowance for uncollectibles):				
Taxes receivable	13,063,865	-	-	13,063,865
Accounts receivable	160,361	-	-	160,361
Notes receivable	357,711	-	-	357,711
Due from other fund	3,593,350	-	-	3,593,350
Due from other governmental units	724,033	-	124,255	848,288
Total assets	<u>\$ 33,355,412</u>	<u>\$ 2,816,916</u>	<u>\$ 171,064</u>	<u>\$ 36,343,392</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 132,355	\$ 329,356	\$ 4,850	\$ 466,561
Accrued liabilities	39,742	147,931	-	187,673
Deferred and unearned revenues	12,806,688	-	-	12,806,688
Total liabilities	<u>\$ 12,978,785</u>	<u>\$ 477,287</u>	<u>\$ 4,850</u>	<u>\$ 13,460,922</u>
Fund balances:				
Reserved				
Notes receivable	\$ 3,951,061	\$ -	\$ -	\$ 3,951,061
Designated for:				
Capital projects	1,503,720	-	-	1,503,720
Operations	2,399,502	-	-	2,399,502
Unreserved, reported in:				
General fund	12,522,344	-	-	12,522,344
Special revenue fund	-	-	166,214	166,214
Capital projects fund	-	2,339,629	-	2,339,629
Total fund balances	<u>20,376,627</u>	<u>2,339,629</u>	<u>166,214</u>	<u>22,882,470</u>
Total liabilities and fund balances	<u>\$ 33,355,412</u>	<u>\$ 2,816,916</u>	<u>\$ 171,064</u>	<u>\$ 36,343,392</u>

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

County of Goochland, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	<u>General</u>	<u>Capital Projects</u>	<u>Other Non-major Governmental Special Revenue</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 29,728,457	\$ -	\$ -	\$ 29,728,457
Other local taxes	4,863,393	-	-	4,863,393
Permits, privilege fees, and regulatory licenses	267,341	-	-	267,341
Fines and forfeitures	117,107	-	-	117,107
Revenue from the use of money and property	174,977	9,293	447	184,717
Charges for services	198,386	-	44,058	242,444
Miscellaneous	72,810	256,530	4,967	334,307
Recovered costs	227,446	-	-	227,446
Intergovernmental revenues:				
Commonwealth	5,145,261	155,624	593,498	5,894,383
Federal	999,794	-	-	999,794
Total revenues	<u>\$ 41,794,972</u>	<u>\$ 421,447</u>	<u>\$ 642,970</u>	<u>\$ 42,859,389</u>
EXPENDITURES				
Current:				
General government administration	\$ 3,537,879	\$ -	\$ -	3,537,879
Judicial administration	1,470,118	-	-	1,470,118
Public safety	6,384,945	-	45,608	6,430,553
Public works	2,062,509	-	-	2,062,509
Health and welfare	2,850,702	-	1,144,749	3,995,451
Education	18,598,005	-	-	18,598,005
Parks, recreation, and cultural	880,499	-	-	880,499
Community development	1,321,710	-	-	1,321,710
Capital projects	-	5,081,761	-	5,081,761
Debt service:				
Principal retirement	3,059,922	-	-	3,059,922
Interest and other fiscal charges	1,090,361	-	-	1,090,361
Total expenditures	<u>\$ 41,256,650</u>	<u>\$ 5,081,761</u>	<u>\$ 1,190,357</u>	<u>\$ 47,528,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 538,322</u>	<u>\$ (4,660,314)</u>	<u>\$ (547,387)</u>	<u>\$ (4,669,379)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 5,251,605	\$ 569,647	\$ 5,821,252
Transfers out	(5,851,252)	(438,154)	-	(6,289,406)
Total other financing sources (uses), net	<u>\$ (5,851,252)</u>	<u>\$ 4,813,451</u>	<u>\$ 569,647</u>	<u>\$ (468,154)</u>
Net change in fund balances	\$ (5,312,930)	\$ 153,137	\$ 22,260	\$ (5,137,533)
Fund balances - beginning	25,689,557	2,186,492	143,954	28,020,003
Fund balances - ending	<u>\$ 20,376,627</u>	<u>\$ 2,339,629</u>	<u>\$ 166,214</u>	<u>\$ 22,882,470</u>

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

County of Goochland, Virginia
Reconciliation of the Governmental Funds' Statement of Revenues,
Expenditures, and Changes in Fund Balances
To the Statement of Activities
For the Year Ended June 30, 2010

Net change in fund balances - total governmental funds \$ (5,137,533)

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 expense. This is the amount by which the capital outlays exceeded depreciation and transfers of joint tenancy assets in the current period.

Capital outlay	\$ 5,151,173	
Depreciation	(1,913,506)	
Allocation of joint tenancy assets to School Board Component Unit	(1,733,133)	1,504,534

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (44,412)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,111,315

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Principal retired on general obligation long-term debt and capital lease obligations		3,059,922
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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.

Increase in landfill postclosure liability	\$ 39,156	
Increase in compensated absences	45,520	
Increase in net OPEB obligations	(111,400)	
Decrease in accrued interest payable	55,208	
Decrease in due to component unit	209,622	
Amortization of bond premium	19,474	257,580

Change in net assets of governmental activities \$ 751,406

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

County of Goochland, Virginia
Statement of Net Assets
Proprietary Funds
June 30, 2010

	James River Sanitary District	Utilities	Tuckahoe Creek Sanitary District	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 19,153	\$ 1,719,107	5,326,202	\$ 7,064,462
Accounts receivable, net of allowances for uncollectibles	2,794	125,419	573,634	701,847
Due from other governmental units	-	49	93,851	93,900
Taxes receivable, net of allowances for uncollectibles	11,694	-	1,467,673	1,479,367
Total current assets	33,641	1,844,575	7,461,360	9,339,576
Noncurrent assets:				
Restricted assets:				
Investments	-	-	6,000,000	6,000,000
Other assets:				
Unamortized bond issue costs	-	-	987,676	987,676
Capital assets:				
Land and land improvements	-	-	2,874,584	2,874,584
Utility plant in service	366,236	11,776,735	61,198,694	73,341,665
Less accumulated depreciation	(73,247)	(2,490,666)	(5,148,458)	(7,712,371)
Capacity rights	-	3,295,196	34,689,920	37,985,116
Less accumulated depreciation	-	(225,085)	(3,202,742)	(3,427,827)
Machinery and equipment	-	59,977	36,369	96,346
Less accumulated depreciation	-	(59,977)	(25,364)	(85,341)
Construction in progress	-	-	2,013,058	2,013,058
Total capital assets, net	292,989	12,356,180	92,436,061	105,085,230
Total noncurrent assets	292,989	12,356,180	99,423,737	112,072,906
Total assets	\$ 326,630	\$ 14,200,755	106,885,097	\$ 121,412,482
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 2,590	\$ 59,895	341,446	\$ 403,931
Customers' deposits	-	20,396	-	20,396
Accrued interest payable	3,634	60,554	283,013	347,201
Due to other fund	-	-	3,593,350	3,593,350
Due to other governments	-	-	23,445	23,445
Unearned revenue	8,580	-	1,436,333	1,444,913
Salaries payable	-	1,700	-	1,700
Prepaid taxes	232	-	21,283	21,515
Compensated absences- current portion	-	675	647	1,322
Bonds payable - current portion	9,996	193,693	687,978	891,667
Long-term amortization of capacity charges - current portion	-	-	710,000	710,000
Total current liabilities	25,032	336,913	7,097,495	7,459,440
Noncurrent liabilities:				
Bonds payable - net of current portion	292,661	5,011,984	74,485,197	79,789,842
Long-term amortization of capacity charges - net of current portion	-	-	19,885,224	19,885,224
Compensated absences - net of current portion	-	6,086	5,827	11,913
Total noncurrent liabilities	292,661	5,018,070	94,376,248	99,686,979
Total liabilities	317,693	5,354,983	101,473,743	107,146,419
NET ASSETS				
Invested in capital assets, net of related debt	(9,668)	7,150,503	2,667,662	9,808,497
Unrestricted	18,605	1,695,269	2,743,692	4,457,566
Total net assets	\$ 8,937	\$ 8,845,772	5,411,354	\$ 14,266,063

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

County of Goochland, Virginia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
June 30, 2010

	Enterprise Funds			Total
	James River Sanitary District	Utilities	Tuckahoe Creek Sanitary District	
OPERATING REVENUES				
Charges for services:				
Charges for service	\$ 8,215	\$ 594,658	\$ 2,594,625	\$ 3,197,498
Penalty/reconnection fees	-	8,305	-	8,305
Miscellaneous	-	25,235	-	25,235
Total operating revenues	<u>8,215</u>	<u>628,198</u>	<u>2,594,625</u>	<u>3,231,038</u>
OPERATING EXPENSES				
Operations & administration	17,820	794,447	2,683,006	3,495,273
Depreciation	7,325	321,170	2,141,624	2,470,119
Total operating expenses	<u>25,145</u>	<u>1,115,617</u>	<u>4,824,630</u>	<u>5,965,392</u>
Operating loss	<u>(16,930)</u>	<u>(487,419)</u>	<u>(2,230,005)</u>	<u>(2,734,354)</u>
NONOPERATING REVENUES (EXPENSES)				
Connection fees	-	45,998	274,000	319,998
Investment earnings	36	55	327,575	327,666
Property Taxes	18,250	-	2,976,144	2,994,394
Lease revenue	-	23,805	-	23,805
Interest expense	(16,703)	(263,606)	(3,923,292)	(4,203,601)
Total nonoperating revenues (expenses), net	<u>1,583</u>	<u>(193,748)</u>	<u>(345,573)</u>	<u>(537,738)</u>
Loss before transfers	<u>(15,347)</u>	<u>(681,167)</u>	<u>(2,575,578)</u>	<u>(3,272,092)</u>
Transfers in	-	438,154	30,000	468,154
Change in net assets	<u>(15,347)</u>	<u>(243,013)</u>	<u>(2,545,578)</u>	<u>(2,803,938)</u>
Total net assets - beginning	24,284	9,088,785	7,956,932	17,070,001
Total net assets - ending	<u>\$ 8,937</u>	<u>\$ 8,845,772</u>	<u>\$ 5,411,354</u>	<u>\$ 14,266,063</u>

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

County of Goochland, Virginia
Statement of Cash Flows
Proprietary Funds
June 30, 2010

	Enterprise Funds			
	James River Sanitary District	Utilities	Tuckahoe Creek Sanitary District	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,527	\$ 643,290	\$ 2,791,102	\$ 3,440,919
Payments to suppliers	(18,883)	(697,472)	(2,358,540)	(3,074,895)
Payments to employees	-	(151,014)	(117,667)	(268,681)
Net cash provided by (used in) operating activities	\$ (12,356)	\$ (205,196)	\$ 314,895	\$ 97,343
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other fund	\$ -	\$ 438,154	\$ 30,000	\$ 468,154
Lease revenue	-	23,805	-	23,805
Tax revenue	17,925	-	2,987,019	3,004,944
Net cash provided by noncapital financing activities	\$ 17,925	\$ 461,959	\$ 3,017,019	\$ 3,496,903
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions to utility plant	\$ -	\$ -	\$ (2,045,028)	\$ (2,045,028)
Principal payments on bonds	(11,305)	(188,695)	(400,000)	(600,000)
Payments for capacity charges	-	-	(72,982)	(72,982)
Payment on amount due to General Fund	-	-	(541,826)	(541,826)
Connection fees	-	45,998	274,000	319,998
Proceeds from interfund loan	-	-	3,000,000	3,000,000
Interest payments and fiscal agent fees	(15,544)	(253,844)	(1,859,156)	(2,128,544)
Net cash used in capital and related financing activities	\$ (26,848)	\$ (396,541)	\$ (1,644,992)	\$ (2,068,381)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	\$ 35	\$ 55	\$ 327,575	\$ 327,665
Net cash provided by investing activities	\$ 35	\$ 55	\$ 327,575	\$ 327,665
Net increase (decrease) in cash and cash equivalents	\$ (21,244)	\$ (139,723)	\$ 2,014,497	\$ 1,853,530
Cash and cash equivalents - beginning	40,397	1,858,830	3,311,705	5,210,932
Cash and cash equivalents - ending	\$ 19,153	\$ 1,719,107	\$ 5,326,202	\$ 7,064,462
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (16,930)	\$ (487,419)	\$ (2,230,005)	\$ (2,734,354)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation expense	7,325	321,170	2,141,624	2,470,119
Changes in Assets and Liabilities:				
(Increase) decrease in accounts receivable	(1,688)	14,811	290,328	303,451
(Increase) decrease in due from other governmental units	-	(49)	(93,851)	(93,900)
Increase in compensated absences	-	1,596	804	2,400
Increase (decrease) in salaries payable	-	1,700	-	1,700
Increase (decrease) in due to other governments	-	-	23,445	23,445
Increase in customer deposits	-	330	-	330
Increase (decrease) in accounts payable	(1,063)	(57,335)	182,550	124,152
Total adjustments	\$ 4,574	\$ 282,223	\$ 2,544,900	\$ 2,831,697
Net cash provided by (used in) operating activities	\$ (12,356)	\$ (205,196)	\$ 314,895	\$ 97,343

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

Other supplementary information: Accreted interest on capital appreciation bonds of \$2,026,438 represent non-cash transactions which resulted in an increase in outstanding debt during the year.

County of Goochland, Virginia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 428,545
Total assets	<u>\$ 428,545</u>
LIABILITIES	
Amounts held for social services clients	\$ 18,241
Performance bonds held for others	410,304
Total liabilities	<u>\$ 428,545</u>

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

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(1) Summary of Significant Accounting Policies

The County of Goochland, Virginia (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, community development, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County have been prepared in conformity with the U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (the GASB) and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The County's more significant accounting policies are described herein.

(a) *Financial Reporting Entity*

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in the Primary Government's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the Primary Government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the Primary Government should be included in its reporting entity. These financial statements present the County (the Primary Government) and its component units. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the government.

Individual Component Unit Disclosures

Discretely Presented Component Units – 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. The County has the ability to approve its budget and any amendments. The primary funding source for the School System is the General Fund of the County. The School Board issues a separate financial report which can be obtained from the School Board Administration Office. The financial statements of the School Board are presented as a discretely presented component of the County financial statements as of and for the fiscal year ended June 30, 2010.

The Goochland County Economic Development Authority (EDA) was created by the Board of Supervisors to administer the issuance of industrial development revenue bonds and provide economic development activities for the County. The Authority may also acquire property, issue debt in its own name, and enter into lease/purchase arrangements with the County. The County appoints all seven of the members of the EDA's Board of Directors. The County may significantly influence the fiscal transactions of the EDA. The financial statements of the EDA are presented as a discretely presented component of the County financial statements as of and for the fiscal year ended June 30, 2010.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Jointly Governed Organizations

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

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

- **Pamunkey Regional Library**

The Counties of King William, King and Queen, Hanover, and Goochland provide the financial support for the Library and appoint its governing board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints two (2) of the seven (7) members of the Board of Trustees. The County of Hanover provides over 50% of the Library's funding. The County has no equity interest in the Library and made operating contributions of \$434,231 to the Library in fiscal year 2010. Complete financial statements can be obtained from the office of the County Administrator of Goochland County.

- **Central Virginia Waste Management Authority**

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

- **Goochland-Powhatan Community Services Board**

The Counties of Goochland and Powhatan provide the financial support for the Board and appoint its governing Board in which is vested the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. The County has no equity interest in the Board, and made operating contributions of \$271,530 to the Board in fiscal year 2010. Complete financial statements can be obtained from the Goochland-Powhatan Community Services Board.

(b) ***Financial Reporting Model***

GASB establishes accounting and financial reporting standards for external financial reporting by state and local governments. The County's Comprehensive Annual Financial Report includes Management's Discussion and Analysis (MD&A), the basic financial statements, and certain other supplementary information, described as follows:

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Management's Discussion and Analysis

GAAP requires the basic financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis".

Government-wide Financial Statements

The basic financial statements include government-wide (based on the County as a whole) financial statements, fund financial statements, including the major individual funds of the governmental funds (General and Capital Projects Funds) and proprietary funds (James River Sanitary District, Utilities, Tuckahoe Creek Sanitary District) and financial statements of the fiduciary funds. The government-wide financial statements categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Assets, both the Governmental and Business-type activities columns (a) are presented on an aggregated basis by column and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt and obligations. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The reporting model includes government-wide financial statements prepared using the economic resources measurement focus and full accrual accounting for all of the County's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and compensated absences). The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the County. The effect of interfund activity has been removed from these statements. Governmental activities are supported mainly by taxes, charges for services, and intergovernmental activities. Business-type activities are supported primarily from charges to customers for services provided.

Statement of Net Assets – The Statement of Net Assets 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 Assets includes both noncurrent assets and noncurrent liabilities of the County (such as buildings and long-term liabilities for various employee benefits). The net assets of the County may be presented in three categories – (1) invested in capital assets, net of related debt; (2) restricted; and (3) unrestricted. The County generally first uses restricted resources for expenses incurred for which both restricted and unrestricted net assets are available.

Statement of Activities – The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the 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 (for instance, through user charges or intergovernmental grants). Program revenues include: (a) fees, fines, and charges paid by the

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

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.

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 (including General, Capital Project and Special Revenue funds), Proprietary (utility funds) and Fiduciary are presented. GAAP sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of governmental and proprietary major funds, which are reported in separate columns. The non-major funds are combined in a single column in the respective fund financial statements and detailed in the combining statements.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. For the governmental funds, the financial statements consist of a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The governmental fund financial statements are presented on current financial resources and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted.

For the proprietary funds, the financial statements consist of a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows. For the fiduciary funds, the financial statements consist of a Statement of Fiduciary Net Assets. The County applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued prior to or on November 30, 1989 in accounting and reporting for its Governmental activities as well as Business-type activities and enterprise funds. Under GASB No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting*, the County elected not to apply FASB pronouncements issued after November 30, 1989.

Reconciliation of Government-wide and Fund Financial Statements - 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 assets as shown on the Government-wide Statement of Net Assets is presented in Exhibit 4. In addition, a summary reconciliation of the difference between the total net change in fund balances as reflected on the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances and the change in net assets of Governmental activities as shown on the Government-wide Statement of Activities is presented in Exhibit 6.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(c) *Measurement Focus and Basis of Accounting*

Financial Statement Presentation

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

- *Governmental Funds* are those through which most governmental functions typically are financed.
 - *General Fund* is the primary operating fund of the County. This fund is used to account for all financial transactions and resources, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenue is used principally to finance the operations of the School Board, a component unit. The General Fund is considered a major fund for reporting purposes.
 - *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects fund is considered a major fund for reporting purposes.
 - *Special Revenue Fund* accounts 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 Fund is considered a non-major fund for reporting purposes.
- *Proprietary Funds* account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of operating income, financial position, and changes in financial position. County 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 Enterprise Funds consist of the James River Sanitary District, Utilities, and the Tuckahoe Creek Service District funds, which provide water and sewer services for the County. All three funds are considered major funds for reporting purposes.
- *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

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

& 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, this fund is not incorporated into the government-wide financial statements.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the 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, 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, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Property taxes are recognized as receivables and deferred revenue when billed and revenue is recognized as the taxes are collected. Property taxes not collected within 60 days after year-end and net of allowances for uncollectible amounts are reflected as deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables when the underlying exchange occurs and are remitted to the County by the state within two months of the transaction. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for 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-

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

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.

The principal operating revenues of the County's proprietary funds are charges for services. Operating expenses for the enterprise funds include the cost of services, administrative expenses, contractual services, and depreciation 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) Cash, Cash Equivalents and Investment

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 accounts; the major account is defined as the General Fund concentration account. As disbursements are made from the payroll, budget, and social services bank accounts, funds from the General Fund concentration account are automatically transferred to those bank accounts to cover those disbursements on a daily basis.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). Investments in exchange traded assets are reported at fair value as determined by management based on quotations obtained from readily available sources. The repurchase agreement, a restricted investment held by a third-party, is valued at cost as it is not transferable.

The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission but is managed as a "2a-7 like pool". Pursuant to 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 LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The fair value of the County's position in the pool is the same as the value of the pool shares.

(e) Receivables and Payables

Activities between funds that are representative of lending arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans). Any residual balances outstanding between the Governmental activities and Business-type activities are reported in the government-wide financial statements as "internal balances".

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 \$827,252 at June 30, 2010. The allowance for uncollectible property taxes in each fund is as follows:

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

General Fund	\$ 825,944
James River Sanitary District	435
Tuckahoe Creek Sanitary District	873

Real and Personal Property Tax Data

The tax calendars for real and personal property taxes are summarized below.

	<u>Real property</u>	<u>Personal property</u>
Levy	January 1	January 1
Due date	June 5/December 5	December 5
Lien date	January 1	January 1

The County bills and collects taxes and recognizes such as revenues when measurable and available in the General Fund and for the period in which they are levied for in the Governmental and Business-type activities. Property taxes, net of allowance for uncollectible amounts, not collected within 60 days after year end are reflected as deferred 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 deferred revenues at June 30. The County bills and collects its own property taxes.

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. The bill provides 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, 2010. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

(f) Jointly allocated costs

The County purchases bulk water for distribution to customers from Henrico County (Henrico). This water is provided at four metered access points and provides water to customers of the James River Sanitary District (JRSD), Tuckahoe Creek Sanitary District (TCSD), and County utilities department through interconnected waterlines. The cost of bulk water purchased is allocated among these three funds based upon the average consumption by customers served by Henrico water. For the year ended June 30, 2010, the County incurred Henrico water expenses of \$577,436, of which \$167,477, \$17,820, and \$392,139 was allocated to utilities, JRSD, and TCSD customers, respectively.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(g) *Capital Assets*

Capital assets, which include property, plant and equipment, and contractual rights to such assets are reported in the applicable Governmental or Business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the County and its component units as land, building, equipment, and rights to real property with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost (based on appraisals or another acceptable method of valuation) when historical costs are not available. Capital assets acquired for general governmental purposes are recorded as expenditures in the fund financial statements and reported at cost, net of accumulated depreciation, in the government-wide financial statements. The County records the value of capacity rights to water and wastewater treatment facilities at cost, net of accumulated amortization. Contributed capital assets are recorded at estimated fair market value at the time of receipt. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is reflected in the changes in net assets in the government-wide and proprietary fund financial statements. The Primary Government does not have any infrastructure capitalized within its basic financial statements since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia.

Capital assets are reported in the Business-type activities and proprietary funds at cost, net of accumulated depreciation. Contributed assets are valued at estimated fair market value at the date of receipt. When capital assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and the gains or losses are reflected in the results of operations.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of Business-type activities and proprietary funds are included as part of the capitalized value of the assets constructed, and amortized over the estimated useful life of the related asset. The Tuckahoe Creek Service District Fund has capitalized interest of approximately \$10,065,700 with related accumulated depreciation of approximately \$801,400 at June 30, 2010.

Depreciation of all exhaustible capital assets used by the County is charged as an expense in the Statement of Activities and accumulated depreciation is reported in the Statement of Net Assets. The Enterprise Funds also record depreciation and accumulated depreciation in their fund based statements.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Capital assets of the Governmental Activities, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Building improvements	40
Furniture, vehicles, office and computer equipment	5 – 20
Buses	8

Capital assets of the Enterprise Funds are depreciated as follows:

<u>Assets</u>	<u>Years</u>
Pipes	50
Capacity rights	40
Meters	35
Vehicles and equipment	5 - 10

(h) *Compensated Absences*

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Total vested or 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 Assets. 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 County proprietary funds, the cost of vacation and sick leave is recorded as a liability when incurred.

(i) *Retirement Plan*

Retirement plan contributions are actuarially determined for the Virginia Retirement System (VRS) and consist of current service costs and amortization of prior service cost over a 30-year period. The County's policy is to fund pension cost at the actuarially determined rates.

(j) *Other Postemployment Benefits Plans*

Other postemployment benefits (OPEB) plan contributions are actuarially determined to project the present value of postemployment benefits for retired and active employees. The required supplementary information section presents required schedules of funding progress that includes multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(k) Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance to indicate that portion of the fund balance that is not available for expenditure or is legally segregated for a specific future use. Designations of portions of the fund balance are established to indicate plans for financial resource utilization in a future period.

(l) Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, represent capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets. Restricted net assets represent assets subject to external constraints imposed by creditors, grantors, law or other legal or regulatory statutes.

(m) Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Governmental activities, Business-type activities, or component unit sections. Bonds payable are reported net of the applicable bond premium or discount. Long term obligations of Governmental activities are payable from the General Fund, while long-term obligations of Business-type activities are payable from the respective enterprise funds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period of issuance. 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. In governmental funds, bond discounts and issuance costs are recognized as expenditures in the period incurred. Bond discounts and issuance costs in the government-wide financial statements units are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred expenses. Governmental funds, prepared on the modified accrual basis of accounting, do not record long-term obligations on the face of the statements.

(n) Restricted Assets

In accordance with applicable covenants of certain enterprise fund bond issues, cash and other assets have been appropriately restricted. Cash has also been restricted for unexpended bond proceeds as required by the bond indenture. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(o) Internal and Intra-entity Activity

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds have been eliminated or reclassified. An exception is made for program-related services such as water and wastewater usage, inspections and permit issuances. Elimination of these program-related services would distort the direct costs and program revenues reported. Amounts reported in the funds as interfund receivables and payables are eliminated in the Governmental and Business-type activities columns of the government-wide financial statements, except for net residual amounts due between Governmental and Business-type activities, which are presented as internal balances.

Payments from a fund receiving revenue to a fund through which the revenue is to be expended are reported as operating transfers. Such payments include transfers for debt service and capital construction. In the government-wide financial statements, resource flows between the Primary Government and the discretely presented component units are reported as if they were external transactions.

(p) Unearned Revenue

Unearned revenue represents payments and or revenue received not yet recognized since it has not been earned. At the government-wide level, unearned revenue is primarily comprised of property taxes levied during the current year for collection and use during the subsequent fiscal year. At the fund level, deferred and unearned revenue is primarily comprised of deferred taxes and money received from federal and/or state grants in advance of services to be provided.

(q) Use of Estimates

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

(2) Cash and Cash Equivalents

(a) Deposits

All cash of the Primary Government and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (a multiple financial institution collateral pool), Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. The State Treasury Board is responsible for monitoring compliance with the requirements of the Act and for notifying local governments of compliance by banks and savings and loans. If the value of the pool's collateral is inadequate to cover a loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Accordingly, all deposits in banks and savings and loans are considered to be insured.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(b) Cash Equivalents

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer'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.

(c) Credit Risk of Securities

The County's rated debt investments as of June 30, 2010 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.

County's rated values		
	Fair quality ratings	
	AAAm	AA-
Local Government Investment Pool	\$ 9,689,419	—
State Non-Arbitrage Pool	16,311	—
U.S. Treasury Fund	30,158	—
U.S. Government Money Market Mutual Fund	264,393	—
Repurchase Agreements – Underlying:		
U.S. Agency Securities	—	6,000,000
Total	<u>\$ 10,000,281</u>	<u>6,000,000</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(d) Interest Rate Risk

The County's policy states that the County's cash equivalents maturities are to precede or coincide with the expected need of funds.

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>Greater than 10 years</u>
Cash equivalent type:			
Local Government			
Investment Pool	\$ 9,689,419	9,689,419	—
State Non-Arbitrage Pool	16,311	16,311	—
U.S. Treasury Fund	30,158	30,158	—
U.S. Government Money			
Market Mutual Fund	264,393	264,393	—
Repurchase agreements	<u>6,000,000</u>	—	<u>6,000,000</u>
Total	<u>\$ 16,000,281</u>	<u>10,000,281</u>	<u>6,000,000</u>

The SNAP is an open-end management investment company registered with the Securities and Exchange Commission (SEC). Although it is not registered with the SEC as an investment company, the LGIP operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940.

(e) Total Cash, Cash Equivalents and Investments

Following is a summary, as of June 30, 2010, of the Primary Government's cash balances and the carrying value of cash, cash equivalents and investments by asset type:

<u>Government-wide Accounts</u>	<u>Balance, June 30, 2010</u>
Cash and equivalents:	
Governmental Activities	\$ 18,319,817
Business-type Activities	7,064,462
Restricted investment - business-type activities	<u>6,000,000</u>
Total cash, cash equivalents and investment	<u>\$ 31,384,279</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

<u>Asset Type</u>		
Petty Cash	\$	5,450
Deposit Accounts		15,378,548
Investments:		
Local Government Investment Pool		9,689,419
State Non-Arbitrage Pool		16,311
U.S. Treasury Fund		30,158
U.S. Government Money Market Mutual Fund		264,393
Repurchase Agreements		<u>6,000,000</u>
Total cash, cash equivalents and investment	\$	<u>31,384,279</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(3) Due to/from Other Governments

At June 30, 2010, the County and School Board Component Unit had receivables from other governments as follows:

	<u>Governmental Funds</u>	<u>Component Unit School Board</u>	<u>Proprietary Funds</u>
Other local governments:			
County of Henrico	\$ —	—	93,851
Commonwealth of Virginia:			
General Fund:			
Local sales tax	228,114	—	—
Welfare assistance	42,501	—	—
State sales tax	—	432,247	—
Constitutional officer reimbursements	134,925	—	—
Recordation tax	24,968	—	—
Asset forfeitures	803	—	—
Miscellaneous state grants	22,533	—	49
Communications tax	151,121	—	—
Victims witness grant	3,638	—	—
Other miscellaneous	10,460	—	—
Special Revenue Fund:			
Comprehensive services Act	117,974	—	—
Federal Government:			
General Fund:			
School fund grants	—	421,573	—
Victims witness grant	10,911	—	—
Welfare assistance	100,340	—	—
Total due from other governments	\$ <u>848,288</u>	<u>853,820</u>	<u>93,900</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(4) Due to/from Other Funds

Details of the Primary Government's interfund receivables and payables as of June 30, 2010 are as follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General Fund	\$ 3,593,350	—
Tuckahoe Creek Service District Fund	—	3,593,350
Total	\$ <u>3,593,350</u>	3,593,350

The outstanding balances between funds may 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 Tuckahoe Creek Service District Fund. In July 2009, the Board of Supervisors approved a \$3.0 million loan at 3% interest from the General Fund to the TCSD for the District's share of construction of a water line. In accordance with the approved agreement, \$541,826 will be repaid in the fiscal year ending June 30, 2011.

(5) Due to Component Units/Due from Primary Government

Details of the Primary Government's Due to Component Units as of June 30, 2010 are as follows:

	<u>Due from Primary Government</u>	<u>Due to Component Unit</u>
Governmental Activities - General Fund	\$ —	3,047,292
EDA	3,047,292	—
Total	\$ <u>3,047,292</u>	3,047,292

The outstanding balances between entities may result from timing differences wherein (1) inter-entity goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These due to/due from balances represent long-term contractual agreements between the County and the EDA (see note 8 for further discussion).

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(6) Capital Assets

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

Primary Government - Governmental Activities				
	Balance			Balance
	July 1, 2009	Additions	Deletions	June 30, 2010
Capital assets not subject to depreciation				
Construction in progress	\$ 3,173,823	3,688,187	(3,018,040)	3,843,970
Land and land improvements	2,749,606	311,247	—	3,060,853
Total capital assets not subject to depreciation	\$ 5,923,429	3,999,434	(3,018,040)	6,904,823
Capital assets subject to depreciation				
Buildings and improvements	\$ 15,271,606	130,865	—	15,402,471
Equipment	8,658,333	4,038,914	(235,181)	12,462,066
Buildings- jointly owned assets	34,327,940	—	(2,396,143)	31,931,797
Total capital assets subject to depreciation	\$ 58,257,879	4,169,779	(2,631,324)	59,796,334
Less accumulated depreciation for:				
Buildings and improvements	\$ 3,700,069	382,472	—	4,082,541
Equipment	3,510,759	1,164,898	(210,974)	4,464,683
Buildings- jointly owned assets	9,281,876	366,136	(642,804)	9,005,208
Total accumulated depreciation	\$ 16,492,704	1,913,506	(853,778)	17,552,432
Total capital assets subject to depreciation, net	\$ 41,765,175	2,256,273	(1,777,546)	42,243,902
Governmental activities capital assets, net	\$ 47,688,604	6,255,707	(4,795,586)	49,148,725

Legislation enacted during the 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

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

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, 2010 is that school related financed assets in the amount of \$22,926,590 (net of accumulated depreciation) are reported in the Primary Government as buildings – joint owned assets for financial reporting purposes.

Component Unit - School Board

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Capital assets not subject to depreciation				
Land and land improvements	\$ 459,907	—	—	459,907
Total capital assets not subject to depreciation	\$ 459,907	—	—	459,907
Capital assets subject to depreciation				
Equipment	\$ 6,643,928	220,687	(25,509)	6,839,106
Buildings and improvements	19,656,163	2,375,938	(11,570)	22,020,531
Total capital assets subject to depreciation	\$ 26,300,091	2,596,625	(37,079)	28,859,637
Less accumulated depreciation for:				
Equipment	\$ 3,851,197	928,961	(17,905)	4,762,253
Buildings and improvements	5,314,798	895,296	—	6,210,094
Total accumulated depreciation	\$ 9,165,995	1,824,257	(17,905)	10,972,347
Total capital assets subject to depreciation, net	\$ 17,134,096	772,368	(19,174)	17,887,290
School Board capital assets, net	\$ 17,594,003	772,368	(19,174)	18,347,197

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

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

Governmental activities:		
General government	\$	218,213
Judicial administration		92,066
Public safety		959,350
Public works		132,030
Education		382,239
Health and welfare		8,868
Parks, recreation and cultural		74,965
Community development		45,775
Total governmental activities	\$	<u>1,913,506</u>
Component unit School Board:		
Instruction	\$	1,385,453
Pupil transportation services		<u>438,804</u>
Total component unit school board	\$	<u>1,824,257</u>

Construction in progress for governmental activities is composed of the following:

	Expended to	Committed at
	<u>June 30, 2010</u>	<u>June 30, 2010</u>
Soccer fields	\$ 257,734	\$ 32,334
Narrow banding communications system	50,749	51,526
Byrd Elementary multipurpose room	1,916,790	87,899
Randolph Elementary multipurpose room	<u>1,618,697</u>	<u>78,201</u>
Total construction in progress	\$ <u>3,843,970</u>	\$ <u>249,960</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

A summary of proprietary fund capital assets at June 30, 2010 follows.

Primary Government- Business-type activities				
	Balance			Balance
	July 1, 2009	Additions	Deletions	June 30, 2010
Utilites fund:				
Capital assets subject to depreciation				
Water and sewer system	\$ 11,776,735	—	—	11,776,735
Capacity rights	3,295,196	—	—	3,295,196
Machinery and equipment	<u>59,977</u>	<u>—</u>	<u>—</u>	<u>59,977</u>
Total capital assets subject to depreciation	\$ <u>15,131,908</u>	<u>—</u>	<u>—</u>	<u>15,131,908</u>
Less accumulated depreciation for:				
Water and sewer system	\$ 2,254,330	236,336	—	2,490,666
Capacity rights	142,705	82,380	—	225,085
Machinery and equipment	<u>57,523</u>	<u>2,454</u>	<u>—</u>	<u>59,977</u>
Total accumulated depreciation	\$ <u>2,454,558</u>	<u>321,170</u>	<u>—</u>	<u>2,775,728</u>
Total capital assets subject to depreciation, net	\$ <u>12,677,350</u>	<u>(321,170)</u>	<u>—</u>	<u>12,356,180</u>
Utilities fund capital assets, net	\$ <u>12,677,350</u>	<u>(321,170)</u>	<u>—</u>	<u>12,356,180</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Primary Government- Business-type activities

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
James River Sanitary District fund:				
Capital assets subject to depreciation				
Water and sewer system	\$ 366,236	—	—	366,236
Total capital assets subject to depreciation	\$ 366,236	—	—	366,236
Less accumulated depreciation for:				
Water and sewer system	\$ 65,922	7,325	—	73,247
Total accumulated depreciation	\$ 65,922	7,325	—	73,247
Total capital assets subject to depreciation, net	\$ 300,314	(7,325)	—	292,989
James River Sanitary District fund capital assets, net	\$ 300,314	(7,325)	—	292,989

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Tuckahoe Creek Sanitary District fund:				
Capital assets not subject to depreciation				
Construction in progress	\$ —	2,013,058	—	2,013,058
Land and land improvements	2,874,584	—	—	2,874,584
	<u>2,874,584</u>	<u>2,013,058</u>	<u>—</u>	<u>4,887,642</u>
Total capital assets not subject to depreciation	\$ <u>2,874,584</u>	<u>2,013,058</u>	<u>—</u>	<u>4,887,642</u>
Capital assets subject to depreciation				
Water and sewer system	\$ 61,117,995	80,699	—	61,198,694
Capacity rights	34,689,920	—	—	34,689,920
Machinery and equipment	36,369	—	—	36,369
	<u>95,844,284</u>	<u>80,699</u>	<u>—</u>	<u>95,924,983</u>
Total capital assets subject to depreciation	\$ <u>95,844,284</u>	<u>80,699</u>	<u>—</u>	<u>95,924,983</u>
Less accumulated depreciation for:				
Water and sewer system	\$ 3,878,084	1,270,374	—	5,148,458
Capacity rights	2,335,494	867,248	—	3,202,742
Machinery and equipment	21,362	4,002	—	25,364
	<u>6,234,940</u>	<u>2,141,624</u>	<u>—</u>	<u>8,376,564</u>
Total accumulated depreciation	\$ <u>6,234,940</u>	<u>2,141,624</u>	<u>—</u>	<u>8,376,564</u>
Total capital assets subject to depreciation, net	\$ <u>89,609,344</u>	<u>(2,060,925)</u>	<u>—</u>	<u>87,548,419</u>
Tuckahoe Creek Sanitary District fund capital assets, net	\$ <u>92,483,928</u>	<u>(47,867)</u>	<u>—</u>	<u>92,436,061</u>
Total all proprietary funds	\$ <u>105,461,592</u>	<u>(376,362)</u>	<u>—</u>	<u>105,085,230</u>

(7) Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund specifically to finance various programs accounted for in other funds in accordance with budgeting authorization. The transfer from the Capital Projects Fund to the Utilities Fund of \$438,154

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

represents the one-time use of accumulated funds for water and sewer projects toward Utilities Fund debt service. The transfers from the General Fund to the Capital Projects Fund were primarily to cover capital projects funded through General Fund dollars ("pay-go" projects). Transfers from the General Fund to the Special Revenue Fund consisted of required local matching dollars for services provided through the Comprehensive Services Act. For the fiscal year ended June 30, 2010, the General Fund transferred out \$5,251,605, \$569,647, and \$30,000 to the Capital Projects Fund, Non-major Special Revenue Fund, and TCSD Fund, respectively. The transfer from the General Fund to the TCSD Fund was made to support capital activities.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(8) Long-Term Obligations

(a) Primary Government

The following is a summary of long-term obligations for the year ended June 30, 2010.

	<u>Amounts payable at July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts payable at June 30, 2010</u>	<u>Amounts due within one year</u>
Governmental Obligations:					
Incurred by County:					
Compensated absences payable:	\$ 599,906	497,881	(543,401)	554,386	55,439
Capital lease obligations	3,801,378	—	(959,923)	2,841,455	994,479
Other postemployment benefits	112,801	111,400	—	224,201	—
Landfill Post Closure Care	2,015,035	6,783	(45,939)	1,975,879	60,000
Total incurred by County:	<u>\$ 6,529,120</u>	<u>\$ 616,064</u>	<u>\$(1,549,263)</u>	<u>\$ 5,595,921</u>	<u>\$ 1,109,918</u>
Incurred by School Board:					
General Obligation Bonds	24,715,000	—	(2,100,000)	22,615,000	2,155,000
Add deferred amounts issuance premiums	331,064	—	(19,474)	311,590	19,474
Total incurred for School Board:	<u>\$ 25,046,064</u>	<u>—</u>	<u>\$(2,119,474)</u>	<u>\$ 22,926,590</u>	<u>\$ 2,174,474</u>
Total Governmental Obligations	<u>\$ 31,575,184</u>	<u>\$ 616,064</u>	<u>\$(3,668,737)</u>	<u>\$ 28,522,511</u>	<u>\$ 3,284,392</u>
Enterprise Funds:					
Compensated absences payable:	\$ 10,835	\$ 18,974	\$ (16,574)	\$ 13,235	\$ 1,322
Revenue Bonds	67,997,167	—	(600,000)	67,397,167	905,000
Less deferred amounts For issuance costs	(280,000)	—	13,333	(266,667)	(13,333)
Accreted interest - revenue bonds	11,524,570	2,026,439	-	13,551,009	—
Capacity rights obligations	20,668,206	—	(72,982)	20,595,224	710,000
Total Enterprise Obligations	<u>\$ 99,920,778</u>	<u>\$ 2,045,413</u>	<u>\$(676,223)</u>	<u>\$ 101,289,968</u>	<u>\$ 1,602,989</u>
Total General Obligations, Primary Government	<u>\$ 131,495,962</u>	<u>\$ 2,661,477</u>	<u>\$(4,344,960)</u>	<u>\$ 129,812,479</u>	<u>\$ 4,887,381</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

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

	<u>General Government obligations</u>				<u>Enterprise obligations</u>		
	<u>Capital leases</u>		<u>General obligation school bonds</u>		<u>Water and sewer revenue bonds</u>		<u>Capacity Rights Obligation</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
Year ending June 30:							
2011	\$ 994,478	81,347	2,155,000	1,067,365	905,000	1,936,799	710,000
2012	910,778	44,951	1,875,000	969,355	1,155,000	1,888,826	710,000
2013	936,199	19,529	1,875,000	878,610	1,023,291	2,274,794	710,000
2014	—	—	1,940,000	785,971	1,134,765	2,403,895	710,000
2015	—	—	1,680,000	697,843	1,256,289	2,552,717	710,000
2016 - 2020	—	—	9,345,000	2,125,346	7,924,581	16,107,404	3,550,000
2021 - 2025	—	—	2,675,000	567,435	8,869,578	21,846,871	3,550,000
2026 - 2030	—	—	1,070,000	53,232	9,714,842	31,686,863	3,550,000
2031 - 2035	—	—	—	—	26,713,821	17,888,177	3,550,000
2036 - 2037	—	—	—	—	8,700,000	217,500	2,845,224
Total	\$ 2,841,455	145,827	22,615,000	7,145,157	67,397,167	98,803,846	20,595,224

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Long-term Obligations – Governmental Activities:

Governmental activities obligations:

County Obligations:

Capital lease obligations:

\$2,500,000 capital lease obligation issued April 29, 2008, secured by equipment, due in semiannual installments of \$265,657 through April 15, 2013 at an interest rate of 2.24%	\$ 1,533,281
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\$2,600,000 capital lease obligation issued November 1, 2005, secured by fire trucks, due in semi-annual installments of \$212,207, through January 15, 2013 at an interest rate 3.45%	1,199,773
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\$414,700 capital lease obligation issued June 1, 2008, secured by equipment, due in annual installments of \$120,098 through June 1, 2011 at an interest rate of 10.79%	<u>108,401</u>
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Total capital lease obligations	2,841,455
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Compensated absences	554,386
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Other post employment benefits obligations	224,201
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Landfill postclosure care liability	<u>1,975,879</u>
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Total County Obligations	<u><u>\$ 5,595,921</u></u>
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Incurred for School Board:

General obligation bonds:

\$10,745,000 Virginia Public School Authority Bonds issued May 11, 2006, maturing annually through July 15, 2026, with interest payable semi-annually at rates ranging from 4.10% to 5.10%.	\$ 9,125,000
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\$2,490,000 Virginia Public School Authority Bonds issued May 15, 2003, maturing annually through July 15, 2013, with interest payable semi-annually at rates ranging from 3.10% to 5.35%.	1,150,000
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\$19,350,000 Virginia Public School Authority Bonds issued May 13, 1999, maturing annually through July 15, 2019, with interest payable semi-annually at rates ranging from 4.10% to 5.23%.	11,875,000
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\$5,050,000 Virginia Public School Authority Bonds issued December 21, 1995, maturing annually through July 15, 2010, with interest payable semi-annually at rates ranging from 5.10% to 6.10%.	335,000
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\$1,000,000 Virginia Public School Authority Bonds issued May 2, 1996, maturing annually through July 15, 2011, with interest payable semi-annually at rates ranging from 4.10% to 6.10%.	130,000
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Deferred amounts of issuance premiums	<u>311,590</u>
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Total incurred for School Board	<u><u>\$ 22,926,590</u></u>
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COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Capital Leases

The County has three lease agreements for financing the acquisition of fire trucks and emergency response equipment and the acquisition and installation of Computer Aided Dispatch and Mobile Data Terminal systems. These lease agreements qualified as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

	Governmental activities
	<hr/>
Asset:	
Fire trucks	\$ 2,188,165
Emergency dispatch equipment	2,952,848
Less accumulated depreciation	(840,463)
	<hr/>
	\$ 4,300,550
	<hr/> <hr/>
	Governmental activities
	<hr/>
Year ending June 30:	
2011	\$ 1,075,826
2012	955,728
2013	955,729
	<hr/>
Total minimum lease payments	2,987,283
Less amount representing interest	(145,828)
	<hr/>
Present value of minimum lease payments	\$ 2,841,455
	<hr/> <hr/>

Contractual Agreement (EDA)

The County entered into a three party agreement with the EDA and Capital One Bank (Capital One) in 2001. Per this agreement, 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 (\$3,047,292) represents the original contractual amount less payments made through June 30, 2010.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

	<u>Amounts payable at July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts payable at June 30, 2010</u>	<u>Amounts due within one year</u>
Governmental activities obligations:					
Incurred by County:					
Due to component unit	\$ 3,256,914	—	(209,622)	3,047,292	210,000

Long - term Obligations — Business-type Activities

Incurred by Enterprise Fund:

 Enterprise Obligations:

\$3,725,000 Virginia Resources Authority, issued March 16, 2000 and partially refunded August 31, 2006 maturing annually through April 1, 2010, interest payable at rates ranging from 4.2% to 5.9%	\$ 90,000
\$3,390,000 Virginia Resources Authority, issued August 31, 2006 maturing annually through April 1, 2030, interest payable at rates ranging from 4.1% to 4.5%.	3,255,000
\$2,595,000 Virginia Resources Authority, issued June 7, 2007 maturing annually through October 1, 2027, interest payable at rates ranging from 4.1% to 4.8%	2,430,000
\$62,747,167 Virginia Resources Authority, issued August 20, 2002 maturing annually through November 1, 2035, interest payable at rates ranging from 4.14% to 5.59%	61,622,167
Accreted interest on \$27,537,167 of capital appreciation bonds issued as part of the \$62,747,167 Virginia Resources Authority issue dated July 31, 2002	13,551,008
\$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	20,595,224
Less: deferred amounts on refunding	(266,667)
Compensated absences	13,236
Total enterprise obligations	<u>\$ 101,289,968</u>

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(b) Component Unit – School Board

	<u>Amounts payable at July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Amounts payable at June 30, 2010</u>	<u>Amounts due within one year</u>
Component Unit – School Board:					
Capital lease	\$ 879,123	\$ 159,404	\$ (446,419)	\$ 592,108	\$ 486,704
Other postemployment benefits obligations	192,679	196,000	-	388,679	-
Compensated absences	361,453	240,175	(207,702)	393,926	39,393
Sub total	<u>\$ 1,433,255</u>	<u>\$ 595,579</u>	<u>\$ (654,121)</u>	<u>\$ 1,374,713</u>	<u>\$ 526,097</u>
Deferred compensation liability	661,579	96,680	(327,159)	431,100	210,396
Total					
Component Unit-School Board	<u>\$ 2,094,834</u>	<u>\$ 692,259</u>	<u>\$ (981,280)</u>	<u>\$ 1,805,813</u>	<u>\$ 736,493</u>

The School Board adopted a deferred compensation plan effective July 1, 1999. To be eligible, the individual must be a former employee of the County School Board age 55 or over, who has retired and is eligible to receive retirement benefits under VRS. In addition, the employee cannot be eligible for disability retirement benefits under VRS. The School Board is obligated to request an appropriation each year for an amount which is necessary to maintain the plan in a sound actuarial basis to the fullest degree and in a manner consistent with the constitution and laws of the Commonwealth of Virginia. Employees are not permitted to make contributions to the plan. As of July 1, 2009, the plan had been suspended indefinitely to new participants. For the year ended June 30, 2010, the amount of benefits paid to participants was \$327,159. The deferred compensation liability meets the requirements for inclusion as a liability of the School Board's Operating Fund.

Capital Leases

The School Board has lease agreements for financing the acquisition of laptops and other computer equipment and copiers. 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.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

The assets acquired through the capital lease are as follows:

	Component Unit School Board
Asset:	
Computer Equipment	\$ 1,764,525
Copiers	159,404
Less accumulated depreciation	<u>(1,465,557)</u>
	<u>\$ 458,372</u>
	Component Unit School Board
Year ending June 30:	
2011	\$ 541,403
2012	42,896
2013	42,896
2014	<u>39,321</u>
Total minimum lease payments	666,516
Less amount representing interest	<u>(74,408)</u>
Present value of minimum lease payments	<u>\$ 592,108</u>

(9) Deferred and Unearned Revenues and Prepaid Taxes

Deferred revenues represent amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue (including prepaid taxes) totaling \$14,273,116 (governmental funds \$12,806,688 and proprietary funds \$1,466,428) is comprised of the following:

(a) Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$12,606,945 for governmental funds at June 30, 2010. Deferred revenue in the proprietary funds totaled \$1,444,913 at June 30, 2010 and was comprised of assessed but uncollected property taxes not intended to fund current period expenses.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(b) *Prepaid Property Taxes*

Property taxes due subsequent to June 30, 2010 but paid in advance by the taxpayers totaled \$193,671 in the General Fund and \$21,515 in the proprietary funds at June 30, 2010.

(c) *Unearned Revenue*

Grant funding received for which the grant criteria have not been met totaled \$6,072 in the General Fund at June 30, 2010.

(10) Commitments and Contingent Liabilities

Federal programs in which the County and the discretely presented School Board component unit participate are audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Pursuant to the provisions of this circular, all major programs, and certain other programs, were tested for compliance with applicable grant requirements. While 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 be immaterial.

(11) Litigation

At June 30, 2010, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

(12) 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.

(a) *Employee Health Insurance*

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

(b) *Unemployment Insurance*

The County and School Board are fully self-insured for unemployment claims. The Virginia Employment Commission 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.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(c) *Property and Casualty Insurance*

The County and School Board contract with the Virginia Association of Counties Municipal Liability 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 \$3,000,000 for the School Board.

The County and School Board also contract with the Virginia Municipal League Pool for its workers compensation coverage. This Pool also has similar provisions as the Virginia Association of Counties Municipal Liability Pool for assumptions of a loss deficit by the members.

(13) **Defined Benefit Pension Plan**

Reporting Entity

(a) *Plan Description*

Plan	Participation in the Virginia Retirement System (VRS)
Identification of plan	Agent (County and School Board Nonprofessionals) and Cost Sharing (School Board Professionals) Multiple -Employer Defined Benefit Pension Plan
Administering entity	Virginia Retirement System

The County and School Board contribute to VRS. All full-time, salaried permanent employees of the County and nonprofessional employees of the School Board must participate in the VRS agent multiple-employer plan. Benefits vest after five years of service.

Employees hired prior to July 1, 2010 are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 with 5 years of service for participating law enforcement officers, firefighters, sheriff) or at age 50 with 30 years of service if elected by the employer (age 50 with 25 years of service for participating law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFC is defined as the highest consecutive 36 months of reported compensation.

Employees hired on July 1, 2010 or later are eligible for an unreduced retirement benefit at normal social security retirement age with 5 years of service or when their age and years of service total 90. Participating law enforcement officers, firefighters, and sheriff are eligible for an unreduced retirement benefit at age 60 with at least 5 years of service or age 50 with at least 25 years of service. Benefits are payable monthly for life in an amount equal to 1.7% of their average final compensation (AFC) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 6% per year beginning in their second year of retirement. AFC is defined as the highest consecutive 60 months of reported compensation.

Participating law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS agent multiple-employer plan also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the agent multiple-employer plan. A copy of that report may be downloaded from their website at <http://www.varetire.org/Publications/Index.asp> or obtained by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

The School System contributes to the VRS cost-sharing multiple-employer defined benefit pension plan administered by the VRS and provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the State legislature. VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the cost-sharing multiple-employer plan. That report may be obtained by writing to VRS at P.O. Box 2500, Richmond, Virginia 23218-2500.

(b) *Funding Policy*

Primary Government

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their reported compensation to the VRS agent multiple-employer plan. This 5% member contribution is assumed by the employer. In addition, the County is required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2010 was 15.35% (including the employee's 5% which is paid by the County), as determined by the June 30, 2009 actuarial valuation.

Discretely Presented Component Unit – School Board

Members of the VRS agent multiple-employer plan are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their reported compensation to the VRS. This 5% member contribution may be assumed by the employer. In addition, the School Board is required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the statute and approved by the VRS Board of Trustees. The School Board's nonprofessional employee's contribution rate for the fiscal year ended 2010 was 12.83% (including the 5% employee share paid by the employer), as determined by the June 30, 2009 actuarial valuation.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

The School Board's contributions to the VRS cost-sharing multiple-employer plan pool for professional employees were \$1,657,528, \$1,854,790, and \$1,265,810 for the fiscal years ended June 30, 2010, 2009, and 2008, respectively. The School Board employer's and employee's (paid by the School Board) rate for professional employees was 13.81%, 13.81%, and 15.30%, of annual covered payroll for fiscal years 2010, 2009, and 2008 respectively. Actual contributions equaled the required contributions.

(c) Annual Pension Cost

For fiscal year 2010, the County's annual pension cost of \$741,485 (which did not include the portion of the employee share assumed by the County of \$358,205) was equal to the County's annual required contribution.

For fiscal 2010, the School Board's annual pension cost for the nonprofessional employees was \$112,854 (including the portion of the employee share assumed by the School Board of \$43,981) and was equal to the Board's annual required contribution.

	<u>Primary government County retirement plan</u>	<u>Discretely Presented Component Unit School Board Nonprofessional retirement plan</u>
Contribution rates for the year ended June 30, 2009 (determined by the June 30, 2007 actuarial valuation):		
Employer	10.35%	7.83%
Plan members ¹	5.00%	5.00%
Actuarial assumptions:		
Actuarial valuation date	June 30, 2009	June 30, 2009
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage, open	Level percentage, open
Payroll growth rate	3.00%	3.00%
Remaining amortization period	20 years	20 years
Asset valuation method	5 Year smoothed market	5 Year smoothed market
Investment rate of return ²	7.50%	7.50%
Projected salary increases ² :		
Non LEO Employees	3.75% to 5.60%	3.75% to 5.60%
LEO Employees	3.50% to 4.75%	3.50% to 4.75%
Cost-of-living adjustments	2.50%	2.50%

¹ This member contribution has been assumed by the employer.

² Includes inflation at 2.50%

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

	<u>Annual pension cost (APC)¹</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Fiscal year ending:			
County:			
June 30, 2010	\$ 741,485	100%	\$ —
June 30, 2009	666,413	100	—
June 30, 2008	567,204	100	—
School Board:			
Non-Professional:			
June 30, 2010	\$ 68,873	100%	\$ —
June 30, 2009	69,863	100	—
June 30, 2008	70,249	100	—

¹ Employer portion only

(d) Funded Status and Funding Progress

County

As of June 30, 2009, the most recent actuarial valuation date, the plan was 84.62% funded. The actuarial accrued liability for benefits was \$19,622,568 and the actuarial value of assets was \$16,605,376, resulting in an unfunded actuarial liability (UAAL) of \$3,017,192. The covered payroll (annual payroll of active employees covered by the plan) was \$7,509,152 the ratio of the UAAL to covered payroll was 40.18%.

School Board (Nonprofessional Employees)

As of June 30, 2009, the most recent actuarial valuation date, the plan was 91.52% funded. The actuarial accrued liability for benefits was \$2,865,277 and the actuarial value of assets was \$2,622,436, resulting in an unfunded actuarial liability (UAAL) of \$242,841. The covered payroll was \$892,254 and the ratio of the UAAL to covered payroll was 27.22%.

The schedule of pension funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

(14) Other Postemployment Benefits

Reporting Entity

(a) Overview

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In accordance with GAAP, the County recognizes the cost of postemployment healthcare in the year when the employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the County's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years.

(b) Plan Description - Primary Government

The County provides continuous medical insurance coverage for full-time employees who retire directly from the County, have 15 years of VRS creditable service, and are eligible to receive an early or regular retirement benefit from the County. Retirees receive a stipend from the County for their healthcare premiums based on years of service in excess of 15 years. Retirees are responsible for their healthcare premiums, less any stipends. Dental insurance also continues after retirement at the retiree rate. Surviving spouses of retirees may elect to remain in the deceased member's health insurance plan for up to 36 months after the death of the member paying the same rate as the retiree, but without the County's contribution. Twenty retirees and 195 active employees participated in the plan as of July 1, 2008, the effective date of the biennial OPEB valuation. There have been no significant changes in the number covered or the type of coverage since that date.

(c) Plan Description - Component Unit School Board

The School Board provides continuous medical insurance coverage for full-time employees who retire directly from the School Board and are eligible to receive an early or regular retirement benefit from the School Board. The School Board does not provide stipends for retirees toward healthcare premiums. Retirees are responsible for their healthcare premiums. Dental insurance also continues after retirement at the active employee rate. Surviving spouses of retirees may elect to remain in the deceased member's health insurance plan after the death of the member paying the same rate as the retiree up until they reach age 65. Thirty-two retirees and 426 active employees participated in the plan as of July 1, 2008, the effective date of the biennial OPEB valuation. As of October 1, 2009, retirees over the age of 64 are no longer allowed to remain on the School Board's health insurance plan. There have been no other significant changes in the number covered or the type of coverage since that date.

(d) Funding

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

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Annual OPEB Cost and Net OPEB Obligation. The County's and School Board's OPEB costs (expenses) are calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities for funding excess over a period not to exceed thirty years. For fiscal years 2010 and 2009, the County's annual pension cost (\$205,000 and \$195,333) equaled its ARC and the School Board's annual pension cost (\$273,000 and \$258,162) equaled its ARC. The following table shows the components of County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Calculation of Annual Required Contribution (ARC) under the Projected Unit Credit Method

		Primary Government	Component Unit School Board
ARC Normal Cost	\$	139,782	193,232
Amortization		65,218	79,768
Annual required contribution		<u>205,000</u>	<u>273,000</u>
Contribution for fiscal year ended June 30, 2010		93,600	77,000
Increase in net OPEB obligation		<u>111,400</u>	<u>196,000</u>
Net OPEB obligation - beginning of fiscal year		112,801	192,679
Net OPEB obligation - end of fiscal year		<u>224,201</u>	<u>388,679</u>
Percentage of annual OPEB contribution		<u>—</u>	<u>—</u>
Actuarial value of assets	\$	—	—
Actuarial accrued liability		1,566,439	1,915,900
Unfunded actuarial liability (UAAL)		<u>1,566,439</u>	<u>1,915,900</u>
Funded ratio		<u>—</u>	<u>—</u>
Normal cost - beginning of fiscal year	\$	132,642	181,858
Amortization factor based on 30 years		24.494	24.494
Annual covered payroll		7,509,152	14,575,816
UAAL as a percentage of covered payroll		21%	13%

Valuation as of July 1, 2008

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. Premiums are based on a blend of the insurer's pooled rate and the entity's medical/surgical claims experience. The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar open basis. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2008 actuarial valuation, the liabilities were computed using the projected unit credit method and the level dollar amortization. The actuarial assumptions utilized a 4% discount rate. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 4% rate. The valuation assumes 10% and 9% healthcare cost trend increases for calendar year 2009 and 2010 respectively, reduced by decrements of 1% to a rate of 5% after 4 years.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actual accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

(15) Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the plan) created in accordance with Internal Revenue Code (IRS) Section 457. The plan is available to all County employees and permits deferral until future years of up to 100% of salary with a maximum deferral of \$16,500 for calendar year 2009, whichever is less. In calendar year 2010, the maximum deferral amount is \$16,500. The compensation deferred is not available to employees until termination, retirement, death, an unforeseeable emergency, or a small balance account withdrawal. In accordance with the amended provisions of IRC Section 457, which were enacted into law in August 1996 and their subsequent adoption by the County, all assets and income of the plan were transferred to a trust and are held for the exclusive benefit of participants and their beneficiaries. The County has contracted with a nongovernmental third-party administrator to administer the plan.

(16) Landfill Postclosure Costs

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 postclosure monitoring over a period of 30 years. The amount reported as landfill post closure liability at

COUNTY OF GOOCHLAND, VIRGINIA

Notes to Financial Statements

June 30, 2010

June 30, 2010 represents the estimated liability for postclosure monitoring (\$975,879) over a period of nineteen years. In addition, the County has a liability of \$1,000,000 for corrective action. These amounts are based on what it would cost to perform all postclosure care in 2010. The total current cost of landfill postclosure care is an estimate subject to change due to inflation, deflation, technology, or changes in applicable laws or regulations.

The County demonstrates its financial assurance requirements for postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. The County intends to fund these costs from accumulated funds and tax revenue.

REQUIRED SUPPLEMENTARY INFORMATION

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County of Goochland, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 31,337,238	\$ 31,337,238	\$ 29,728,457	\$ (1,608,781)
Other local taxes	5,733,171	5,733,171	4,863,393	(869,778)
Permits, privilege fees, and regulatory licenses	435,900	435,900	267,341	(168,559)
Fines and forfeitures	90,000	90,000	117,107	27,107
Revenue from the use of money and property	775,000	775,000	174,977	(600,023)
Charges for services	136,600	139,053	198,386	59,333
Miscellaneous revenue	5,000	16,275	72,810	56,535
Recovered costs	708,631	708,631	227,446	(481,185)
Intergovernmental revenues:				
Commonwealth	5,118,807	5,363,097	5,145,261	(217,836)
Federal	808,697	1,197,008	999,794	(197,214)
Total revenues	<u>\$ 45,149,044</u>	<u>\$ 45,795,373</u>	<u>\$ 41,794,972</u>	<u>\$ (4,000,401)</u>
EXPENDITURES				
Current:				
General government administration	\$ 3,496,880	\$ 3,747,374	\$ 3,537,879	\$ 209,495
Judicial administration	1,518,762	1,548,941	1,470,118	78,823
Public safety	6,563,838	7,135,451	6,384,945	750,506
Public works	2,519,090	2,442,230	2,062,509	379,721
Health and welfare	2,708,917	2,984,081	2,850,702	133,379
Education	19,965,174	20,095,174	18,598,005	1,497,169
Parks, recreation, and cultural	848,689	936,864	880,499	56,365
Community development	1,432,712	1,491,576	1,321,710	169,866
Debt service:				
Principal retirement	3,059,922	3,059,922	3,059,922	-
Interest and other fiscal charges	1,301,801	1,301,801	1,090,361	211,440
Total expenditures	<u>\$ 43,415,785</u>	<u>\$ 44,743,414</u>	<u>\$ 41,256,650</u>	<u>\$ 3,486,764</u>
Excess of revenues over expenditures	<u>\$ 1,733,259</u>	<u>\$ 1,051,959</u>	<u>\$ 538,322</u>	<u>\$ (513,637)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 1,597,700	\$ -	\$ (1,597,700)
Transfers out	(733,260)	(8,815,960)	(5,851,252)	2,964,708
Total other financing uses, net	<u>\$ (733,260)</u>	<u>\$ (7,218,260)</u>	<u>\$ (5,851,252)</u>	<u>\$ 1,367,008</u>
Net change in fund balances	\$ 999,999	\$ (6,166,301)	\$ (5,312,930)	\$ 853,371
Fund balances - beginning	25,849,158	25,849,158	25,689,557	(159,601)
Fund balances - ending	<u>\$ 26,849,157</u>	<u>\$ 19,682,857</u>	<u>\$ 20,376,627</u>	<u>\$ 693,770</u>

See accompanying independent auditors' report.

Notes to Required Supplementary Information

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriation Resolution. The Board of Supervisors adopts budgets for estimated revenues and expenditures on a departmental basis for all governmental funds.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments.
5. Formal Budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Fund, and Capital Projects Fund.
6. All budgets are adopted on a basis consistent with U. S. generally accepted accounting principles.
7. Appropriations lapse on June 30.

County of Goochland, Virginia
Required Supplementary Information
Schedule of Pension and Other Postemployment Benefits Funding Progress

Primary Government:

County Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 16,605,376	\$ 19,622,568	\$ 3,017,192	84.62%	\$ 7,509,152	40.18%
6/30/2008	15,802,655	17,804,912	2,002,257	88.75%	6,740,536	29.70%
6/30/2007	13,942,755	15,559,308	1,616,553	89.61%	6,124,729	26.39%

County Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008	\$ -	\$ 1,566,439	\$ 1,566,439	-	\$ 6,740,536	23.24%

Discretely Presented Component Unit:

School Board Non-Professional Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2009	\$ 2,622,436	\$ 2,865,277	\$ 242,841	91.52%	\$ 892,254	27.22%
6/30/2008	2,528,846	2,767,125	238,279	91.39%	859,122	27.74%
6/30/2007	2,263,489	2,430,346	166,857	93.13%	766,818	21.76%

School Board Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
7/1/2008	-	1,915,900	1,915,900	- %	13,430,777	14.26%

See accompanying independent auditors' report.

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OTHER SUPPLEMENTARY INFORMATION

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County of Goochland, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Capital Projects Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 9,293	\$ 9,293
Miscellaneous	-	-	256,530	256,530
Intergovernmental revenues:				
Commonwealth	-	155,623	155,624	1
Total revenues	<u>\$ -</u>	<u>\$ 155,623</u>	<u>\$ 421,447</u>	<u>\$ 265,824</u>
EXPENDITURES				
Capital projects	\$ 5,604,975	\$ 7,045,864	\$ 5,081,761	\$ 1,964,103
Total expenditures	<u>\$ 5,604,975</u>	<u>\$ 7,045,864</u>	<u>\$ 5,081,761</u>	<u>\$ 1,964,103</u>
Excess (deficiency) of revenues under expenditures	<u>\$ (5,604,975)</u>	<u>\$ (6,890,241)</u>	<u>\$ (4,660,314)</u>	<u>\$ 2,229,927</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 4,053,546	\$ 4,053,546	\$ 5,251,605	\$ 1,198,059
Transfers out	-	(702,750)	(438,154)	264,596
Total other financing sources, net	<u>\$ 4,053,546</u>	<u>\$ 3,350,796</u>	<u>\$ 4,813,451</u>	<u>\$ 1,462,655</u>
Net change in fund balances	\$ (1,551,429)	\$ (3,539,445)	\$ 153,137	\$ 3,692,582
Fund balances - beginning	2,186,492	2,186,492	2,186,492	-
Fund balances - ending	<u>\$ 635,063</u>	<u>\$ (1,352,953)</u>	<u>\$ 2,339,629</u>	<u>\$ 3,692,582</u>

See accompanying independent auditors' report.

County of Goochland, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Nonmajor Special Revenue Fund
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 447	\$ 447
Charges for services	-	-	44,058	44,058
Miscellaneous	-	-	4,967	4,967
Intergovernmental revenues:				
Commonwealth	535,563	647,511	593,498	(54,013)
Total revenues	<u>\$ 535,563</u>	<u>\$ 647,511</u>	<u>\$ 642,970</u>	<u>\$ (4,541)</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ 45,608	(45,608)
Health and welfare	1,105,211	1,208,185	1,144,749	63,436
Total expenditures	<u>\$ 1,105,211</u>	<u>\$ 1,208,185</u>	<u>\$ 1,190,357</u>	<u>\$ 17,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (569,648)</u>	<u>\$ (560,674)</u>	<u>\$ (547,387)</u>	<u>\$ 13,287</u>
OTHER FINANCING SOURCES				
Transfers in	\$ 569,648	\$ 569,648	\$ 569,647	\$ (1)
Total other financing sources	<u>\$ 569,648</u>	<u>\$ 569,648</u>	<u>\$ 569,647</u>	<u>\$ (1)</u>
Net change in fund balances	\$ -	\$ 8,974	\$ 22,260	\$ 13,286
Fund balances - beginning	143,954	143,954	143,954	-
Fund balances - ending	<u>\$ 143,954</u>	<u>\$ 152,928</u>	<u>\$ 166,214</u>	<u>\$ 13,286</u>

See accompanying independent auditors' report.

County of Goochland, Virginia
 Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2010

	Agency Funds			
	<u>Special Welfare</u>	<u>Towers & Roads</u>	<u>Performance Bonds Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 18,241	\$ 193,750	\$ 216,554	\$ 428,545
Total assets	\$ 18,241	\$ 193,750	\$ 216,554	\$ 428,545
LIABILITIES				
Amounts held for social services clients	\$ 18,241	\$ -	\$ -	\$ 18,241
Performance bonds held for others	-	193,750	216,554	410,304
Total liabilities	\$ 18,241	\$ 193,750	\$ 216,554	\$ 428,545

See accompanying independent auditors' report.

County of Goochland, Virginia
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2010

	<u>Balance, July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2010</u>
Special Welfare Fund:				
Assets:				
Cash and cash equivalents	\$ 22,737	\$ 59,647	\$ 64,143	\$ 18,241
Due from other governmental units	<u>1,584</u>	<u>-</u>	<u>1,584</u>	<u>-</u>
Total assets	<u>\$ 24,321</u>	<u>\$ 59,647</u>	<u>\$ 65,727</u>	<u>\$ 18,241</u>
Liabilities:				
Amounts held for social services clients	<u>\$ 24,321</u>	<u>\$ 59,647</u>	<u>\$ 65,727</u>	<u>\$ 18,241</u>
Performance Bonds Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 276,508</u>	<u>\$ -</u>	<u>\$ 59,954</u>	<u>\$ 216,554</u>
Liabilities:				
Performance bonds payable	<u>\$ 276,508</u>	<u>\$ -</u>	<u>\$ 59,954</u>	<u>\$ 216,554</u>
Towers & Roads Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 199,773</u>	<u>\$ 439</u>	<u>\$ 6,462</u>	<u>\$ 193,750</u>
Liabilities:				
Performance bonds payable	<u>\$ 199,773</u>	<u>\$ 439</u>	<u>\$ 6,462</u>	<u>\$ 193,750</u>
Total - All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 499,018	\$ 60,086	\$ 130,559	\$ 428,545
Due from other governmental units	<u>1,584</u>	<u>-</u>	<u>1,584</u>	<u>-</u>
Total assets	<u>\$ 500,602</u>	<u>\$ 60,086</u>	<u>\$ 132,143</u>	<u>\$ 428,545</u>
Liabilities:				
Amounts held for social services clients	\$ 24,321	\$ 59,647	\$ 65,727	\$ 18,241
Performance bonds payable	<u>476,281</u>	<u>439</u>	<u>66,416</u>	<u>410,304</u>
Total liabilities	<u>\$ 500,602</u>	<u>\$ 60,086</u>	<u>\$ 132,143</u>	<u>\$ 428,545</u>

See accompanying independent auditors' report.

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

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County of Goochland, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2010

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,138,086	\$ 223,293	\$ 2,361,379
Due from other governmental units	853,820	-	853,820
Inventories	-	31,819	31,819
Restricted assets:			
Investments	258,056	-	258,056
Total assets	<u>\$ 3,249,962</u>	<u>\$ 255,112</u>	<u>\$ 3,505,074</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 345,204	\$ 1,737	\$ 346,941
Accrued liabilities	2,454,638	61,913	2,516,551
Long-term liabilities payable from restricted assets			
Due within one year	210,396	-	210,396
Due in more than one year	220,704	-	220,704
Total liabilities	<u>\$ 3,230,942</u>	<u>\$ 63,650</u>	<u>\$ 3,294,592</u>
Fund balances:			
Unreserved:			
Undesignated	\$ 19,020	\$ 191,462	\$ 210,482
Total fund balances	<u>\$ 19,020</u>	<u>\$ 191,462</u>	<u>\$ 210,482</u>
Total liabilities and fund balances	<u>\$ 3,249,962</u>	<u>\$ 255,112</u>	<u>\$ 3,505,074</u>

Total fund balances per above \$ 210,482

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,347,197
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the funds.	
Capital lease	(592,108)
Compensated absences	(393,926)
Other postemployment benefits	(388,679)
Accrued interest payable	<u>(38,705)</u>
Net assets of governmental activities	<u>\$ 17,144,261</u>

See accompanying independent auditors' report.

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

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 51,739	\$ 183	\$ 51,922
Charges for services	48,779	627,957	676,736
Miscellaneous	77,314	650	77,964
Recovered costs	339,078	-	339,078
Intergovernmental revenues:			
Local government	18,598,005	-	18,598,005
Commonwealth	5,713,369	11,174	5,724,543
Federal	1,602,285	374,277	1,976,562
Total revenues	<u>\$ 26,430,569</u>	<u>\$ 1,014,241</u>	<u>\$ 27,444,810</u>
EXPENDITURES			
Current:			
Education	\$ 26,030,551	\$ 1,005,365	\$ 27,035,916
Debt service:			
Principal retirement	446,419	-	446,419
Interest and other fiscal charges	94,983	-	94,983
Total expenditures	<u>\$ 26,571,953</u>	<u>\$ 1,005,365</u>	<u>\$ 27,577,318</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (141,384)</u>	<u>\$ 8,876</u>	<u>\$ (132,508)</u>
OTHER FINANCING SOURCES			
Proceeds of capital leases	\$ 159,404	\$ -	\$ 159,404
Total other financing sources and uses	<u>\$ 159,404</u>	<u>\$ -</u>	<u>\$ 159,404</u>
Net change in fund balances	\$ 18,020	\$ 8,876	\$ 26,896
Fund balances - beginning	1,000	182,586	183,586
Fund balances - ending	<u>\$ 19,020</u>	<u>\$ 191,462</u>	<u>\$ 210,482</u>
Net change in fund balances - total governmental funds - per above			\$ 26,896

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 expense. This is the amount by which the capital outlays exceeded depreciation and transfers of joint tenancy assets in the current period.

Capital outlay	\$ 220,687	
Depreciation expense	(538,647)	
Transfer of depreciation expense related to joint tenancy assets from Primary Government	(642,805)	
Transfer of joint tenancy assets from Primary Government	<u>1,733,133</u>	772,368

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (19,174)

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.

Decrease in capital lease	287,015
Increase in other postemployment benefits liability	(196,000)
Decrease in accrued interest payable	35,569
Increase in compensated absences	<u>(32,473)</u>

Change in net assets of governmental activities \$ 874,201

See accompanying independent auditors' report.

County of Goochland, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2010

	School Operating Fund				School Cafeteria Fund				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			Original	Final			
REVENUES									
Revenue from the use of money and property	\$ 15,000	\$ 15,000	\$ 51,739	\$ 36,739	\$ 10,000	\$ 10,000	\$ 183	\$ (9,817)	
Charges for services	63,500	63,500	48,779	(14,721)	670,601	670,601	627,957	(42,644)	
Miscellaneous	8,600	8,600	77,314	68,714	-	-	650	650	
Recovered costs	-	-	339,078	339,078	-	-	-	-	
Intergovernmental revenues:									
Local government	20,065,174	20,095,174	18,598,005	(1,497,169)	-	-	-	-	
Commonwealth	5,938,236	5,776,032	5,713,369	(62,663)	12,000	12,000	11,174	(826)	
Federal	2,015,355	2,015,355	1,602,285	(413,070)	275,400	275,400	374,277	98,877	
Total revenues	\$ 28,105,865	\$ 27,973,661	\$ 26,430,569	\$ (1,543,092)	\$ 968,001	\$ 968,001	\$ 1,014,241	\$ 46,240	
EXPENDITURES									
Current:									
Education	\$ 27,110,064	\$ 27,973,661	\$ 26,030,551	\$ 1,943,110	\$ 968,001	\$ 968,001	\$ 1,005,365	\$ (37,364)	
Debt service:									
Principal retirement	-	-	446,419	(446,419)	-	-	-	-	
Interest and other fiscal charges	-	-	94,983	(94,983)	-	-	-	-	
Total expenditures	\$ 27,110,064	\$ 27,973,661	\$ 26,571,953	\$ 1,401,708	\$ 968,001	\$ 968,001	\$ 1,005,365	\$ (37,364)	
Excess (deficiency) of revenues over (under) expenditures	\$ 995,801	\$ -	\$ (141,384)	\$ (141,384)	\$ -	\$ -	\$ 8,876	\$ 8,876	
OTHER FINANCING SOURCES									
Proceeds of capital leases	-	-	159,404	159,404	-	-	-	-	
Total other financing sources	\$ -	\$ -	\$ 159,404	\$ 159,404	\$ -	\$ -	\$ -	\$ -	
Net change in fund balances	\$ -	\$ -	\$ 18,020	\$ 18,020	\$ -	\$ -	\$ 8,876	\$ 8,876	
Fund balances - beginning	1,000	1,000	1,000	-	-	-	182,586	182,586	
Fund balances - ending	\$ 1,000	\$ 1,000	\$ 19,020	\$ 18,020	\$ -	\$ -	\$ 191,462	\$ 191,462	

See accompanying independent auditor's report.

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

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County of Goochland, Virginia
Statement of Net Assets
Discretely Presented Component Unit-Economic Development Authority
June 30, 2010

ASSETS

Current assets:

Cash and cash equivalents	\$ 567,184
Total current assets	\$ 567,184

Noncurrent assets:

Due from Primary Government	\$ 3,047,292
Land held for resale	801,100

Capital assets:

Vehicle	\$ 25,330
Less accumulated depreciation	(25,330)
Total capital assets	\$ -

Total noncurrent assets	\$ 3,848,392
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Total assets	\$ 4,415,576
--------------	--------------

LIABILITIES

Current liabilities:

Contractual agreement payable - current portion	\$ 210,000
Total current liabilities	\$ 210,000

Long term liabilities:

Contractual agreement payable - net of current portion	\$ 2,837,292
Total long term liabilities payable	\$ 2,837,292

Total liabilities	\$ 3,047,292
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NET ASSETS

Unrestricted	\$ 1,368,284
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Total net assets	\$ 1,368,284
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See accompanying independent auditors' report.

County of Goochland, Virginia
Statement of Revenues, Expenses, and Changes in Net Assets
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2010

OPERATING REVENUES

Charges for services:

Bond fees	\$ 23,845
Total operating revenues	<u>\$ 23,845</u>

OPERATING EXPENSES

Contractual services	\$ 14,633
Other supplies and expenses	<u>2,855</u>
Total operating expenses	<u>\$ 17,488</u>

Operating income	<u>\$ 6,357</u>
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NONOPERATING REVENUES

Investment earnings	9,903
Total nonoperating revenues	<u>\$ 9,903</u>

Change in net assets	<u>\$ 16,260</u>
----------------------	------------------

Total net assets - beginning	<u>1,352,024</u>
Total net assets - ending	<u>\$ 1,368,284</u>

See accompanying independent auditors' report.

County of Goochland, Virginia
Statement of Cash Flows
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 23,845
Payments to vendors	(17,688)
Net cash provided by operating activities	<u>\$ 6,157</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
County contribution	\$ 209,622
Retirement of contractual agreement payable	(209,622)
Net cash provided by noncapital financing activities	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends received	\$ 9,903
Net cash provided by investing activities	<u>\$ 9,903</u>
Net increase in cash and cash equivalents	\$ 16,060
Cash and cash equivalents - beginning	551,124
Cash and cash equivalents - ending	<u>\$ 567,184</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 6,357
Adjustments to reconcile operating income to net cash used by operating activities:	
Decrease in accounts payable	(200)
Total adjustments	<u>\$ (200)</u>
Net cash provided by operating activities	<u>\$ 6,157</u>

See accompanying independent auditors' report.

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SUPPORTING SCHEDULES

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

Schedule 1

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 24,347,650	\$ 24,347,650	22,696,068	\$ (1,651,582)
Real and personal public service corporation taxes	568,792	568,792	608,164	39,372
Personal property taxes	6,150,796	6,150,796	6,024,197	(126,599)
Penalties	170,000	170,000	226,381	56,381
Interest	100,000	100,000	173,647	73,647
Total general property taxes	<u>\$ 31,337,238</u>	<u>\$ 31,337,238</u>	<u>29,728,457</u>	<u>\$ (1,608,781)</u>
Other local taxes:				
Local sales and use taxes	\$ 2,200,000	\$ 2,200,000	1,901,294	\$ (298,706)
Consumers' utility taxes	350,000	350,000	418,249	68,249
Consumption tax	90,000	90,000	93,619	3,619
Communications tax	1,050,000	1,050,000	896,132	(153,868)
Business license taxes	660,476	660,476	486,749	(173,727)
Motor vehicle licenses	643,695	643,695	606,346	(37,349)
Bank stock taxes	79,000	79,000	98,209	19,209
Taxes on recordation and wills	660,000	660,000	362,795	(297,205)
Total other local taxes	<u>\$ 5,733,171</u>	<u>\$ 5,733,171</u>	<u>4,863,393</u>	<u>\$ (869,778)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 15,000	\$ 15,000	26,592	\$ 11,592
Land use application fees	2,000	2,000	2,575	575
Transfer fees	1,400	1,400	694	(706)
Zoning and subdivision permits	80,000	80,000	43,634	(36,366)
Building Permits	300,000	300,000	163,900	(136,100)
Other permits and licenses	37,500	37,500	29,946	(7,554)
Total permits, privilege fees, and regulatory licenses	<u>\$ 435,900</u>	<u>\$ 435,900</u>	<u>267,341</u>	<u>\$ (168,559)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 90,000	\$ 90,000	117,107	\$ 27,107
Total fines and forfeitures	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>117,107</u>	<u>\$ 27,107</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 750,000	\$ 750,000	106,065	\$ (643,935)
Revenue from use of property	25,000	25,000	68,912	43,912
Total revenue from use of money and property	<u>\$ 775,000</u>	<u>\$ 775,000</u>	<u>174,977</u>	<u>\$ (600,023)</u>
Charges for services:				
Sheriff fees	\$ 2,000	\$ 2,000	2,007	\$ 7
Charges for Commonwealth's Attorney	800	800	790	(10)
Courthouse security fees	30,000	30,000	57,717	27,717
Charges for other court services	1,000	1,000	9,468	8,468
Charges for sanitation and waste removal	30,000	30,000	25,833	(4,167)
Charges for parks and recreation	50,000	50,000	77,420	27,420
Charges for community development	22,800	25,253	25,151	(102)
Total charges for services	<u>\$ 136,600</u>	<u>\$ 139,053</u>	<u>198,386</u>	<u>\$ 59,333</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	5,000	16,275	72,810	56,535
Total miscellaneous revenue	\$ 5,000	\$ 16,275	\$ 72,810	\$ 56,535
Recovered costs:				
E911 dispatcher share	\$ 49,000	\$ 49,000	\$ -	\$ (49,000)
Public assistance refunds	-	-	5,770	5,770
TCSD reimbursements	614,131	614,131	72,304	(541,827)
Capital contribution returned	-	-	117,598	117,598
Other recovered costs	45,500	45,500	31,774	(13,726)
Total recovered costs	\$ 708,631	\$ 708,631	\$ 227,446	\$ (481,185)
Total revenue from local sources	\$ 39,221,540	\$ 39,235,268	\$ 35,649,917	\$ (3,585,351)
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 55,000	\$ 55,000	\$ 5,920	\$ (49,080)
Mobile home titling tax	15,000	15,000	13,143	(1,857)
State recordation tax	53,735	53,735	74,147	20,412
Auto rental tax	20,000	20,000	2,231	(17,769)
Personal property tax relief funds	2,415,000	2,415,000	2,853,012	438,012
Total noncategorical aid	\$ 2,558,735	\$ 2,558,735	\$ 2,948,453	\$ 389,718
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	\$ 265,446	\$ 265,446	\$ 249,853	\$ (15,593)
Sheriff	914,748	914,748	824,714	(90,034)
Commissioner of Revenue	92,220	92,220	86,639	(5,581)
Treasurer	120,415	120,415	98,923	(21,492)
Medical Examiner	100	100	-	(100)
Registrar/Electoral board	49,375	49,375	42,365	(7,010)
Clerk of the Circuit Court	270,018	270,018	230,246	(39,772)
Total shared expenses	\$ 1,712,322	\$ 1,712,322	\$ 1,532,740	\$ (179,582)
Other categorical aid:				
Public assistance and welfare administration	\$ 516,694	\$ 516,694	\$ 440,139	\$ (76,555)
Fire programs fund	44,452	46,523	46,523	-
DMV agent compensation	-	-	21,441	21,441
Wireless board grant	63,000	213,000	39,128	(173,872)
Four 4 life funds	20,169	20,169	20,169	-
Fire training grants	-	59,582	47,532	(12,050)
Victim-witness grant	-	-	8,614	8,614
Highway safety grant	-	-	33,293	33,293
Litter control	-	5,637	5,637	-
Other categorical aid	203,435	230,435	1,592	\$ (228,843)
Total other categorical aid	\$ 847,750	\$ 1,092,040	\$ 664,068	\$ (427,972)
Total categorical aid	\$ 2,560,072	\$ 2,804,362	\$ 2,196,808	\$ (607,554)
Total revenue from the Commonwealth	\$ 5,118,807	\$ 5,363,097	\$ 5,145,261	\$ (217,836)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 808,697	\$ 1,063,861	\$ 898,266	\$ (165,595)
Emergency management performance grant	-	16,904	16,904	-
Highway safety grant	-	41,485	-	(41,485)
Crime victim assistance grant	-	29,097	27,175	(1,922)
Violence against women grant	-	-	16,252	16,252
Other federal funds	-	45,661	41,197	(4,464)
Total categorical aid	<u>\$ 808,697</u>	<u>\$ 1,197,008</u>	<u>\$ 999,794</u>	<u>\$ (197,214)</u>
Total revenue from the federal government	<u>\$ 808,697</u>	<u>\$ 1,197,008</u>	<u>\$ 999,794</u>	<u>\$ (197,214)</u>
Total General Fund	<u>\$ 45,149,044</u>	<u>\$ 45,795,373</u>	<u>\$ 41,794,972</u>	<u>\$ (4,000,401)</u>
Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 447	\$ 447
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447</u>	<u>\$ 447</u>
Charges for services:				
Foster care reimbursement	\$ -	\$ -	\$ 44,058	\$ 44,058
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,058</u>	<u>\$ 44,058</u>
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 4,967	\$ 4,967
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,967</u>	<u>\$ 4,967</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,472</u>	<u>\$ 49,472</u>
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive services	\$ 535,563	\$ 638,537	\$ 580,338	\$ (58,199)
Asset forfeiture funds	-	-	4,635	4,635
VJCCCA crime control grant	-	8,974	8,525	(449)
Total categorical aid	<u>\$ 535,563</u>	<u>\$ 647,511</u>	<u>\$ 593,498</u>	<u>\$ (54,013)</u>
Total revenue from the Commonwealth	<u>\$ 535,563</u>	<u>\$ 647,511</u>	<u>\$ 593,498</u>	<u>\$ (54,013)</u>
Total Special Revenue Fund	<u>\$ 535,563</u>	<u>\$ 647,511</u>	<u>\$ 642,970</u>	<u>\$ (4,541)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 9,293	\$ 9,293
Total revenue from use of money and property	\$ -	\$ -	\$ 9,293	\$ 9,293
Miscellaneous revenue:				
Contributions from developers	\$ -	\$ -	\$ 256,530	\$ 256,530
Total miscellaneous revenue	\$ -	\$ -	\$ 256,530	\$ 256,530
Total revenue from local sources	\$ -	\$ -	\$ 265,823	\$ 265,823
Revenue from the Commonwealth:				
Categorical aid:				
Land acquisition grant	\$ -	\$ 155,623	\$ 155,624	\$ 1
Total categorical aid	\$ -	\$ 155,623	\$ 155,624	\$ 1
Total revenue from the Commonwealth	\$ -	\$ 155,623	\$ 155,624	\$ 1
Total Capital Projects Fund	\$ -	\$ 155,623	\$ 421,447	\$ 265,824
Total County	\$ 45,684,607	\$ 46,598,507	\$ 42,859,389	\$ (3,739,118)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 17,265	\$ 17,265
Revenue from the use of property	15,000	15,000	34,474	19,474
Total revenue from use of money and property	\$ 15,000	\$ 15,000	\$ 51,739	\$ 36,739
Charges for services:				
Charges for education	\$ 63,500	\$ 63,500	\$ 48,779	\$ (14,721)
Total charges for services	\$ 63,500	\$ 63,500	\$ 48,779	\$ (14,721)
Miscellaneous revenue:				
Miscellaneous	\$ 8,600	\$ 8,600	\$ 77,314	\$ 68,714
Total miscellaneous revenue	\$ 8,600	\$ 8,600	\$ 77,314	\$ 68,714
Recovered costs:				
Comprehensive services behavioral aide reimbursements	-	-	339,078	339,078
Total recovered costs	\$ -	\$ -	\$ 339,078	\$ 339,078
Total revenue from local sources	\$ 87,100	\$ 87,100	\$ 516,910	\$ 429,810
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Goochland	\$ 20,065,174	\$ 20,095,174	\$ 18,598,005	\$ (1,497,169)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,484,401	\$ 2,484,401	\$ 2,459,201	\$ (25,200)
Basic school aid	2,311,502	2,149,298	2,137,838	(11,460)
Remedial summer education	28,985	28,985	24,698	(4,287)
Gifted and talented	22,165	22,165	22,084	(81)
Remedial education	27,583	27,583	27,482	(101)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
School Operating Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Special education	\$ 315,731	\$ 315,731	\$ 314,567	\$ (1,164)
Textbook payment	58,378	58,378	-	(58,378)
Vocational education	65,510	65,510	65,269	(241)
Career and technology education	10,480	10,480	8,822	(1,658)
School fringes	308,343	308,343	263,039	(45,304)
Adult literacy	3,380	3,380	-	(3,380)
Homebound	2,750	2,750	2,935	185
Early reading intervention	4,295	4,295	7,977	3,682
Special construction funds	-	-	56,656	56,656
ISAEF	7,859	7,859	7,859	-
At risk payments	15,083	15,083	14,724	(359)
Governors school	-	-	5,000	5,000
Primary class size	45,420	45,420	42,194	(3,226)
Technology	180,000	180,000	180,000	-
Virginia Preschool Initiative	33,600	33,600	48,000	14,400
Mentor teacher program	2,004	2,004	4,449	2,445
English as a second language	10,767	10,767	7,542	(3,225)
Other state funds	-	-	13,033	13,033
Total categorical aid	<u>\$ 5,938,236</u>	<u>\$ 5,776,032</u>	<u>\$ 5,713,369</u>	<u>\$ (62,663)</u>
Total revenue from the Commonwealth	<u>\$ 5,938,236</u>	<u>\$ 5,776,032</u>	<u>\$ 5,713,369</u>	<u>\$ (62,663)</u>
Revenue from the federal government:				
Categorical aid				
Title I	\$ 514,176	\$ 514,176	\$ 376,556	\$ (137,620)
Title VI-B, special education flow-through	873,599	873,599	819,933	(53,666)
Career and Technical Education	29,616	29,616	29,575	(41)
Title VI-B, special education pre-school	9,580	9,580	10,075	495
Drug free schools	6,322	6,322	4,331	(1,991)
State fiscal stabilization funds	496,810	496,810	283,567	(213,243)
Title II, Part D	11,560	11,560	13,306	1,746
Title II, Part A, Improving teacher quality	73,692	73,692	64,942	(8,750)
Total categorical aid	<u>\$ 2,015,355</u>	<u>\$ 2,015,355</u>	<u>\$ 1,602,285</u>	<u>\$ (413,070)</u>
Total revenue from the federal government	<u>\$ 2,015,355</u>	<u>\$ 2,015,355</u>	<u>\$ 1,602,285</u>	<u>\$ (413,070)</u>
Total School Operating Fund	<u>\$ 28,105,865</u>	<u>\$ 27,973,661</u>	<u>\$ 26,430,569</u>	<u>\$ (1,543,092)</u>
School Cafeteria Fund:				
Revenue from local sources				
Revenue from use of money and property:				
Revenue from the use of money	\$ 10,000	\$ 10,000	\$ 183	\$ (9,817)
Total revenue from use of money and property	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 183</u>	<u>\$ (9,817)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
School Cafeteria Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Cafeteria sales	\$ 670,601	\$ 670,601	\$ 627,957	\$ (42,644)
Total charges for services	<u>\$ 670,601</u>	<u>\$ 670,601</u>	<u>\$ 627,957</u>	<u>\$ (42,644)</u>
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 650	\$ 650
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 650</u>	<u>\$ 650</u>
Total revenue from local sources	<u>\$ 680,601</u>	<u>\$ 680,601</u>	<u>\$ 628,790</u>	<u>\$ (51,811)</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program	\$ 12,000	\$ 12,000	\$ 11,174	\$ (826)
Total categorical aid	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 11,174</u>	<u>\$ (826)</u>
Total revenue from the Commonwealth	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 11,174</u>	<u>\$ (826)</u>
Revenue from the federal government:				
Categorical aid:				
School food program	\$ 275,400	\$ 275,400	\$ 332,722	\$ 57,322
Commodities	-	-	41,555	41,555
Total categorical aid	<u>\$ 275,400</u>	<u>\$ 275,400</u>	<u>\$ 374,277</u>	<u>\$ 98,877</u>
Total revenue from the federal government	<u>\$ 275,400</u>	<u>\$ 275,400</u>	<u>\$ 374,277</u>	<u>\$ 98,877</u>
Total School Cafeteria Fund	<u>\$ 968,001</u>	<u>\$ 968,001</u>	<u>\$ 1,014,241</u>	<u>\$ 46,240</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 29,073,866</u>	<u>\$ 28,941,662</u>	<u>\$ 27,444,810</u>	<u>\$ (1,496,852)</u>

See accompanying independent auditors' report.

County of Goochland, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

Schedule 2

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 456,766	\$ 357,766	270,887	\$ 86,879
General and financial administration:				
County administration	\$ 435,095	\$ 450,095	430,223	\$ 19,872
Legal services	336,450	336,450	330,732	5,718
Risk management	157,300	174,300	164,390	9,910
Commissioner of the Revenue	254,691	254,691	250,038	4,653
Assessor	407,060	428,291	403,463	24,828
Independent auditor	58,750	263,750	242,089	21,661
Treasurer	337,688	369,688	371,484	(1,796)
Information systems	565,633	575,896	560,324	15,572
Finance department	146,660	195,660	188,997	6,663
Purchasing	165,121	165,121	161,872	3,249
Other general and financial administration	-	-	40,143	(40,143)
Total general and financial administration	\$ 2,864,448	\$ 3,213,942	3,143,755	\$ 70,187
Board of elections:				
Electoral board and officials	\$ 21,750	\$ 21,750	12,955	\$ 8,795
Registrar	153,916	153,916	110,282	43,634
Total board of elections	\$ 175,666	\$ 175,666	123,237	\$ 52,429
Total general government administration	\$ 3,496,880	\$ 3,747,374	3,537,879	\$ 209,495
Judicial administration:				
Courts:				
Circuit court	\$ 35,000	\$ 35,000	33,708	\$ 1,292
General district court	12,112	12,112	7,563	4,549
Magistrates	8,925	8,925	3,141	5,784
Sheriff - court services	470,244	470,244	441,440	28,804
Clerk of the Circuit Court	529,793	532,972	530,683	2,289
Total courts	\$ 1,056,074	\$ 1,059,253	1,016,535	\$ 42,718
Commonwealth's attorney:				
Commonwealth's Attorney	\$ 462,688	\$ 489,688	453,583	\$ 36,105
Total commonwealth's attorney	\$ 462,688	\$ 489,688	453,583	\$ 36,105
Total judicial administration	\$ 1,518,762	\$ 1,548,941	1,470,118	\$ 78,823
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,454,918	\$ 2,466,193	2,385,239	\$ 80,954
Highway safety commission	-	87,146	32,602	54,544
Total law enforcement and traffic control	\$ 2,454,918	\$ 2,553,339	2,417,841	\$ 135,498

County of Goochland, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire and rescue	\$ 1,710,422	\$ 1,790,213	1,686,364	\$ 103,849
Emergency planning	81,525	162,926	161,290	1,636
Fire and rescue training center	25,474	25,474	24,240	1,234
Forest fire protection	9,380	9,880	9,853	27
Total fire and rescue services	<u>\$ 1,826,801</u>	<u>\$ 1,988,493</u>	<u>1,881,747</u>	<u>\$ 106,746</u>
Correction and detention:				
Confinement and care of prisoners	\$ 734,938	\$ 662,938	630,857	\$ 32,081
Probation office	1,100	1,600	1,536	64
Total correction and detention	<u>\$ 736,038</u>	<u>\$ 664,538</u>	<u>632,393</u>	<u>\$ 32,145</u>
Inspections:				
Building inspection	\$ 496,291	\$ 496,291	426,973	\$ 69,318
Total inspections	<u>\$ 496,291</u>	<u>\$ 496,291</u>	<u>426,973</u>	<u>\$ 69,318</u>
Other protection:				
Animal control	\$ 172,514	\$ 182,514	185,720	\$ (3,206)
Game warden	1,000	1,000	-	1,000
Emergency dispatch services	712,876	723,876	694,794	29,082
E911 System	163,000	525,000	145,437	379,563
Medical examiner	400	400	40	360
Total other protection	<u>\$ 1,049,790</u>	<u>\$ 1,432,790</u>	<u>1,025,991</u>	<u>\$ 406,799</u>
Total public safety	<u>\$ 6,563,838</u>	<u>\$ 7,135,451</u>	<u>6,384,945</u>	<u>\$ 750,506</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Engineering	\$ 132,597	\$ 132,597	103,479	\$ 29,118
Property numbering	3,500	3,500	1,728	1,772
Total maintenance of highways, streets, bridges & sidewalks	<u>\$ 136,097</u>	<u>\$ 136,097</u>	<u>105,207</u>	<u>\$ 30,890</u>
Sanitation and waste removal:				
Refuse disposal	\$ 1,130,455	\$ 1,130,455	968,237	\$ 162,218
Litter control	-	5,665	6,484	(819)
Total sanitation and waste removal	<u>\$ 1,130,455</u>	<u>\$ 1,136,120</u>	<u>974,721</u>	<u>\$ 161,399</u>
Maintenance of general buildings and grounds:				
General properties	\$ 1,223,233	\$ 1,140,708	970,259	\$ 170,449
Fairgrounds	29,305	29,305	12,322	16,983
Total maintenance of general buildings and grounds	<u>\$ 1,252,538</u>	<u>\$ 1,170,013</u>	<u>982,581</u>	<u>\$ 187,432</u>
Total public works	<u>\$ 2,519,090</u>	<u>\$ 2,442,230</u>	<u>2,062,509</u>	<u>\$ 379,721</u>

County of Goochland, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 223,686	\$ 243,686	170,864	\$ 72,822
Total health	<u>\$ 223,686</u>	<u>\$ 243,686</u>	<u>170,864</u>	<u>\$ 72,822</u>
Mental health and mental retardation:				
Chapter X Board	\$ 278,030	\$ 278,030	273,593	\$ 4,437
Total mental health and mental retardation	<u>\$ 278,030</u>	<u>\$ 278,030</u>	<u>273,593</u>	<u>\$ 4,437</u>
Welfare:				
Public assistance and welfare administration	\$ 2,057,612	\$ 2,312,776	1,874,575	\$ 438,201
Area agency on aging contribution	9,001	9,001	9,001	-
Tax relief for the elderly and disabled	-	-	385,487	(385,487)
Goochland Free Clinic and Family Services contribution	135,588	135,588	133,332	2,256
Other welfare contributions	5,000	5,000	3,850	1,150
Total welfare	<u>\$ 2,207,201</u>	<u>\$ 2,462,365</u>	<u>2,406,245</u>	<u>\$ 56,120</u>
Total health and welfare	<u>\$ 2,708,917</u>	<u>\$ 2,984,081</u>	<u>2,850,702</u>	<u>\$ 133,379</u>
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 19,965,174	\$ 20,095,174	18,598,005	\$ 1,497,169
Total education	<u>\$ 19,965,174</u>	<u>\$ 20,095,174</u>	<u>18,598,005</u>	<u>\$ 1,497,169</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	\$ 414,458	\$ 502,633	446,268	\$ 56,365
Total parks and recreation	<u>\$ 414,458</u>	<u>\$ 502,633</u>	<u>446,268</u>	<u>\$ 56,365</u>
Library:				
Contribution to regional library	\$ 434,231	\$ 434,231	434,231	\$ -
Total library	<u>\$ 434,231</u>	<u>\$ 434,231</u>	<u>434,231</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 848,689</u>	<u>\$ 936,864</u>	<u>880,499</u>	<u>\$ 56,365</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 444,661	\$ 450,161	401,222	\$ 48,939
GIS	175,350	213,014	174,665	38,349
Community development	198,409	198,409	180,410	17,999
Plan review and code enforcement	166,637	182,337	175,822	6,515
Economic development	349,766	349,766	308,990	40,776
Other planning and community development	5,300	5,300	1,140	4,160
Total planning and community development	<u>\$ 1,340,123</u>	<u>\$ 1,398,987</u>	<u>1,242,249</u>	<u>\$ 156,738</u>

County of Goochland, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (continued)				
Environmental management:				
Contribution to soil and water conservation district	\$ 30,318	\$ 30,318	30,318	\$ -
Other environmental management	5,000	5,000	25	4,975
Total environmental management	<u>\$ 35,318</u>	<u>\$ 35,318</u>	<u>30,343</u>	<u>\$ 4,975</u>
Cooperative extension program:				
Extension office	\$ 57,271	\$ 57,271	49,118	\$ 8,153
Total cooperative extension program	<u>\$ 57,271</u>	<u>\$ 57,271</u>	<u>49,118</u>	<u>\$ 8,153</u>
Total community development	<u>\$ 1,432,712</u>	<u>\$ 1,491,576</u>	<u>1,321,710</u>	<u>\$ 169,866</u>
Debt service:				
Principal retirement	\$ 3,059,921	\$ 3,059,921	3,059,922	\$ (1)
Interest and other fiscal charges	1,301,801	1,301,801	1,090,361	211,440
Total debt service	<u>\$ 4,361,722</u>	<u>\$ 4,361,722</u>	<u>4,150,283</u>	<u>\$ 211,439</u>
Total General Fund	<u>\$ 43,415,784</u>	<u>\$ 44,743,413</u>	<u>41,256,650</u>	<u>\$ 3,486,763</u>
Special Revenue Fund:				
Public Safety:				
Other Protection:				
Drug Enforcement	\$ -	\$ -	45,608	\$ (45,608)
Total other protection	<u>\$ -</u>	<u>\$ -</u>	<u>45,608</u>	<u>\$ (45,608)</u>
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>45,608</u>	<u>\$ (45,608)</u>
Health and welfare:				
Welfare:				
Comprehensive services	\$ 1,105,211	\$ 1,208,185	1,144,749	\$ 63,436
Total welfare	<u>\$ 1,105,211</u>	<u>\$ 1,208,185</u>	<u>1,144,749</u>	<u>\$ 63,436</u>
Total health and welfare	<u>\$ 1,105,211</u>	<u>\$ 1,208,185</u>	<u>1,144,749</u>	<u>\$ 63,436</u>
Total Special Revenue Fund	<u>\$ 1,105,211</u>	<u>\$ 1,208,185</u>	<u>1,190,357</u>	<u>\$ 17,828</u>
County Capital Projects Fund:				
Capital projects expenditures:				
School capital projects	\$ 4,053,546	\$ 4,053,546	2,969,025	\$ 1,084,521
Former Goochland Middle School building	-	159,100	132,997	26,103
Computer aided dispatch system	-	-	589,987	(589,987)
Public safety equipment acquisition	807,817	851,607	836,388	15,219
Library improvements	80,000	80,000	-	80,000
Water and sewer projects	-	754,566	31,354	723,212
Parks and recreation projects	500,000	691,809	160,014	531,795
Conservation and open space reserve	-	320,000	311,247	8,753
Other capital projects	163,612	135,236	50,749	84,487
Total capital projects	<u>\$ 5,604,975</u>	<u>\$ 7,045,864</u>	<u>5,081,761</u>	<u>\$ 1,964,103</u>
Total County Capital Projects Fund	<u>\$ 5,604,975</u>	<u>\$ 7,045,864</u>	<u>5,081,761</u>	<u>\$ 1,964,103</u>
Total County	<u>\$ 50,125,970</u>	<u>\$ 52,997,462</u>	<u>47,528,768</u>	<u>\$ 5,468,694</u>

County of Goochland, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2010

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Instruction costs	\$ 19,977,723	\$ 20,811,321	19,620,802	\$ 1,190,519
Administration, health, and attendance	920,166	920,166	845,297	74,869
Pupil transportation	2,320,222	2,320,222	2,250,940	69,282
Operation and maintenance of school plant	2,533,841	2,578,840	2,566,049	12,791
Facilities	100,000	85,000	82,375	2,625
Technology	715,217	715,217	665,088	50,129
Total operating costs	<u>\$ 26,567,169</u>	<u>\$ 27,430,766</u>	26,030,551	<u>\$ 1,400,215</u>
Total education	<u>\$ 26,567,169</u>	<u>\$ 27,430,766</u>	26,030,551	<u>\$ 1,400,215</u>
Debt service:				
Principal retirement	\$ 447,815	\$ 447,815	446,419	\$ 1,396
Interest and other fiscal charges	95,080	95,080	94,983	97
Total debt service	<u>\$ 542,895</u>	<u>\$ 542,895</u>	541,402	<u>\$ 1,493</u>
Total School Operating Fund	<u>\$ 27,110,064</u>	<u>\$ 27,973,661</u>	26,571,953	<u>\$ 1,401,708</u>
School Special Revenue Fund				
Education:				
School food services	\$ 968,001	\$ 968,001	1,005,365	\$ (37,364)
Total School Special Revenue Fund	<u>\$ 968,001</u>	<u>\$ 968,001</u>	1,005,365	<u>\$ (37,364)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 28,078,065</u>	<u>\$ 28,941,662</u>	27,577,318	<u>\$ 1,364,344</u>

See accompanying independent auditors' report.

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STATISTICAL SECTION

Contents

Tables

Financial Trends:

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

1 – 4

Revenue Capacity:

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

5 – 8

Debt Capacity:

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

9 – 10

Demographic and Economic Information:

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

11 – 12

Operating Information:

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

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Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

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COUNTY OF GOOCHLAND, VIRGINIA

Table 1

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

	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 6,395,311	\$ 8,950,820	\$ 13,121,243	\$ 2,585,599	\$ 15,099,612	\$ 16,930,704	\$ 18,841,162	\$ 23,380,680
Restricted	18,475,297	18,541,627	18,816,572	32,231,618	25,949,214	28,851,763	23,182,061	19,393,949
Total governmental activities net assets	\$ 24,870,608	\$ 27,492,447	\$ 31,937,815	\$ 34,817,217	\$ 41,048,826	\$ 45,782,467	\$ 42,023,223	\$ 42,774,629
Business-type activities								
Invested in capital assets, net of related debt	\$ 8,266,002	\$ 8,343,748	\$ 11,124,077	\$ 8,122,553	\$ 11,692,461	\$ 18,898,718	\$ 11,551,649	\$ 9,808,497
Restricted	890,536	3,692,984	-	-	-	-	-	-
Unrestricted	-	-	4,115,997	11,708,773	10,561,829	4,459,567	5,518,352	4,457,566
Total business-type activities net assets	\$ 9,156,538	\$ 12,036,732	\$ 15,240,074	\$ 19,831,326	\$ 22,254,290	\$ 23,358,285	\$ 17,070,001	\$ 14,266,063
Primary government								
Invested in capital assets, net of related debt	\$ 14,661,313	\$ 17,294,568	\$ 24,245,320	\$ 10,708,152	\$ 26,792,073	\$ 35,829,422	\$ 30,392,811	\$ 33,189,177
Restricted	890,536	3,692,984	-	-	-	-	-	-
Unrestricted	18,475,297	18,541,627	22,932,569	43,940,391	36,511,043	33,311,330	28,700,413	23,851,515
Total primary government net assets	\$ 34,027,146	\$ 39,529,179	\$ 47,177,889	\$ 54,648,543	\$ 63,303,116	\$ 69,140,752	\$ 59,093,224	\$ 57,040,692

Note: Accrual-basis financial information is available back to fiscal year 2003 when the County implemented GASB 34.

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

	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 1,906,749	\$ 2,646,657	\$ 1,463,110	\$ 2,691,976	\$ 4,034,139	\$ 3,543,975	\$ 3,703,204	\$ 3,788,584
Judicial administration	1,082,549	1,155,646	1,200,094	1,310,086	1,324,493	1,450,165	1,607,973	1,568,521
Public safety	4,285,886	3,879,464	4,590,417	5,296,234	5,509,715	5,263,369	6,002,676	7,211,154
Public works	1,407,598	1,368,776	1,345,773	3,112,396	1,945,886	2,414,201	2,971,577	1,928,762
Health and welfare	2,678,775	3,053,735	3,105,199	3,087,235	3,345,836	3,273,716	3,894,233	3,997,944
Education	8,310,803	16,246,905	16,173,533	17,808,067	18,782,446	20,406,154	22,230,249	20,890,262
Parks, recreation and cultural	676,480	716,747	764,196	851,842	897,317	1,091,454	1,176,038	959,783
Community development	443,948	435,401	538,121	1,142,115	1,153,925	1,320,752	1,206,680	1,163,011
Interest on long-term debt	1,146,987	1,228,005	1,292,586	1,114,183	1,234,746	1,406,465	1,354,281	1,015,677
Total governmental activities expenses	\$ 21,939,775	\$ 30,731,336	\$ 30,473,029	\$ 36,214,144	\$ 38,228,503	\$ 40,160,271	\$ 44,146,911	\$ 42,523,698
Business-type activities:								
Public Utilities	\$ 1,013,971	\$ 1,020,318	\$ 1,211,777	\$ 1,793,574	\$ 5,686,297	\$ 6,551,077	\$ 10,380,369	\$ 10,168,993
Total business-type activities expenses	\$ 1,013,971	\$ 1,020,318	\$ 1,211,777	\$ 1,793,574	\$ 5,686,297	\$ 6,551,077	\$ 10,380,369	\$ 10,168,993
Total primary government expenses	\$ 22,953,746	\$ 31,751,654	\$ 31,684,806	\$ 38,007,718	\$ 43,914,800	\$ 46,711,348	\$ 54,527,280	\$ 52,692,691
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 3,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Judicial administration	755,123	202,660	222,385	216,131	218,918	164,268	63,485	64,192
Public safety	23,919	1,066,622	1,449,783	1,115,050	1,341,566	578,857	282,823	32,381
Public works	19,172	24,022	24,336	29,653	33,442	28,983	35,736	25,833
Health and welfare	-	3,750	5,000	-	-	18,000	-	44,059
Education	-	-	-	-	-	154,669	-	-
Parks, recreation and cultural	53,045	45,363	43,616	56,333	63,583	89,294	74,697	77,420
Community development	11,719	2,438	4,565	12,318	23,001	200,843	327,729	247,900
Operating grants and contributions	3,160,007	2,932,791	3,254,811	3,421,042	3,817,200	3,775,146	3,945,782	3,746,337
Capital grants and contributions	-	57,725	-	-	149,309	171,522	-	155,624
Total governmental activities program revenues	\$ 4,025,735	\$ 4,335,371	\$ 5,004,496	\$ 4,850,527	\$ 5,647,019	\$ 5,161,582	\$ 4,730,252	\$ 4,411,746
Business-type activities:								
Charges for services:								
Public Utilities	\$ 479,792	\$ 588,776	\$ 603,211	\$ 889,966	\$ 1,601,136	\$ 2,479,214	\$ 3,940,435	\$ 3,205,803
Operating grants and contributions	625,427	330,525	793,521	617,206	757,004	-	-	-
Capital grants and contributions	368,100	-	-	2,579,591	2,820,683	1,263,689	474,120	319,998
Total business-type activities program revenues	\$ 1,473,319	\$ 919,301	\$ 1,396,732	\$ 4,086,763	\$ 5,178,823	\$ 3,742,903	\$ 4,414,555	\$ 3,525,801
Total primary government program revenues	\$ 5,500,054	\$ 5,254,672	\$ 6,401,228	\$ 8,937,290	\$ 10,825,842	\$ 8,904,485	\$ 9,144,807	\$ 7,937,547
Net (expense) / revenue	\$ (17,913,040)	\$ (26,395,965)	\$ (25,468,533)	\$ (31,363,617)	\$ (32,581,464)	\$ (34,986,689)	\$ (39,416,659)	\$ (38,111,952)
Governmental activities	459,348	(101,017)	184,955	2,293,189	(507,474)	(2,808,174)	(5,965,814)	(6,643,192)
Business-type activities	(17,453,692)	(26,496,982)	(25,283,578)	(29,070,428)	(33,088,958)	(37,806,863)	(45,382,473)	(44,755,144)
Total primary government net expense								

COUNTY OF GOOCHLAND, VIRGINIA

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

	2003	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes								
Property taxes	\$ 18,492,525	\$ 20,189,634	\$ 21,363,398	\$ 24,560,288	\$ 28,552,925	\$ 30,341,072	\$ 32,246,409	\$ 30,839,772
Local sales and use taxes	-	1,553,036	1,761,650	2,015,699	2,205,379	2,359,158	2,359,776	1,901,294
Consumer utility taxes	-	963,991	1,175,825	1,107,757	740,236	319,706	418,162	418,249
Communications tax	-	-	-	-	-	1,024,954	865,751	896,132
Other local taxes	3,659,111	1,581,383	1,931,200	2,308,998	2,731,308	2,213,072	1,763,898	1,647,718
Unrestricted grants and contributions	2,913,805	3,679,571	3,261,318	3,589,667	3,299,021	3,130,576	3,055,367	2,992,216
Unrestricted revenues from use of money and property	551,763	207,580	378,748	802,956	1,488,090	1,029,969	466,093	184,717
Miscellaneous	655,225	1,062,794	101,996	102,808	118,657	159,142	35,650	451,414
Transfers	(223,405)	(220,185)	(221,737)	(245,154)	(322,523)	(424,637)	(432,547)	(468,154)
Total governmental activities	\$ 26,049,024	\$ 29,017,804	\$ 29,772,398	\$ 34,243,019	\$ 38,813,093	\$ 40,153,012	\$ 40,778,559	\$ 38,863,356
Business-type activities:								
Taxes								
Property taxes	\$ 606,174	\$ 1,207,689	\$ 1,204,909	\$ 1,689,842	\$ 2,048,125	\$ 2,529,679	\$ 2,862,263	\$ 2,994,394
Unrestricted revenues from use of money and property	1,182,131	1,141,932	662,164	363,067	559,790	514,150	358,289	351,471
Miscellaneous	84,368	411,403	929,577	-	-	23,021	2,110	25,235
Transfers	223,405	220,185	221,737	245,154	322,523	424,637	432,547	468,154
Total business-type activities	\$ 2,096,078	\$ 2,981,209	\$ 3,018,387	\$ 2,298,063	\$ 2,930,438	\$ 3,491,487	\$ 3,655,209	\$ 3,839,254
Total primary government	\$ 28,145,102	\$ 31,999,013	\$ 32,790,785	\$ 36,541,082	\$ 41,743,531	\$ 43,644,499	\$ 44,433,768	\$ 42,702,612
Change in Net Assets								
Governmental activities	\$ 8,135,984	\$ 2,621,839	\$ 4,303,865	\$ 2,879,402	\$ 6,231,609	\$ 5,154,323	\$ 1,361,900	\$ 751,406
Business-type activities	2,555,426	2,880,192	3,203,342	4,591,252	2,422,984	683,313	(2,310,605)	(2,803,938)
Total primary government	10,691,410	5,502,031	7,507,207	7,470,654	8,654,593	5,837,636	(948,705)	(2,052,532)

Table 3

COUNTY OF GOOCHLAND, VIRGINIA

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$ 7,118,740	\$ 12,567,979	\$ 13,595,905	\$ 15,096,268	\$ 15,939,797	\$ 20,067,007	\$ 115,000	\$ 405,907	\$ 7,390,926	\$ 7,854,283
Unreserved							23,160,450	25,228,969	18,298,631	12,522,344
Total general fund	\$ 7,118,740	\$ 12,567,979	\$ 13,595,905	\$ 15,096,268	\$ 15,939,797	\$ 20,067,007	\$ 23,275,450	\$ 25,634,876	\$ 25,689,557	\$ 20,376,627
All other governmental funds										
Reserved for drug enforcement	\$ 75,965	\$ 76,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,895	\$ -	\$ -
Reserved for construction										
Unreserved, reported in	207,666	273,538	378,267	384,636	439,140	478,018	599,573	644,646	143,954	166,214
Special revenue funds	5,630,401	3,001,447	3,756,615	2,130,273	1,915,093	11,312,659	3,796,236	3,872,321	2,186,492	2,339,629
Capital projects funds										
Total all other governmental funds	\$ 5,914,032	\$ 3,351,689	\$ 4,134,882	\$ 2,514,909	\$ 2,354,233	\$ 11,790,677	\$ 4,397,809	\$ 5,148,862	\$ 2,330,446	\$ 2,505,843

COUNTY OF GOOCHLAND, VIRGINIA
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
General property taxes	\$ 17,360,924	\$ 23,933,611	\$ 18,910,936	\$ 20,061,179	\$ 21,647,378	\$ 24,622,323	\$ 28,734,527	\$ 30,001,893	\$ 31,816,302	\$ 29,728,457
Other local taxes	3,152,917	3,502,894	3,659,111	4,098,410	4,868,675	5,432,454	5,676,923	5,916,890	5,407,587	4,863,393
Permits, privilege fees and regulatory licenses	473,106	560,965	592,332	1,064,487	1,447,488	1,112,680	1,339,121	941,957	529,926	267,341
Fines and forfeitures	88,750	75,408	100,952	99,545	112,912	92,885	104,804	105,799	45,601	117,107
Revenue from use of money and property	810,216	475,509	551,763	207,580	378,748	802,956	1,468,616	1,010,495	466,093	184,717
Charges for services	82,062	119,216	173,444	180,813	189,285	223,922	236,585	167,158	208,943	242,444
Miscellaneous	115,205	127,043	655,225	73,797	101,996	102,808	118,657	159,142	25,450	334,307
Recovered costs	60,552	6,671	262,604	80,612	1,075,564	128,468	361,250	530,172	265,623	227,446
Intergovernmental:										
Commonwealth	3,917,950	4,848,681	5,153,929	5,304,291	5,557,415	6,000,052	6,262,379	6,127,044	6,142,256	5,884,383
Federal	810,094	710,916	919,883	1,365,796	978,714	1,010,657	1,003,151	950,200	858,893	989,794
Total revenues	\$ 26,871,776	\$ 34,360,914	\$ 30,980,179	\$ 32,536,520	\$ 36,358,175	\$ 39,529,205	\$ 45,306,013	\$ 46,010,750	\$ 45,766,674	\$ 42,859,389
Expenditures										
General government administration	\$ 1,894,355	\$ 2,154,621	\$ 2,228,665	\$ 2,629,429	\$ 2,379,425	\$ 2,704,445	\$ 3,986,281	\$ 3,495,023	\$ 3,610,265	\$ 3,537,879
Judicial administration	742,271	1,004,476	1,038,927	1,124,146	1,152,844	1,239,011	1,291,273	1,330,735	1,487,461	1,470,118
Public safety	2,937,035	3,559,390	3,965,200	3,879,625	4,405,548	5,044,892	4,938,236	5,586,668	5,969,814	6,430,553
Public works	1,034,971	1,495,836	1,154,138	1,705,366	1,427,121	1,482,523	1,963,766	2,311,191	2,598,655	2,062,509
Health and welfare	2,010,815	1,757,715	2,679,547	3,045,390	3,084,270	3,056,395	3,329,775	3,264,094	3,897,632	3,995,451
Education	218,163	12,669,148	13,401,485	13,390,743	14,125,046	14,992,911	16,513,476	18,591,193	20,136,653	18,598,005
Parks, recreation and cultural	583,749	611,877	617,422	651,047	689,358	771,454	826,648	906,674	946,161	860,499
Community development	355,336	424,160	441,984	424,204	598,668	1,141,602	1,254,571	1,365,326	1,506,566	1,321,710
Capital projects	854,847	4,605,131	3,002,725	3,667,711	4,528,492	6,116,242	11,776,510	3,805,931	3,056,652	5,081,761
Debt service:										
Principal	168,392	1,708,759	1,729,468	1,718,213	1,881,654	1,875,109	1,888,302	2,448,648	3,092,169	3,059,922
Interest and other fiscal charges	32,355	1,262,524	1,176,094	1,200,051	1,322,661	1,021,135	1,399,077	1,449,219	1,425,488	1,090,361
Total expenditures	\$ 10,832,289	\$ 31,253,637	\$ 31,435,655	\$ 33,435,925	\$ 35,595,087	\$ 39,455,719	\$ 49,167,915	\$ 44,554,702	\$ 47,727,516	\$ 47,528,768
Excess of revenues over (under) expenditures	\$ 16,039,487	\$ 3,107,277	\$ (455,476)	\$ (899,405)	\$ 763,088	\$ 73,486	\$ (3,861,902)	\$ 1,456,048	\$ (1,960,842)	\$ (4,669,379)
Other financing sources (uses)										
Transfers in	\$ 3,200,585	\$ 2,845,125	\$ 897,973	\$ 2,511,645	\$ 4,860,921	\$ 2,138,968	\$ 4,479,479	\$ 2,095,325	\$ 2,417,859	\$ 5,821,252
Transfers out	(17,902,812)	(3,065,505)	(1,111,378)	(2,731,830)	(5,082,658)	(2,384,122)	(4,802,002)	(2,519,962)	(2,850,406)	(6,289,406)
Litigation settlement	(454,681)	-	-	-	-	-	-	-	-	-
Issuance of debt	998,000	-	2,490,000	-	-	13,735,324	-	2,499,750	-	-
Sale of capital assets	-	-	-	999,980	-	-	-	-	-	-
Total other financing sources (uses)	\$ (14,158,908)	\$ (220,380)	\$ 2,276,595	\$ 779,795	\$ (221,737)	\$ 13,490,170	\$ (322,523)	\$ 2,075,113	\$ (432,547)	\$ (468,154)
Net change in fund balances	\$ 1,880,579	\$ 2,886,897	\$ 1,821,119	\$ (119,610)	\$ 541,351	\$ 13,563,656	\$ (4,184,425)	\$ 3,531,161	\$ (2,393,389)	\$ (5,137,533)
Debt service as a percentage of noncapital expenditures	2.01%	11.15%	10.22%	9.80%	10.31%	8.69%	8.85%	9.76%	10.11%	9.78%

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Service	Total Taxable Assessed Value	Direct Real Estate Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	\$ 4,350,863,500	\$ 223,269,562	\$ 10,707,945	\$ 115,927,483	\$ 4,700,768,490	0.53	\$ 4,700,768,490	100.00%
2009	4,538,569,000	253,241,328	10,991,246	101,958,404	4,904,759,978	0.53	5,082,384,099	96.51%
2008	5,176,505,515	235,141,920	10,629,142	107,045,905	5,529,322,482	0.53	5,529,322,482	100.00%
2007	4,064,303,836	216,235,986	9,074,031	87,951,775	4,377,565,628	0.64/0.53	4,377,565,628	100.00%
2006	3,144,760,755	198,021,574	6,714,224	101,943,105	3,451,439,658	0.59/0.64	3,451,439,658	100.00%
2005	2,969,670,934	159,683,190	6,335,942	81,659,312	3,217,349,378	0.70/0.59	3,217,349,378	100.00%
2004	2,448,625,583	153,144,096	6,694,869	90,146,769	2,698,611,317	0.70	2,698,611,317	100.00%
2003	2,038,721,000	150,703,395	6,661,265	87,732,186	2,283,817,846	0.69/0.70	2,283,817,846	100.00%
2002	1,937,112,700	149,251,294	5,845,700	90,360,946	2,182,570,640	0.69	2,182,570,640	100.00%
2001	1,422,188,558	139,834,643	7,688,325	70,183,524	1,639,895,050	0.69	1,639,895,050	100.00%

Source: Commissioner of Revenue

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

Fiscal Year	Direct Rates		
	Real Estate	Personal Property	Machinery and Tools
2010	\$ 0.53	\$ 4.00	\$ 3.75
2009	0.53	4.00	3.75
2008	0.53	4.00	3.75
2007	0.64/0.53	4.00	3.75
2006	0.59/0.64	4.00	3.75
2005	0.70/0.59	4.00	3.75
2004	0.70	4.00	3.75
2003	0.69/0.70	4.00	3.75
2002	0.69	4.00	3.75
2001	0.69	4.00	3.75

(1) Per \$100 of assessed value

Principal Property Taxpayers
 Current Year and the Period Nine Years Prior

Taxpayer	Type Business	Fiscal Year 2010		Fiscal Year 2001	
		Tax Year 2009 Assessed Valuation	% of Total Assessed Valuation	2000 Assessed Valuation	% of Total Assessed Valuation
Capital One Bank	Bank Headquarters	\$ 156,734,000	2.83%	\$ N/A	N/A
West Creek/WC/GC Land	Land Developers	149,979,800	2.71%	55,106,215	3.51%
Car Max Business Services	Car Sales Headquarter	48,443,700	0.88%	N/A	N/A
Dominion Virginia Power	Public Utility	44,903,368	0.81%	25,223,080	1.60%
Luck Stone Corporation	Rock Quarries	32,366,500	0.59%	7,618,309	0.48%
Pruitt, Richard I	Rock Quarries	29,820,900	0.54%	4,212,494	0.27%
Federal Reserve Bank	Bank Headquarters	27,021,500	0.49%	N/A	N/A
Gottwald, James T	Individual	26,360,300	0.48%	5,203,092	0.33%
Markell Properties LLC	Land Holding	22,706,300	0.41%	11,689,510	0.74%
Verizon Virginia Inc	Communications	25,654,853	0.46%	18,925,375	1.20%
Virginia Farm Bureau	Insurance	22,481,800	0.41%	17,947,566	1.14%
Hermitage Country Club	Country Club	21,280,600	0.38%	8,811,264	0.56%
Earl M Thompson Inc	Developer	18,093,300	0.33%	3,782,537	0.24%
Tuckahoe LLC	Developer	17,648,200	0.32%	N/A	N/A
Kinloch Golf Club	Golf Club	17,363,600	0.31%	1,619,961	0.10%
Riverstone Group LLC et al	Land Holding	17,145,800	0.31%	N/A	N/A
		<u>\$ 678,004,521</u>	<u>12.26%</u>	<u>\$ 160,139,403</u>	<u>10.19%</u>

Source: Commissioner of Revenue
 n/a= did not exist at that time

Property Tax Levies and Collections
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
2010	32,354,376	\$ 30,660,959	94.77%	N/A	N/A	N/A
2009	34,446,542	33,008,059	95.82%	393,527	33,401,586	96.97%
2008	32,356,079	31,788,486	98.25%	668,678	32,457,164	100.31%
2007	30,081,972	29,747,213	98.89%	485,710	30,232,923	100.50%
2006	28,886,527	26,931,952	93.23%	644,182	27,576,134	95.46%
2005	25,213,859	24,080,550	95.51%	378,154	24,458,704	97.00%
2004	23,414,947	23,308,908	99.55%	851,130	24,160,038	103.18%
2003	21,741,755	20,889,121	96.08%	1,493,010	22,382,131	102.95%
2002	26,735,714	25,196,096	94.24%	677,268	25,873,364	96.77%
2001	18,903,590	18,227,848	96.43%	625,481	18,853,329	99.73%

Source: Commissioner of Revenue, County Treasurer's office

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Leases	Revenue Bonds	Accreted Interest on Revenue Bonds			
2010	\$ 22,615,000	\$ 2,841,455	\$ 67,397,167	\$ 13,551,008	\$ 106,404,630	N/A	\$ 4,819
2009	24,715,000	3,801,378	67,997,167	11,524,570	108,038,115	N/A	5,039
2008	26,760,000	4,433,886	68,582,167	9,598,659	109,374,712	8.43%	5,199
2007	28,860,000	2,282,534	69,007,167	7,767,443	107,917,144	8.95%	5,373
2006	30,430,000	2,600,836	66,232,167	6,033,655	105,296,658	9.26%	5,456
2005	21,345,000	215,109	66,302,167	4,373,246	92,235,522	8.87%	4,918
2004	23,020,000	421,763	66,342,167	2,803,621	92,587,551	10.29%	4,958
2003	24,405,000	754,976	66,382,167	1,309,954	92,852,097	11.29%	5,116
2002	23,315,000	1,084,443	3,675,000	-	28,074,443	3.57%	1,587
2001	24,700,000	1,408,202	3,710,000	-	29,818,202	3.91%	1,724

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

(1) See the Schedule of Demographic and Economic Statistics - Table 11

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

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2010	\$ 22,615,000	-	\$ 22,615,000	0.48%	1,024
2009	24,715,000	-	24,715,000	0.50%	1,153
2008	26,760,000	-	26,760,000	0.48%	1,272
2007	28,860,000	-	28,860,000	0.66%	1,495
2006	30,430,000	-	30,430,000	0.88%	1,623
2005	21,345,000	-	21,345,000	0.66%	1,143
2004	23,020,000	-	23,020,000	0.85%	1,268
2003	24,405,000	-	24,405,000	1.07%	1,380
2002	23,315,000	-	23,315,000	1.07%	1,348
2001	24,700,000	-	24,700,000	1.51%	1,458

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 11

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 5

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans and excludes revenue

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2010	22,078	n/a	n/a	40.50	2,481	6.20%
2009	21,441	n/a	n/a	40.00	2,469	6.70%
2008	21,036	\$ 1,297,520	\$ 61,801	41.40	2,423	3.30%
2007	20,085	1,205,275	58,642	40.50	2,413	2.50%
2006	19,300	1,137,490	56,954	40.50	2,313	2.40%
2005	18,753	1,040,187	54,100	40.50	2,249	3.20%
2004	18,676	899,432	48,160	40.50	2,220	3.30%
2003	18,149	822,335	45,310	40.50	2,115	3.40%
2002	17,689	785,821	44,424	40.50	2,066	3.60%
2001	17,292	762,676	44,106	40.50	2,009	2.20%

Source: Bureau of Economic Analysis, Annual school report - prepared by the School Board, www.fedstats.gov
Weldon Cooper Center & Va. Employment Comm.
n/a - information not available

COUNTY OF GOOCHLAND, VIRGINIA

Table 12

Principal Employers
 Current Year and the Period Nine Years Prior

<u>Employer</u>	<u>Fiscal Year 2010</u>		<u>% of Total County Employment (2)</u>	<u>Fiscal Year 2001</u>
	<u>Employees</u>	<u>Rank</u>		<u>Employees</u>
Capital One	6,828	1	74.15%	n/a
CarMax	987	2	10.72%	n/a
Luck Stone Corporation	331	3	3.59%	200
Performance Food Group	180	4	1.95%	n/a
Hermitage Country Club	150	5	1.63%	100
Food Lion	150	6	1.63%	50
Richmond Country Club	116	7	1.26%	50
J.E. Liesfield Contractor	110	8	1.19%	76
Kinloch Golf Club	101	9	1.10%	n/a
Psychiatric Institute of Richmond	100	10	1.09%	100
Ruxton Health at the Meadows	90	11	0.98%	82
YMCA	65	12	0.71%	unknown
Lee Hy Paving Corp.	unknown	13		unknown
Tuckahoe Landscaping	unknown	14		unknown
Veterinary Referral & Critical Care, Inc.	unknown	15		unknown
Totals	9,208		100.00%	658

Source: Goochland Community Development Department

* Virginia Employment Commission (4th qtr 2009)

n/a= did not exist at that time

COUNTY OF GOOCHLAND, VIRGINIA

Table 13

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	17	17	17	17	16	22	27	35	35	32
Judicial administration	20	20	20	20	21	22	25	15	12	12
Public safety:										
Sheriffs department	29	33	34	34	33	45	33	33	42	41
Fire & rescue	2	2	3	4	4	5	5	6	16	17
Building inspections	5	6	6	6	6	6	7	9	6	6
Animal control	3	3	3	3	3	2	2	2	3	3
Public works:										
General maintenance	6	6	6	7	7	8	13	12	16	12
Landfill	3	3	3	3	3	3	9	7	7	8
Engineering /Utility	2	2	2	5	7	5	5	7	6	6
Health and welfare:										
Department of social services	19	19	20	20	17	17	18	19	19	20
Culture and recreation:										
Parks and recreation	4	5	5	5	5	5	6	5	2	5
Community development:										
Planning /GIS	3	3	3	3	6	7	9	10	11	11
Totals	<u>113</u>	<u>119</u>	<u>122</u>	<u>127</u>	<u>128</u>	<u>147</u>	<u>159</u>	<u>160</u>	<u>175</u>	<u>173</u>

Source: Human Resources

COUNTY OF GOOCHLAND, VIRGINIA

Table 14

Operating Indicators by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety										
Sheriffs department:										
Physical arrests	836	804	1,095	754	703	903	765	789	661	637
Traffic violations	4,029	4,753	4,299	5,331	5,003	4,847	4,589	4,228	4,606	5,205
Civil papers	6,019	6,510	7,282	6,036	5,559	5,587	5,756	4,890	5,693	4,951
Fire and rescue:										
Number of calls answered	2,817	2,894	3,146	3,228	3,551	3,198	2,658	2,643	3,414	3,146
Building inspections:										
Permits issued-SSD	270	327	295	360	393	323	239	156	84	73
Animal control:										
Number of calls answered	n/a	n/a	n/a	4,061	3,623	2,972	4,015	4,680	5,110	5,020
Culture and recreation										
Parks and recreation:										
Recreation program participants	103	101	90	110	156	128	219	274	227	1189
Youth sports participants	201	201	210	275	232	265	205	310	495	1100
Component Unit - School Board										
Education:										
School age population	1,964	N/A	2,022	2,080	2,156	2,248	2,286	2,353	2,541	2,481
Number of teachers (FTEs)	180	176	173	185	200	211	193	206	200	216

Source: Individual county departments

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government:										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	4	5	7	6	8	7	5	6	9
Public safety										
Sheriffs department:										
Patrol units	44	38	42	40	37	43	42	52	50	54
Other vehicles										
Fire and Rescue:										
Vehicles	3	3	3	3	3	3	6	6	9	11
Building inspections:										
Vehicles	3	3	5	6	5	3	3	4	4	4
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	3	3
Public works/Building & Grounds										
General maintenance:										
Trucks/vehicles	6	7	7	7	13	14	16	19	26	18
Landfill:										
Vehicles	1	1	1	1	1	1	4	4	2	2
Equipment	2	2	2	2	2	2	2	2	3	1
Sites	1	1	1	1	1	1	1	2	2	2
Health and welfare										
Department of Social Services:										
Vehicles	1	1	1	5	7	6	6	6	7	6
Culture and recreation										
Parks and recreation:										
Community centers	1	1	1	1	1	1	1	1	1	1
Vehicles	2	3	3	2	3	4	2	3	3	3
Community development:										
Planning:										
Vehicles	1	1	1	1	1	1	1	2	4	3

Source: Human Resources/Risk Management

COMPLIANCE SECTION

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KPMG LLP
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Richmond, VA 23219-4023

**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***

The Honorable Members of the
Board of Supervisors
County of Goochland, Virginia:

We have audited the financial statements 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 of Goochland, Virginia (the County) as of and for the year ended June 30, 2010, and have issued our report thereon dated January 3, 2011. Our report was modified to indicate that the County implemented a new accounting standard effective July 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in the County's internal control over financial reporting described in the accompanying Material Weaknesses section to be material weaknesses.

Material Weaknesses

Year-end Financial Reporting Closing Process

The County's Director of Finance is responsible for processing the County's financial transactions and reporting the County's yearly financial results through the preparation and issuance of the Comprehensive Annual Financial Report (CAFR). The efficient, effective and timely preparation of the CAFR depends heavily on personnel from various County departments. This process includes closing the County's general ledger, performing appropriate financial analyses and reconciliations of yearly activity, and accumulating the required data to properly prepare the basic financial statements, notes, and supplementary schedules, which are reported within the County's CAFR.

During the fiscal year-end closing and the CAFR audit process, errors related to the County's records were identified by KPMG and County management and adjusted by County management. These errors were considered material to the County's financial statements by County management and KPMG and were attributable to a lack of review of general ledger accounts and reconciliations to ensure complete, accurate and proper reporting of transactions, as evidenced by:

- Cash reconciliations over County accounts were not completed timely such that the time lag between month-end and completion of the reconciliations exceeded three months;
- Certain general ledger accounts as of year-end were not reconciled timely, and
- There was not sufficient review of year end account rollforward and accrual calculations in account areas such as capital assets, taxes receivable and accounts payable, to ensure the completeness and accuracy of entries recorded at year-end to fairly present the assets, liabilities, revenue and expenditures/expenses of the County.

Based upon review of documentation provided and discussions with County personnel, the errors were caused by a combination of factors including:

- The County lacks personnel with adequate knowledge of U.S. generally accepted accounting principles (GAAP) and CAFR reporting;
- Although the County engaged the services of an external certified public accountant in drafting of the financial statements and the CAFR, a thorough management review of schedules and calculations prepared to support year end balances did not consistently occur, and
- While the County made progress in formally documenting policies and procedures to ensure complete, accurate, and proper accrual and presentation of all financial transactions, the timing of preparation did not allow for sufficient time to implement such policies and procedures before the end of the 2010 fiscal year.

We also observed that:

- The current number of finance personnel and their skill sets are not sufficient for an entity the size and complexity of the County;
- County departmental and component unit personnel do not have sufficient ongoing training specific to governmental GAAP, including an understanding of the preparation of the CAFR, and
- The County made improvements in developing sufficient policies and procedures detailing the responsibilities of personnel for the preparation of the CAFR, including a specific timeline for

its development; however, the County should focus efforts going forward on adding a formal process in place to monitor the various departments' adherence to the timeline.

We recommend the following actions to strengthen the year-end financial reporting closing process

- Assess staffing levels and make the hiring of any additional finance personnel a mission critical objective;
- Develop a monitoring mechanism to ensure policies and procedures that have been documented and put in place are understood and implemented by various departments throughout the County's operations;
- Conduct periodic training sessions to enhance governmental GAAP knowledge utilizing various sources and/or venues (e.g., industry-sponsored events (VaGFOA, VaSBO), webcast/webinars and KPMG-facilitated onsite training), and
- Analyze financial systems infrastructure (including staff training across departments) currently supporting the financial reporting function to determine what changes can be made to more effectively and efficiently support the general ledger closing and CAFR preparation processes.

Views of Responsible Officials:

- Contact Person: John Wack, Deputy County Administrator for Financial Services
- Corrective Action – Management concurs with this finding, particularly as it relates to the majority of the fiscal year ending June 30, 2010. A new County position was established/hired in March 2010 to oversee and coordinate the preparation and issuance of future CAFRs, the Deputy County Administrator for Financial Services. The Corrective Actions that will be/have been undertaken include (but not be limited to) the following:
 1. A number of written financial policies and procedures were developed, and then implemented subsequent to June 30, 2010. Management will continue to refine and update these policies and procedures as needed and monitor compliance, most specifically in regards to Cash Reconciliations for Monthly Closings, which included a goal to close each fiscal month within 60 calendar days of the end of that month.
 2. Staffing levels will continue to be assessed, along with the skill sets of individual employees in various financial management functional areas of the County to effectively support general ledger closings and CAFR preparation. The hiring of any additional personnel will be considered critical, but within the funding limitations of available resources.
 3. Periodic training sessions will continue to be encouraged within available resources, perhaps to include KPMG-facilitated onsite sessions.

Lack of Segregation of Duties and Functioning Controls – Utility Department

The County's Utility Department, on a monthly basis, processes payments related to thousands of customer accounts for three distinct utility service funds (i.e., TCSD, JRSD, and Utilities). To ensure that all transactions are processed completely and accurately, the Utility Department should have well developed accounting policies and procedures. These procedures must be effectively performed by personnel and established in such a way so as to provide for appropriate "checks and balances" with regard to the existence, completeness and accuracy of all financial activity. Specifically, we noted that one Utility Department staff member had the authority to post changes to customer accounts with limited or no supervisory review. Prior to December 2009, the County had certain controls in place where all such

adjustments first required the approval of the County Engineer; however, due to personnel turnover, this control procedure was not consistently performed during the current fiscal year.

Based upon review of documentation provided and discussions with County personnel, the deficiency noted related to a combination of factors including:

- Management and staff turnover;
- A lack of documented internal control policies and procedures;
- The small staff size of the Utility Department and the large number of transactions it processes led to incompatible duties being assigned to certain individuals, and
- Lack of sufficient training and staff knowledge with regard to financial accounting and reporting.

We recommend the County continue its efforts to finalize its documentation of existing Finance and Utility Department's accounting policies and procedures, analyze the design and operating effectiveness of those policies and procedures, and, for those areas where controls are considered missing or deficient, develop and implement additional policies and procedures. Specifically:

- Customer account level maintenance activities should have a dollar threshold so all adjustments are reviewed and approved by a supervisor or a designee in the supervisor's absence and such steps should be documented, and
- Analyze departmental staffing levels and the skill sets of department personnel aimed at developing a system of cross training of staff, which may include non-Utility Department staff as deemed appropriate, to mitigate the impact of lost knowledge and skill sets during staff turnover or prolonged absences.

Views of Responsible Officials:

- Contact Person: John Wack, Deputy County Administrator for Financial Services
- Corrective Action – Management concurs with this finding, particularly as it relates to the majority of the fiscal year ending June 30, 2010. The Corrective Actions that will be/have been undertaken include (but not be limited to) the following:
 1. A number of written financial policies and procedures were developed, and then implemented subsequent to June 30, 2010. Management will continue to refine and update these policies and procedures as needed. More specifically, staff feels that appropriate supervisory review and documentation of utility account adjustments is now being maintained.
 2. Staffing levels will continue to be assessed, along with the skill sets of individual employees in various financial management functional areas of the County.

Lack of Segregation of Duties and Functioning Controls – Treasurer's Office

The County Treasurer's Office, on a monthly basis, processes payments related to thousands of customer accounts for various taxes, intergovernmental revenues and other miscellaneous receipts, and prepares cash reconciliations over related accounts to ensure the safeguarding of County assets and the complete and accurate reporting of related activity. To ensure that all transactions are processed completely and accurately, the Treasurer's Office should have well developed accounting policies and procedures. These procedures must be effectively performed by personnel and established in such a way so as to provide for appropriate segregation of duties with regard to the safeguarding of County assets.

During the audit, we determined that adequate segregation of duties does not exist within the Treasurer's office. For example, we noted:

- Treasurer has the ability to initiate, approve and post wire transfers without a secondary review and approval, and
- Treasurer has access to post entries to the general ledger system and assists in the preparation of cash reconciliations for certain bank statements on a monthly basis.

Based upon review of documentation provided and discussions with County personnel, the following causes included:

- Routine procedures have not been effectively delegated among County staff to appropriately segregate duties to increase the efficiency and effectiveness of operations, and
- Lack of sufficient training and staff knowledge with regard to financial accounting and reporting.

We recommend that the Treasurer review current operating processes and procedures to identify any areas where steps and/or actions can be efficiently and effectively delegated to other County staff, including but not limited to segregating responsibility for initiating, approving and posting wire transfers and independently verifying the accuracy of monthly cash balances.

Views of Responsible Officials:

- Contact Person: John Wack, Deputy County Administrator for Financial Services
- Corrective Action – Management concurs with this finding, which is directed to functions currently performed by a Constitutional Officer (Treasurer) and subordinate staff. The Corrective Actions that will be undertaken include (but not be limited to) the following:
 1. A number of written financial policies and procedures were developed, and then implemented subsequent to June 30, 2010. Management will continue to refine and update these policies and procedures as needed and monitor compliance, most specifically in regards to Cash Reconciliations for Monthly Closings, which included a goal to close each fiscal month within 60 calendar days of the end of that month.
 2. The County Administration will encourage the Treasurer's Office to compile additional written procedures that document the appropriate segregation of duties between employees in that office and in other County departments.
 3. Staffing levels will continue to be assessed, along with the skill sets of individual employees in various financial management functional areas of the County to effectively support general ledger closings and minimize risks for potential abuse of County assets without secondary review and approval. Based on this assessment, duties and/or staffing may need to be adjusted within available resources. For example, changes might include bank reconciliations being done by staff outside of the Treasurer's office and journal entries should be entered by the Finance Department.

Compliance and Other Matters

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

provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the County in a separate letter dated January 3, 2011.

The County's responses to the findings identified in our audit are described herein. We did not audit the County's response, and accordingly, we express no opinion on it.

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

KPMG LLP

January 3, 2011