

# Comprehensive Annual Financial Report



For the Year Ended  
June 30, 2012

Goochland County, Virginia

# County of Goochland, Virginia

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***County of Goochland, Virginia***

***June 30, 2012***

***Board of Supervisors***

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

Susan F. Lascolette  
Manuel Alvarez, Jr.

Robert H. Minnick

***School Board***

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

John L. Lumpkins, Jr.  
W. Kevin Hazzard

Michael E. Payne

***Social Services Board***

James E. Waldrop, Chairperson  
Billie Reid, Vice-Chairperson

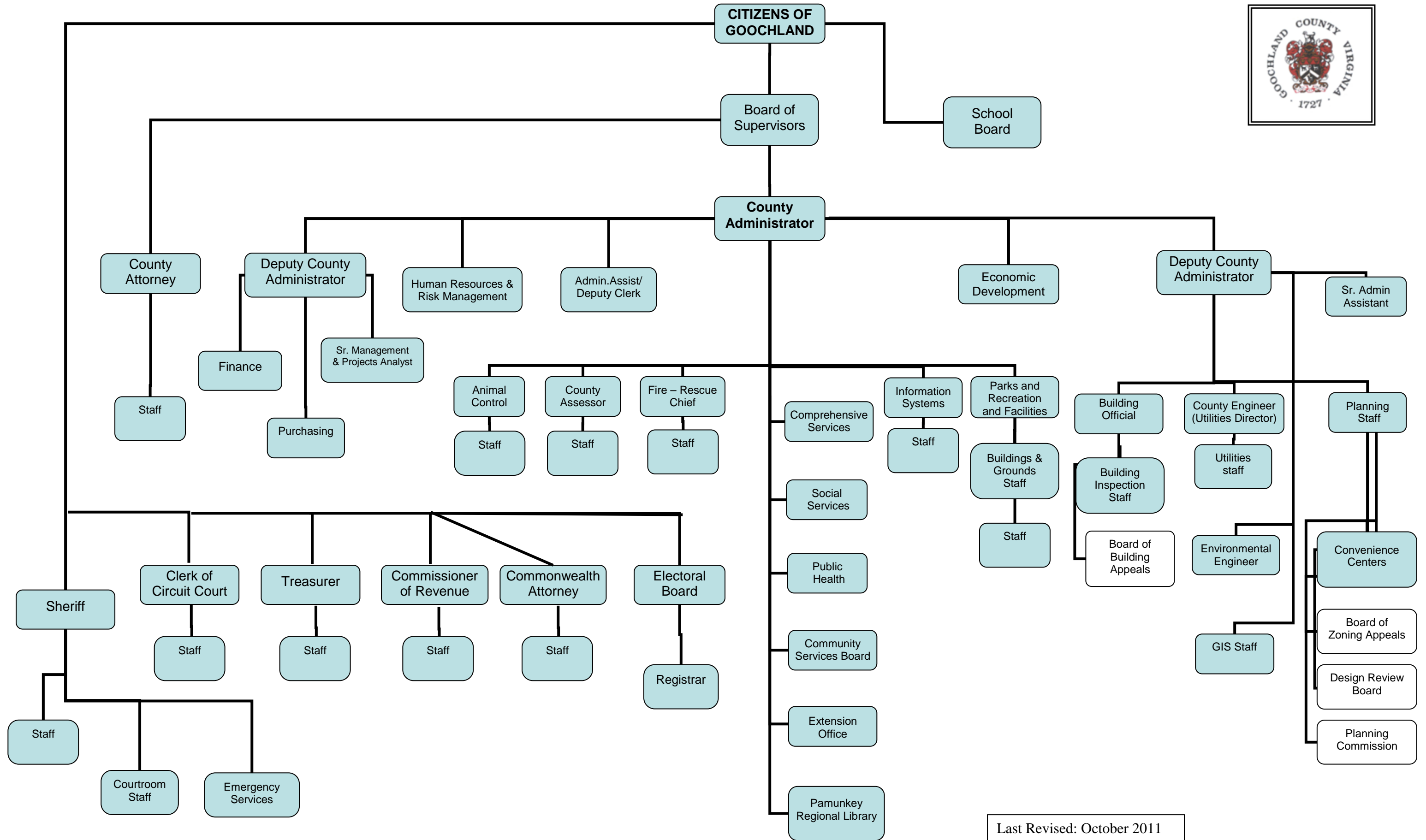
M. Ellen Robinson  
Carol Salmon

June Frick

***Other Officials***

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

Rebecca T. Dickson  
Norman Sales  
John B. Wack  
Timothy K. Sanner  
Lee G. Turner  
Claiborne H. Stokes, Jr.  
Edward K. Carpenter  
James L. Agnew  
Dr. Pete Gretz  
Diane Bennett  
Kimberly Jefferson  
Jean S. Bryant  
Pamela Johnson



Last Revised: October 2011



**BOARD OF SUPERVISORS**  
**COUNTY OF GOOCHLAND**  
**OFFICE OF THE COUNTY ADMINISTRATOR**

December 4, 2012

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, 2012.

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.

PBGH, LLP, Certified Public Accountants have issued an unqualified opinion on the County's basic financial statements for the year ended June 30, 2012. 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.

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

**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.

1800 Sandy Hook Road  
P. O. Box 10, Goochland, Virginia 23063  
(804)556-5800 • (804)556-4617 Fax • (804)556-5317 TDD  
Email: [countyadmin@co.goochland.va.us](mailto:countyadmin@co.goochland.va.us)

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

### **The Reporting Entity**

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 and 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 located 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 21,883. 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, MidPoint Industrial Park and West Creek Business Park. Goochland Industrial Park, Oilville Business Park and Midpoint Industrial Park were publicly developed and are publicly owned; all other parks are privately owned.

West Creek Business Park ("West Creek") is the largest development, encompassing over 3,500 acres in the eastern portion of the County. Capital One Bank Services ("Capital One"), the County's largest employer, is a tenant of West Creek. The Capital One 316 acre campus has eight office buildings as well as a multipurpose building. The Capital One campus has a cafeteria and a town center which houses a fitness center and other amenities. Other tenants in West Creek include the corporate headquarters of the Virginia Farm Bureau, the corporate headquarters of Performance Food Group, the corporate headquarters of CarMax and a major satellite office facility for the Federal Reserve Bank of Richmond, Hallmark Youth Care and Manakin Trade Center, a multitenant 80,000 square foot office complex. In addition, in April 2012, HCA Virginia Health System opened up a 12,000 square foot hospital emergency center.

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



Despite the economic downturn in recent years, 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.

### **Water and Sewer Systems**

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

The County has approximately 954 residential and 252 non-residential water and/or sewer customers as of September 2012. The Virginia Department of Corrections provides both treated water and wastewater treatment services to the Goochland Courthouse area pursuant to long-term contracts. Goochland currently purchases treated water and wastewater treatment services from Henrico County through a series of long-term contracts. Wastewater treatment services are also purchased from the City of Richmond through a long-term agreement as related to the Tuckahoe Creek Service District (the "District").

The County has defined, developed, and adopted a Special Service District ordinance (Tuckahoe Creek Service District) which is providing additional water and sewer capacity and services to a 13 square mile (8,500 acre) area in the eastern portion of the County. The County borrowed approximately \$62.7 million from the Virginia Resources Authority (VRA) in 2002 to buy additional water capacity from Henrico County (as supported by an intergovernmental agreement) and to construct water mains and sewer trunk lines in the District, and has a separate wastewater agreement with the City of Richmond for that capacity. In the late summer/early fall of 2012, the County was in the process of refunding a large portion of those 2002 VRA bonds in order to achieve debt service savings over the next 23 years and better accommodate development within the District for the foreseeable future. The refunding was completed in mid-November, with the County realizing approximately \$5.3 million in debt service savings during the upcoming ten years.

### **Major Initiatives**

The County made progress in several areas for the year ended June 30, 2012.

One of the most important initiatives this past year was the completion and initial implementation of the County's Economic Development Strategic Plan. This Plan was approved by the Board of Supervisors in October 2011, and will be implemented in a deliberate, systemic way during the upcoming months and years. The Plan's objectives included:

1. Evaluating the assets of the Tuckahoe Creek Service District (including the West Creek Area, Centerville Area, and Northeast Corner of the County) and determining the best course of action to stimulate further investment in the area by additional companies and organizations.
2. Identifying other sections of the County that are likely candidates for economic development and defining a plan to implement investment in those locations (e.g. I-64 corridor, Courthouse Village).

3. Evaluating the roles of economic development and determining the skills that should be considered when hiring an economic development director for the County (a new director was hired in April 2012).
4. Assessing the existing tourism venues/activities and recommending further actions to enhance tourism in the County.

Consistent with this plan, the Goochland County Administration has been developing a new stand alone Economic Development website which has just gone “live” in recent weeks. The new Director of Economic Development (hired in April 2012) has been focused on business retention, expansion, and attraction, cultivating strong working relationships with landowners within the Tuckahoe Creek Service District (TCSD) and with site selectors, brokers, and the Virginia Economic Development Partnership.

The first phase of development of the West Creek Medical Center in Goochland County was completed during the past year. HCA Virginia built a freestanding emergency room (ER) to enhance the region’s health care delivery system. The new ER opened in April 2012 and added \$4.3 million to the County’s real estate tax base. Medical office buildings and hopefully a hospital are planned for the future.

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, completed in November 2011, expanded the County’s tax base (within the TCSD) by \$1.6 million through the development of a convenience store with an outside patio, fuel islands, and a car wash. The County also benefited by having nearly \$1.5 million worth of water and sewer infrastructure added to the Utility system at the developer’s expense, with \$250,000 of that cost reimbursed by the County through the Economic Development Authority.

In April 2012, the Board of Supervisors approved Goochland County’s first multi-family development in the West Creek area of the TCSD. This project involves the establishment of 336 apartment units, as well as a new four-lane road connecting to Broad Street and the extension of water infrastructure at no cost to the County. Once completed, the apartments will add approximately \$38.6 million to the real estate tax base, while also adding recurring personal property taxes, new utility customers, and one-time revenues such as building permit and connection fees.

Some significant improvements to the Capital One campus in West Creek were initiated and/or completed during the past year. The construction of a 2,000 parking structure, a 2-story 100,000 square foot office building, and another 4-story 200,000 square foot office building will add approximately \$43 million to the County’s future real estate tax base.

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.

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. Further, the construction of two new communication towers and an expanded Emergency Communications Center building will be part of this project. The new system will be operational in 2013/2014.

A Parks and Recreation Master Plan was presented to the Goochland Board of Supervisors in February 2010, and then adopted in April 2011. 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.

The construction of the first phase of Leake's Mill Park began during the past year. Development planned for this site includes the establishment of soccer/multipurpose and other athletic fields, as well as passive areas including trails, bridge crossings, and observation decks. In addition to a \$250,000 donation from the Community Foundation, the County also received revenue sharing funds from the Virginia Department of Transportation (VDOT) in the amount of \$250,000 to construct the road entrance to the park. Local funding is also being provided to support this project.

Significant developments to address the County's most pressing Fire-Rescue needs have also recently occurred, and will become evident during the current and forthcoming fiscal years. The Board of Supervisors has approved the billing for emergency transports, which is expected to generate over \$500,000 per year in recurring revenue once implemented beginning in January 2013. This revenue is allowing for the addition of new full-time Firefighter/EMS positions, more part-time positions and overtime costs, as well as other personnel and operating expenses. Further, the first County-owned fire station will be constructed in the Hadensville area within the next couple of years.

### **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, 2012 has been completed, and the County received an unqualified opinion.

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

When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with 15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the function level. The budget is implemented through appropriations that the Board of Supervisors makes annually, with supplemental appropriations made as required. These appropriations may be greater or less than contemplated in the budget. A supplemental appropriation that exceeds \$500,000 or 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, with the exception of federal and state grants, capital improvements, and outstanding encumbrances (which are addressed by resolution).

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 providing 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 for the housing of the County's juvenile offenders.

## **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 Wells Fargo, US Bank, the Virginia State Non-Arbitrage Fund, and the Local Government Investment Pool as of June 30, 2012.

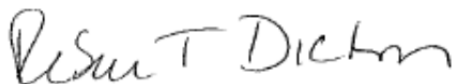
## **Independent Audit**

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 PBGH LLP, to complete this audit. This requirement has been complied with and the auditor's 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



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors  
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, (County) as of and for the year ended June 30, 2012, 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 *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 19 to the financial statements, the County restated beginning net assets in the governmental activities and the fund balance of the Component Unit School Board, School Operating Fund to present a change in accounting principle for prepaid insurance. We also audited the adjustment described in Note 19 that was applied to restate beginning net assets and fund balance. In our opinion, such adjustment is appropriate and has been properly applied.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012 on our consideration of the County's internal control over financial reporting and 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-9 and the required supplementary information on pages 50-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis, as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying schedules listed in the table of contents as supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the County's basic financial statements. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

PBGH, LLP

Harrisonburg, Virginia  
November 26, 2012

## *County of Goochland, Virginia*

### *Management's Discussion and Analysis*

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**June 30, 2012**

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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, 2012. 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 \$55,306,948 (net assets). Of this amount, \$29,284,455 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 increased for the fiscal year by \$2,614,220. Net assets of the governmental activities increased by \$3,561,408 while net assets of the business-type activities decreased by \$947,188.
- Combined (Governmental & Business-type activities) long-term obligations totaled \$127,715,716, representing a decrease of \$99,705 during the current fiscal year.

##### *Fund Financial Statements*

- The Governmental funds, on a current financial resources measurement focus and modified accrual basis accounting, reported revenues and other financing sources in excess of expenditures and other financing uses of \$3,544,414 (Exhibit 5) after making contributions totaling \$15,860,009 to the School Board.
- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$28,869,853, an increase of \$3,544,414 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$16,883,189, and was 40% of total General Fund expenditures and other uses. At the end of current fiscal year, the County reported non-unassigned fund balances of \$9,371,024 for various General Fund projects and uses during FY2012. Total fund balance represented 62% 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.

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.

#### ***Proprietary Funds***

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

### **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 \$55,306,948 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Assets:

<i>County of Goochland, Virginia's Net Assets</i>						
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Totals</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 41,233,609	\$ 38,168,459	\$ 13,268,725	\$ 12,797,511	\$ 54,502,334	\$ 50,965,970
Capital assets	40,256,631	42,552,659	104,387,557	103,835,595	144,644,188	146,388,254
Total assets	<b>\$ 81,490,240</b>	<b>\$ 80,721,118</b>	<b>\$ 117,656,282</b>	<b>\$ 116,633,106</b>	<b>\$ 199,146,522</b>	<b>\$ 197,354,224</b>
Current liabilities	\$ 13,766,207	\$ 14,196,048	\$ 2,357,651	\$ 2,650,027	\$ 16,123,858	\$ 16,846,075
Long-term liabilities outstanding	23,284,717	25,647,162	104,430,999	102,168,259	127,715,716	127,815,421
Total liabilities	<b>\$ 37,050,924</b>	<b>\$ 39,843,210</b>	<b>\$ 106,788,650</b>	<b>\$ 104,818,286</b>	<b>\$ 143,839,574</b>	<b>\$ 144,661,496</b>
Net assets:						
Invested in capital assets, net of related debt	\$ 20,135,687	\$ 19,953,566	\$ 5,886,806	\$ 7,691,315	\$ 26,022,493	\$ 27,644,881
Unrestricted	24,303,629	20,924,342	4,980,826	4,123,505	29,284,455	25,047,847
Total net assets	<b>\$ 44,439,316</b>	<b>\$ 40,877,908</b>	<b>\$ 10,867,632</b>	<b>\$ 11,814,820</b>	<b>\$ 55,306,948</b>	<b>\$ 52,692,728</b>

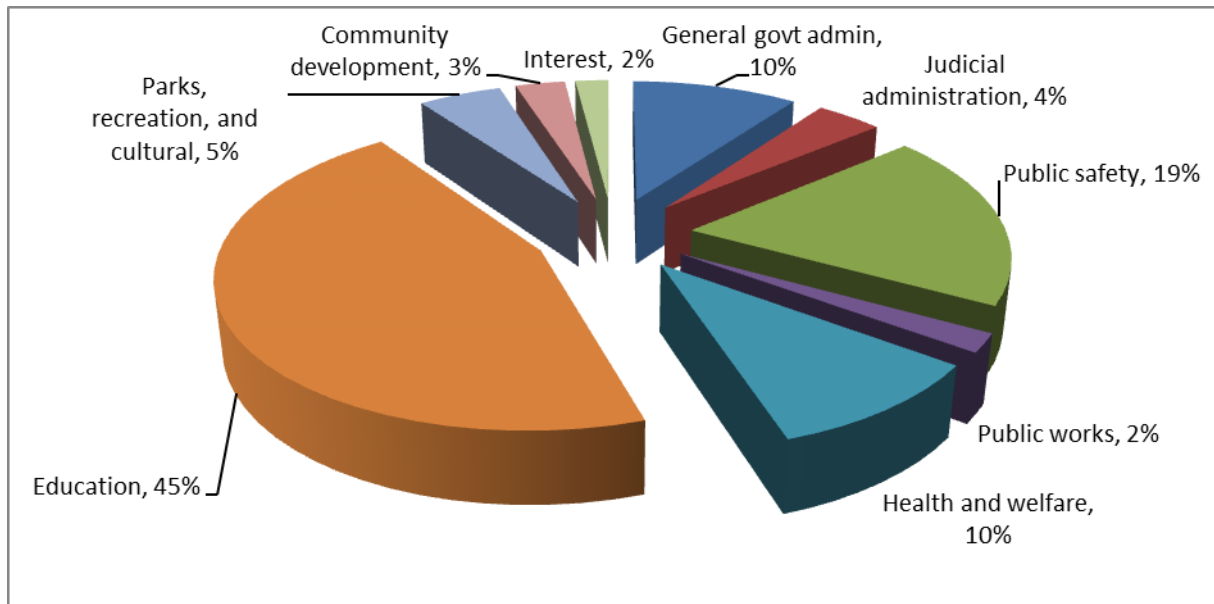
Net assets invested in capital assets, net of related debt include land, buildings and improvements, machinery and equipment and other capital assets net of the related debt currently outstanding, which was used to acquire or construct these assets. The County uses this component of net assets to provide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

The County's net assets increased by \$2,614,220 during the current fiscal year. The following table summarizes the County's Statement of Activities.

<i>County of Goochland, Virginia's Changes in Net Assets</i>						
	Governmental activities		Business-type activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,078,263	\$ 711,924	\$ 3,576,014	\$ 3,350,912	\$ 4,654,277	\$ 4,062,836
Operating grants and contributions	3,407,998	3,828,860	-	-	3,407,998	3,828,860
Capital grants and contributions	190,358	27,181	1,790,690	351,790	1,981,048	378,971
General revenues:						
General property taxes	29,314,852	28,577,269	3,082,297	3,051,136	32,397,149	31,628,405
Other local taxes	5,252,355	4,800,844	-	-	5,252,355	4,800,844
Grants and other contributions not restricted	2,935,200	2,955,534	-	-	2,935,200	2,955,534
Other general revenues	775,345	1,054,647	337,063	376,134	1,112,408	1,430,781
Total revenues	42,954,371	41,956,259	8,786,064	7,129,972	51,740,435	49,086,231
<b>Expenses:</b>						
General government administration						
	3,775,282	3,364,513	-	-	3,775,282	3,364,513
Judicial administration						
	1,456,810	1,513,768	-	-	1,456,810	1,513,768
Public safety						
	7,130,848	7,513,474	-	-	7,130,848	7,513,474
Public works						
	796,180	1,732,979	-	-	796,180	1,732,979
Health and welfare						
	3,880,617	4,112,538	-	-	3,880,617	4,112,538
Education						
	17,700,882	22,136,778	-	-	17,700,882	22,136,778
Parks, recreation, and cultural						
	2,045,649	991,726	-	-	2,045,649	991,726
Community development						
	1,191,392	924,947	-	-	1,191,392	924,947
Interest and other fiscal charges						
	949,236	1,078,901	-	-	949,236	1,078,901
Utilities						
	-	-	10,199,319	10,064,571	10,199,319	10,064,571
Total expenses	38,926,896	43,369,624	10,199,319	10,064,571	49,126,215	53,434,195
Change in net assets before transfers						
	4,027,475	(1,413,365)	(1,413,255)	(2,934,599)	2,614,220	(4,347,964)
Transfers						
	(466,067)	(483,356)	466,067	483,356	-	-
Change in net assets						
	3,561,408	(1,896,721)	(947,188)	(2,451,243)	2,614,220	(4,347,964)
Beginning of year						
	40,877,908	42,774,629	11,814,820	14,266,063	52,692,728	57,040,692
Total net assets	\$ 44,439,316	\$ 40,877,908	\$ 10,867,632	\$ 11,814,820	\$ 55,306,948	\$ 52,692,728

## Governmental Activities Expenses

Fiscal Year 2011-2012



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 \$3,561,408 was the result of revenues exceeding expenditures, with a notable change in joint tenancy asset allocations. In particular, (personal) property tax collections exceeded the budgeted amount (as had been projected during the fiscal year), while expenditures (such as for local education costs) were below budget.
- Decreases in net assets for business-type activities of \$947,188 resulted primarily from an operating loss in the TCSD of (\$750,068). Interest expense for TCSD of \$4,242,425 exceeded taxes, connection fees, and other miscellaneous revenue sources to cover that expense by \$750,068. The majority of the TCSD interest expense is related to accreted interest on capital appreciation bonds issued in 2002 maturing at future dates, so the overall decrease in net assets was not unexpected.

### 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 \$28,869,853, an increase of \$3,544,414 during the current year. The increase was primarily due to revenue collections received above the budgeted amounts and the local transfer of funds to the School Operating Fund being below the budgeted expenditure amount.

Approximately 58% of this total fund balance amount constitutes unassigned fund balance, which is available for spending at the County's discretion. For FY2012, the County reports nonspendable, restricted, committed, and assigned fund balances of \$9,371,024 in the General Fund 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 \$2,488,471.

### ***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 \$4,980,826. Unrestricted net assets at the end of the prior year were \$4,123,505, for an increase in unrestricted net assets during the year of \$857,321. Total net assets decreased for the year by \$947,188, largely due to depreciation and amortization 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 \$1,663,040 and can be briefly summarized as follows:

- \$178,910 increase in general government administrative expenditures
- \$450,540 increase in public safety expenditures
- \$59,503 increase in community development expenditures
- \$13,520 increase in judicial administration expenditures
- \$438,052 increase in health and welfare expenditures
- \$122,515 increase in parks, recreation, and cultural expenditures

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 exceeded amended budgetary estimates by \$2,520,433. Expenditures were less than budgetary estimates by \$3,162,459, thus reducing the planned draw upon budgeted fund balance. Actual revenues exceeded expenditures by \$4,756,732; however, transfers to and from other governmental and proprietary funds netted to (\$1,674,140), resulting in a net addition to fund balance of \$3,082,592 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, 2012 amounted to \$40,256,631 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements and machinery and equipment. Capital assets of the Business-type activities at June 30, 2012 were \$104,387,557 (net of accumulated depreciation and amortization).

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 \$127,715,716. Of this amount, \$18,585,000 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 \$99,705 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 2012 unemployment rate for the County of 4.7% compared favorably to the state's average unemployment rate of 5.9% and national average rate of 8.3% for the same period.
- The fiscal year 2013 budget increased by approximately 18.9% for all funds (including the component units), and 12.3% 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.

*County of Goochland, Virginia*

*Basic Financial Statements*

*Year Ended June 30, 2012*

*County of Goochland, Virginia*  
*Government-Wide Financial Statements*

## Statement of Net Assets

June 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
<b>Assets</b>					
Cash and cash equivalents	\$ 24,798,018	\$ 6,754,834	\$ 31,552,852	\$ 1,206,447	\$ 329,488
Receivables (net of allowance for uncollectibles):					
Taxes receivable, including penalties	12,361,415	1,542,556	13,903,971	-	-
Accounts receivable	118,661	467,070	585,731	1,917	-
Notes receivable	207,706	-	207,706	-	-
Prepaid expenses	162,153	4,582	166,735	266,327	-
Internal balances	2,617,634	(2,617,634)	-	-	-
Due from Primary Government	-	-	-	-	2,955,422
Due from other governmental units	968,022	49,735	1,017,757	1,102,251	-
Inventories	-	-	-	33,278	-
Restricted assets:					
Investments	-	6,155,881	6,155,881	98,540	-
Other assets:					
Unamortized bond issue costs	-	911,701	911,701	-	-
Land held for resale	-	-	-	-	801,100
Capital assets (net of accumulated depreciation and amortization):					
Land and land improvements	3,411,175	2,874,584	6,285,759	459,907	-
Buildings and system	30,041,383	68,838,388	98,879,771	20,812,469	-
Capacity rights	-	32,658,034	32,658,034	-	-
Machinery and equipment	6,649,168	16,551	6,665,719	1,338,590	-
Construction in progress	154,905	-	154,905	-	-
	<u>\$ 81,490,240</u>	<u>\$ 117,656,282</u>	<u>\$ 199,146,522</u>	<u>\$ 25,319,726</u>	<u>\$ 4,086,010</u>
<b>Liabilities</b>					
Accounts payable	\$ 211,617	\$ 241,517	\$ 453,134	\$ 194,700	\$ 7,530
Accrued liabilities	25,821	-	25,821	2,246,876	-
Customers' deposits	-	25,273	25,273	-	-
Accrued interest payable	432,399	417,121	849,520	-	-
Due to component unit	2,955,422	-	2,955,422	-	-
Due to other governmental units	-	155,359	155,359	-	-
Unearned revenues	10,140,948	1,518,381	11,659,329	-	-
Long-term obligations:					
Due within one year	3,036,179	1,470,961	4,507,140	389,660	165,000
Due in more than one year	20,248,538	102,960,038	123,208,576	855,058	2,540,422
Total liabilities	<u>37,050,924</u>	<u>106,788,650</u>	<u>143,839,574</u>	<u>3,686,294</u>	<u>2,712,952</u>
<b>Net assets</b>					
Invested in capital assets, net of related debt	20,135,687	5,886,806	26,022,493	22,537,712	-
Unrestricted (deficit)	<u>24,303,629</u>	<u>4,980,826</u>	<u>29,284,455</u>	<u>(904,280)</u>	<u>1,373,058</u>
Total net assets	<u>44,439,316</u>	<u>10,867,632</u>	<u>55,306,948</u>	<u>21,633,432</u>	<u>1,373,058</u>
	<u>\$ 81,490,240</u>	<u>\$ 117,656,282</u>	<u>\$ 199,146,522</u>	<u>\$ 25,319,726</u>	<u>\$ 4,086,010</u>

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



Statement of Activities

Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	School Board	EDA
<b>Primary Government</b>									
Governmental activities:									
General government administration	\$ 3,775,282	\$ -	\$ 255,323	\$ -	\$ (3,519,959)		\$ (3,519,959)		
Judicial administration	1,456,810	14,964	477,801	-	(964,045)		(964,045)		
Public safety	7,130,848	87,764	1,044,026	43,816	(5,955,242)		(5,955,242)		
Public works	796,180	36,284	5,503	-	(754,393)		(754,393)		
Health and welfare	3,880,617	47,247	1,621,175	-	(2,212,195)		(2,212,195)		
Education	17,700,882	765,182	-	-	(16,935,700)		(16,935,700)		
Parks, recreation, and facilities management	2,045,649	126,822	4,170	-	(1,914,657)		(1,914,657)		
Community development	1,191,392	-	-	146,542	(1,044,850)		(1,044,850)		
Interest on long-term debt	949,236	-	-	-	(949,236)		(949,236)		
Total governmental activities	<u>38,926,896</u>	<u>1,078,263</u>	<u>3,407,998</u>	<u>190,358</u>	<u>(34,250,277)</u>		<u>(34,250,277)</u>		
Business-type activities									
James River Sanitary District	37,344	11,200	-	-		\$ (26,144)	\$ (26,144)		
Utilities	1,554,074	792,196	-	88,459		(673,419)	(673,419)		
Tuckahoe Creek Service District	8,607,901	2,772,618	-	1,702,231		(4,133,052)	(4,133,052)		
Total business-type activities	<u>10,199,319</u>	<u>3,576,014</u>	<u>-</u>	<u>1,790,690</u>		<u>(4,832,615)</u>	<u>(4,832,615)</u>		
Total Primary Government	<u>\$ 49,126,215</u>	<u>\$ 4,654,277</u>	<u>\$ 3,407,998</u>	<u>\$ 1,981,048</u>		<u>\$ (39,082,892)</u>			
<b>Component units</b>									
School Board	\$ 26,198,399	\$ 572,729	\$ 7,786,454	\$ -			\$ (17,839,216)	\$ -	
Economic Development Authority	30,418	20,354	-	-			-	(10,064)	
Total component units	<u>\$ 26,228,817</u>	<u>\$ 593,083</u>	<u>\$ 7,786,454</u>	<u>\$ -</u>			<u>\$ (17,839,216)</u>	<u>\$ (10,064)</u>	
<b>General revenues</b>									
General property taxes					\$ 29,314,852	\$ 3,082,297	\$ 32,397,149	\$ -	\$ -
Other local taxes:									
Local sales and use taxes					2,255,251	-	2,255,251	-	-
Other local taxes					2,997,104	-	2,997,104	-	-
Fines and forfeitures					182,360	-	182,360	-	-
Unrestricted revenues from use of money and property					217,982	336,694	554,676	49,698	1,464
Miscellaneous					375,003	369	375,372	88,881	-
Payments from Primary Government					-	-	-	17,541,900	-
Grants and contributions not restricted to specific programs					2,935,200	-	2,935,200	-	-
Transfers					(466,067)	466,067	-	-	-
Total general revenues and transfers					<u>37,811,685</u>	<u>3,885,427</u>	<u>41,697,112</u>	<u>17,680,479</u>	<u>1,464</u>
<b>Change in net assets</b>					3,561,408	(947,188)	2,614,220	(158,737)	(8,600)
<b>Net assets - beginning of year - as restated</b>					40,877,908	11,814,820	52,692,728	21,792,169	1,381,658
<b>Net assets - end of year</b>					<u>\$ 44,439,316</u>	<u>\$ 10,867,632</u>	<u>\$ 55,306,948</u>	<u>\$ 21,633,432</u>	<u>\$ 1,373,058</u>

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

*County of Goochland, Virginia*

*Fund Financial Statements*

Balance Sheet - Governmental Funds

June 30, 2012

Assets	General	Capital Projects	Other Nonmajor Governmental	Total Governmental Funds
Cash and cash equivalents	\$ 22,215,246	\$ 2,503,174	\$ 79,598	\$ 24,798,018
Receivables (net of allowances for uncollectibles):				
Taxes receivable, including penalties	12,361,415	-	-	12,361,415
Accounts receivable	102,759	-	15,902	118,661
Notes receivable	207,706	-	-	207,706
Prepaid expenses	161,647	-	506	162,153
Due from other fund	2,617,634	-	-	2,617,634
Due from other governmental units	905,583	-	62,439	968,022
<b>Total assets</b>	<b>\$ 38,571,990</b>	<b>\$ 2,503,174</b>	<b>\$ 158,445</b>	<b>\$ 41,233,609</b>
<b>Liabilities</b>				
Accounts payable	\$ 173,938	\$ 5,403	\$ 32,276	\$ 211,617
Accrued liabilities	16,521	9,300	-	25,821
Deferred revenues	12,126,318	-	-	12,126,318
<b>Total liabilities</b>	<b>12,316,777</b>	<b>14,703</b>	<b>32,276</b>	<b>12,363,756</b>
<b>Fund Balances</b>				
Nonspendable	2,986,987	-	506	2,987,493
Restricted	111,334	-	125,664	236,998
Committed	3,914,260	-	-	3,914,260
Assigned	2,358,443	2,488,471	505	4,847,419
Unassigned	16,884,189	-	(506)	16,883,683
<b>Total fund balances</b>	<b>26,255,213</b>	<b>2,488,471</b>	<b>126,169</b>	<b>28,869,853</b>
<b>Total liabilities and fund balances</b>	<b>\$ 38,571,990</b>	<b>\$ 2,503,174</b>	<b>\$ 158,445</b>	<b>\$ 41,233,609</b>

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

**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets****June 30, 2012**

<b>Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds</b>	<b>\$ 28,869,853</b>
<b>Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	60,635,819
Less - accumulated depreciation and amortization	<u>(20,379,188)</u>
	<u>40,256,631</u>
Other long-term assets (i.e. taxes levied, long-term receivables) are not available to pay for current period expenditures and, therefore, are deferred in the funds	<u>1,985,370</u>
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Capital leases	(1,263,304)
General obligation bonds	(18,857,640)
Net other postemployment benefits	(511,639)
Compensated absences	(728,855)
Landfill postclosure care	(1,923,279)
Due to component unit	(2,955,422)
Interest payable	<u>(432,399)</u>
	<u>(26,672,538)</u>
Net assets of governmental activities	<u>\$ 44,439,316</u>

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

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

Year Ended June 30, 2012

	General	Capital Projects	Other Nonmajor Governmental	Total Governmental Funds
<b>Revenues</b>				
General property taxes	\$ 29,123,912	\$ -	\$ -	\$ 29,123,912
Other local taxes	5,252,355	-	-	5,252,355
Permits, privilege fees and regulatory licenses	764,566	-	-	764,566
Fines and forfeitures	182,360	-	-	182,360
Revenue from use of money and property	217,881	68	33	217,982
Charges for services	266,450	-	47,247	313,697
Miscellaneous	248,201	307,272	-	555,473
Recovered costs	144,144	-	-	144,144
Intergovernmental revenues:				
Commonwealth	5,048,675	146,542	395,139	5,590,356
Federal	943,199	-	-	943,199
Total revenues	42,191,743	453,882	442,419	43,088,044
<b>Expenditures</b>				
Current:				
General government administration	3,537,551	-	-	3,537,551
Judicial administration	1,391,446	-	-	1,391,446
Public safety	6,181,292	-	4,191	6,185,483
Public works	839,369	-	-	839,369
Health and welfare	2,798,948	-	1,076,148	3,875,096
Education	15,860,009	-	-	15,860,009
Parks, recreation, and facilities management	1,813,179	-	-	1,813,179
Community development	1,105,405	-	-	1,105,405
Capital outlays and projects	-	1,025,164	-	1,025,164
Debt service:				
Principal retirement	2,888,657	-	-	2,888,657
Interest and other fiscal charges	1,019,155	-	-	1,019,155
Total expenditures	37,435,011	1,025,164	1,080,339	39,540,514
<b>Excess (deficiency) of revenues over (under) expenditures</b>	4,756,732	(571,282)	(637,920)	3,547,530
<b>Other financing sources (uses)</b>				
Transfers in	26,617	670,000	564,690	1,261,307
Transfers out	(1,700,757)	(26,617)	-	(1,727,374)
Proceeds from indebtedness - capital lease	-	462,951	-	462,951
Total other financing sources (uses), net	(1,674,140)	1,106,334	564,690	(3,116)
<b>Net change in fund balances</b>	3,082,592	535,052	(73,230)	3,544,414
<b>Fund balances - beginning of year</b>	23,172,621	1,953,419	199,399	25,325,439
<b>Fund balances - end of year</b>	\$ 26,255,213	\$ 2,488,471	\$ 126,169	\$ 28,869,853

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

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

**Year Ended June 30, 2012**

**Net change in fund balances - total governmental funds** \$ 3,544,414

**Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:**

Governmental funds report capital outlays as expenditure. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as reported as depreciation and amortization expense. This is the amount by which the capital outlays exceeded depreciation and amortization in the current period. Details supporting this adjustment as follows:

Capital outlay	1,280,206
Depreciation and amortization	(2,416,532)
Allocation of joint tenancy assets, net, to the School Board Component Unit	(1,159,702)
	<u>(2,296,028)</u>

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>10,470</u>
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Expenses in the Statement of Activities that do not represent the use current financial resources are not reported as expenditures in the funds.	<u>(25,519)</u>
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Proceeds from indebtedness - capital lease	(462,951)
Principal recorded as public works expenditures	32,967
Principal retired on general obligation long-term debt and capital lease obligations	<u>2,888,657</u>
	<u>2,458,673</u>

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:

Change in landfill postclosure liability	21,649
Change in compensated absences	2,694
Change in net OPEB obligations	(140,046)
Change in interest payable	50,444
Change in due to component unit	(84,818)
Amortization of bond premium	19,475
	<u>(130,602)</u>

Change in net assets of governmental activities	<u>\$ 3,561,408</u>
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*The accompanying notes are an integral part of these financial statements.*

County of Goochland, Virginia  
Statement of Net Assets - Proprietary Funds

Exhibit 7

June 30, 2012

Assets	Utilities	James River Sanitary District	Tuckahoe Creek Service District	Total
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,578,542	\$ 11,200	\$ 5,165,092	\$ 6,754,834
Accounts receivable	56,633	-	410,437	467,070
Prepaid expenses	1,559	-	3,023	4,582
Due from other governmental units	-	-	49,735	49,735
Taxes receivable, including penalties, net	-	1,527	1,541,029	1,542,556
Total current assets	<u>1,636,734</u>	<u>12,727</u>	<u>7,169,316</u>	<u>8,818,777</u>
<b>Noncurrent assets</b>				
Restricted investments	-	-	6,155,881	6,155,881
Unamortized bond issue costs	-	-	911,701	911,701
Capital assets:				
Land and land improvements	-	-	2,874,584	2,874,584
Utility plant in service	11,776,735	366,236	67,539,272	79,682,243
Less accumulated depreciation	(2,977,376)	(87,897)	(7,778,582)	(10,843,855)
Capacity rights	3,295,196	-	34,689,920	37,985,116
Less accumulated amortization	(389,844)	-	(4,937,238)	(5,327,082)
Machinery and equipment	54,709	-	36,369	91,078
Less accumulated depreciation	(41,159)	-	(33,368)	(74,527)
Total capital assets - net	<u>11,718,261</u>	<u>278,339</u>	<u>92,390,957</u>	<u>104,387,557</u>
Total non-current assets	<u>11,718,261</u>	<u>278,339</u>	<u>99,458,539</u>	<u>111,455,139</u>
Total assets	<u>\$ 13,354,995</u>	<u>\$ 291,066</u>	<u>\$ 106,627,855</u>	<u>\$ 120,273,916</u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 44,007	\$ 4,550	\$ 192,960	\$ 241,517
Customers' deposits	25,273	-	-	25,273
Accrued interest payable	56,190	3,368	357,563	417,121
Due to other fund	-	-	2,617,634	2,617,634
Due to other governmental units	-	-	155,359	155,359
Deferred revenues	-	-	1,483,522	1,483,522
Prepaid taxes	-	-	34,859	34,859
Compensated absences	733	-	704	1,437
Bonds payable	200,688	10,979	798,291	1,009,958
Long-term amortization of capacity charges	-	-	400,000	400,000
Contractual agreement payable	-	-	59,566	59,566
Total current liabilities	<u>326,891</u>	<u>18,897</u>	<u>6,100,458</u>	<u>6,446,246</u>
<b>Noncurrent liabilities</b>				
Bonds payable - net of current portion	4,636,644	271,689	77,105,714	82,014,047
Long-term amortization of capacity charges - net of current portion	-	-	19,230,367	19,230,367
Compensated absences - net of current portion	6,592	-	6,338	12,930
Contractual agreement payable - net of current portion	-	-	1,702,694	1,702,694
Total noncurrent liabilities	<u>4,643,236</u>	<u>271,689</u>	<u>98,045,113</u>	<u>102,960,038</u>
Total liabilities	<u>4,970,127</u>	<u>290,586</u>	<u>104,145,571</u>	<u>109,406,284</u>
<b>Net assets</b>				
Invested in capital assets - net of related debt	6,664,525	(27,925)	(749,794)	5,886,806
Unrestricted	1,720,343	28,405	3,232,078	4,980,826
Total net assets	<u>8,384,868</u>	<u>480</u>	<u>2,482,284</u>	<u>10,867,632</u>
Total net assets	<u>\$ 13,354,995</u>	<u>\$ 291,066</u>	<u>\$ 106,627,855</u>	<u>\$ 120,273,916</u>

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

## Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds

Year Ended June 30, 2012

	Utilities	James River Sanitary District	Tuckahoe Creek Service District	Total
<b>Operating revenues</b>				
Charges for services:				
Charges for service	\$ 788,176	\$ 11,200	\$ 2,772,618	\$ 3,571,994
Penalty/reconnection fees	4,020	-	-	4,020
Miscellaneous	369	-	-	369
Total operating revenues	792,565	11,200	2,772,618	3,576,383
<b>Operating expenses</b>				
Operations and administration	985,080	14,887	2,141,294	3,141,261
Depreciation and amortization	326,410	7,325	2,224,182	2,557,917
Total operating expenses	1,311,490	22,212	4,365,476	5,699,178
Operating loss	(518,925)	(11,012)	(1,592,858)	(2,122,795)
<b>Nonoperating revenues (expenses)</b>				
Connection fees	88,459	-	249,178	337,637
Investment earnings	21	-	312,868	312,889
Property taxes	-	12,181	3,070,116	3,082,297
Lease revenue	23,805	-	-	23,805
Interest expense	(242,584)	(15,132)	(4,242,425)	(4,500,141)
Total nonoperating revenues (expenses), net	(130,299)	(2,951)	(610,263)	(743,513)
Loss before contributions and transfers	(649,224)	(13,963)	(2,203,121)	(2,866,308)
<b>Contributions and transfers</b>				
Capital contributions	-	-	1,453,053	1,453,053
Transfers in	454,067	12,000	-	466,067
Total contributions and transfers	454,067	12,000	1,453,053	1,919,120
<b>Change in net assets</b>	(195,157)	(1,963)	(750,068)	(947,188)
<b>Total net assets - beginning of year</b>	8,580,025	2,443	3,232,352	11,814,820
<b>Total net assets - end of year</b>	\$ 8,384,868	\$ 480	\$ 2,482,284	\$ 10,867,632

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



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

Exhibit 9

Year Ended June 30, 2012

	Utilities	James River Sanitary District	Tuckahoe Creek Service District	Total
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 865,887	\$ 12,898	\$ 3,662,705	\$ 4,541,490
Payments to suppliers	(796,729)	(12,875)	(2,003,818)	(2,813,422)
Payments to employees	(208,882)	-	(288,113)	(496,995)
Net cash provided by (used in) operating activities	(139,724)	23	1,370,774	1,231,073
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	454,067	12,000	-	466,067
Lease revenue	23,805	-	-	23,805
Tax revenue	-	16,562	3,123,596	3,140,158
Net cash provided by noncapital financing activities	477,872	28,562	3,123,596	3,630,030
<b>Cash flows from capital and related financing activities</b>				
Principal payments on bonds	(198,695)	(11,305)	(945,000)	(1,155,000)
Additions to utility plant	(5,465)	-	(55,471)	(60,936)
Payments for capacity charges	-	-	(591,857)	(591,857)
Payments on contractual agreement payable	-	-	(24,707)	(24,707)
Payment on amount due to General Fund	-	-	(460,156)	(460,156)
Receipt on amount due from General Fund	-	-	720,855	720,855
Connection fees	88,459	-	249,178	337,637
Interest payments and fiscal agent fees	(232,637)	(13,937)	(1,880,877)	(2,127,451)
Net cash used in capital and related financing activities	(348,338)	(25,242)	(2,988,035)	(3,361,615)
<b>Cash flows from investing activities</b>				
Interest and dividends received	21	-	156,987	157,008
<b>Net change in cash and cash equivalents</b>	(10,169)	3,343	1,663,322	1,656,496
<b>Cash and cash equivalents - beginning of year</b>	1,588,711	7,857	3,501,770	5,098,338
<b>Cash and cash equivalents - end of year</b>	\$ 1,578,542	\$ 11,200	\$ 5,165,092	\$ 6,754,834
<b>Reconciliation of operating loss to net cash used in operating activities</b>				
Operating loss	\$ (518,925)	\$ (11,012)	\$ (1,592,858)	\$ (2,122,795)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation and amortization expense	326,410	7,325	2,224,182	2,557,917
Changes in assets and liabilities:				
Decrease in net accounts receivable	70,646	1,698	702,946	775,290
Increase in prepaid expenses	(1,559)	-	(3,023)	(4,582)
Decrease in due from other governmental units	-	-	187,138	187,138
Decrease in compensated absences	(584)	-	(9,028)	(9,612)
Increase in customer deposits	2,677	-	-	2,677
Decrease in salaries payable	(252)	-	-	(252)
Increase in due to other governmental units	-	-	20,040	20,040
Increase (decrease) in accounts payable	(18,137)	2,012	(158,623)	(174,748)
Total adjustments	379,201	11,035	2,963,632	3,353,868
Net cash provided by (used in) operating activities	\$ (139,724)	\$ 23	\$ 1,370,774	\$ 1,231,073

**Supplemental information on non-cash investing and financing activity:**

Accreted interest on capital appreciation of bonds of \$2,243,616 represents non-cash transactions which resulted in an increase in outstanding debt during the year.

During the year, the Tuckahoe Creek Service District took ownership of \$1,453,053 in water and sewer infrastructure that was initially paid for by the developer. This amount is represented as Capital contributions in the Statement of Revenues, Expenses, and Changes in Net Assets on Exhibit 8.

Also during the year, the City of Richmond placed in service a portion of its Nutrient Reduction Project. A portion of this infrastructure belongs to the County, specifically the Tuckahoe Creek Service District. The County's portion of this infrastructure totalled \$1,786,967. The Service District incurred an obligation in the same amount related to this project.

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

*County of Goochland, Virginia*  
*Statement of Fiduciary Net Assets - Agency Funds*

*Exhibit 10*

**June 30, 2012**

		<u>Agency Funds</u>
	<b>Assets</b>	
Cash and cash equivalents		\$ 444,758
	<b>Liabilities</b>	
Amounts held for social services clients		\$ 3,025
Due to County of Goochland, Virginia		10,215
Performance bonds payable		<u>431,518</u>
		<u>\$ 444,758</u>

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

# *County of Goochland, Virginia*

## *Notes to Financial Statements*

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**June 30, 2012**

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### **1. Summary of Significant Accounting Policies**

The *County of Goochland, Virginia* is governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County have been prepared in conformity with the 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***

*Blended Component Unit* — The County has no blended component units at June 30, 2012.

#### ***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 as the County has the ability to approve its budget and any amendments and the primary funding source for the School System is the County General Fund. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discretely presented component of the County financial statements as of and for the fiscal year ended June 30, 2012.

The Goochland County Economic Development Authority (EDA) is a separate and distinct legal entity from Goochland County and created in accordance with § 15.2-4900 of the Code of Virginia. There are seven directors of the EDA appointed by the Goochland County Board of Supervisors. The Directors may select from their membership or not, as they desire, a Secretary and a Treasurer, or a Secretary-Treasurer. The Treasurer of the Authority maintains suitable records of all financial transactions of the Authority. The financial statements of the EDA are presented as a component of the County financial statements as of and for the fiscal year ended June 30, 2012. The EDA administers the issuance of industrial development revenue bonds and provides 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 EDA does not issue a separately prepared set of financial statements.

### ***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 \$382,991 to the Library in fiscal year 2012. Complete financial statements can be obtained from the office of the County Administrator of Goochland County.

- **Central Virginia Waste Authority**

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

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

The Counties of Goochland and Powhatan provide the financial support for the Board and appoint its governing board in which is vested the ability to execute contracts and to budget and expend funds. No one locality contributes more than 50% of the Board's funding or has oversight responsibility over its operations. The County, which has no equity interest in the Board, made operating contributions of \$252,730 to the Board in fiscal year 2012. Complete financial statements can be obtained from the Goochland-Powhatan Community Services Board.

### **B. Financial Reporting Model**

GAAP 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:

#### ***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 Service 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 and receivables 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 (e.g., through user charges or intergovernmental grants). Program revenues include: (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meet the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes and intergovernmental aid not restricted to specific purposes, are presented as general revenues.

### ***Fund Financial Statements***

The Fund financial statements organize and report the financial transactions and balances of the County on the basis of fund categories. Separate statements for each of the County's three fund categories — Governmental (i.e., General, Capital Project and Special Revenue funds), Proprietary (i.e., 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 enterprise combined) for the determination of governmental and proprietary major funds, which are reported in separate columns. The nonmajor special revenue funds are combined in a single column in the respective fund financial 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 GAAP, 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.

## 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 Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Special Revenue Funds are considered nonmajor funds for reporting purposes. These funds consist of the Drug Enforcement Fund and the Comprehensive Services Fund whose revenues are restricted for drug enforcement and health and welfare, respectively.
- *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 & Roads, and Performance Bond Escrow funds, utilize the accrual basis of accounting. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

### *Measurement Focus and Basis of Accounting*

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become susceptible to accrual - that is, in the fiscal year in which they become both measurable and available to finance expenditures of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, landfill and other postemployment benefits obligations, are recorded only when payment is due. This is the manner in which these funds are normally budgeted. Property taxes, sales taxes, grants, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. Property taxes are recognized as receivables and deferred revenue when billed and revenue is recognized as the taxes are collected. Property taxes not collected within 60 days after year-end, 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-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 and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Unbilled charges for water and wastewater services are recorded at year-end to the extent they can be estimated.

#### **D. 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 \$808,037 at June 30, 2012 is reported within each fund as follows:

General Fund	\$	805,010
James River Sanitary District		140
Tuckahoe Creek Service District		2,887

## F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

## G. 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 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 which provided for the Commonwealth to reimburse a portion of the tangible personal property tax levied based on a fixed relief amount. The fixed relief amount was capped at \$950,000,000 in total for all localities with the County's share capped at \$2,853,012, which the County received during the year ended June 30, 2012. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

## H. 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 Service 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, 2012, the County incurred Henrico water expenses of \$741,202, of which \$251,293, \$14,487, and \$475,422 was allocated to utilities, JRSD, and TCSD customers, respectively.



## I. 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 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 and amortization, in the government-wide financial statements. The County records the value of purchased 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 and amortization, 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 and amortization. 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 or amortization 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 are 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 amortization of approximately \$1,203,000, at June 30, 2012.

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, amortization, accumulated depreciation, and accumulated amortization in their fund-based statements.

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

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

Capital assets of the Enterprise Funds are depreciated and amortized as follows:

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

## J. Compensated Absences

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Total accumulated vacation leave is reported as an expense as incurred in the Statement of Activities and a long-term obligation in the Statement of Net 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.

## **K. 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.

## **L. Other Postemployment Benefits Plans**

Other postemployment benefits 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.

## **M. Fund Balance**

Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

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

The details of the fund balances are included below at Note 11. Restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the County Board of Supervisors. Decreases to fund balance first reduce Unassigned fund balance. In the event that Unassigned fund balance becomes zero, the Assigned or Committed fund balances are used in that order.

The County Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the General Fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of GAAP basis expenditures and other financing uses.

## N. Net Assets

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

***Invested in Capital Assets, Net of Related Debt*** – This consists of capital assets, net of accumulated depreciation and amortization, less the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

***Restricted*** – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. 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, generally it is the County’s policy to use restricted resources first, then unrestricted resources when they are needed.

***Unrestricted*** – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

## O. 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 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.

## P. 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. 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.

The County has the following types of interfund transactions:

**Loans** – amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds. Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance restriction which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

**Services provided and used** – sales and purchases of goods and services between funds for a price

approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statement of net assets.

**Reimbursements** – repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

#### **Q. Deferred and 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.

#### **R. Use of Estimates**

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

### **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 (the "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. Financial institutions may choose between two collateralization methodologies, and depending upon that choice, will pledge collateral that ranges from 50% to 130% of excess deposits. Accordingly, all deposits in banks and savings and loans are considered to be insured.

#### **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, bankers' 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

Credit risk is the risk that the County funds will not recover their investments due to the ability of the counterparty to fulfill its obligation. The County's rated debt investments as of June 30, 2012 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.

<b>County's Rated Values</b>		<b>Fair Quality Ratings</b>	
		<b>AAAm</b>	<b>AA-</b>
Local Government Investment Pool	\$ 9,222,926	\$ -	
State Non-Arbitrage Pool (SNAP)	8,522	-	
U.S. Treasury Fund	410,826	-	
U.S. Government Money Market Mutual Fund	264,496	-	
Repurchase Agreements – Underlying: U.S. Agency Securities	-	6,000,000	
<b>Total</b>	<b>\$ 9,906,770</b>	<b>\$ 6,000,000</b>	

### D. Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. The County's policy states that the County's cash equivalents maturities with the expected need of funds.

	<b>Fair Value</b>	<b>Less Than 1 year</b>	<b>Greater Than 10 years</b>
Cash equivalent type:			
Local Government Investment Pool	\$ 9,222,926	\$ 9,222,926	-
State Non-Arbitrage Pool	8,522	8,522	-
U.S. Treasury Fund	410,826	410,826	-
U.S. Government Money Market Mutual Fund	264,496	264,496	-
Repurchase agreements	6,000,000	-	6,000,000
<b>Total</b>	<b>\$ 15,906,770</b>	<b>\$ 9,906,770</b>	<b>\$ 6,000,000</b>

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

### E. Total Cash, Cash Equivalents and Investments

Following is a summary, as of June 30, 2012, of the Primary Government's cash, cash equivalents, and investments by asset type:

<b>Government-Wide Accounts</b>	<b>Balance June 30, 2012</b>
Cash and cash equivalents:	
Governmental Activities	\$ 24,798,018
Business-type Activities	6,754,834
Restricted investment – business-type activities	6,155,881
<b>Total cash, cash equivalents and investment</b>	<b>\$ 37,708,733</b>

<u>Asset Type</u>	
Petty cash	\$ 5,250
Deposit accounts	21,796,713
Investments:	
Local Government Investment Pool	9,222,926
State Non-Arbitrage Pool	8,522
U.S. Treasury Fund	410,826
U.S. Government Money Market Mutual Fund	264,496
Repurchase agreements	<u>6,000,000</u>
Total cash, cash equivalents and investment	<u>\$ 37,708,733</u>

### 3. Due to/from Other Governments

At June 30, 2012, the Primary Government and School Board Component Unit had as follows:

	<u>Governmental Funds</u>	<u>Component Unit School Board</u>	<u>Proprietary Funds</u>
Other local governments:			
County of Henrico	\$ -	\$ 70,140	\$ 49,735
Other local governments		4,216	
Commonwealth of Virginia:			
General Fund:			
Local sales tax	400,278	-	-
Welfare assistance	40,371	-	-
Consumption tax	15,986		
Consumer utility tax	69,123		
Rolling stock tax	5,044	-	-
Mobile home titling tax	440		
State sales tax	-	509,049	-
Constitutional officer reimbursements	127,869	-	-
Recordation tax	22,904	-	-
Miscellaneous state grants	3,275	180,000	-
Communications tax	152,388	-	-
Other Nonmajor Governmental Fund:			
Comprehensive Services Act	62,439	-	-
Federal Government:			
General Fund:			
School fund grants	-	338,846	-
Welfare assistance	67,905	-	-
	<u>\$ 968,022</u>	<u>\$ 1,102,251</u>	<u>\$ 49,735</u>

### 4. Due to/from Other Funds

Details of the Primary Government's interfund receivables and payables as of June 30, 2012 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 2,617,634	\$ -
Tuckahoe Creek Service District Fund	-	<u>2,617,634</u>
	<u>\$ 2,617,634</u>	<u>\$ 2,617,634</u>

The outstanding balances between funds result from timing differences wherein (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund balances have been recorded to cover fund cash deficits; however, it is expected that future revenue streams will enable repayment from the Tuckahoe Creek Service District Fund. In accordance with the approved agreement, \$325,000 will be repaid in the fiscal year ending June 30, 2013.

## 5. Due to Component Unit/Due from Primary Government

Details of the Primary Government's Due to Component Units as of June 30, 2012 are as follows:

	<b>Due from Primary Government</b>	<b>Due to Component Unit</b>
Governmental Activities – General Fund	\$ -	\$ 2,955,422
Economic Development Authority	2,955,422	-
	<u>\$ 2,955,422</u>	<u>\$ 2,955,422</u>

These due to/due from balances represent long-term contractual agreements between the County and the EDA (see note 8 for further discussion).

## 6. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2012.

<b>Primary Government - Governmental Activities</b>				
	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Deletions / Transfers</b>	<b>Balance June 30, 2012</b>
Capital assets not subject to depreciation and amortization:				
Construction in progress	\$ 536,714	\$ 393,844	\$ (775,653)	\$ 154,905
Land and land improvements	3,060,853	350,322	-	3,411,175
Total capital assets not subject to depreciation and amortization	<u>3,597,567</u>	<u>744,166</u>	<u>(775,653)</u>	<u>3,566,080</u>
Capital assets subject to depreciation and amortization:				
Buildings and improvements	15,753,409	260,124	-	16,013,533
Equipment	12,655,837	1,051,569	-	13,707,406
Buildings – jointly owned assets	29,030,690	-	(1,681,891)	27,348,799
Total capital assets subject to depreciation and amortization	<u>57,439,936</u>	<u>1,311,693</u>	<u>(1,681,891)</u>	<u>57,069,738</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	(4,424,481)	(405,309)	-	(4,829,790)
Equipment	(5,716,788)	(1,341,450)	-	(7,058,238)
Buildings – jointly owned assets	(8,343,575)	(669,773)	522,189	(8,491,159)
Total accumulated depreciation and amortization	<u>(18,484,844)</u>	<u>(2,416,532)</u>	<u>522,189</u>	<u>(20,379,187)</u>
Total capital assets subject to depreciation and amortization - net	<u>38,955,092</u>	<u>(1,104,839)</u>	<u>(1,159,702)</u>	<u>36,690,551</u>
Governmental activities capital assets - net	<u>\$ 42,552,659</u>	<u>\$ (360,673)</u>	<u>\$ (1,935,355)</u>	<u>\$ 40,256,631</u>

Legislation enacted during the fiscal year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on-behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the law, local governments have a "tenancy in common" with their school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permitted the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County for the year ended June 30, 2012 is that school related financed assets in the amount of \$18,857,640 (net of accumulated depreciation and amortization) are reported in the Primary Government as buildings - joint owned assets for financial reporting purposes.

**Component Unit – School Board**

	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Deletions / Transfers</b>	<b>Balance June 30, 2012</b>
Capital assets not subject to depreciation and amortization:				
Land and land improvements	\$ 459,907	\$ -	\$ -	\$ 459,907
Capital assets subject to depreciation and amortization:				
Vehicles and equipment	4,847,246	179,849	(233,023)	4,794,073
Buildings and improvements	28,501,953	1,681,891	-	30,183,844
Total capital assets subject to depreciation and amortization	33,349,199	1,861,740	(233,023)	34,977,917
Less accumulated depreciation and amortization for:				
Vehicles and equipment	(3,247,405)	(435,515)	227,437	(3,455,483)
Buildings and improvements	(8,191,613)	(1,179,762)	-	(9,371,375)
Total accumulated depreciation and amortization	(11,439,018)	(1,615,277)	227,437	(12,826,858)
Total capital assets subject to depreciation and amortization - net	21,910,181	246,463	(5,586)	22,151,059
School Board capital assets - net	<u>\$ 22,370,088</u>	<u>\$ 246,463</u>	<u>\$ (5,586)</u>	<u>\$ 22,610,966</u>

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

Governmental Activities:	
General government	\$ 234,230
Judicial administration	90,304
Public safety	1,130,797
Health and welfare	12,899
Education	685,875
Parks, recreation, and facilities management	253,954
Community development	8,473
	<u>\$ 2,416,532</u>

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

	<b>Expended to June 30, 2012</b>	<b>Committed at June 30, 2012</b>
Leake's Mill park	\$ 24,089	\$ 8,509
Narrow banding communications system	130,816	69,566
Total construction in progress	<u>\$ 154,905</u>	<u>\$ 78,075</u>



A summary of proprietary fund capital assets at June 30, 2012 follows.

<b>Primary Government – Business-type activities</b>				
	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Deletions / Transfers</b>	<b>Balance June 30, 2012</b>
<b>Utilities fund</b>				
Capital assets not subject to depreciation and amortization:				
Construction in progress	\$ 8,085	\$ -	\$ (8,085)	\$ -
Capital assets subject to depreciation and amortization:				
Water and sewer system	11,776,735	-	-	11,776,735
Capacity rights	3,295,196	-	-	3,295,196
Machinery and equipment	59,977	13,550	(18,818)	54,709
Total capital assets subject to depreciation and amortization	15,131,908	13,550	(18,818)	15,126,640
Less accumulated depreciation and amortization for:				
Water and sewer system	(2,733,345)	(244,031)	-	(2,977,376)
Capacity rights	(307,465)	(82,379)	-	(389,844)
Machinery and equipment	(59,977)	-	18,818	(41,159)
Total accumulated depreciation and amortization	(3,100,787)	(326,410)	18,818	(3,408,379)
Total capital assets subject to depreciation and amortization - net	12,031,121	(312,860)	-	11,718,261
Utilities fund capital assets - net	\$ 12,039,206	\$ (312,860)	\$ (8,085)	\$ 11,718,261
<b>James River Sanitary District fund</b>				
Capital assets subject to depreciation and amortization:				
Water and sewer system	\$ 366,236	\$ -	\$ -	\$ 366,236
Less accumulated depreciation and amortization for:				
Water and sewer system	(80,572)	(7,325)	-	(87,897)
Total capital assets subject to depreciation and amortization - net	285,664	(7,325)	-	278,339
James River Sanitary District fund capital assets - net	\$ 285,664	\$ (7,325)	\$ -	\$ 278,339

**Primary Government – Business-type activities**

	<b>Balance July 1, 2011</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2012</b>
<b>Tuckahoe Creek Service District fund</b>				
Capital assets not subject to depreciation or amortization:				
Construction in progress	\$ 3,189,204	\$ 55,471	\$ (3,244,675)	\$ -
Land and land improvements	2,874,584	-	-	2,874,584
Total capital assets not subject to depreciation or amortization	6,063,788	55,471	(3,244,675)	2,874,584
Capital assets subject to depreciation and amortization:				
Water and sewer system	61,245,654	6,293,618	-	67,539,272
Capacity rights	34,689,920	-	-	34,689,920
Machinery and equipment	36,369	-	-	36,369
Total capital assets subject to depreciation and amortization	95,971,943	6,293,618	-	102,265,561
Less accumulated depreciation and amortization for:				
Water and sewer system	(6,425,650)	(1,352,932)	-	(7,778,582)
Capacity rights	(4,069,990)	(867,248)	-	(4,937,238)
Machinery and equipment	(29,366)	(4,002)	-	(33,368)
Total accumulated depreciation and amortization	(10,525,006)	(2,224,182)	-	(12,749,188)
Total capital assets subject to depreciation and amortization - net	85,446,937	4,069,436	-	89,516,373
Tuckahoe Creek Service District fund capital assets - net	\$ 91,510,725	\$ 4,124,907	\$ (3,244,675)	\$ 92,390,957
Total Primary Government – Business-type activities	\$ 103,835,595	\$ 3,804,722	\$ (3,252,760)	\$ 104,387,557

**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 transfers from the Capital Projects Fund to the General Fund represent reimbursement from bond escrow proceeds for expenditures incurred in the General Fund. 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, 2012, the General Fund received a transfer of \$26,617 from the Capital Projects Fund while transferring out \$670,000, \$564,690, \$454,067, and \$12,000 to the Capital Projects Fund, Other Nonmajor Governmental Funds, Utilities Fund and the James River Sanitary District Fund, respectively. The transfers from the General Fund to the Utilities Fund and James River Sanitary District Fund were made to support capital activities.

## 8. Long-Term Obligations

### A. Primary Government

The following is a summary of long-term obligations for the year ended June 30, 2012.

	Amounts Payable at July 1, 2011	Increases	Decreases	Amounts Payable at June 30, 2012	Amounts Due Within One Year
Governmental activities obligations:					
Incurred for County:					
Compensated absences payable	\$ 731,549	\$ 508,290	\$ (510,984)	\$ 728,855	\$ 72,886
Capital lease obligations	1,846,977	462,951	(1,046,624)	1,263,304	1,048,818
Other postemployment benefits	371,593	214,451	(74,405)	511,639	-
Landfill postclosure care	1,944,928	21,639	(43,288)	1,923,279	20,000
Total incurred by County	<u>4,895,047</u>	<u>1,207,331</u>	<u>(1,675,301)</u>	<u>4,427,077</u>	<u>1,141,704</u>
Incurred for School Board:					
General obligation bonds	20,460,000	-	(1,875,000)	18,585,000	1,875,000
Add deferred amounts issuance premiums	292,115	-	(19,475)	272,640	19,475
Total incurred for School Board	<u>20,752,115</u>	<u>-</u>	<u>(1,894,475)</u>	<u>18,857,640</u>	<u>1,894,475</u>
Total Governmental activities obligations	<u>25,647,162</u>	<u>1,207,331</u>	<u>(3,569,776)</u>	<u>23,284,717</u>	<u>3,036,179</u>
Business-type activities:					
Compensated absences payable	23,979	24,846	(34,458)	14,367	1,437
Revenue bonds	66,492,167	-	(1,155,000)	65,337,167	1,023,291
Less deferred amounts on refunding	(253,333)	-	13,333	(240,000)	(13,333)
Accreted interest – revenue bonds	15,683,222	2,243,616	-	17,926,838	-
Capacity rights obligations	20,222,224	-	(591,857)	19,630,367	400,000
Contractual agreement payable	-	1,786,967	(24,707)	1,762,260	59,566
Total Enterprises funds obligations	<u>102,168,259</u>	<u>4,055,429</u>	<u>(1,792,689)</u>	<u>104,430,999</u>	<u>1,470,961</u>
Total Primary Government	<u>\$ 127,815,421</u>	<u>\$ 5,262,760</u>	<u>\$ (5,362,465)</u>	<u>\$ 127,715,716</u>	<u>\$ 4,507,140</u>

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

	<b>General Government Obligations</b>			
	<b>Capital Leases</b>		<b>General Obligation School Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
Year ending June 30:				
2013	\$ 1,048,818	\$ 31,075	\$ 1,875,000	\$ 878,610
2014	114,753	7,413	1,940,000	785,971
2015	99,733	3,102	1,680,000	697,842
2016	-	-	1,740,000	612,770
2017	-	-	1,795,000	522,627
2018-2022	-	-	6,880,000	1,290,952
2023-2027	-	-	2,675,000	319,663
<b>Total</b>	<b>\$ 1,263,304</b>	<b>\$ 41,590</b>	<b>\$ 18,585,000</b>	<b>\$ 5,108,435</b>

	<b>Enterprise Obligations</b>			
	<b>Water and Sewer Revenue Bonds</b>		<b>Capacity Rights Obligation</b>	<b>Contractual Agreement</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Principal</b>
Year ending June 30:				
2013	\$ 1,023,291	\$ 2,274,794	\$ 400,000	\$ 59,742
2014	1,134,765	2,403,895	400,000	59,742
2015	1,256,289	2,552,717	500,000	59,742
2016	1,365,007	2,733,908	500,000	59,742
2017	1,472,128	2,941,365	600,000	59,742
2018-2022	8,992,701	19,160,851	3,600,000	293,710
2023-2027	8,803,201	24,151,998	4,750,000	293,710
2028-2032	8,849,785	35,448,193	5,000,000	293,710
2033-2037	32,440,000	3,340,500	3,880,367	293,710
2038-2042	-	-	-	293,710
<b>Total</b>	<b>\$ 65,337,167</b>	<b>\$ 95,008,221</b>	<b>\$ 19,630,367</b>	<b>\$ 1,762,260</b>

**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 semi-annual installments of \$265,657 through April 5, 2013 at an interest rate of 2.24%	\$ 522,520
\$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 of 3.45%	413,679
\$69,856 capital lease obligation issued June 23, 2010, secured by equipment, due in annual installments of \$19,333, through July 15, 2013 at an interest rate of 7.23%	34,843
\$393,095 capital lease obligation issued June 1, 2012, secured by equipment, due in annual installments of \$102,833, through June 1, 2015 at an interest rate of 3.11%	<u>292,262</u>

Total capital lease obligations	1,263,304
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Compensated absences	728,855
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Other postemployment benefits obligations	511,639
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Landfill postclosure care liability	<u>1,923,279</u>
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Total County obligations	<u>\$ 4,427,077</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%.	\$ 8,045,000
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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%.	605,000
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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%.	9,935,000
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Deferred amounts of issuance premiums	<u>272,640</u>
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Total incurred for School Board	<u>\$ 18,857,640</u>
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**Long-term obligations – Business-type activities**

## Enterprise obligations:

\$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%.	\$ 3,115,000
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\$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%.	2,245,000
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\$62,747,167 Virginia Resources Authority, issued July 31, 2002, maturing annually through November 1, 2035, interest payable at rates ranging from 4.14% to 5.59%.	59,977,167
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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.	17,926,838
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\$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.	19,630,367
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\$1,786,967 Contractual agreement with the City of Richmond related to Goochland's share of Nutrient Reduction Program infrastructure completed during fiscal year 2012, payable at 0% interest over thirty years, through treatment rates paid by the County, which will commence during fiscal year 2013.	1,762,260
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Less deferred amounts on refunding	(240,000)
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Compensated absences	<u>14,367</u>
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Total Enterprise obligations	<u>\$ 104,430,999</u>
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Total long-term obligations – Primary Government	<u>\$ 127,715,716</u>
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## Capital Leases

The County has lease agreements for financing the acquisition of the following: fire trucks, emergency response equipment, Computer Aided Dispatch and Mobile Data Terminal systems, and a backhoe. 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:

	<b>Governmental Activities</b>
Asset:	
Fire trucks	\$ 2,188,165
Emergency response equipment	2,952,848
Backhoe/Loader	69,856
Mobile data terminals	393,095
Less accumulated depreciation	<u>(2,260,942)</u>
Net book value of assets acquired under capital leasing arrangements	<u>\$ 3,343,022</u>
	<b>Governmental Activities</b>
Year ending June 30:	
2013	\$ 1,079,893
2014	122,166
2015	<u>102,835</u>
Total minimum lease payments	1,304,894
Less amount representing interest	<u>(41,590)</u>
Present value of minimum lease payments	<u>\$ 1,263,304</u>

## Contractual Agreement (EDA)

	<b>Amounts Payable at July 1, 2011</b>	<b>Increases</b>	<b>Decreases</b>	<b>Amounts Payable at June 30, 2012</b>	<b>Amounts Due Within One Year</b>
Governmental activities obligations:					
Incurred by County:					
Due to component unit	<u>\$ 2,870,604</u>	\$ 250,000	\$ (165,182)	\$ 2,955,422	<u>\$ 180,000</u>

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 represents the original contractual amount less payments made through June 30, 2012. \$ 2,705,422

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

Total due to component unit \$ 2,955,422

## B. Component Unit – School Board

	Amounts Payable at July 1, 2011	Increases	Decreases	Amounts Payable at June 30, 2012	Amounts Due Within One Year
Component Unit – School Board:					
Capital lease	\$ 105,404	\$ -	\$ (32,150)	\$ 73,254	\$ 36,160
Other postemployment benefits obligations	564,169	240,165	(83,371)	720,963	89,136
Compensated absences	363,902	199,776	(215,483)	348,195	204,607
Subtotal	1,033,475	439,941	(331,004)	1,142,412	329,903
Deferred compensation liability	236,359	3,625	(137,678)	102,306	59,757
Total Component Unit – School Board	\$ 1,269,834	\$ 443,566	\$ (468,682)	\$ 1,244,718	\$ 389,660

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. The School Board did not make a contribution during the year ended June 30, 2012. For the year ended June 30, 2012, the amount of benefits paid to participants was \$137,678. The deferred compensation liability meets the requirements for inclusion as a liability of the School Board's Operating Fund.

### Capital Lease

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

The assets acquired through the capital lease are as follows:

Asset:		
Copiers		\$ 159,404
Less accumulated depreciation		(95,642)
		<u>\$ 63,762</u>
Year ending June 30:		
2013		\$ 42,896
2014		39,321
<b>Total minimum lease payments</b>		<u>82,217</u>
Less amount representing interest		<u>(8,963)</u>
<b>Present value of minimum lease payments</b>		<u>\$ 73,254</u>

## **9. Deferred and Unearned Revenues**

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 totaling \$13,644,699 (governmental funds \$12,126,318 and proprietary funds \$1,518,381) is comprised of the following:

### **A. Deferred Property Tax Revenue**

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$11,925,640 for governmental funds at June 30, 2012. Deferred revenue in the proprietary funds totaled \$1,483,522 at June 30, 2012 and was comprised of assessed but uncollected property taxes not intended to fund current period expenses.

### **B. Prepaid Property Taxes**

Property taxes due subsequent to June 30, 2012 but paid in advance by the taxpayers totaled \$200,678 in the general fund and \$34,859 in the proprietary funds at June 30, 2012.

## **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-I 33, *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. Fund Balance

### General Fund

The General Fund has Unassigned fund balance of \$16,884,189 at June 30, 2012. Noncurrent notes receivable of \$2,825,340 related to Fire and Rescue and the Tuckahoe Creek Service District (\$207,706 and \$2,617,634, respectively) and prepaid expenses of \$161,647 are considered Nonspendable fund balances. The General Fund has Restricted funds of \$111,334. This amount consists of revenue maximization funds of \$52,272, restricted by the State of Virginia, to be used by the Department of Social Services, and courthouse maintenance funds of \$59,062, restricted by Goochland County Code §1-7.1, to be used at the discretion of the Board of Supervisors for the construction, renovation, or maintenance of the courthouse or jail and court-related facilities and to defray increases in the cost of heating, cooling, electricity, and ordinary maintenance. Assigned funds of \$2,358,443, designated by a Resolution of the Board of Supervisors, are to be used to supplement the fiscal year 2013 net budget shortfall, provided for by the fiscal year 2012 net budget overage. The General Fund has a Committed fund balance designated by a Resolution of the Board of Supervisors for the following specific purposes:

Schools retiree healthcare liability	\$	120,000
County retiree healthcare liability		90,000
Schools future years' VRS cost increases		850,000
Facility improvements and Chapel Hill Road clean-up		71,000
Park development		300,000
Information systems and emergency communications		166,000
Replacement vehicles for Sheriff		100,000
Community development		75,000
Economic development and planning – Courthouse Village Plan and other		480,000
Courthouse security		206,375
Fire and rescue		170,000
Utilities Master Plan		400,000
Utilities maintenance projects		500,000
Tuckahoe Creek Service District future debt service		300,000
Social Services		85,885
		<hr/>
Total Committed Fund Balance	\$	<u>3,914,260</u>

### Other Major Funds

The Capital Projects Fund has an Assigned fund balance of \$2,488,471 resulting from accumulated and unspent General Fund transfers authorized by the Board of Supervisors in prior years. These funds are to be used for future capital projects until the Board of Supervisors resolves otherwise.

### Other Nonmajor Governmental Funds

The Drug Enforcement Fund has a Restricted fund balance of \$125,664, consisting of asset forfeiture proceeds. The Assigned fund balance of \$505 relates exclusively to the Comprehensive Services Fund and is the result of accumulated unspent General Fund transfers authorized by the Board of Supervisors in prior years that are to be used for the purpose of health and welfare until the Board of Supervisors resolves otherwise. The Comprehensive Services Fund also has a \$506 nonspendable fund balance related to prepaid expenses at the end of the year. This is the cause of the (\$506) unassigned fund balance.

## 12. Litigation

At June 30, 2012, 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.

## 13. 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 Operating 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 is fully self-insured for unemployment claims. The VEC bills the entities for all unemployment claims. No liability has been recorded for estimated unreported claims as the amount of estimated unreported claims is not deemed significant based on historical trends. The School Board is fully insured by the Virginia Employment Commission (VEC) and pays premiums based on total payroll.

### C. Property and Casualty Insurance

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

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

## 14. Defined Benefit Pension Plan

### Reporting Entity

#### A. Plan Description

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

The County and School Board contribute to the Virginia Retirement System (VRS), an agent and cost sharing multiple-employer defined benefit pension plan. All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each

month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave, and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as at age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least five years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP), or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP, or Advance Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

## **B. Funding Policy**

### **Primary Government**

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be 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 2012 was 15.35% of annual covered payroll (including the employee's 5.00% which is paid by the County).

## 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 5.00% of their compensation toward their retirement. All or part of the 5.00% 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 *Code of Virginia* and approved by the VRS Board of Trustees. The School Board's nonprofessional employee's contribution rate for the fiscal year ended 2012 was 12.59% of annual covered payroll (including the 5.00% employee share paid by the School Board).

The School Board's contributions to the VRS cost-sharing multiple-employer plan pool for professional employees were \$1,370,420, \$1,137,613, and \$1,657,528 for the fiscal years ended June 30, 2012, 2011, and 2010, respectively. The School Board employer's and employee's (paid by the School Board) rate for professional employees was 11.33%, 13.93%, and 13.81% of annual covered payroll for fiscal years 2012, 2011, and 2010 respectively. Actual contributions equaled the required contributions.

### C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$747,374 (which did not include the portion of the employee share assumed by the County of \$361,050) was equal to the County's annual required contribution.

For fiscal year 2012, the School Board's annual pension cost for the nonprofessional employees was \$59,307 (which did not include the portion of the employee share assumed by the School Board of \$39,070) and was equal to the Board's annual required contribution.

	<b>Primary Government County Retirement Plan</b>	<b>Discretely Presented Component Unit School Board Nonprofessional Retirement Plan</b>
Contribution rates for the year ended June 30, 2012 (determined by the June 30, 2009 actuarial valuation):		
Employer	10.35%	7.59%
Plan members (1)	5.00%	5.00%
Actuarial assumptions:		
Actuarial valuation date	June 30, 2011	June 30, 2011
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	30 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market
Investment rate of return (2)	7.00%	7.00%
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%.

	<b>Annual Pension Cost (APC) (1)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
Fiscal year ended:			
County:			
June 30, 2012	\$ 747,374	100%	\$ -
June 30, 2011	765,710	100%	-
June 30, 2010	741,485	100%	-
School Board:			
Non-Professional:			
June 30, 2012	\$ 59,307	100%	\$ -
June 30, 2011	66,244	100%	-
June 30, 2010	68,873	100%	-

(1) Employer portion only

#### **D. Funded Status and Funding Progress**

##### **County**

As of June 30, 2011, the most recent actuarial valuation date, the plan was 77.15% funded. The actuarial accrued liability for benefits was \$23,721,356 and the actuarial value of assets was \$18,300,976, resulting in an unfunded actuarial liability (UAAL) of \$5,420,380. The covered payroll (annual payroll of active employees covered by the plan) was \$7,492,320 and the ratio of the UAAL to covered payroll was 72.35%.

##### **School Board (Nonprofessional Employees)**

As of June 30, 2011, the most recent actuarial valuation date, the plan was 84.56% funded. The actuarial accrued liability for benefits was \$3,298,570 and the actuarial value of assets was \$2,789,202, resulting in an unfunded actuarial liability (UAAL) of \$509,368. The covered payroll was \$829,744 and the ratio of the UAAL to covered payroll was 61.39%.

The schedule of pension funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued 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. 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 retired directly from the County prior to July 1, 2011, have 15 years of VRS creditable service, and are eligible to receive an early or regular retirement benefit from the County. Full-time employees who retire directly from the County on or after July 1, 2011, may retire under VRS with an unreduced pension benefit and access to the County's continuous medical insurance coverage if they have: 1) reached age 50 with at least 30 years of VRS service credit and at least 10 years of consecutive service with the County or 2) reached age 65 with at least five years of consecutive service with the County. Full-time employees who retire directly from the County on or after July 1, 2011, may also retire early under VRS with a reduced pension benefit and access to the County's continuous medical insurance coverage only if they have 1) reached age 50 with at least 10 years of consecutive service with the County or 2) reached age 55 with at least five years of consecutive service with the County. County public safety employees under LEOS/SPORS may also retire under VRS with an unreduced pension benefit under the following requirements: 1) age 50 with at least 25 years of VRS service credit and at least 10 years of consecutive service with the County, or 2) age 65 with at least five years of consecutive service with the County. Employees hired on or after July 1, 2011, do not have access to retiree group health coverage with the County.

Retirees receive a stipend from the County for their healthcare premiums based on years of service in excess of 15 years. Retirees are responsible for their healthcare premiums, less any stipends. Dental insurance also continues after retirement at the retiree rate. Surviving spouses of retirees may elect to remain in the deceased member's health insurance plan for up to 36 months after the death of the member paying the same rate as the retiree, but without the County's contribution. Twenty-one retirees and 164 active members participated in the plan as of June 30, 2010, 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 (except indirectly through the VRS Retiree Health Insurance Credit Program as described in Note 16 below). 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. Twenty-three retirees and 340 active employees participated in the plan as of June 30, 2010, the effective date of the biennial OPEB valuation. There have been no other significant changes in the number covered or the type of coverage since that date.

## **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.

*Annual OPEB Cost and Net OPEB Obligation.* The County's and School Board's other postemployment benefit (OPEB) costs (expenses) are calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities for funding purposes over a period not to exceed thirty years. For fiscal years 2012 and 2011, the County's annual pension cost (\$214,354 and \$203,289) equaled its ARC and the School Board's annual pension cost (\$240,019 and \$227,293) 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

	<b>Primary Government</b>	<b>Component Unit School Board</b>
ARC Normal Cost	\$ 214,354	\$ 240,019
Amortization	-	-
Annual required contribution	214,354	240,019
Interest on the Net OPEB Obligation (NOO)	97	146
Adjustment to ARC	-	-
Annual OPEB cost (AOC)	214,451	240,165
Contribution for fiscal year ended June 30, 2012	(74,405)	(83,371)
Increase in net OPEB obligation	140,046	156,794
Net OPEB obligation – beginning of fiscal year	371,593	564,794
Net OPEB obligation – end of fiscal year	\$ 511,639	\$ 720,963
Percentage of AOC contributed	34.70%	34.71%
Actuarial value of assets	\$ -	\$ -
Actuarial accrued liability	1,822,305	2,151,339
Unfunded actuarial liability (UAAL)	\$ 1,822,305	\$ 2,151,339
Funded ratio	- %	- %
Annual covered payroll	7,344,338	15,537,314
UAAL as a percentage of covered payroll	24.8%	13.8%
Valuation as of 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 June 30, 2010, 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 mark funds), was considered in the selection of the 4% rate. The valuation assumes a 9% and 8.5% healthcare cost trend increase for fiscal year 2011 and 2012, respectively, reduced by decrements of 0.5% to a rate of 5.5% after 6 years.

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

**16. Other Postemployment Benefits – Health Insurance Credit Program – Schools**

The School Board participates in the VRS Retiree Health Insurance Credit Program which is an agent, multiple-employer plan. It provides eligible retirees a tax-free reimbursement for health insurance premiums for single coverage under qualifying health plans, including coverage under a spouse's plan, not to exceed the amount of the monthly premium or the maximum credit, whichever is less. Premiums for health plans covering specific conditions are ineligible for reimbursement. Employers of teachers and other School Board professional employees are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute to the program. The amount is financed based on employer contribution rates determined by the System's actuary. Goochland County School Board contributed 0.6% of eligible covered payroll in 2012 to this program for a total of \$76,416.

**17. 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 2010, whichever is less. In calendar year 2012, 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 Section 457, which were enacted into law in August 1996 and their subsequent adoption by the County, 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.

**18. 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 June 30, 2012 represents the estimated liability for postclosure monitoring (\$1,923,279) over a remaining period of twenty years. This amount includes the County's liability of \$1,000,000 for corrective action. These amounts are based on what it would cost to perform all postclosure care in 2012. 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 pay these costs from accumulated funds and tax revenue.

**19. Change in Accounting**

Prior to the fiscal year ended June 30, 2012, the County and the School Board did not record prepaid expenses related to employee health and liability insurance. The beginning fund balance of the School Board Operating Fund was restated and increased to reflect \$264,472 in prior year prepaid employee health and liability insurance premiums that were not recorded on the financial statements as of and for the year ended June 30, 2011. Contributions from the County to the School Board have been reduced in the current year for a similar amount in order to bring the School Board ending fund balance back down to a level desired by the Board of Supervisors.

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*County of Goochland, Virginia*  
*Required Supplementary Information*  
*Year Ended June 30, 2012*

Required Supplementary Information

General Fund

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

Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>				
General property taxes	\$ 27,939,158	\$ 28,344,158	\$ 29,123,912	\$ 779,754
Other local taxes	4,725,000	4,725,000	5,252,355	527,355
Permits, privilege fees and regulatory licenses	276,200	276,200	764,566	488,366
Fines and forfeitures	75,000	75,000	182,360	107,360
Revenue from use of money and property	50,000	91,925	217,881	125,956
Charges for services	211,350	219,666	266,450	46,784
Miscellaneous	70,000	59,500	248,201	188,701
Recovered costs	91,500	117,000	144,144	27,144
Intergovernmental revenues:				
Commonwealth	5,027,137	5,052,876	5,048,675	(4,201)
Federal	878,348	1,006,560	943,199	(63,361)
Total revenues	39,343,693	39,967,885	42,191,743	2,223,858
<b>Expenditures</b>				
Current:				
General government administration	3,269,611	3,448,521	3,537,551	(89,030)
Judicial administration	1,489,273	1,502,793	1,391,446	111,347
Public safety	6,432,183	6,882,723	6,181,292	701,431
Public works	871,632	1,271,632	839,369	432,263
Health and welfare	2,698,706	3,136,758	2,798,948	337,810
Education	17,226,626	17,226,626	15,860,009	1,366,617
Parks, recreation, and facilities management	1,772,049	1,894,564	1,813,179	81,385
Community development	1,244,267	1,303,770	1,105,405	198,365
Debt service:				
Principal retirement	2,905,778	2,905,778	2,888,657	17,121
Interest and other fiscal charges	1,024,305	1,024,305	1,019,155	5,150
Total expenditures	38,934,430	40,597,470	37,435,011	3,162,459
<b>Excess (deficiency) of revenues over (under) expenditures</b>	409,263	(629,585)	4,756,732	5,386,317
<b>Other financing sources (uses)</b>				
Transfers in	4,058,132	4,058,132	26,617	(4,031,515)
Transfers out	(5,816,847)	(6,028,847)	(1,700,757)	4,328,090
Total other financing sources (uses), net	(1,758,715)	(1,970,715)	(1,674,140)	296,575
<b>Net change in fund balances</b>	(1,349,452)	(2,600,300)	3,082,592	5,682,892
<b>Fund balances - beginning of year</b>	1,349,452	2,600,300	23,172,621	20,572,321
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ 26,255,213	\$ 26,255,213

*County of Goochland, Virginia*

*Notes to Required Supplementary Information*

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**June 30, 2012**

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The following procedures are used by the County in establishing the budgetary data reflected in the required supplementary information:

1. On or before March 30<sup>th</sup>, 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 Appropriations 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 Funds, 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.

**Required Supplementary Information  
Schedule of Pension and Other Postemployment Benefits Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) - (2)	Funded Ratio Assets as % of AAL (2) / (3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

**PRIMARY GOVERNMENT**

**County Retirement Plan**

6/30/2011	\$ 18,300,976	\$ 23,721,356	\$ 5,420,380	77.15%	\$ 7,492,320	72.35%
6/30/2010	17,471,746	21,965,553	4,493,807	79.54%	7,918,415	56.75%
6/30/2009	16,605,376	19,622,568	3,017,192	84.62%	7,509,152	40.18%

**County Other Postemployment Benefits**

6/30/2010	\$ -	\$ 1,822,305	\$ 1,822,305	- %	\$ 7,344,338	24.81%
6/30/2009	-	1,677,631	1,677,631	- %	7,052,650	23.79%
6/30/2008	-	1,566,439	1,566,439	- %	6,740,536	23.24%

**DISCRETELY PRESENTED COMPONENT UNIT**

**School Board Non-Professional Retirement Plan**

6/30/2011	\$ 2,789,202	\$ 3,298,570	\$ 509,368	84.56%	\$ 829,744	61.39%
6/30/2010	2,676,682	3,138,601	461,919	85.28%	878,651	52.57%
6/30/2009	2,622,436	2,865,277	242,841	91.52%	892,254	27.22%

**School Board Other Postemployment Benefits**

6/30/2010	\$ -	\$ 2,151,339	\$ 2,151,339	- %	\$ 15,537,314	13.85%
6/30/2009	-	2,107,705	2,107,705	- %	15,485,871	13.61%
6/30/2008	-	1,915,900	1,915,900	- %	13,430,777	14.26%

*County of Goochland, Virginia*  
*Other Supplementary Information*  
*Year Ended June 30, 2012*

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

**Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>				
Revenue from use of money and property	\$ -	\$ -	\$ 68	\$ 68
Miscellaneous	136,385	520,282	307,272	(213,010)
Commonwealth	-	-	146,542	146,542
Total revenues	136,385	520,282	453,882	(66,400)
<b>Expenditures</b>				
Capital projects	566,385	1,471,760	1,025,164	446,596
<b>Deficiency of revenues under expenditures</b>	(430,000)	(951,478)	(571,282)	380,196
<b>Other financing sources (uses)</b>				
Transfers in	430,000	951,478	670,000	(281,478)
Transfers out	-	-	(26,617)	(26,617)
Proceeds from indebtedness - capital lease	-	-	462,951	462,951
Total other financing sources (uses), net	430,000	951,478	1,106,334	154,856
<b>Net change in fund balances</b>	-	-	535,052	535,052
<b>Fund balance - beginning of year</b>	-	-	1,953,419	1,953,419
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ 2,488,471	\$ 2,488,471

Other Nonmajor Governmental Funds

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

Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>				
Revenue from use of money and property	\$ -	\$ -	\$ 33	\$ 33
Charges for services	-	35,000	47,247	12,247
Intergovernmental revenues -				
Commonwealth	255,352	501,937	395,139	(106,798)
Total revenues	255,352	536,937	442,419	(94,518)
<b>Expenditures</b>				
Current:				
Public safety	-	-	4,191	(4,191)
Health and welfare	750,000	1,071,585	1,076,148	(4,563)
Total expenditures	750,000	1,071,585	1,080,339	(8,754)
<b>Deficiency of revenues under expenditures</b>	(494,648)	(534,648)	(637,920)	(103,272)
<b>Other financing sources</b>				
Transfers in	494,648	534,648	564,690	30,042
<b>Net change in fund balances</b>	-	-	(73,230)	(73,230)
<b>Fund balance - beginning of year</b>	-	-	199,399	199,399
<b>Fund balance - end of year</b>	\$ -	\$ -	\$ 126,169	\$ 126,169

*County of Goochland, Virginia*  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**

*Exhibit 15*

**June 30, 2012**

	Agency Funds			Total
	Special Welfare	Towers & Roads	Performance Bonds	
<b>Assets</b>				
Cash and cash equivalents	\$ 13,240	\$ 146,000	\$ 285,518	\$ 444,758
<b>Liabilities</b>				
Amounts held for social services clients	\$ 3,025	\$ -	\$ -	\$ 3,025
Due to County of Goochland, Virginia	10,215	-	-	10,215
Performance bonds payable	-	146,000	285,518	431,518
	<u>\$ 13,240</u>	<u>\$ 146,000</u>	<u>\$ 285,518</u>	<u>\$ 444,758</u>



*County of Goochland, Virginia*  
**Statement of Changes in Fiduciary Net Assets**  
**Agency Funds**

**Exhibit 16**

**Year Ended June 30, 2012**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special Welfare Fund</b>				
Assets:				
Cash and cash equivalents	\$ 15,474	\$ 47,988	\$ (50,222)	\$ 13,240
Due from other governmental units	1,213	-	(1,213)	-
Total assets	\$ 16,687	\$ 47,988	\$ (51,435)	\$ 13,240
Liabilities:				
Due to County of Goochland, VA	\$ -	\$ 10,215	\$ -	\$ 10,215
Amounts held for social services clients	16,687	37,773	(51,435)	3,025
Total liabilities	\$ 16,687	\$ 47,988	\$ (51,435)	\$ 13,240
<b>Towers &amp; Roads</b>				
Assets:				
Cash and cash equivalents	\$ 136,000	\$ 10,000	\$ -	\$ 146,000
Liabilities:				
Performance bonds payable	\$ 136,000	\$ 10,000	\$ -	\$ 146,000
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 136,556	\$ 200,840	\$ (51,878)	\$ 285,518
Liabilities:				
Performance bonds payable	\$ 136,556	\$ 200,840	\$ (51,878)	\$ 285,518
<b>Total - All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 288,030	\$ 258,828	\$ (102,100)	\$ 444,758
Due from other governmental units	1,213	-	(1,213)	-
Total assets	\$ 289,243	\$ 258,828	\$ (103,313)	\$ 444,758
Liabilities:				
Due to County of Goochland, VA	\$ -	\$ 10,215	\$ -	\$ 10,215
Amounts held for social services clients	16,687	37,773	(51,435)	3,025
Performance bonds payable	272,556	210,840	(51,878)	431,518
Total liabilities	\$ 289,243	\$ 258,828	\$ (103,313)	\$ 444,758

**Combining Balance Sheet  
Discretely Presented Component Unit - School Board**

**June 30, 2012**

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 1,044,277	\$ 162,170	\$ 1,206,447
Accounts receivable	1,917	-	1,917
Prepaid expenses	266,327	-	266,327
Due from other governmental units	1,100,629	1,622	1,102,251
Inventories	-	33,278	33,278
Restricted assets			
Investments	98,540	-	98,540
<b>Total assets</b>	<b>\$ 2,511,690</b>	<b>\$ 197,070</b>	<b>\$ 2,708,760</b>
<b>Liabilities and Fund Balances</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 194,672	\$ 28	\$ 194,700
Accrued liabilities	2,186,034	60,842	2,246,876
<b>Long-term liabilities payable from restricted assets</b>			
Due within one year	59,757	-	59,757
Due in more than one year	42,549	-	42,549
<b>Total liabilities</b>	<b>2,483,012</b>	<b>60,870</b>	<b>2,543,882</b>
<b>Fund balances</b>			
Nonspendable			
Prepaid expenses	266,327	-	266,327
Inventories	-	33,278	33,278
Assigned	-	102,922	102,922
Unassigned	(237,649)	-	(237,649)
<b>Total fund balances</b>	<b>28,678</b>	<b>136,200</b>	<b>164,878</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,511,690</b>	<b>\$ 197,070</b>	<b>\$ 2,708,760</b>

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

Total fund balances per above	\$ 164,878
<b>Amounts reported for governmental activities in the Statement of Net Assets (Exhibit 1) are different because:</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	35,437,824
Less - accumulated depreciation and amortization	(12,826,858)
	<u>22,610,966</u>
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the funds:	
Capital lease	(73,254)
Compensated absences	(348,195)
Other postemployment benefits	(720,963)
	<u>(1,142,412)</u>
Net assets of governmental activities	<u>\$ 21,633,432</u>

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

**Year Ended June 30, 2012**

	School Operating Fund	School Cafeteria Fund	Total Component Unit
<b>Revenues</b>			
Revenue from use of money and property	\$ 55,271	\$ 12	\$ 55,283
Charges for services	17,007	555,722	572,729
Miscellaneous	88,881	-	88,881
Intergovernmental revenues:			
Contributions from (repayments to) County of Goochland, VA	15,866,886	(6,877)	15,860,009
Commonwealth	5,661,495	10,154	5,671,649
Federal	1,737,868	376,937	2,114,805
<b>Total revenues</b>	<b>23,427,408</b>	<b>935,948</b>	<b>24,363,356</b>
<b>Expenditures</b>			
Current			
Education	23,639,168	971,970	24,611,138
Debt service:			
Principal retirement	32,150	-	32,150
Interest and other fiscal charges	10,746	-	10,746
<b>Total expenditures</b>	<b>23,682,064</b>	<b>971,970</b>	<b>24,654,034</b>
<b>Deficiency of revenues under expenditures</b>	<b>(254,656)</b>	<b>(36,022)</b>	<b>(290,678)</b>
<b>Net change in fund balances</b>	<b>(254,656)</b>	<b>(36,022)</b>	<b>(290,678)</b>
<b>Fund balances - beginning - as restated</b>	<b>283,334</b>	<b>172,222</b>	<b>455,556</b>
<b>Fund balances - ending</b>	<b>\$ 28,678</b>	<b>\$ 136,200</b>	<b>\$ 164,878</b>
<b>Net change in fund balances - total governmental funds - per above</b>			<b>\$ (290,678)</b>
<b>Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because</b>			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation, amortization, and transfers of joint tenancy assets exceeded capital outlays in the current period.			
Capital outlay			179,849
Depreciation and amortization expense			(1,093,089)
Remaining book value of assets disposed during the year			(5,585)
Transfer of depreciation and amortization expense related to joint tenancy assets from Primary Government			(522,188)
Transfer of joint tenancy assets from Primary Government			1,681,891
			<b>240,878</b>
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			
Change in capital lease			32,150
Change in other postemployment benefits			(156,794)
Change in compensated absences			15,707
			<b>(108,937)</b>
<b>Change in net assets of governmental activities</b>			<b>\$ (158,737)</b>

*Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Discretely Presented Component Unit - School Board*

Year Ended June 30, 2012

	School Operating Fund				School Cafeteria Fund			
	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>Revenues</b>								
Revenue from use of money and property	\$ 22,500	\$ 22,500	\$ 55,271	\$ 32,771	\$ 100	\$ 100	\$ 12	\$ (88)
Charges for services	26,817	26,817	17,007	(9,810)	672,387	672,387	555,722	(116,665)
Miscellaneous	15,670	15,670	88,881	73,211	-	-	-	-
Intergovernmental revenues:								
Contributions from County of Goochland, VA	17,261,626	17,261,626	15,866,886	(1,394,740)	-	-	(6,877)	(6,877)
Commonwealth	5,740,749	5,740,749	5,661,495	(79,254)	11,000	11,000	10,154	(846)
Federal	1,320,410	1,896,886	1,737,868	(159,018)	331,555	331,555	376,937	45,382
Total revenues	24,387,772	24,964,248	23,427,408	(1,536,840)	1,015,042	1,015,042	935,948	(79,094)
<b>Expenditures</b>								
Current								
Education	24,387,772	24,964,248	23,639,168	1,325,080	1,015,042	1,015,042	971,970	43,072
Debt service:								
Principal retirement	-	-	32,150	(32,150)	-	-	-	-
Interest and other fiscal charges	-	-	10,746	(10,746)	-	-	-	-
Total expenditures	24,387,772	24,964,248	23,682,064	1,282,184	1,015,042	1,015,042	971,970	43,072
<b>Deficiency of revenues under expenditures</b>	-	-	(254,656)	(254,656)	-	-	(36,022)	(36,022)
<b>Net change in fund balances</b>	-	-	(254,656)	(254,656)	-	-	(36,022)	(36,022)
<b>Fund balances - beginning - as restated</b>	283,334	283,334	283,334	-	172,222	172,222	172,222	-
<b>Fund balances - ending</b>	\$ 283,334	\$ 283,334	\$ 28,678	\$ (254,656)	\$ 172,222	\$ 172,222	\$ 136,200	\$ (36,022)

Statement of Net Assets

Discretely Presented Component Unit - Economic Development Authority

June 30, 2012

<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents		\$ 329,488
<b>Noncurrent assets</b>		
Due from primary government		2,955,422
Land held for resale		801,100
Total noncurrent assets		<u>3,756,522</u>
		<u>\$ 4,086,010</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable		\$ 7,530
Contractual agreement payable - current portion		165,000
Total current liabilities		<u>172,530</u>
<b>Long-term liabilities</b>		
Contractual agreement payable - less current portion		<u>2,540,422</u>
Total liabilities		<u>2,712,952</u>
<b>Net assets</b>		
<b>Unrestricted</b>		<u>1,373,058</u>
Total net assets and liabilities		<u>\$ 4,086,010</u>

**Statement of Revenues, Expenditures, and Changes in Net Assets  
Discretely Presented Component Unit - Economic Development Authority**

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**Year Ended June 30, 2012**

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<b>Operating revenues</b>	
Charges for services - bond fees	\$ 20,354
<b>Operating expenditures</b>	
Contractual services	17,531
Other supplies and expenditures	12,887
Total operating expenditures	<u>30,418</u>
<b>Operating loss</b>	(10,064)
<b>Nonoperating revenues</b>	
Investment earnings	<u>1,464</u>
<b>Change in net assets</b>	(8,600)
<b>Net assets - beginning of year</b>	<u>1,381,658</u>
<b>Net assets - end of year</b>	<u>\$ 1,373,058</u>

*County of Goochland, Virginia*  
**Governmental Funds**  
**Schedule of Revenues - Budget and Actual**

*Schedule 1*  
*Page 1*

**Year Ended June 30, 2012**

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>PRIMARY GOVERNMENT</b>				
<b>GENERAL FUND</b>				
<b>Revenue from local sources</b>				
General property taxes:				
Real property tax	\$ 21,080,000	\$ 21,485,000	\$ 20,965,947	\$ (519,053)
Real and personal PSC tax	576,000	576,000	655,473	79,473
Personal property tax	5,983,158	5,983,158	7,016,291	1,033,133
Penalties	175,000	175,000	304,202	129,202
Interest	125,000	125,000	181,999	56,999
Total general property taxes	<u>27,939,158</u>	<u>28,344,158</u>	<u>29,123,912</u>	<u>779,754</u>
Other local taxes:				
Local sales and use tax	1,900,000	1,900,000	2,255,251	355,251
Consumer utility tax	385,000	385,000	422,363	37,363
Consumption tax	90,000	90,000	89,519	(481)
Communications tax	900,000	900,000	876,103	(23,897)
Business license tax	425,000	425,000	543,854	118,854
Motor vehicle licenses	600,000	600,000	594,925	(5,075)
Bank stock taxes	85,000	85,000	78,396	(6,604)
Taxes on recordation and wills	340,000	340,000	391,944	51,944
Total other local taxes	<u>4,725,000</u>	<u>4,725,000</u>	<u>5,252,355</u>	<u>527,355</u>
Permits, privilege fees and regulatory licenses:				
Animal licenses	20,000	20,000	24,707	4,707
Land use application fees	2,000	2,000	2,300	300
Transfer fees	700	700	680	(20)
Zoning and subdivision permits	33,000	33,000	29,500	(3,500)
Building permits	175,000	175,000	643,160	468,160
Other permits and licenses	45,500	45,500	64,219	18,719
Total permits, privilege fees and regulatory licenses	<u>276,200</u>	<u>276,200</u>	<u>764,566</u>	<u>488,366</u>
Fines and forfeitures -				
Court fines and forfeitures	75,000	75,000	182,360	107,360
Revenue from use of money and property:				
Revenue from use of money	50,000	50,000	104,256	54,256
Revenue from use of property	-	41,925	113,625	71,700
Total revenue from use of money and property	<u>50,000</u>	<u>91,925</u>	<u>217,881</u>	<u>125,956</u>
Charges for services:				
Sheriff fees	5,000	5,000	4,029	(971)
Commonwealth's Attorney	750	750	1,892	1,142
Courthouse security	70,000	70,000	50,711	(19,289)
Other court services	-	-	13,072	13,072
Sanitation and waste removal	36,000	36,000	36,284	284
Parks, recreation, and facilities management	75,000	75,000	126,822	51,822
Community development	24,600	24,600	25,323	723
Fire and rescue	-	8,316	8,317	1
Total charges for services	<u>211,350</u>	<u>219,666</u>	<u>266,450</u>	<u>46,784</u>

## Governmental Funds

## Schedule of Revenues - Budget and Actual (Continued)

Year Ended June 30, 2012

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Revenue from local sources (continued)</b>				
Miscellaneous -				
Miscellaneous revenues	\$ 70,000	\$ 59,500	\$ 248,201	\$ 188,701
Recovered costs:				
Public assistance refunds	-	-	9,042	9,042
TCSD reimbursements	71,000	71,000	69,380	(1,620)
Other recovered costs	20,500	46,000	65,722	19,722
Total recovered costs	91,500	117,000	144,144	27,144
Total revenue from local sources	33,438,208	33,908,449	36,199,869	2,291,420
<b>Revenue from the Commonwealth</b>				
Noncategorical aid:				
Rolling stock tax	40,000	40,000	15,834	(24,166)
Mobile home titling tax	14,000	14,000	5,912	(8,088)
State recordation tax	40,000	40,000	58,204	18,204
Auto rental tax	3,000	3,000	2,238	(762)
Personal property tax relief funds	2,853,011	2,853,011	2,853,012	1
Total noncategorical aid	2,950,011	2,950,011	2,935,200	(14,811)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	249,689	249,689	228,989	(20,700)
Sheriff	728,258	853,258	866,353	13,095
Commissioner of Revenue	83,336	83,336	83,190	(146)
Treasurer	89,791	89,791	81,372	(8,419)
Registrar/electoral board	40,000	40,000	47,718	7,718
Clerk of the Circuit Court	230,726	230,726	234,119	3,393
Total shared expenses	1,421,800	1,546,800	1,541,741	(5,059)
Other categorical aid:				
Public assistance and welfare administration	497,314	497,314	400,561	(96,753)
Fire programs fund	47,930	55,390	49,851	(5,539)
DMV agent compensation	20,000	20,000	26,552	6,552
Wireless E911	39,000	39,000	36,667	(2,333)
Four 4 life funds	21,985	24,278	24,140	(138)
Fire training grants	-	4,914	4,386	(528)
Victim-witness grant	29,097	29,679	14,549	(15,130)
Litter control	-	5,503	5,503	-
Parks and recreation	-	-	368	368
Electoral services	-	-	4,170	4,170
Library	-	4,987	4,987	-
State contingency	-	(125,000)	-	125,000
Total other categorical aid	655,326	556,065	571,734	15,669
Total categorical aid	2,077,126	2,102,865	2,113,475	10,610
Total revenue from the Commonwealth	5,027,137	5,052,876	5,048,675	(4,201)



County of Goochland, Virginia  
 Governmental Funds  
 Schedule of Revenues - Budget and Actual (Continued)

Schedule 1  
 Page 3

Year Ended June 30, 2012

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Revenue from the federal government</b>				
Categorical aid:				
Public assistance and welfare administration	\$ 861,444	\$ 924,496	\$ 825,475	\$ (99,021)
Emergency management performance grant	16,904	16,904	16,490	(414)
Highway safety grant	-	65,160	35,181	(29,979)
Other federal funds	-	-	66,053	66,053
Total categorical aid	<u>878,348</u>	<u>1,006,560</u>	<u>943,199</u>	<u>(63,361)</u>
Total revenue from the federal government	<u>878,348</u>	<u>1,006,560</u>	<u>943,199</u>	<u>(63,361)</u>
Total General Fund	<u>39,343,693</u>	<u>39,967,885</u>	<u>42,191,743</u>	<u>2,223,858</u>
<b>SPECIAL REVENUE FUNDS</b>				
<b>Revenue from local sources</b>				
Revenue from use of money and property -				
Revenue from use of money	-	-	33	33
Charges for services -				
Foster care reimbursement	-	35,000	47,247	12,247
Total revenue from local sources	<u>-</u>	<u>35,000</u>	<u>47,280</u>	<u>12,280</u>
<b>Revenue from the Commonwealth</b>				
Categorical aid -				
Comprehensive services	255,352	501,937	395,139	(106,798)
Total Special Revenue Funds	<u>255,352</u>	<u>536,937</u>	<u>442,419</u>	<u>(94,518)</u>
<b>CAPITAL PROJECTS FUND</b>				
<b>Revenue from local sources</b>				
Revenue from use of money and property -				
Revenue from use of money	-	-	68	68
Miscellaneous:				
Miscellaneous revenues	-	-	69,990	69,990
Contributions from developers	136,385	520,282	237,282	(283,000)
Total miscellaneous	<u>136,385</u>	<u>520,282</u>	<u>307,272</u>	<u>(213,010)</u>
Total revenue from local sources	<u>136,385</u>	<u>520,282</u>	<u>307,340</u>	<u>(212,942)</u>
<b>Revenue from the Commonwealth</b>				
Categorical aid -				
Park and ride grant	-	-	146,542	146,542
Total Capital Projects Fund	<u>136,385</u>	<u>520,282</u>	<u>453,882</u>	<u>(66,400)</u>
Total Primary Government	<u>\$ 39,735,430</u>	<u>\$ 41,025,104</u>	<u>\$ 43,088,044</u>	<u>\$ 2,062,940</u>

County of Goochland, Virginia  
 Governmental Funds  
 Schedule of Revenues - Budget and Actual (Continued)

Schedule 1  
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Year Ended June 30, 2012

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</b>				
<b>School Operating Fund</b>				
Revenue from local sources				
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 2,856	\$ 2,856
Revenue from use of property	22,500	22,500	52,415	29,915
Total revenue from use of money and property	22,500	22,500	55,271	32,771
Charges for services -				
Education	26,817	26,817	17,007	(9,810)
Miscellaneous -				
Miscellaneous revenues	15,670	15,670	88,881	73,211
Total revenue from local sources	64,987	64,987	161,159	96,172
Revenues from local governments -				
Contributions from County of Goochland, VA	17,261,626	17,261,626	15,866,886	(1,394,740)
Revenue from the Commonwealth				
Categorical aid:				
Share of state sales tax	2,644,579	2,644,579	2,719,918	75,339
Basic school aid	2,086,252	2,086,252	1,954,794	(131,458)
Remedial summer education	16,671	16,671	20,427	3,756
Gifted education	21,976	21,976	20,965	(1,011)
Prevention, intervention, and remediation	25,395	25,395	24,226	(1,169)
Special education	311,574	311,574	297,230	(14,344)
Career and technical education	75,727	75,727	72,258	(3,469)
Instructional fringe benefits	251,505	251,505	239,928	(11,577)
Homebound education	5,835	5,835	5,726	(109)
Early reading intervention	4,861	4,861	5,469	608
GED prep program - ISAEP	7,859	7,859	7,859	-
At risk payments	13,365	13,365	12,760	(605)
VPSA technology grants	180,000	180,000	180,000	-
Mentor teacher program	1,481	1,481	4,503	3,022
English as a second language	6,717	6,717	6,387	(330)
Textbook payments	20,271	20,271	23,658	3,387
Supplemental support	63,301	63,301	60,387	(2,914)
Other categorical aid	3,380	3,380	5,000	1,620
Total categorical aid	5,740,749	5,740,749	5,661,495	(79,254)
Total revenue from the Commonwealth	5,740,749	5,740,749	5,661,495	(79,254)

County of Goochland, Virginia  
 Governmental Funds  
 Schedule of Revenues - Budget and Actual (Continued)

Year Ended June 30, 2012

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD (continued)</b>				
<b>School Operating Fund (continued)</b>				
Revenue from the federal government				
Categorical aid:				
Title I-A Grants to LEAS	\$ 286,760	\$ 353,368	\$ 291,835	\$ (61,533)
Title I-D Neglected and Delinquent	-	16,888	16,888	-
Title II-A Improving Teacher Education (ESEA)	74,834	86,500	83,116	(3,384)
Title II-D Education Technology	3,273	3,207	613	(2,594)
Title III Language Acquisition (ESL)	-	18,322	3,693	(14,629)
Title IV-A Safe and Drug Free Schools	-	239	239	-
Title VI-B Special Education (IDEA)	677,025	843,267	842,522	(745)
Perkins Career and Technical Education	27,233	37,200	37,317	117
Workforce Investment Act	-	192,239	154,974	(37,265)
State fiscal stabilization funds (ARRA)	-	10,141	10,141	-
Federal Education Jobs Fund (ARRA)	251,285	260,515	248,485	(12,030)
Statewide Data System (ARRA)	-	75,000	48,045	(26,955)
Total categorical aid	1,320,410	1,896,886	1,737,868	(159,018)
Total revenue from the federal government	1,320,410	1,896,886	1,737,868	(159,018)
Total School Operating Fund	24,387,772	24,964,248	23,427,408	(1,536,840)
<b>School Cafeteria Fund</b>				
Revenue from local sources				
Revenue from use of money and property -				
Revenue from use of money	100	100	12	(88)
Charges for services -				
Cafeteria sales	672,387	672,387	555,722	(116,665)
Total revenue from local services	672,487	672,487	555,734	(116,753)
Revenues from local governments -				
Revenue repayments to the County of Goochland, VA	-	-	(6,877)	(6,877)
Revenue from the Commonwealth				
Categorical aid -				
School food program grant	11,000	11,000	10,154	(846)
Revenue from the federal government				
Categorical aid -				
School food program grant	331,555	331,555	329,553	(2,002)
Commodities	-	-	47,384	47,384
Total categorical aid	331,555	331,555	376,937	45,382
Total revenue from the federal government	331,555	331,555	376,937	45,382
Total School Cafeteria Fund	1,015,042	1,015,042	935,948	(79,094)
Total Discretely Presented Component Unit - School Board	\$ 25,402,814	\$ 25,979,290	\$ 24,363,356	\$ (1,615,934)

County of Goochland, Virginia  
**Governmental Funds**  
**Schedule of Expenditures - Budget and Actual**

Year Ended June 30, 2012

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>PRIMARY GOVERNMENT</b>				
<b>GENERAL FUND</b>				
<b>General government administration</b>				
Legislative -				
Board of Supervisors	\$ 180,716	\$ 180,716	\$ 169,678	\$ 11,038
General and financial administration:				
County Administrator	343,250	343,250	334,507	8,743
Legal services	359,868	359,868	345,443	14,425
Human resources and risk management	89,578	89,578	81,595	7,983
Commissioner of the Revenue	262,623	273,623	266,305	7,318
Assessor	334,478	334,478	329,439	5,039
Other general and financial administration	157,000	212,000	413,931	(201,931)
Treasurer	363,611	363,611	341,442	22,169
Information systems	511,219	576,219	556,999	19,220
Finance	361,238	381,238	377,897	3,341
Purchasing	120,474	120,474	124,953	(4,479)
Total general and financial administration	2,903,339	3,054,339	3,172,511	(118,172)
Board of Elections -				
Registrar	185,556	213,466	195,362	18,104
Total general government administration	3,269,611	3,448,521	3,537,551	(89,030)
<b>Judicial administration</b>				
Courts:				
Circuit court	32,400	34,400	36,051	(1,651)
General District Court	11,000	11,000	9,818	1,182
Magistrates	4,000	4,000	1,187	2,813
Sheriff - court services	489,240	517,191	444,886	72,305
Clerk of the Circuit Court	500,301	505,288	494,195	11,093
Total courts	1,036,941	1,071,879	986,137	85,742
Commonwealth's attorney -				
Commonwealth's attorney	452,332	430,914	405,309	25,605
Total judicial administration	1,489,273	1,502,793	1,391,446	111,347
<b>Public safety</b>				
Law enforcement and traffic control:				
Sheriff	2,348,145	2,412,617	2,263,223	149,394
Highway safety commission	-	65,160	60,552	4,608
Total law enforcement and traffic control	2,348,145	2,477,777	2,323,775	154,002
Fire and rescue services:				
Fire and rescue	1,719,155	1,845,396	1,591,897	253,499
Emergency planning	106,723	135,390	103,158	32,232
Fire and rescue training center	25,400	25,900	11,678	14,222
Forest fire protection	9,900	9,900	9,853	47
Total fire and rescue services	1,861,178	2,016,586	1,716,586	300,000

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended June 30, 2012

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Public safety (continued)</b>				
Correction and detention:				
Confinement and care of prisoners	\$ 726,300	\$ 651,300	\$ 587,264	\$ 64,036
Probation office	-	-	1,039	(1,039)
Total correction and detention	<u>726,300</u>	<u>651,300</u>	<u>588,303</u>	<u>62,997</u>
Inspections -				
Building inspections	368,863	404,863	400,029	4,834
Other protection:				
Animal control	181,073	189,073	183,206	5,867
Emergency dispatch services	369,000	369,000	259,786	109,214
E911 System	577,624	747,624	683,199	64,425
Total other protection	<u>1,127,697</u>	<u>1,305,697</u>	<u>1,126,191</u>	<u>179,506</u>
Other public safety -				
Risk management	-	26,500	26,408	92
Total public safety	<u>6,432,183</u>	<u>6,882,723</u>	<u>6,181,292</u>	<u>701,431</u>
<b>Public works</b>				
Maintenance of highways, streets, bridges and sidewalks -				
Engineering	-	400,000	-	400,000
Sanitation and waste removal -				
Refuse disposal	871,632	871,632	839,369	32,263
Total public works	<u>871,632</u>	<u>1,271,632</u>	<u>839,369</u>	<u>432,263</u>
<b>Health and welfare</b>				
Health -				
Supplement of local health department	202,492	212,492	178,848	33,644
Mental health and mental retardation -				
Chapter X Board	255,980	255,980	254,494	1,486
Welfare:				
Public assistance and welfare administration	2,017,535	2,040,587	1,752,575	288,012
Tax relief for the elderly and disabled	-	405,000	396,735	8,265
Goochland Free Clinic and Family Services	135,588	135,588	136,605	(1,017)
Contributions	82,211	82,211	76,521	5,690
Other welfare contributions	4,900	4,900	3,170	1,730
Total welfare	<u>2,240,234</u>	<u>2,668,286</u>	<u>2,365,606</u>	<u>302,680</u>
Total health and welfare	<u>2,698,706</u>	<u>3,136,758</u>	<u>2,798,948</u>	<u>337,810</u>

## Governmental Funds

## Schedule of Expenditures - Budget and Actual (Continued)

Year Ended June 30, 2012

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Education</b>				
Other instructional costs -				
Contribution to County School Board	\$ 17,226,626	\$ 17,226,626	\$ 15,860,009	\$ 1,366,617
<b>Parks, recreation, and facilities management</b>				
Parks, recreation, and facilities management -				
Recreation centers, playgrounds, and facilities management	1,389,058	1,511,573	1,430,188	81,385
Library -				
Contribution to regional library	382,991	382,991	382,991	-
Total parks, recreation, and cultural	1,772,049	1,894,564	1,813,179	81,385
<b>Community development</b>				
Planning and community development:				
Planning and zoning	406,192	406,192	392,602	13,590
GIS	149,109	153,109	142,411	10,698
Community development	339,581	389,581	248,119	141,462
Plan review and code enforcement	93,788	93,788	89,696	4,092
Economic development	255,597	261,100	232,577	28,523
Total planning and community development	1,244,267	1,303,770	1,105,405	198,365
<b>Debt service</b>				
Principal retirement	2,905,778	2,905,778	2,888,657	17,121
Interest and other fiscal charges	1,024,305	1,024,305	1,019,155	5,150
Total debt service	3,930,083	3,930,083	3,907,812	22,271
Total General Fund	38,934,430	40,597,470	37,435,011	3,162,459
<b>SPECIAL REVENUE FUNDS</b>				
<b>Public safety</b>				
Other protection -				
Drug enforcement	-	-	4,191	(4,191)
<b>Health and welfare</b>				
Welfare -				
Comprehensive services act	750,000	1,071,585	1,076,148	(4,563)
Total Special Revenue Funds	750,000	1,071,585	1,080,339	(8,754)

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended June 30, 2012

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>COUNTY CAPITAL PROJECTS FUND</b>				
<b>Capital outlays and projects</b>				
School capital projects	\$ -	\$ -	\$ 39,619	\$ (39,619)
Park and ride project	-	-	145,679	(145,679)
Parks and recreation projects	245,000	465,255	24,089	441,166
Other capital projects	321,385	1,006,505	815,777	190,728
Total Capital Projects Fund	566,385	1,471,760	1,025,164	446,596
Total Primary Government	\$ 40,250,815	\$ 43,140,815	\$ 39,540,514	\$ 3,600,301
<b>DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</b>				
<b>School Operating Fund</b>				
Education:				
Instruction costs	\$ 17,090,426	\$ 17,482,702	\$ 16,643,365	\$ 839,337
Administration, health, and attendance	1,150,287	1,250,255	1,195,950	54,305
Pupil transportation	2,376,487	2,376,487	2,087,828	288,659
Operation and maintenance of school plant	2,417,974	2,417,974	2,313,913	104,061
Technology	1,352,598	1,436,830	1,398,112	38,718
Total education	24,387,772	24,964,248	23,639,168	1,325,080
Debt service:				
Principal retirement	-	-	32,150	(32,150)
Interest and other fiscal charges	-	-	10,746	(10,746)
Total debt service	-	-	42,896	(42,896)
Total School Operating Fund	24,387,772	24,964,248	23,682,064	1,282,184
<b>School Cafeteria Fund</b>				
Education -				
School food services	1,015,042	1,015,042	971,970	43,072
Total Discretely Presented Component Unit - School Board	\$ 25,402,814	\$ 25,979,290	\$ 24,654,034	\$ 1,325,256

*County of Goochland, Virginia*

*Statistical Section (unaudited)*

*Year Ended June 30, 2012*



# County of Goochland, Virginia

## Statistical Tables

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

### 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 County's most significant local revenue source, property tax.*

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 ability to issue additional debt in the future.*

9 - 10

#### **Demographic and Economic Information**

*This table offers demographic and economic indicators to help the reader understand the environment within which the County operates.*

11 - 12

#### **Operating Information**

*These tables contain service and infrastructure data to help the reader understand how the information in the financial report relates to the services the County provides and the activities it performs.*

13 - 15

#### **Sources**

*Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.*

County of Goochland, Virginia

Table 1

Net Assets by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
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	\$ 19,953,566	\$ 20,135,687
Unrestricted	18,475,297	18,541,627	18,816,572	32,231,618	25,949,214	28,851,763	23,182,061	19,393,949	20,924,342	24,303,629
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	\$40,877,908	\$ 44,439,316
<b>Business-type activities</b>										
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	\$ 7,691,315	\$ 5,886,806
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	4,123,505	4,980,826
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	\$11,814,820	\$ 10,867,632
<b>Primary Government</b>										
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	\$27,644,881	\$ 26,022,493
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	25,047,847	29,284,455
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	\$52,692,728	\$ 55,306,948

**Changes in Net Assets  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government administration	\$ 1,906,749	\$ 2,646,657	\$ 1,463,110	\$ 2,691,976	\$ 4,034,139	\$ 3,543,975	\$ 3,703,204	\$ 3,788,584	\$ 3,364,513	\$ 3,775,282
Judicial administration	1,082,549	1,155,646	1,200,094	1,310,096	1,324,493	1,450,165	1,607,973	1,568,521	1,513,768	1,456,810
Public safety	4,285,886	3,879,464	4,590,417	5,296,234	5,509,715	5,253,389	6,002,676	7,211,154	7,513,474	7,130,848
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	1,732,979	796,180
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	4,112,538	3,880,617
Education	8,310,803	16,246,905	16,173,533	17,608,067	18,782,446	20,406,154	22,230,249	20,890,262	22,136,778	17,700,882
Parks, recreation, and cultural	676,480	716,747	764,196	851,842	897,317	1,091,454	1,176,038	959,783	991,726	2,045,649
Community development	443,948	435,401	538,121	1,142,115	1,153,925	1,320,752	1,206,680	1,163,011	924,947	1,191,392
Interest and other fiscal charges	1,146,987	1,228,005	1,292,586	1,114,183	1,234,746	1,406,465	1,354,281	1,015,677	1,078,901	949,236
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	43,369,624	38,926,896
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	10,064,571	10,199,319
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	53,434,195	49,126,215
<b>Program revenues</b>										
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	13,130	14,964
Public safety	23,919	1,066,622	1,449,783	1,115,050	1,341,566	578,857	282,823	32,381	163,368	87,764
Public works	19,172	24,022	24,336	29,653	33,442	28,983	35,736	25,833	34,529	36,284
Health and welfare	-	3,750	5,000	-	-	18,000	-	44,059	59,859	47,247
Education	-	-	-	-	-	154,669	-	-	354,115	765,182
Parks, recreation, and facilities management	53,045	45,363	43,616	56,333	63,583	69,294	74,697	77,420	86,923	126,822
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	3,828,860	3,407,998
Capital grants and contributions	-	57,725	-	-	149,309	171,522	-	155,624	27,181	190,358
Total governmental activities revenues:	4,026,735	4,335,371	5,004,496	4,850,527	5,647,019	5,161,582	4,730,252	4,411,746	4,567,965	4,676,619
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	3,350,912	3,576,014
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	351,790	1,790,690
Total business-type activities revenues:	1,473,319	919,301	1,396,732	4,086,763	5,178,823	3,742,903	4,414,555	3,525,801	3,702,702	5,366,704
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	8,270,667	10,043,323

Net (expense) / revenue:										
Governmental activities	(17,913,040)	(26,395,965)	(25,468,533)	(31,363,617)	(32,581,484)	(34,998,689)	(39,416,658)	(38,111,952)	(38,801,659)	(34,250,277)
Business-type activities	459,348	(101,017)	184,955	2,293,189	(507,474)	(2,808,174)	(5,965,814)	(6,643,192)	(6,361,869)	(4,832,615)
Total Primary Government net expense	(17,453,692)	(26,496,982)	(25,283,578)	(29,070,428)	(33,088,958)	(37,806,863)	(45,382,472)	(44,755,144)	(45,163,528)	(39,082,892)

**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	28,577,269	29,314,852
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	1,866,228	2,255,251
Consumer utility taxes	-	963,991	1,175,825	1,107,757	740,236	319,706	418,162	418,249	421,353	422,363
Communications tax	-	-	-	-	-	1,024,954	865,751	896,132	890,874	876,103
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	1,622,389	1,698,638
Unrestricted grants and contributions	2,913,805	3,679,571	3,281,318	3,589,667	3,299,021	3,130,576	3,055,367	2,992,216	2,955,534	2,935,200
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	161,386	217,982
Fines and forfeitures	-	-	-	-	-	-	-	-	170,670	182,360
Miscellaneous	655,225	1,062,794	101,996	102,808	118,657	159,142	35,650	451,414	722,591	375,003
Transfers	(223,405)	(220,185)	(221,737)	(245,154)	(322,523)	(424,637)	(432,547)	(468,154)	(483,356)	(466,067)
Total governmental activities expense:	26,049,024	29,017,804	29,772,398	34,243,019	38,813,093	40,153,012	40,778,559	38,863,358	36,904,938	37,811,685

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	3,051,136	3,082,297
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	358,005	336,694
Miscellaneous	84,368	411,403	929,577	-	-	23,021	2,110	25,235	18,129	369
Transfers	223,405	220,185	221,737	245,154	322,523	424,637	432,547	468,154	483,356	466,067
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	3,910,626	3,885,427
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	40,815,564	41,697,112

**Change in net assets**

Governmental activities	8,135,984	2,621,839	4,303,865	2,879,402	6,231,609	5,154,323	1,361,901	751,406	(1,896,721)	3,561,408
Business-type activities	2,555,426	2,880,192	3,203,342	4,591,252	2,422,964	683,313	(2,310,605)	(2,803,938)	(2,451,243)	(947,188)
Total Primary Government	\$ 10,691,410	\$ 5,502,031	\$ 7,507,207	\$ 7,470,654	\$ 8,654,573	\$ 5,837,636	\$ (948,704)	\$ (2,052,532)	\$ (4,347,964)	\$ 2,614,220

County of Goochland, Virginia

Table 3

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 <sup>(a)</sup>	2012
<b>General fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ 405,907	\$ 7,390,926	\$ 7,854,283	\$ -	\$ -
Unreserved, undesignated	13,595,905	15,096,268	15,939,797	20,067,007	23,160,450	25,228,969	18,298,631	12,522,344	-	-
Nonspendable	-	-	-	-	-	-	-	-	3,338,836	2,986,987
Restricted	-	-	-	-	-	-	-	-	114,244	111,334
Committed	-	-	-	-	-	-	-	-	2,693,315	3,914,260
Assigned	-	-	-	-	-	-	-	-	1,349,452	2,358,443
Unassigned	-	-	-	-	-	-	-	-	15,676,774	16,884,189
<b>Total general fund</b>	<b>\$ 13,595,905</b>	<b>\$ 15,096,268</b>	<b>\$ 15,939,797</b>	<b>\$ 20,067,007</b>	<b>\$ 23,275,450</b>	<b>\$ 25,634,876</b>	<b>\$ 25,689,557</b>	<b>\$ 20,376,627</b>	<b>\$ 23,172,621</b>	<b>\$ 26,255,213</b>
<b>All other governmental funds</b>										
Reserved for construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 631,895	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	378,267	384,636	439,140	478,018	599,573	644,646	143,954	166,214	-	-
School capital projects	3,756,615	2,130,273	1,915,093	11,312,659	3,798,236	3,872,321	2,186,492	2,339,629	-	-
Nonspendable for										
Comprehensive services	-	-	-	-	-	-	-	-	-	506
Restricted for drug enforcement	-	-	-	-	-	-	-	-	129,822	125,664
Assigned, reported in:										
Capital projects	-	-	-	-	-	-	-	-	1,953,419	2,488,471
Special revenue funds	-	-	-	-	-	-	-	-	69,577	505
Unassigned	-	-	-	-	-	-	-	-	-	(506)
<b>Total all other government funds</b>	<b>\$ 4,134,882</b>	<b>\$ 2,514,909</b>	<b>\$ 2,354,233</b>	<b>\$ 11,790,677</b>	<b>\$ 4,397,809</b>	<b>\$ 5,148,862</b>	<b>\$ 2,330,446</b>	<b>\$ 2,505,843</b>	<b>\$ 2,152,818</b>	<b>\$ 2,614,640</b>

<sup>(a)</sup> The presentation of fund balance changed in 2011 as a result of the implementation of GASB #54. Prior to 2011, fund balances are reported only as 'Reserved' and 'Unreserved'. Effective 2011, fund balances are reported as described in Note 1 of the notes to the financial statements.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
General property taxes	\$ 18,910,936	\$ 20,061,179	\$ 21,647,378	\$ 24,622,323	\$ 28,734,527	\$ 30,001,893	\$ 31,816,302	\$ 29,728,457	\$ 29,635,464	\$ 29,123,912
Other local taxes	3,659,111	4,098,410	4,868,675	5,432,454	5,676,923	5,916,890	5,407,587	4,863,393	4,800,844	5,252,355
Permits, privilege fees, and regulatory licenses	592,332	1,064,497	1,447,488	1,112,680	1,339,121	941,957	529,926	267,341	256,225	764,566
Fines and forfeitures	100,952	99,545	112,912	92,885	104,804	105,799	45,601	117,107	170,670	182,360
Revenue from use of money and property	551,763	207,580	378,748	802,956	1,468,616	1,010,495	466,093	184,717	161,387	217,982
Charges for services	173,444	180,813	189,285	223,922	236,585	167,458	208,943	242,444	355,699	313,697
Miscellaneous	655,225	73,797	101,996	102,808	118,657	159,142	25,450	334,307	542,121	555,473
Recoverd costs	262,604	80,612	1,075,564	128,468	361,250	630,172	265,623	227,446	134,372	144,144
Intergovernmental:										
Commonwealth	5,153,929	5,304,291	5,557,415	6,000,052	6,262,379	6,127,044	6,142,256	5,894,383	5,817,031	5,590,356
Federal	919,883	1,365,796	978,714	1,010,657	1,003,151	950,200	858,893	999,794	994,544	943,199
<b>Total revenues</b>	<b>30,980,179</b>	<b>32,536,520</b>	<b>36,358,175</b>	<b>39,529,205</b>	<b>45,306,013</b>	<b>46,011,050</b>	<b>45,766,674</b>	<b>42,859,389</b>	<b>42,868,357</b>	<b>43,088,044</b>
<b>Expenditures</b>										
General government administration	2,228,665	2,629,429	2,379,425	2,704,445	3,986,281	3,495,023	3,610,265	3,537,879	3,188,558	3,537,551
Judicial administration	1,038,927	1,124,146	1,152,844	1,239,011	1,291,273	1,330,735	1,487,461	1,470,118	1,400,109	1,391,446
Public safety	3,965,200	3,879,625	4,405,548	5,044,892	4,938,236	5,586,668	5,969,814	6,430,553	6,348,125	6,185,483
Public works	1,154,138	1,705,366	1,427,121	1,492,523	1,963,766	2,311,191	2,598,655	2,062,509	1,675,599	839,369
Health and welfare	2,679,547	3,045,390	3,084,270	3,056,395	3,329,775	3,264,094	3,897,632	3,995,451	4,128,044	3,875,096
Education	13,401,485	13,390,743	14,125,046	14,992,911	16,513,476	18,591,193	20,136,653	18,598,005	16,382,429	15,860,009
Parks, recreation, and cutural	617,422	651,047	689,358	771,454	826,648	906,674	946,161	880,499	938,631	1,813,179
Community development	441,984	424,204	598,668	1,141,602	1,254,571	1,365,326	1,506,566	1,321,710	906,998	1,105,405
Capital projects	3,002,725	3,667,711	4,528,492	6,116,242	11,776,510	3,805,931	3,056,652	5,081,761	592,450	1,025,164
Debt service:										
Principal	1,729,468	1,718,213	1,881,654	1,875,109	1,888,302	2,448,648	3,092,169	3,059,922	3,326,315	2,888,657
Interest and other fiscal charges	1,176,094	1,200,051	1,322,661	1,021,135	1,399,077	1,449,219	1,425,488	1,090,361	1,154,774	1,019,155
<b>Total expenditures</b>	<b>31,435,655</b>	<b>33,435,925</b>	<b>35,595,087</b>	<b>39,455,719</b>	<b>49,167,915</b>	<b>44,554,702</b>	<b>47,727,516</b>	<b>47,528,768</b>	<b>40,042,032</b>	<b>39,540,514</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(455,476)</b>	<b>(899,405)</b>	<b>763,088</b>	<b>73,486</b>	<b>(3,861,902)</b>	<b>1,456,348</b>	<b>(1,960,842)</b>	<b>(4,669,379)</b>	<b>2,826,325</b>	<b>3,547,530</b>
<b>Other financing sources (uses)</b>										
Operating transfers in	897,973	2,511,645	4,860,921	2,138,968	4,479,479	2,095,325	2,417,859	5,821,252	5,398,246	1,261,307
Operating transfers out	(1,111,378)	(2,731,830)	(5,082,658)	(2,384,122)	(4,802,002)	(2,519,962)	(2,850,406)	(6,289,406)	(5,881,602)	(1,727,374)
Long-term debt issued	2,490,000	-	-	13,735,324	-	2,499,750	-	-	-	462,951
Premium on debt issued	-	999,980	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses), net</b>	<b>2,276,595</b>	<b>779,795</b>	<b>(221,737)</b>	<b>13,490,170</b>	<b>(322,523)</b>	<b>2,075,113</b>	<b>(432,547)</b>	<b>(468,154)</b>	<b>(483,356)</b>	<b>(3,116)</b>
<b>Net change in fund balances</b>	<b>\$ 1,821,119</b>	<b>\$ (119,610)</b>	<b>\$ 541,351</b>	<b>\$ 13,563,656</b>	<b>\$ (4,184,425)</b>	<b>\$ 3,531,461</b>	<b>\$ (2,393,389)</b>	<b>\$ (5,137,533)</b>	<b>\$ 2,342,969</b>	<b>\$ 3,544,414</b>
<b>Debt service as a percentage of noncapital expenditures</b>	10.22%	9.80%	10.31%	8.69%	8.85%	9.76%	10.11%	9.78%	11.36%	10.15%

*County of Goochland, Virginia*

*Table 5*

*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
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%
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%
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%
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%
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%
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%
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%
2010	4,716,357,200	223,269,562	10,707,945	115,927,483	4,700,768,490	0.53	4,700,768,490	100.00%
2011	4,350,863,500	256,886,512	11,302,821	118,435,658	4,737,488,491	0.53	4,737,488,491	100.00%
2012	4,200,112,700	262,588,986	9,708,425	118,768,766	4,591,178,877	0.53	4,591,178,877	100.00%

Source: Commissioner of Revenue

**Property Tax Rates <sup>(1)</sup>  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year	Direct Rates			Tuckahoe Creek Service District Ad Valorem
	Real Estate	Personal Property	Machinery and Tools	
2003	\$ 0.69/0.70	\$ 4.00	\$ 3.75	n/a
2004	0.70	4.00	3.75	\$ 0.50
2005	0.70/0.59	4.00	3.75	0.50/0.30
2006	0.59/0.64	4.00	3.75	0.30/0.31
2007	0.64/0.53	4.00	3.75	0.31/0.23
2008	0.53	4.00	3.75	0.23
2009	0.53	4.00	3.75	0.23
2010	0.53	4.00	3.75	0.23/0.27
2011	0.53	4.00	3.75	0.27/0.31
2012	0.53	4.00	3.75	0.31/0.32

<sup>(1)</sup> Per \$100 of assessed value



**Principal Property Taxpayers  
Current Year and the Period Nine Years Prior**

Taxpayer	Business Type	Fiscal Year 2012		Fiscal year 2003	
		Tax Year 2010 Assessed Valuation	% of Total Assessed Valuation	Tax Year 2002 Assessed Valuation	% of Total Assessed Valuation
Capital One Bank	Bank Headquarters	\$128,784,700	2.81%	\$ 41,869,800	1.83%
West Creek/WC/GC Land	Land Developers	113,906,000	2.48%	86,494,700	3.79%
Dominion Virginia Power	Public Utility	47,938,798	1.04%	33,189,559	1.45%
Car Max Business Services	Car Sales Headquarters	41,059,300	0.89%	n/a	n/a
Luck Stone Corporation	Rock Quarries	32,480,600	0.71%	9,336,000	0.41%
Pruitt, Richard I	Rock Quarries	26,583,200	0.58%	7,708,200	0.34%
Verizon Virginia Inc.	Communications	24,144,487	0.53%	24,021,585	1.05%
Gotwald, James T	Individual	24,123,200	0.53%	9,043,900	0.40%
Federal Reserve Bank	Bank Headquarters	23,515,600	0.51%	n/a	n/a
Markel Properties	Land Holding	19,821,800	0.43%	1,928,600	0.08%
Hermitage Country Club	Country Club	19,371,000	0.42%	10,428,900	0.46%
Virginia Farm Bureau	Insurance	18,485,800	0.40%	19,148,300	0.84%
Tuckahoe LLC	Land Developers	17,719,500	0.39%	n/a	n/a
CSX Transportation	Railroad	17,084,676	0.37%	9,370,723	0.41%
Kinloch Golf Club	Golf Club	14,397,600	0.31%	4,846,300	0.21%
Cox, Sidney B / SB	Land Holding	13,732,600	0.30%	3,577,200	0.16%
Riverstone Group LLP et al	Land Holding	13,215,700	0.29%	301,600	0.01%
Earl M Thompson Inc.	Developer	10,778,500	0.23%	7,008,800	0.31%
		<b>\$ 607,143,061</b>	<b>13.22%</b>	<b>\$ 268,274,167</b>	<b>11.75%</b>

Source: Commissioner of Revenue

n/a - did not exist at that time

*County of Goochland, Virginia*  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Table 8**

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
2003	\$ 21,741,755	\$ 20,889,121	96.08%	\$ 1,525,437	\$ 22,414,558	103.09%
2004	23,414,947	23,308,908	99.55%	858,476	24,167,384	103.21%
2005	25,213,859	24,080,550	95.51%	403,052	24,483,602	97.10%
2006	28,886,527	26,931,952	93.23%	696,573	27,628,525	95.65%
2007	30,081,972	29,747,213	98.89%	556,425	30,303,638	100.74%
2008	32,356,079	31,788,486	98.25%	901,481	32,689,967	101.03%
2009	34,446,542	33,008,059	95.82%	1,325,363	34,333,422	99.67%
2010	32,354,376	30,660,959	94.77%	3,071,159	33,732,118	104.26%
2011	33,609,959	31,143,159	92.66%	427,593	31,570,752	93.93%
2012	32,931,931	29,857,734	90.66%	n/a	29,857,734	90.66%

Sources: 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			
2003	\$ 24,405,000	\$ 754,976	\$ 66,382,167	\$ 1,309,954	\$ 92,852,097	10.89%	\$ 5,141
2004	23,020,000	421,763	66,342,167	2,803,621	92,587,551	9.45%	4,986
2005	21,345,000	215,109	66,302,167	4,373,246	92,235,522	8.71%	4,767
2006	30,430,000	2,600,836	66,232,167	6,033,655	105,296,658	9.05%	5,219
2007	28,860,000	2,282,534	69,007,167	7,767,443	107,917,144	8.48%	5,171
2008	26,760,000	4,433,886	68,582,167	9,598,659	109,374,712	8.01%	5,139
2009	24,715,000	3,801,378	67,997,167	11,524,570	108,038,115	8.41%	5,001
2010	22,615,000	2,841,455	67,397,167	13,551,008	106,404,630	7.94%	4,889
2011	20,460,000	1,846,977	66,492,167	15,683,222	104,482,366	n/a	4,782
2012	18,585,000	1,263,304	65,337,167	17,926,838	103,112,309	n/a	4,712

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 Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years**

Fiscal Year	Gross Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2012	\$ 18,585,000	0.40%	\$ 849.29
2011	20,460,000	0.43%	936
2010	22,615,000	0.48%	1,039
2009	24,715,000	0.50%	1,144
2008	26,760,000	0.48%	1,257
2007	28,860,000	0.66%	1,383
2006	30,430,000	0.88%	1,508
2005	21,345,000	0.66%	1,103
2004	23,020,000	0.85%	1,240
2003	24,405,000	1.07%	1,351

Notes:

- (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 excludes revenue bonds

*County of Goochland, Virginia*  
*Demographic and Economic Statistics*  
*Last Ten Years*

*Table 11*

Fiscal Year	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment*	Unemployment Rate
2012	21,883	n/a	n/a	40.50	2,329	5.32%
2011	21,849	n/a	n/a	41.50	2,409	5.40%
2010	21,765	\$ 1,340,690	\$ 61,598	40.50	2,459	6.20%
2009	21,604	1,284,759	59,469	40.00	2,430	6.70%
2008	21,285	1,365,793	64,167	41.40	2,367	3.30%
2007	20,869	1,272,626	60,982	40.50	2,299	2.50%
2006	20,176	1,163,907	57,688	40.50	2,263	2.40%
2005	19,349	1,058,804	54,721	40.50	2,169	3.20%
2004	18,570	979,377	52,740	40.50	2,088	3.30%
2003	18,062	852,547	47,201	40.50	2,027	3.40%

Sources: U.S Dept of Commerce Bureau of Economic Analysis; www.fedstats.gov; Virginia Dept of Education; Virginia Employment Commission; and Weldon Cooper Center

\*Note: Based on Virginia Dept of Education "Superintendent's Annual Report" (end-of-year Average Daily Membership). Current year numbers are preliminary and based on the "Spring Student Record Collection"

N/A - Information not available

**Principal Employers  
Current Year and the Period Ten Years Prior**

<b>Employer</b>	<b>Fiscal Year 2012</b>	<b>Rank</b>	<b>% of Total County Employment</b>	<b>Fiscal Year 2002*</b>
	<b>Employees</b>			<b>Employees</b>
Capital One	5,600	1	49.62%	n/a
CarMax	980	2	8.68%	n/a
Luck Stone Corporation	330	3	2.92%	200
Virginia Farm Bureau	300	4	2.66%	275
Performance Food Group	225	5	1.99%	unknown
Federal Reserve Bank	200	6	1.77%	n/a
Elk Hill Farms	148	7	1.31%	100
Hermitage Country Club	140	8	1.24%	100
Richmond Country Club	112	9	0.99%	50
Food Lion	110	10	0.97%	50
Psychiatric Institute of Richmond	100	11	0.89%	100
Benchmark Hospitality	100	12	0.89%	n/a
Kinloch Golf Club	100	13	0.89%	unknown
Ruxton Health at The Meadows	86	14	0.76%	82
J.E. Liesfield Contractor	80	15	0.71%	76
Veterinary Referral & Critical Care	75	16	0.66%	unknown
YMCA	70	17	0.62%	n/a
Branscome Richmond	60	18	0.53%	n/a
TKL Corporation	55	19	0.49%	40
Valentine Construction	20	20	0.18%	25
	<u>8,891</u>		<u>78.78%</u>	

\*Note: Information from 2003 is not available. Therefore, 2002 information is presented for comparative purposes.

Sources: Goochland Community Development Department; Virginia Employment Commission

n/a - did not exist at that time

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

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
<b>Government:</b>										
General government	17	17	16	22	27	35	35	32	29	32
Judicial administration	20	20	21	22	25	15	12	12	15	24
Public safety:										
Sheriff's department	34	34	33	45	33	33	42	41	38	39
Fire and rescue	3	4	4	5	5	6	16	17	16	19
Building inspections	6	6	6	6	7	9	6	6	4	5
Animal control	3	3	3	2	2	2	3	3	3	3
Public works:										
General maintenance	6	7	7	8	13	12	16	12	11	11
Landfill	3	3	3	3	9	7	7	8	6	7
Engineering	2	5	7	5	5	7	6	6	6	6
Health and welfare:										
Department of social services	20	20	17	17	18	19	19	20	21	22
Culture and recreation:										
Parks and recreation	5	5	5	5	6	5	2	5	7	13
Community development:										
Planning	3	3	6	7	9	10	11	11	9	11
Total Government	122	127	128	147	159	160	175	173	165	192
<b>School Board:</b>										
Central office administrators	14	15	15	15	18	18	18	21	14	13
Principals and Assistant Principals*	-	-	-	-	-	-	-	-	8	8
Instructors:										
Elementary school	98	89	98	105	97	102	103	87	97	99
Middle school	30	36	34	35	44	41	43	41	47	50
High school	55	61	67	71	52	63	54	49	56	56
Special education professionals*	-	-	-	-	-	-	-	-	13	12
Instructional aides (all schools)*	-	-	-	-	-	-	-	-	33	36
Other admin support staff*	-	-	-	-	-	-	-	-	23	21
Custodians, bus drivers, cafeteria workers*	-	-	-	-	-	-	-	-	50	39
Total School Board	197	200	215	226	211	224	218	197	341	334
<b>Total County</b>	<b>319</b>	<b>327</b>	<b>343</b>	<b>373</b>	<b>370</b>	<b>384</b>	<b>393</b>	<b>370</b>	<b>506</b>	<b>526</b>

Source: Human Resources, Virginia Dept of Education IPAL and the related IPAL survey

\*Note: New category for fiscal year 2011. Previously, only positions reported in IPAL were shown on this table and not all School Board employees.

*County of Goochland, Virginia*  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

**Table 14**

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PUBLIC SAFETY</b>										
Sheriff's department:										
Physical arrests	1,095	754	703	903	765	789	661	637	548	427
Traffic violations	4,299	5,331	5,003	4,847	4,589	4,228	4,606	5,205	6,299	5,784
Civil papers	7,282	6,036	5,559	5,587	5,756	4,890	5,693	4,951	5,227	5,143
Fire and rescue:										
Number of calls answered	3,146	3,228	3,551	3,198	2,658	2,643	3,414	3,146	2,906	3,444
Building inspections:										
Permits issued	295	360	393	323	239	156	84	73	37	63
Animal control:										
Number of calls answered	n/a	4,061	3,623	2,972	4,015	4,680	5,110	5,020	5,475	5,712
<b>CULTURE AND RECREATION</b>										
Parks and recreation:										
After-school program participants	90	110	156	128	219	274	227	1,189	1,211	1,279
Youth sports participants	210	275	232	265	205	310	495	1,100	1,975	1,350
<b>COMPONENT UNIT - SCHOOL BOARD</b>										
Education:										
School age population**										
Elementary school	933	914	955	981	1,039	1,082	1,207	1,134	1,129	1,039
Middle school	383	366	350	337	321	508	564	583	585	556
High school	706	800	851	930	926	763	770	764	729	734
Free and reduced meals served*	57,745	60,048	63,008	68,929	104,583	99,088	116,082	128,880	121,302	123,274

Source: Individual county departments

\*Based on Virginia Dept of Education SNP Report and, effective 2007, breakfast is included.

\*\*Based on Virginia Dept of Education "Spring Student Record Collection"

n/a - information not available



*County of Goochland, Virginia*  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

*Table 15*

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
General government:										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	7	6	8	7	5	6	9	6	6
Public safety:										
Sheriff's department:										
Patrol units	42	40	37	43	42	52	50	54	53	55
Fire and rescue:										
Vehicles	3	3	3	3	6	6	9	11	14	16
Building inspections:										
Vehicles	5	6	5	3	3	4	4	4	4	4
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	3	3
Public works:										
General maintenance:										
Trucks/vehicles	7	7	13	14	16	19	26	18	15	15
Convenience center:										
Vehicles	1	1	1	1	4	4	2	2	2	1
Equipment	2	2	2	2	2	2	3	1	1	1
Sites	1	1	1	1	1	2	2	2	2	2
Health and welfare										
Department of Social Services:										
Vehicles	1	5	7	6	6	6	7	6	6	6
Culture and recreation:										
Parks and recreation:										
Community Centers	1	1	1	1	1	1	1	1	1	2
Vehicles	3	2	3	4	2	3	3	3	4	4
Community development:										
Planning:										
Vehicles	1	1	1	1	1	2	4	3	1	2
Business-type activities:*										
Utilities:										
Vehicles	-	-	-	-	-	-	-	-	-	4
Education:										
Administration buildings	3	3	3	3	1	1	1	1	1	1
Elementary schools	4	4	4	4	3	3	3	3	3	3
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
Vehicles	61	63	56	53	53	53	57	57	54	53
School buses	48	57	54	55	64	64	68	68	66	60

\*Note: This information was not presented prior to 2012.

Source: Human Resources/Risk Management, School administration



**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the County of Goochland, Virginia, (County) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective 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 opinion 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Item 12-01 to be a material weakness. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as Items 12-02 and 12-03 to be significant deficiencies.

### 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 and specifications was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Item 12-04.

We noted certain matters that we reported to management of the County in a separate letter dated November 26, 2012.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Supervisors, management, the Auditor of Public Accounts, and other federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

PBGH, LLP

Harrisonburg, Virginia  
November 26, 2012



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the County of Goochland, Virginia (County) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards, specifications, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

As described in item 12-05 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding allowable costs that are applicable to its Special Education Cluster major program. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

## Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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 a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 12-05 to be a material weakness. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. 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, management, the Auditor of Public Accounts, and other federal and state agencies, and is not intended to be and should not be used by anyone other than these specified parties.

PBGH, LLP

Harrisonburg, Virginia  
November 26, 2012

County of Goochland, Virginia

Schedule of Expenditures of Federal Awards - Primary Government and  
Discretely Presented Component Unit

Year Ended June 30, 2012

Federal Grantor/State Pass - Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Expenditures
<b>Department of Justice direct programs:</b>			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program - Grants to Units of Local Government	16.804	2010-SB-B9-0010	\$ 43,816
Equitable sharing program Forfeited assets	16.922	not provided	144
Total Department of Justice			43,960
<b>Department of Health and Human Services pass-through programs:</b>			
Department of Social Services: Community Services Block Grant	93.569	not provided	98,443
Child Care and Development Fund Cluster: Child Care and Development Block Grant	93.575	0770110/0770111	41,800
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760110/0760111	42,578
Total Child Care and Development Fund Cluster			84,378
Temporary Assistance to Needy Families (TANF)	93.558	0400110/0400111	118,685
Refugee and Entrant Assistance - State Administered Programs	93.566	0500110/0500111	257
Low Income Home Energy Assistance	93.568	0600410/0600411	12,614
Chafee Education and Training Vouchers Program	93.599	not provided	9,459
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900110/090111	341
Foster Care - Title IV-E	93.658	1100110/1100111	125,324
Adoption Assistance	93.659	1120110/1120111	27,125
Social Services Block Grant	93.667	1000110/100111	83,914
Chatee Foster Care Independence Program	93.674	9510110/9150111	3,309
Children's Health Insurance Program	93.767	0540110/0540111	4,149
Medical Assistance Program (Title XIX)	93.778	1200109/1200110	96,952
Total Department of Health and Human Services:			664,950
<b>Department of Transportation pass-through payments:</b>			
National Highway Traffic Safety Administration Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	K8-2011-51135-4077	35,181
Department of Motor Vehicles Alcohol Open Container Requirements	20.607	154AL-2012-52129-4507	16,978
Total Department of Transportation			52,159
<b>Department of Agriculture pass-through programs:</b>			
Child Nutrition Cluster: Department of Agriculture: Food distribution	10.555	17901-45707	47,384
Virginia Department of Education: National school lunch program	10.555	17901-40623	262,333
School breakfast program	10.553	17901-40591	67,220
Total Virginia Department of Education			329,553
Total Child Nutrition Cluster			376,937

County of Goochland, Virginia

Schedule of Expenditures of Federal Awards - Primary Government and  
Discretely Presented Component Unit

Year Ended June 30, 2012

Federal Grantor/State Pass - Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Expenditures
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010110/0010111	\$ 160,525
Total Department of Agriculture			<u>537,462</u>
<b>Department of Homeland Security pass-through programs:</b>			
Department of Emergency Assistance:			
State Homeland Security Program	97.073	not provided	1,800
Emergency Management Performance Grant	97.042	not provided	14,690
Non-Profit Security Program	97.008	not provided	3,657
Total Department of Emergency Assistance			<u>20,147</u>
Federal Emergency Management Agency:			
Assistance to Firefighters Grant	97.044	EMW 2008-FP-00466	1,602
Total Department of Homeland Security			<u>21,749</u>
<b>Department of Education pass-through programs:</b>			
Virginia Department of Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	H027A110107-2010/2011-430710000	826,768
Special Education - Preschool Grants	84.173	H173A110112-2011-625210000	15,754
Total Special Education Cluster (IDEA)			<u>842,522</u>
ARRA- State Fiscal Stabilization Fund - Education State Grants	84.394	S394A090047-2009-62532BB00	<u>10,141</u>
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	S010A110046-2009/2010/2011-42901000	275,047
State Academic Achievement Grant	84.010	S010A090046-2009-429990000	8,878
ARRA- Title I Grants to Local Educational Agencies	84.389	S389A090046-2009-429130000	7,910
Total Title I, Part A Cluster			<u>291,835</u>
Title I, Part D: State Agency Program for Neglected and Delinquent Children and Youth			
	84.013	S010A090046-2009-429350000	<u>16,888</u>
Career and Technical Education - Basic Grant to States	84.048	V048A110046-2011-610950000	183,087
ARRA - Longitudinal Data Systems	84.384	R384A100037-2010-479440000	48,045
Safe and Drug-Free Schools and Communities National Program	84.186	Q186A090048-2009-605110000	239
Title II, Part A: Improving Teacher Quality State Grant	84.367	S367A1100044-2010/2011-614800000	83,116
Title III, Part A: English Language Acquisition State Grant	84.365	S3635A110046-2011-605120000	3,693
ARRA - Education Jobs Fund	84.410	S410A100047-2010-627000000	248,485
			<u>566,665</u>
Total Department of Education			<u>1,728,051</u>
<b>Total Federal Expenditures</b>			<u>\$ 3,048,331</u>

## *County of Goochland, Virginia*

### *Notes to Schedule of Expenditures of Federal Awards*

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**Year Ended June 30, 2012**

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#### **1. Summary of Significant Accounting Policies**

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

#### **2. Summary of Significant Accounting Policies**

##### **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the County's Basic Financial Statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

#### **3. Clusters of Programs**

Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered to be one federal program for determining major programs. The following are the clusters administered by the County and its component unit: Child Care and Development Fund, Child Nutrition, Special Education, and Title I, Part A.



**COUNTY OF GOOCHLAND, VIRGINIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012**

**I. SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	<u>  √  </u> Yes	<u>      </u> No
Significant deficiencies identified?	<u>  √  </u> Yes	<u>      </u> None Reported
Noncompliance material to financial statements noted?	<u>  √  </u> Yes	<u>      </u> No

Federal awards

Internal control over major programs:

Material weaknesses identified?	<u>  √  </u> Yes	<u>      </u> No
Significant deficiencies identified?	<u>  √  </u> Yes	<u>      </u> None Reported

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

- Qualified for Special Education Cluster’s (CFDA Numbers 84.027, 84.173, 84.391) allowable costs
- Unqualified for all other applicable compliance requirements of the Special Education Cluster and for all other major programs and applicable compliance requirements

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?   √   Yes        No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
84.410	ARRA – Education Jobs Fund

**Special Education Cluster:**

84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
84.391	ARRA – Special Education – Grants to States

**Title I, Part A Cluster:**

84.010	Title I Grants to Local Educational Agencies
84.389	ARRA – Title I Grants to Local Educational Agencies

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

I. SUMMARY OF AUDITOR’S RESULTS (Continued)

Identification of major programs: (Continued)

CFDA Number	Name of Federal Program or Cluster
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**Child Nutrition Cluster:**

10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes \_\_\_\_\_  No

II. FINANCIAL STATEMENT FINDINGS

A. Material Weakness in Internal Control

12-01: Material Weakness in Lacking Segregation of Duties over School Payroll

**Requirement:** Duties relating to significant accounting processes, including payroll, should be segregated to the fullest extent, to avoid potential fraudulent activity, errors, and allow for continuity in the event of an unexpected and/or untimely absence of an employee involved in the process.

**Condition:** The payroll clerk at the School Board is the only individual responsible for inputting new employees into the system, changing pay rates, processing payroll, and releasing direct deposit information for payroll.

**Effect:** The lack of segregation of duties over these functions could allow for the creation of a fictitious employee, and with few other checks and balances, be paid without detection. Furthermore, the lack of segregation also creates an environment in which there is more potential for human error, which could go undetected. Lastly, having only one individual trained in the payroll process could be detrimental to the School Board in the event of an untimely absence. There are a significant number of employees relying on their pay each period, and this could potentially cause unwanted delays or processing errors in their pay.

**Recommendation:** To the extent possible, we recommend that the payroll function be segregated to prevent the potential effects noted above. With limited staffing, a means other than hiring additional employees is likely necessary. Examples include a high level review of new employee setup and removal, review of change management reports, and approvals of changes to the payroll system on basis timely enough to identify any fraud or errors prior to processing.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

II. FINANCIAL STATEMENT FINDINGS (Continued)

B. Significant Deficiencies in Internal Control

12-02: Lack of Controls over the School Board's Small Purchases Policy

Requirement: Organizations commonly use a purchase order system to formalize obligations for goods and services and to ensure final management approval for expenditures. Proper management of such a system can be effective in identifying purchase obligations, providing an audit trail and ensuring that funds are encumbered and available prior to final purchase.

Condition: There were instances noted in testing the accounts payable and purchasing process at the School Board, in which the purchase order was dated subsequent to the invoice date. Upon further review of this process, it was noted that purchase orders were being used ineffectively, likely due to the significantly low threshold established by the policy, for which purchase orders are to be used. Purchase orders, per our discussions and reviews, are being utilized more as a means to establish an encumbrance in the system and for budget purposes, rather than their primary intent, which is to manage and control the procurement system. In following up, it was noted that in many instances, purchase cards are being used to circumvent the usage of the purchase order system, due to the arduous process and low limits established by the policy, as noted above.

Effect: Without sound purchase order policies and procedures that are relevant to the needs of a particular organization, the expected organizational and structural effectiveness of the process is null and void. As noted above, the purchase order system, which should be in place to facilitate the procurement process, to ensure that purchases are within the scope and desired purpose of the School Board, is being inappropriately used, and in some cases circumvented altogether. This could lead to undesired purchases, budget overages, and in the case of purchase cards being used in lieu, fraudulent purchases, which will be less likely to be detected timely.

Recommendation: It is recommended that the School Board review its current policy governing the use of purchase orders, and determine if the thresholds established are currently relevant for the desired purpose of the system. Additionally, once determined, it is recommended that the School Board strongly enforce the use of these purchase orders in the manner which the policy sets forth. In conjunction with this recommendation, we also feel that it is necessary to review the listing of individuals whom have been granted a purchase card for the School Board, to ensure that they are necessary and appropriate. These practices will ultimately strengthen controls over the purchasing and accounts payable transaction cycles, and the overall internal control of the School Board as a whole.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

II. FINANCIAL STATEMENT FINDINGS (Continued)

B. Significant Deficiencies in Internal Control (Continued)

12-03: Significant Deficiency in Internal Control over Journal Entries

Requirement: Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, specifically identifies situations which may be deemed to be deficiencies, significant deficiencies, or material weaknesses in internal controls. Among these is the “failure in the operation of effectively designed controls over a significant account or process; for example, the failure of a control such as approval and review of the journal entry process.”

Condition: During our audit of the County, we selected journal entries posted during fiscal year 2012, and tested for proper initiation and approval, as well as for reasonableness. In doing so, there were instances in which the individual initiating the entry was also the individual that posted the entry, with no secondary approval being noted.

Effect: An absence of a secondary approval of journal entries can lead to instances of fraud or error that ultimately could be material to the financial statements.

Recommendation: We recommend that in all instances in which manual journal entries are needed, that the initiator of the entry be independent of the approver, and accordingly, each individual should sign off indicating acceptance. We believe that this will serve to strengthen controls and provide a mitigating factor of errors and fraud in posting transactions to the general ledger.

C. Compliance Finding

12-04: Unclaimed Property Report not filed with the Virginia Department of the Treasury for June 30, 2011

As stated in Section 55-210.12, Item D. of the Uniform Disposition of Unclaimed Property Act of the *Code of Virginia*, “The report and remittance shall be filed before November 1 of each year as of the June 30 next preceding...” Any business association in possession of property is subject to the Act. This includes but not limited to government agencies, utilities and nonprofit organizations. During the audit for fiscal year 2012, we noted the unclaimed property report for June 30, 2011 was not filed with the State nor were the unclaimed properties remitted.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

12-05: Allowable Costs

Program: Special Education Cluster (CFDA Numbers 84.027, 84.173 and 84.391) – U.S. Department of Education – Commonwealth of Virginia Department of Education.

Requirements: OMB Circular A-87, Attachment B 11(h) – “Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official have first-hand knowledge of the work performed by the employee.”

Condition: Although the County established a policy requiring the completion of time certifications for personnel costs charged to the Special Education Cluster, the certifications were not completed properly. Employees completed the required semi-annual time certifications before the employees’ time was actually incurred and charged to the Federal award.

Effect: Noncompliance with OMB Circular A-87 may result in reduced funding for these programs.

Questioned costs: Undeterminable.

Recommendation: The County should require employees to complete and sign certifications of time charged to federal programs after they have worked that time as required by OMB Circular A-87.

**CORRECTIVE ACTION PLAN  
Year Ended June 30, 2012**

Identifying Number: 12-01      Material Weakness in Lacking Segregation of Duties Over School Payroll

Finding:

The payroll clerk at the School Board is the only individual responsible for inputting new employees into the system, changing pay rates, processing payroll, and releasing direct deposit information for payroll.

Corrective Action Taken or Planned:

Management agrees that due to the limited staffing in the School Board's Central Office, there is one person that performs all basic functions of the payroll process while other staff approve contracts, benefits, and other human resource functions that provide the basis of the payroll. Since the first payroll in July, there has been a detailed review by the Director of Finance of new employee setup, contract changes, and terminations, as well as overall reviews prior to the processing of each semi-monthly payroll and related payables. Since August, the Director of Finance has started cross-training in the payroll process and will continue to look for additional compensating controls.

Contact Person: Deborah White, Interim Director of Finance, Goochland Public Schools

Identifying Number: 12-02      Lack of Controls over the School Board's Small Purchases Policy

Finding:

There were instances noted in testing the accounts payable and purchasing process at the School Board, in which the purchase order was dated subsequent to the invoice date. Upon further review of this process, it was noted that purchase orders were being used ineffectively, likely due to the significantly low threshold established by the policy, for which purchase orders are to be used. Purchase orders, per our discussions and reviews, are being utilized more as a means to establish an encumbrance in the system and for budget purposes, rather than their primary intent, which is to manage and control the procurement system. Additionally, it was noted that in many instances, purchase cards are being used to circumvent the usage of the purchase order system, due to the arduous process and low limits established by the policy.

Corrective Action Taken or Planned:

School Board management agrees that the Small Purchases Policy is confusing and is considering various options to improve it while retaining the levels of control of checks and purchase cards desired by both the School Board and the Superintendent for procurement and budget purposes.

Contact Person: Deborah White, Interim Director of Finance, Goochland Public Schools

COUNTY OF GOOCHLAND, VIRGINIA

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CORRECTIVE ACTION PLAN  
Year Ended June 30, 2012

Identifying Number: 12-03      Significant Deficiency in Internal Control over Journal Entries

Finding:

During our audit of the County, we selected journal entries posted during fiscal year 2012, and tested for proper initiation and approval, as well as for reasonableness. In doing so, there were instances in which the individual initiating the entry was also the individual that posted the entry, with no secondary approval being noted.

Corrective Action Taken or Planned:

Management agrees that it would be preferable to have secondary approval for all journal entries. Typically all journal entries are entered by the Director of Finance of either the County or the Schools. Beginning in December 2012, all County journal entries will be reviewed and approved by a second person, likely the Accounting Technician in the Department of Finance, with occasional sampling review by the Deputy County Administrator for Financial Services.

Contact Person: John Wack, Deputy County Administrator for Financial Services

Identifying Number: 12-04      Unclaimed Property Report Not Filed with the Virginia Department  
of the Treasury for June 30, 2011

Finding:

As stated in Section 55-210.12, Item D. of the Uniform Disposition of Unclaimed Property Act of the *Code of Virginia*, "The report and remittance shall be filed before November 1 of each year as of the June 30 next preceding..." Any business association in possession of property is subject to the Act. This includes but not limited to government agencies, utilities and nonprofit organizations. During the audit for fiscal year 2012, we noted the unclaimed property report for June 30, 2011 was not filed with the State nor were the unclaimed properties remitted.

Corrective Action Taken or Planned:

Management concurs with this finding. Due to an oversight by staff and a lack of transition of knowledge during turnover in the Treasurer's position, the Unclaimed Property Report for the fiscal year ended June 30, 2011 was not filed with the State in a timely manner. The reports for fiscal year 2011 and for fiscal year 2012 have now both been filed. In addition, the Treasurer's office has established a quarterly notification program concerning Unclaimed Property so that due diligence will be completed in a timely manner. Staff will ensure that future year reports are filed before the deadline.

Contact Person: Pamela Cooke Johnson, Treasurer

**CORRECTIVE ACTION PLAN  
Year Ended June 30, 2012**

Identifying Number: 12-05 Allowable Costs

Finding:

Although the County established a policy requiring the completion of time certifications for personnel costs charged to the Special Education Cluster, the certifications were not completed properly. Employees completed the required semi-annual time certifications before the employees' time was actually incurred and charged to the Federal award.

Corrective Action Taken or Planned:

The School's Director of Special Education will require employees compensated with federal grant funds to complete and sign the required time certification forms on the last working day of each biannual reporting period (December 30 and June 30). Due to the fact that the Single Audit Report for June 30, 2011 was not released in time for the December 2011 reporting period, this issue was not corrected until the June 30, 2012 reporting period. The June 30, 2012 process was reviewed and approved by the Virginia Department of Education and will continue for future reporting periods.

Contact Person: Deborah Beasley, Director of Special Education, Goochland Public Schools



**COUNTY OF GOOCHLAND, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2012**

2011-3: Allowable Costs

Program: Special Education Cluster (CFDA Numbers 84.027, 84.173, 84.391 and 84.392 – U.S. Department of Education – Commonwealth of Virginia Department of Education – Award Numbers HO27A100107, H391A090107, H173A100112 and H392A090112 – Awards Years 2009 and 2010)

Finding:

Although the County established a policy requiring the completion of time certifications for personnel costs charged to the Special Education Cluster, the certifications were not completed properly. Specifically, for a sample of 25 personnel, the certifications for the periods from August 2010 through December 2010 and January 2011 through June 2011 were provided to the personnel for certification on August 24, 2010 and January 3, 2011, respectively. These personnel certified their time before the six-month period was completed, not after the fact as required by federal regulations.

Corrective Action Taken or Planned:

The School's Director of Special Education will require employees compensated with federal grant funds to complete and sign the required time certification forms on the last working day of each biannual reporting period (December 30 and June 30). Due to the fact that the Single Audit Report was issued by KPMG on December 6, 2011, this issue had occurred for much of fiscal year 2012; however, it was noted that this was corrected at June 30, 2012.