Comprehensive Annual Financial Report

Fiscal Year Ended

June 30, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2013

Prepared by:

Department of Finance
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Goochland, Virginia 23063
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County of Goochland, Virginia

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County of Goochland, Virginia

June 30, 2013

Board of Supervisors

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

Susan F. Lascolette	Robert H. Minnick
Ned S. Creasey	

School Board

John D. Wright, Chairperson
Michael E. Payne, Vice-Chairperson

John L. Lumpkins, Jr.	Elizabeth A. Hardy
W. Kevin Hazzard	

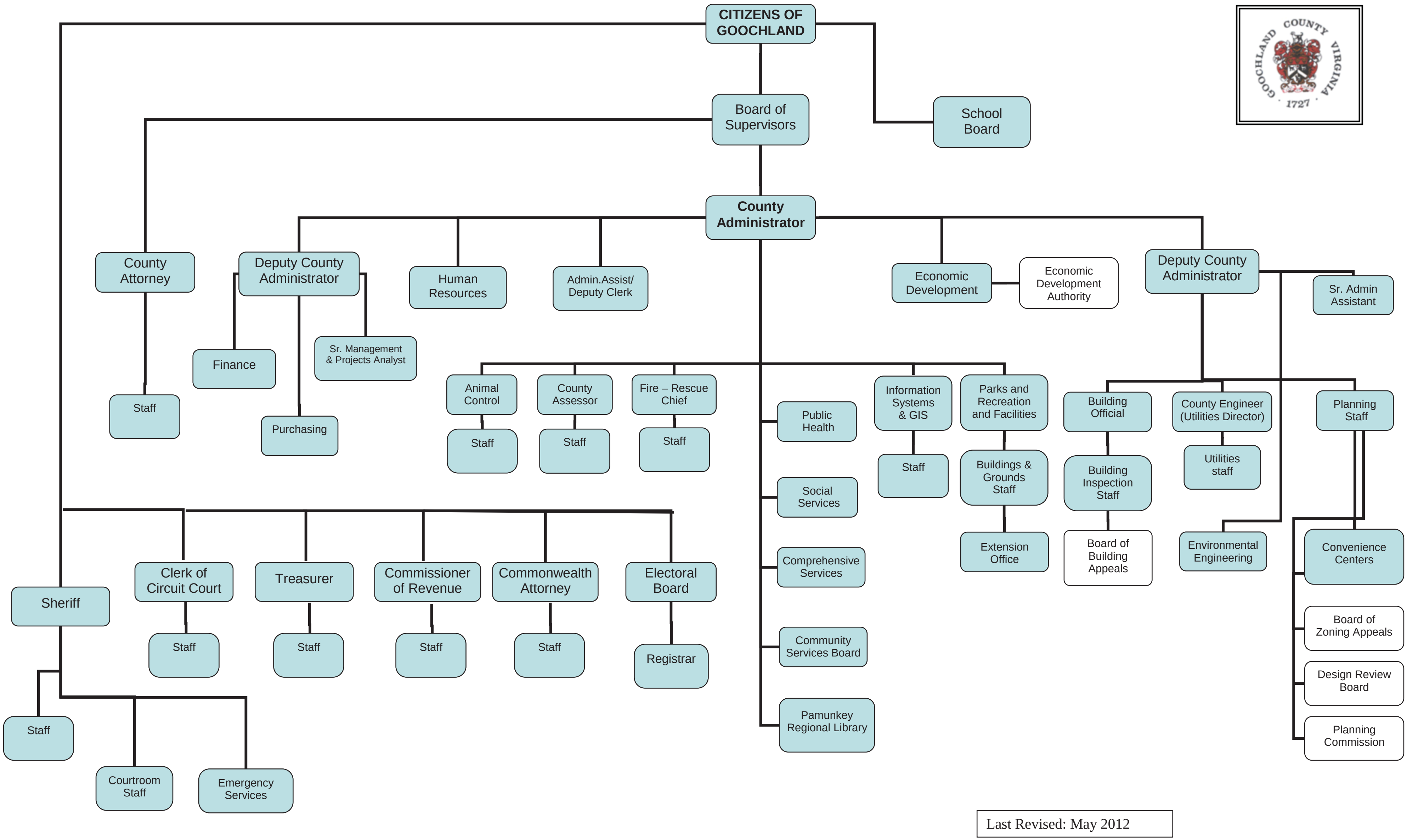
Social Services Board

Billie Reid, Chairperson

M. Ellen Robinson	June Frick
Janet Lynne Honeycutt	Barbara Slone

Other Officials

County Administrator	Rebecca T. Dickson
County Attorney	Norman Sales
Deputy County Administrator for Financial Services	John B. Wack
Judge of the Circuit Court	Timothy K. Sanner
Clerk of the Circuit Court	Lee G. Turner
Commonwealth’s Attorney	Claiborne H. Stokes, Jr.
Judge of the General and Juvenile and Domestic Relations District Combined Courts	Edward K. Carpenter
Sheriff	James L. Agnew
Superintendent of Schools	James F. Lane
Clerk of the School Board	Diane Bennett
Director of Social Services	Kimberly Jefferson
Commissioner of the Revenue	Jean S. Bryant
Treasurer	Pamela Johnson


CITIZENS OF GOOCHLAND
Board of Supervisors
School Board
GOOCHLAND COUNTY VIRGINIA 1727
County Administrator
County Attorney
Deputy County Administrator
Human Resources
Admin.Assist/ Deputy Clerk
Economic Development
Economic Development Authority
Deputy County Administrator
Sr. Admin Assistant
Finance
Sr. Management & Projects Analyst
Staff
Purchasing
Animal Control
County Assessor
Fire – Rescue Chief
Staff
Staff
Staff
Public Health
Information Systems & GIS
Parks and Recreation and Facilities
Building Official
County Engineer (Utilities Director)
Planning Staff
Staff
Buildings & Grounds Staff
Building Inspection Staff
Utilities staff
Social Services
Extension Office
Board of Building Appeals
Environmental Engineering
Convenience Centers
Comprehensive Services
Sheriff
Clerk of Circuit Court
Treasurer
Commissioner of Revenue
Commonwealth Attorney
Electoral Board
Staff
Staff
Staff
Staff
Registrar
Community Services Board
Board of Zoning Appeals
Design Review Board
Staff
Courtroom Staff
Emergency Services
Pamunkey Regional Library
Planning Commission
Last Revised: May 2012

BOARD OF SUPERVISORS
COUNTY OF GOOCHLAND
OFFICE OF THE COUNTY ADMINISTRATOR

December 3, 2013

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, 2013.

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.

PBMares, LLP, Certified Public Accountants have issued an unmodified opinion on the County's basic financial statements for the year ended June 30, 2013. 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.

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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 an enterprise fund.

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 21,347. 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 April 2012, HCA Virginia Health System opened up a 12,000 square foot hospital emergency center. As noted in more detail below, construction is underway for a new apartment complex in West Creek, and medical office buildings are also planned as part of that development.

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 1,033 residential and 233 non-residential water and/or sewer customers as of October 2013. Goochland currently purchases treated water and wastewater treatment services from Henrico County through a series of long-term contracts. Wastewater treatment services are also purchased from the City of Richmond through a long term agreement as related to the Tuckahoe Creek Service District (the "District"). The Virginia Department of Corrections provides both treated water and wastewater treatment services to the Goochland Courthouse area pursuant to long-term contracts. In October 2013, a new Memorandum of Agreement was executed between the County, the Department of Corrections, and Powhatan County which will ultimately allow Goochland to receive a capacity of up to 2,000,000 gallons of water per day.

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

Major Initiatives

The County made progress in a number of areas during the past year, with efforts expected to be ongoing into the near future:

- Education funding remains a top priority, as demonstrated with the establishment of a new School Bus transportation facility in the Oilville area;
- A three-year Technology Plan has been created and presented to the Board of Supervisors, with regular updates expected as projects are completed and priorities change over time;
- A countywide Strategic Plan is being developed by the Board of Supervisors with the assistance of a professional consultant and integrating input from staff, citizens, and focus groups;
- Development design standards have been established in villages within the County;
- Traffic studies are being conducted in multiple areas, including the Route 288/Broad Street interchange as well as the possible realignment of Hockett Road near Broad Street; and
- A Fire and EMS strategic plan is being compiled to establish performance standards and desired staffing levels into the future.

Implementation of the County's Economic Development Strategic Plan remains an important initiative. This Plan was approved by the Board of Supervisors in October 2011, and is being 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. Design standards are also being evaluated.
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. 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 developed a new stand alone Economic Development website. The County's 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 Board of Supervisors recently formed a Rural Economic Development Committee to help future agricultural businesses in the County.

The first phase of development of the West Creek Medical Center in Goochland County has been completed. 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.

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 August 2013, a rezoning application was approved by the Board of Supervisors which will allow for the development of up to 124 age-restricted single family homes on Pouncey Tract Road, near the commercial project noted above and near the recently established water and sewer infrastructure. This will add to the County's tax base with limited impact on the public schools.

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 over 250 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 over $30 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. The first group of apartments will likely be occupied in Spring 2014.

Some significant improvements to the Capital One campus in West Creek were 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 are adding approximately $43 million to the County's 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. To facilitate better decision-making in the future, a countywide Utility Master Plan was initiated in September 2013 with expected completion in the Fall of 2014.

In response to a Federal Communications Commission (FCC) mandate, the County has begun 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. Design work on the expanded Center began in May 2013 and is nearly complete, while the new towers should be constructed by May 2014.

A Parks and Recreation Master Plan was presented to the Goochland Board of Supervisors and 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 has recently been completed. 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. This revenue is allowing for the addition of four new full-time Firefighter/EMS positions, more part-time positions and overtime costs, as well as other personnel and operating expenses.

The first County-owned fire station will be constructed in the Hadensville area within the next couple of years. Design work on a replacement Company 6 station began in August 2013. All of the project costs are being (cash) funded with a shift to twice-per-year billing of personal property taxes in June 2013.

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, 2013 has been completed, and the County received an unmodified 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 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, 2013.

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 PBMares, LLP, to complete this audit. This requirement has been complied with and the auditors' report is an integral part of this report.

Acknowledgments

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

Respectfully submitted,

Rebecca T. Dickson, County Administrator

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information on pages 4-10 and 52-54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations,* is presented for purposes of additional analysis and is not a required part of the basic financials. The accompanying schedules listed in the table of contents as other supplementary information, supporting schedules, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
November 21, 2013

June 30, 2013

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, 2013. 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 $63,173,310 (net position). Of this amount, $38,856,696 represents unrestricted net position 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 position is 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 when earned and expenses when incurred.

- Net position increased for the fiscal year by $7,866,362. The net position of governmental activities increased by $9,737,254 while the net position of business-type activities decreased by $1,870,892.

- Combined (Governmental & Business-type activities) long-term obligations totaled $136,023,557, representing an increase of $8,307,841 during the current fiscal year.

Fund Financial Statements

- The Governmental funds, on a current financial resources measurement focus and modified accrual basis of accounting, reported revenues and other financing sources in excess of expenditures and other financing uses of $7,637,692 (Exhibit 5) after making payments totaling $17,539,786 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of $36,507,545, an increase of $7,637,692 in comparison with the prior year.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $22,873,972, and was 47% of total General Fund expenditures and other uses. At the end of current fiscal year, the County reported non-unassigned fund balances of $8,757,398 for various General Fund projects and uses during FY2014. Total fund balance represented 65% 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 Position presents the net position at year end and the Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions 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 Utilities Fund provides 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 Position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

Notes to Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information such as budgetary comparison schedules and combining financial statements for two discretely presented component units – the Goochland County School Board and the Goochland County Economic Development Authority.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by $63,173,310 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Goochland, Virginia's Net Position

	Governmental activities		Business-type activities		Totals	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Current and other assets	$ 52,259,432	$ 41,233,609	$ 22,812,484	$ 13,268,725	$ 75,071,916	$ 54,502,334
Capital assets	39,021,923	40,256,631	104,493,221	104,387,557	143,515,144	144,644,188
Total assets	$ 91,281,355	$ 81,490,240	$ 127,305,705	$ 117,656,282	$ 218,587,060	$ 199,146,522
Current liabilities	$ 16,653,060	$ 13,766,207	$ 2,737,133	$ 2,357,651	$ 19,390,193	$ 16,123,858
Long-term liabilities outstanding	20,451,725	23,284,717	115,571,832	104,430,999	136,023,557	127,715,716
Total liabilities	$ 37,104,785	$ 37,050,924	$ 118,308,965	$ 106,788,650	$ 155,413,750	$ 143,839,574
Net position:						
Net investment in capital assets	$ 21,842,273	$ 20,135,687	$ (11,052,343)	$ 5,886,806	$ 10,789,930	$ 26,022,493
Restricted	-	-	13,526,684	-	13,526,684	-
Unrestricted	32,334,297	24,303,629	6,522,399	4,980,826	38,856,696	29,284,455
Total net position	$ 54,176,570	$ 44,439,316	$ 8,996,740	$ 10,867,632	$ 63,173,310	$ 55,306,948

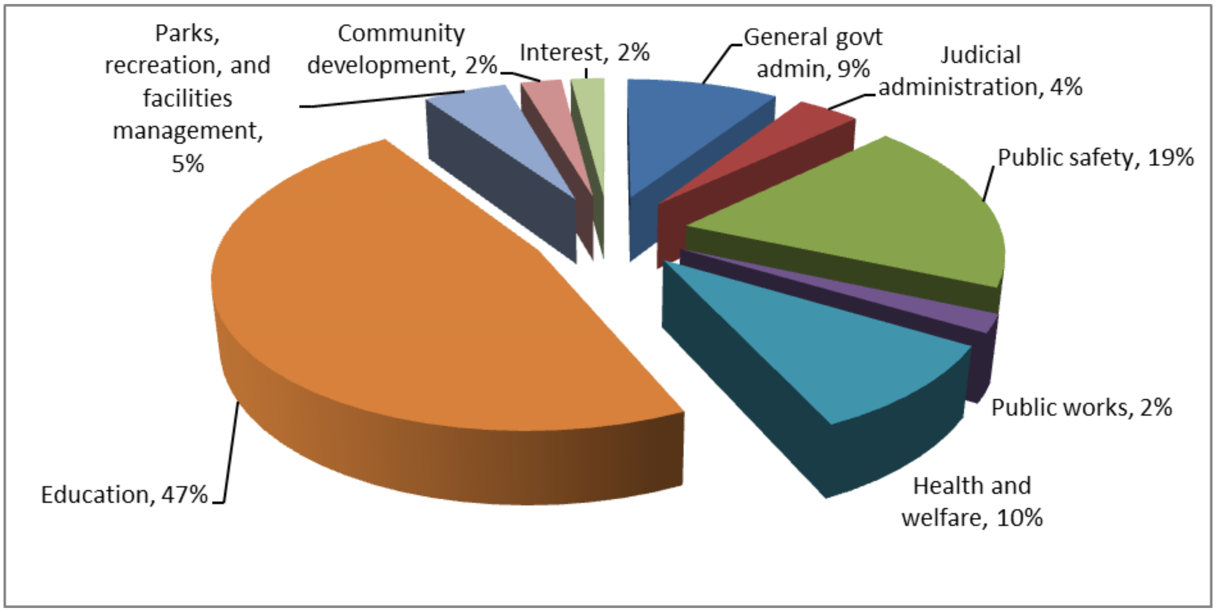
Net investment in capital assets includes land, buildings and improvements, machinery and equipment and other capital assets net of the related debt currently outstanding, which was used to acquire or construct these assets. The County uses this component of net position to provide services to citizens,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

The County's net position increased by $7,866,362 during the current fiscal year. The following table summarizes the County's Statement of Activities.

County of Goochland, Virginia's Changes in Net Position

	Governmental activities		**Business-type activities**		**Totals**	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Revenues:						
Program revenues:						
Charges for services	$ 1,519,220	$ 1,078,263	$ 4,014,710	$ 3,576,014	$ 5,533,930	$ 4,654,277
Operating grants and contributions	3,606,738	3,407,998	-	-	3,606,738	3,407,998
Capital grants and contributions	37,000	190,358	932,860	1,790,690	969,860	1,981,048
General revenues:						
General property taxes	33,172,749	29,314,852	3,128,789	3,082,297	36,301,538	32,397,149
Other local taxes	9,029,544	5,252,355	-	-	9,029,544	5,252,355
Grants and other contributions not restricted	3,059,051	2,935,200	-	-	3,059,051	2,935,200
Other general revenues	1,018,107	775,345	428,208	337,063	1,446,315	1,112,408
Total revenues	51,442,409	42,954,371	8,504,567	8,786,064	59,946,976	51,740,435
Expenses:						
General government administration	3,783,527	3,775,282	-	-	3,783,527	3,775,282
Judicial administration	1,561,657	1,456,810	-	-	1,561,657	1,456,810
Public safety	7,658,681	7,130,848	-	-	7,658,681	7,130,848
Public works	801,403	796,180	-	-	801,403	796,180
Health and welfare	3,938,769	3,880,617	-	-	3,938,769	3,880,617
Education	19,467,678	17,700,882	-	-	19,467,678	17,700,882
Parks, recreation, and facilities management	2,089,590	2,045,649	-	-	2,089,590	2,045,649
Community development	1,020,421	1,191,392	-	-	1,020,421	1,191,392
Interest and other fiscal charges	836,779	949,236	-	-	836,779	949,236
Utilities	-	-	10,922,109	10,199,319	10,922,109	10,199,319
Total expenses	41,158,505	38,926,896	10,922,109	10,199,319	52,080,614	49,126,215
Change in net position before transfers	10,283,904	4,027,475	(2,417,542)	(1,413,255)	7,866,362	2,614,220
Transfers	(546,650)	(466,067)	546,650	466,067	-	-
Change in net position	9,737,254	3,561,408	(1,870,892)	(947,188)	7,866,362	2,614,220
Beginning of year	44,439,316	40,877,908	10,867,632	11,814,820	55,306,948	52,692,728
End of year	$ 54,176,570	$ 44,439,316	$ 8,996,740	$ 10,867,632	$ 63,173,310	$ 55,306,948

Governmental Activities Expenses
Fiscal Year 2012-2013



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

- Increase in net position for Governmental activities of $9,737,254 was the result of revenues significantly exceeding expenditures. In particular, bank stock and (personal) property tax collections exceeded the budgeted amount, while expenditures (such as for local education costs) were below budget.

- Decreases in net position for business-type activities of $1,870,892 resulted primarily from interest expenses for the Tuckahoe Creek Service District (TCSD) exceeding taxes, connection fees, and other miscellaneous revenue sources. 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 position 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 $36,507,545, an increase of $7,637,692 during the current year. The increase was primarily due to revenue collections received above the budgeted amounts, with much of that coming from bank stock taxes.

Approximately 63% of this total fund balance amount constitutes unassigned fund balance, which is available for spending at the County's discretion. For FY2013, the County reports nonspendable, restricted, committed, and assigned fund balances of $8,757,398 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 $4,700,812

Proprietary Funds

The County's proprietary funds provide the same type of information found for those funds in the government-wide financial statements for business-type activities, but in more detail. Unrestricted net position at the end of the year for the business-type activities was $6,522,399. Unrestricted net position at the end of the prior year was $4,980,826, for an increase in unrestricted net position during the year of $1,541,573. Total net position decreased for the year by $1,870,892, largely due to depreciation and amortization expense and the accreted interest on capital appreciation bonds.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for expenditures were $1,075,612 and can be briefly summarized as follows:

- $147,859 increase in general government administrative expenditures
- $308,385 increase in public safety expenditures
- $225,451 increase in community development expenditures
- $8,030 increase in judicial administration expenditures
- $23,542 increase in health and welfare expenditures
- $61,345 increase in parks, recreation, and facilities management expenditures
- $281,000 increase in education expenditures
- $20,000 increase in capital outlays and projects 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 financing sources/uses exceeded amended budgetary estimates by $3,551,445. Expenditures were less than budgetary estimates by $1,824,712, thus reducing the planned draw upon budgeted fund balance. Actual revenues exceeded expenditures by $9,935,603; however, transfers to and from other governmental and proprietary funds netted to ($4,559,446), resulting in a net addition to fund balance of $5,376,157 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, 2013 amounted to $39,021,923 (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, 2013 were $104,493,221 (net of accumulated depreciation and amortization).

Additional information on the County's capital assets can be found in note 7 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 $136,023,557. Of this amount, $16,710,000 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 increased by $8,307,841 during the current fiscal year.

Additional information on the County of Goochland, Virginia's long-term debt can be found in note 9 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The July 2013 unemployment rate for the County of 4.5% compared favorably to the state's average unemployment rate of 5.7% and national average rate of 7.7% for the same period.

- The fiscal year 2014 budget increased by approximately 0.04% for all funds (including the component units), decreasing by 4.22% 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, 2013

County of Goochland, Virginia

Government-Wide Financial Statements

Statement of Net Position

June 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
Assets					
Cash and cash equivalents	$ 32,624,871	$ 8,012,708	$ 40,637,579	$ 1,779,822	$ 351,538
Receivables (net of allowance for uncollectibles):					
Taxes receivable, including penalties, net	15,652,579	1,600,549	17,253,128	-	-
Accounts receivable, net	197,995	1,011,462	1,209,457	23,654	-
Notes receivable	176,955	-	176,955	-	-
Prepaid expenses	91,192	4,695	95,887	349,303	-
Internal balances	2,317,634	(2,317,634)	-	-	-
Due from Primary Government	-	-	-	-	2,762,472
Due from other governmental units	1,198,206	-	1,198,206	814,643	-
Inventories	-	-	-	32,581	-
Restricted assets	-	13,526,684	13,526,684	35,193	-
Other assets:					
Unamortized bond issue costs	-	974,020	974,020	-	-
Land held for resale	-	-	-	-	801,100
Capital assets (net of accumulated depreciation and amortization):					
Land and land improvements	3,832,868	2,874,584	6,707,452	459,907	-
Buildings and system	28,328,141	69,840,701	98,168,842	21,379,599	-
Capacity rights	-	31,708,406	31,708,406	-	-
Machinery and equipment	6,079,943	27,713	6,107,656	1,008,805	-
Construction in progress	780,971	41,817	822,788	39,937	-
	$ 91,281,355	$ 127,305,705	$ 218,587,060	$ 25,923,444	$ 3,915,110
Liabilities					
Accounts payable	$ 280,904	$ 245,300	$ 526,204	$ 272,166	$ 640
Accrued liabilities	152,754	5,229	157,983	2,605,264	-
Customers' deposits	-	24,673	24,673	-	-
Accrued interest payable	381,974	421,675	803,649	-	-
Due to component unit	2,762,472	-	2,762,472	-	-
Due to other governmental units	-	459,326	459,326	-	-
Unearned revenues	13,074,956	1,580,930	14,655,886	-	-
Long-term obligations:					
Due within one year	2,171,865	1,342,371	3,514,236	350,072	165,000
Due in more than one year	18,279,860	114,229,461	132,509,321	929,838	2,372,472
Total liabilities	37,104,785	118,308,965	155,413,750	4,157,340	2,538,112
Net position					
Net investment in capital assets	21,842,273	(11,052,343)	10,789,930	22,851,153	-
Restricted	-	13,526,684	13,526,684	5,651	-
Unrestricted (deficit)	32,334,297	6,522,399	38,856,696	(1,090,700)	1,376,998
Total net position	54,176,570	8,996,740	63,173,310	21,766,104	1,376,998
	$ 91,281,355	$ 127,305,705	$ 218,587,060	$ 25,923,444	$ 3,915,110

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

Statement of Activities

Year Ended June 30, 2013

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position				
					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Board	EDA
Primary Government									
Governmental activities:									
General government administration	$ 3,783,527	$ -	$ 281,231	$ -	$ (3,502,296)		$ (3,502,296)		
Judicial administration	1,561,657	28,814	532,897	-	(999,946)		(999,946)		
Public safety	7,658,681	317,460	1,174,576	-	(6,166,645)		(6,166,645)		
Public works	801,403	34,325	7,347	-	(759,731)		(759,731)		
Health and welfare	3,938,769	36,672	1,594,523	-	(2,307,574)		(2,307,574)		
Education	19,467,678	974,569	-	-	(18,493,109)		(18,493,109)		
Parks, recreation, and facilities management	2,089,590	127,380	15,221	37,000	(1,909,989)		(1,909,989)		
Community development	1,020,421	-	943	-	(1,019,478)		(1,019,478)		
Interest on long-term debt	836,779	-	-	-	(836,779)		(836,779)		
Total governmental activities	41,158,505	1,519,220	3,606,738	37,000	(35,995,547)		(35,995,547)		
Business-type activities									
Utilities	10,922,109	4,014,710	-	932,860		$ (5,974,539)	(5,974,539)		
Total Primary Government	$ 52,080,614	$ 5,533,930	$ 3,606,738	$ 969,860			$ (41,970,086)		
Component units									
School Board	$ 26,964,830	$ 528,235	$ 7,643,949	$ 4,100				$ (18,788,546)	$ -
Economic Development Authority	15,867	19,193	-	-				-	3,326
Total component units	$ 26,980,697	$ 547,428	$ 7,643,949	$ 4,100				$ (18,788,546)	$ 3,326
General revenues									
General property taxes					$ 33,172,749	$ 3,128,789	$ 36,301,538	$ -	$ -
Other local taxes:									
Local sales and use taxes					2,277,542	-	2,277,542	-	-
Other local taxes					6,752,002	-	6,752,002	-	-
Fines and forfeitures					130,802	-	130,802	-	-
Unrestricted revenues from use of money and property					90,781	424,269	515,050	46,382	614
Payments from Primary Government					-	-	-	18,803,292	-
Grants and contributions not restricted to specific programs					3,059,051	-	3,059,051	-	-
Miscellaneous					796,524	3,939	800,463	71,544	-
Transfers					(546,650)	546,650	-	-	-
Total general revenues and transfers					45,732,801	4,103,647	49,836,448	18,921,218	614
Change in net position					9,737,254	(1,870,892)	7,866,362	132,672	3,940
Net position - beginning of year					44,439,316	10,867,632	55,306,948	21,633,432	1,373,058
Net position - end of year					$ 54,176,570	$ 8,996,740	$ 63,173,310	$ 21,766,104	$ 1,376,998

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

County of Goochland, Virginia

Fund Financial Statements

Balance Sheet - Governmental Funds

June 30, 2013

Assets	General	Capital Projects	Other Nonmajor Governmental	Total Governmental Funds
Cash and cash equivalents	$ 27,680,275	$ 4,805,546	$ 139,050	$ 32,624,871
Receivables (net of allowances for uncollectibles):				
Taxes receivable, including penalties	15,652,579	-	-	15,652,579
Accounts receivable	189,762	-	8,233	197,995
Notes receivable	176,955	-	-	176,955
Prepaid expenses	90,704	-	488	91,192
Due from other fund	2,317,634	-	-	2,317,634
Due from other governmental units	1,143,818	-	54,388	1,198,206
Total assets	$ 47,251,727	$ 4,805,546	$ 202,159	$ 52,259,432
Liabilities				
Accounts payable	$ 150,286	$ 104,734	$ 25,884	$ 280,904
Accrued liabilities	151,842	-	912	152,754
Deferred revenues	15,318,229	-	-	15,318,229
Total liabilities	15,620,357	104,734	26,796	15,751,887
Fund Balances				
Nonspendable	2,585,293	-	488	2,585,781
Restricted	105,609	-	117,233	222,842
Assigned	6,066,496	4,700,812	57,642	10,824,950
Unassigned	22,873,972	-	-	22,873,972
Total fund balances	31,631,370	4,700,812	175,363	36,507,545
Total liabilities and fund balances	$ 47,251,727	$ 4,805,546	$ 202,159	$ 52,259,432

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

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2013

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		$ 36,507,545
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	61,042,989	
Less - accumulated depreciation and amortization	(22,021,066)	
		39,021,923
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		2,243,273
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	(216,485)	
General obligation bonds	(16,963,165)	
Other postemployment benefits	(601,239)	
Compensated absences	(776,373)	
Landfill postclosure care	(1,894,463)	
Due to component unit	(2,762,472)	
Interest payable	(381,974)	
		(23,596,171)
Net position of governmental activities		$ 54,176,570

County of Goochland, Virginia — *Exhibit 5*

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

Year Ended June 30, 2013

	General	Capital Projects	Other Nonmajor Governmental	Total Governmental Funds
Revenues				
General property taxes	$ 32,914,846	$ -	$ -	$ 32,914,846
Other local taxes	9,029,544	-	-	9,029,544
Permits, privilege fees and regulatory licenses	973,999	-	-	973,999
Fines and forfeitures	130,802	-	-	130,802
Revenue from use of money and property	93,455	-	-	93,455
Charges for services	508,549	-	36,672	545,221
Miscellaneous	52,159	744,365	-	796,524
Recovered costs	200,640	-	-	200,640
Intergovernmental revenues:				
Commonwealth	5,288,330	110,120	351,316	5,749,766
Federal	877,207	-	38,816	916,023
Total revenues	50,069,531	854,485	426,804	51,350,820
Expenditures				
Current:				
General government administration	3,717,286	-	-	3,717,286
Judicial administration	1,488,895	-	-	1,488,895
Public safety	6,678,760	-	8,431	6,687,191
Public works	842,089	-	-	842,089
Health and welfare	2,947,503	-	1,013,827	3,961,330
Education	17,539,786	-	-	17,539,786
Parks, recreation, and facilities management	1,866,550	-	-	1,866,550
Community development	1,220,688	-	-	1,220,688
Capital outlays and projects	20,687	2,003,452	-	2,024,139
Debt service:				
Principal retirement	2,905,005	-	-	2,905,005
Interest and other fiscal charges	906,679	-	-	906,679
Total expenditures	40,133,928	2,003,452	1,022,258	43,159,638
Excess (deficiency) of revenues over (under) expenditures	9,935,603	(1,148,967)	(595,454)	8,191,182
Other financing sources (uses)				
Transfers in	200,469	3,552,000	644,648	4,397,117
Transfers out	(4,759,915)	(190,692)	-	(4,950,607)
Total other financing sources (uses), net	(4,559,446)	3,361,308	644,648	(553,490)
Net change in fund balances	5,376,157	2,212,341	49,194	7,637,692
Fund balances - beginning of year	26,255,213	2,488,471	126,169	28,869,853
Fund balances - end of year	$ 31,631,370	$ 4,700,812	$ 175,363	$ 36,507,545

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, 2013

Net change in fund balances - total governmental funds	$ 7,637,692
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 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	2,429,585
Depreciation and amortization	(2,445,953)
Allocation of joint tenancy assets, net, to the School Board Component Unit	(1,263,506)
	(1,279,874)
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position	45,166
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	257,903
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal recorded as public works expenditures	16,814
Principal retired on general obligation long-term debt and capital lease obligations	2,905,005
	2,921,819
Some expenses reported in the Statement of Activities do not require the use of current financial resources resources and, therefore, are not reported as expenditures in governmental funds:	
Change in landfill postclosure liability	28,816
Change in compensated absences	(47,518)
Change in net OPEB obligations	(89,600)
Change in interest payable	50,425
Change in due to component unit	192,950
Amortization of bond premium	19,475
	154,548
Change in net position of governmental activities	$ 9,737,254

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

Statement of Net Position - Proprietary Fund

June 30, 2013

		Proprietary Fund
Assets		
Current assets		
Cash and cash equivalents	$	8,012,708
Accounts receivable, net		1,011,462
Prepaid expenses		4,695
Taxes receivable, including penalties, net		1,600,549
Total current assets		10,629,414
Noncurrent assets		
Restricted assets		
Investments		6,640,200
Cash and cash equivalents		6,886,484
Total restricted assets		13,526,684
Unamortized bond issue costs		974,020
Capital assets, net		104,493,221
Total non-current assets		118,993,925
Total assets	$	129,623,339
Liabilities and Net Position		
Current liabilities		
Accounts payable	$	245,300
Accrued liabilities		5,229
Customers' deposits		24,673
Accrued interest payable		421,675
Due to other fund		2,317,634
Due to other governmental units		459,326
Deferred revenues		1,548,600
Prepaid taxes		32,330
Compensated absences		2,627
Bonds payable		996,699
Long-term amortization of capacity charges		271,006
Contractual agreement payable		72,039
Total current liabilities		6,397,138
Noncurrent liabilities		
Bonds payable - net of current portion		90,943,016
Long-term amortization of capacity charges - net of current portion		19,088,880
Compensated absences - net of current portion		23,641
Contractual agreement payable - net of current portion		4,173,924
Total noncurrent liabilities		114,229,461
Total liabilities		120,626,599
Net position		
Net investment in capital assets		(11,052,343)
Restricted		13,526,684
Unrestricted		6,522,399
Total net position		8,996,740
	$	129,623,339

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

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund

Year Ended June 30, 2013

	Proprietary Fund
Operating revenues	
Charges for services:	
Charges for service	$ 4,008,690
Penalty/reconnection fees	6,020
Miscellaneous	3,939
Total operating revenues	4,018,649
Operating expenses	
Operations and administration	3,424,384
Depreciation and amortization	2,610,707
Total operating expenses	6,035,091
Operating loss	(2,016,442)
Nonoperating revenues (expenses)	
Connection fees	932,860
Investment earnings	400,464
Property taxes	3,128,789
Lease revenue	23,805
Interest expense	(4,887,018)
Total nonoperating expenses, net	(401,100)
Loss before transfers	(2,417,542)
Transfers	
Transfers in	567,267
Transfers out	(20,617)
Total transfers, net	546,650
Change in net position	(1,870,892)
Total net position - beginning of year	10,867,632
Total net position - end of year	$ 8,996,740

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

Statement of Cash Flows - Proprietary Fund

Year Ended June 30, 2013

	Proprietary Fund
Cash flows from operating activities	
Receipts from customers and users	$ 3,523,392
Payments to suppliers	(2,784,294)
Payments to employees	(331,698)
Net cash provided by operating activities	407,400
Cash flows from noncapital financing activities	
Transfers from other funds	563,267
Transfers to other funds	(9,777)
Lease revenue	23,805
Tax revenue	3,133,345
Net cash provided by noncapital financing activities	3,710,640
Cash flows from capital and related financing activities	
Principal payments on bonds	(1,023,291)
Additions to utility plant	(122,322)
Additions to machinery and equipment	(24,514)
Payments for capacity charges	(270,481)
Payments on contractual agreement payable	(76,297)
Payment on amount due to General Fund	(300,000)
Connection fees	932,860
Deposits to restricted escrow accounts at refunding	1,030,967
Payments made for bond issuance costs	(388,024)
Interest payments and fiscal agent fees	(2,288,925)
Net cash used in capital and related financing activities	(2,530,027)
Cash flows from investing activities	
Sale of restricted investments	6,155,881
Interest and dividends received	400,464
Net cash provided by investing activities	6,556,345
Net change in cash and cash equivalents	8,144,358
Cash and cash equivalents - beginning of year	6,754,834
Cash and cash equivalents - end of year	$ 14,899,192
Cash and cash equivalents, as shown on the statement of net position	
Cash and cash equivalents - current assets	$ 8,012,708
Cash and cash equivalents - restricted assets	6,886,484
	$ 14,899,192

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

Year Ended June 30, 2013

	Proprietary Fund
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	$ (2,016,442)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization expense	2,610,707
Changes in assets and liabilities:	
Increase in net accounts receivable	(544,392)
Increase in prepaid expenses	(113)
Decrease in due from other governmental units	49,735
Increase in acccued liabilities	5,229
Increase in compensated absences	11,901
Decrease in customer deposits	(600)
Increase in due to other governmental units	303,967
Increase in accounts payable	(12,592)
Total adjustments	2,423,842
Net cash provided by operating activities	$ 407,400

Supplemental information on non-cash investing and financing activity:

Non-cash transfers between the Proprietary Fund and the General Fund consisted of the following: a vehicle from the General Fund to the Proprietary Fund with a net book value of $4,000 and a vehicle from the Proprietary Fund to the General Fund with a net book value of $10,840.

Accreted interest on capital appreciation of bonds of $2,298,681 represents non-cash transactions which resulted in an increase in outstanding debt during the year.

Capital assets acquired through the incurrence of accounts payable totals $16,375 at year-end.

During the year, the City of Richmond placed in service a portion of it's Nutrient Reduction Project. A portion of this infrastructure belongs to the County. The County's portion of this infrastructure totaled $2,560,000. The County incurred an obligation in the same amount related to this project.

See note 9 for description of non-cash investing and financing activity related to bond refunding that occurred during the year.

Statement of Fiduciary Net Position - Agency Funds

June 30, 2013

		Agency Funds
Assets		
Cash and cash equivalents	$	692,950
Due from other governmental units		477
Total assets	$	693,427
Liabilities		
Amounts held for social services clients	$	5,174
Due to County of Goochland, Virginia		2,407
Performance bonds payable		685,846
Total liabilities	$	693,427

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

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 results where 1) there is fiscal dependence and a financial benefit or burden relationship, 2) there is a voting majority of the organization's governing body appointed by the Board of Supervisors and a financial benefit or burden relationship, or 3) there is a voting majority of the organization's governing body appointed by the Board of Supervisors and the Board of Supervisors has the ability to impose its will on the organization. Even if financial accountability is not established, a potential component unit may still need to be reported simply because it would be misleading to exclude it. 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, 2013.

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, 2013.

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, 2013. 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 $388,400 to the Library in fiscal year 2013. 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 2013. 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 fund (Utilities) 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 Position, 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 Position 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 Position*** - The Statement of Net Position is designed to display the financial position of the Primary Government (governmental and business-type activities) and its discretely presented component units. In addition to reporting current assets and liabilities, the Statement of Net Position includes both noncurrent assets and noncurrent liabilities of the County (such as buildings and long-term liabilities for various employee benefits). The Net Position of the County may be presented in three categories — (1) net investment in capital assets; (2) restricted; and (3) unrestricted. The County generally first uses restricted resources for expenses incurred for which both restricted and unrestricted Net Position is available.

> ***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 the enterprise fund 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 fund, the financial statements consist of a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. For the fiduciary funds, the financial statements consist of a Statement of Fiduciary Net Position.

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 Position as shown on the government-wide Statement of Net Position 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 Position 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 Fund consists of the Utilities fund, which provides water and sewer services for the County.
- *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 fund is charges for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, contractual services, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Unbilled charges for water and wastewater services are recorded at year-end to the extent they can be estimated.

D. 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 statues 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 uncollectable property taxes amounted to $611,143 at June 30, 2013 is reported within each fund as follows:

General Fund	$	608,003
Utilities Fund		3,140

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.

	Real Property	Personal Property
Levy	January 1	January 1
Due date	June 5 / December 5	June 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, 2013. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

H. 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 Position 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 Utilities Fund has capitalized interest of approximately $10,065,700, with related accumulated amortization of approximately $1,404,000, at June 30, 2013.

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 Position. 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 Fund are depreciated and amortized as follows:

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

I. Compensated Absences

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Total accumulated vacation leave is reported as an expense as incurred in the Statement of Activities and a long-term obligation in the Statement of Net Position. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For County proprietary funds, the cost of vacation and sick leave is recorded as a liability when incurred.

J. 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 29-year period. The County's policy is to fund pension cost at the actuarially determined rates.

K. 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.

L. 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 12. 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.

M. Net Position

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

Net Investment in Capital Assets – 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 Position that is 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 Position that does not meet the definition of "restricted" or "net investment in capital assets."

N. 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 enterprise fund.

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.

O. Internal and Intra-entity Activity

In the process of aggregating data for the Statement of Net Position 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 Position.

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.

P. 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.

Q. 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. New GASB Standard

In the fiscal year ending June 30, 2013, the County adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position (GASB 63)*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position (net assets/balance sheet). Amounts that are required to be reported as deferred outflows should be reported in a statement of net position in a separate section following assets. Similarly, amounts required to be reported as deferred inflows of resources should be reported in a separated section following liabilities. The Statement of Net Position should report the residual amount as net position, rather than net assets or equity. GASB 63 was implemented retroactively. The adoption of this statement resulted in a change in the presentation of the Statement of Net Assets to Net Position.

3. 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 Pubic 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 Unites 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, 2013 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The County's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are required to be rated no lower than *Standard and Poor's* A-1 and *Moody's* Investor Service P-1.

County's Rated Values

		Fair Quality Ratings
		AAAm
Local Government Investment Pool	$	29,238,864
State Non-Arbitrage Pool (SNAP)		641,007
U.S. Government Securities		6,640,200
Total	$	36,520,071

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.

		Fair Value		**Less Than 1 year**		**Greater Than 10 years**
Cash equivalent type:						
Local Government Investment Pool	$	29,238,864	$	29,238,864	$	-
State Non-Arbitrage Pool		641,007		641,007		-
U.S. Government Securities		6,640,200		-		6,640,200
Total	$	36,520,071	$	29,879,871	$	6,640,200

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, 2013, of the Primary Government's cash, cash equivalents, and investments by asset type:

Government-Wide Accounts		**Balance June 30, 2013**
Cash and cash equivalents:		
Governmental Activities	$	32,624,871
Business-type Activities		8,012,708
Restricted cash and cash equivalents – business-type activities		6,886,484
Restricted investment – business-type activities		6,640,200
Total cash, cash equivalents and investment	$	54,164,263

Asset Type	Balance June 30, 2013
Petty cash	$ 5,250
Deposit accounts	17,638,942
Investments:	
Local Government Investment Pool	29,238,864
State Non-Arbitrage Pool	641,007
U.S. Government Securities	6,640,200
Total cash, cash equivalents and investment	$ 54,164,263

4. Due to/from Other Governments

At June 30, 2013, the Primary Government and School Board Component Unit had as follows:

	Governmental Funds	Component Unit School Board
Other local governments:		
County of Henrico	$ -	$ 54,219
Commonwealth of Virginia:		
General Fund:		
Local sales tax	520,612	-
Welfare assistance	42,602	-
Consumption tax	15,948	-
Consumer utility tax	69,722	-
Rolling stock tax	79,444	-
State sales tax	-	507,923
Constitutional officer reimbursements	128,484	-
Recordation tax	29,878	-
Miscellaneous state grants	37,306	-
Communications tax	138,355	-
Other Nonmajor Governmental Fund:		
Comprehensive Services Act	54,388	-
Federal Government:		
General Fund:		
School fund grants	-	252,501
Emergency management grants	18,104	-
Welfare assistance	63,363	-
	$ 1,198,206	$ 814,643

5. Due to/from Other Funds

Details of the Primary Government's interfund receivables and payables as of June 30, 2013 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 2,317,634	$ -
Utilities Fund	-	2,317,634
	$ 2,317,634	$ 2,317,634

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

6. Due to Component Unit / Due from Primary Government

Details of the Primary Government's Due to Component Units as of June 30, 2013 are as follows:

	Due from Primary Government	Due to Component Unit
Governmental Activities – General Fund	$ -	$ 2,762,472
Economic Development Authority	2,762,472	-
	$ 2,762,472	$ 2,762,472

These due to/from balances represent long-term contractual agreements between the County and the EDA (see note 9 for further discussion).

7. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2013.

Primary Government - Governmental Activities

	Balance July 1, 2012	Additions	Deletions / Transfers	Balance June 30, 2013
Capital assets not subject to depreciation and amortization:				
Construction in progress	$ 154,905	$ 626,066	$ -	$ 780,971
Land and land improvements	3,411,175	421,693	-	3,832,868
Total capital assets not subject to depreciation and amortization	3,566,080	1,047,759	-	4,613,839
Capital assets subject to depreciation and amortization:				
Buildings and improvements	16,013,533	604,390	-	16,617,923
Equipment	13,707,406	814,436	(163,545)	14,358,297
Buildings – jointly owned assets	27,348,799	-	(1,895,869)	25,452,930
Total capital assets subject to depreciation and amortization	57,069,738	1,418,826	(2,059,414)	56,429,150
Less accumulated depreciation and amortization for:				
Buildings and improvements	(4,829,790)	(423,156)	-	(5,252,946)
Equipment	(7,058,238)	(1,391,827)	171,711	(8,278,354)
Buildings – jointly owned assets	(8,491,159)	(630,970)	632,363	(8,489,766)
Total accumulated depreciation and amortization	(20,379,187)	(2,445,953)	804,074	(22,021,066)
Total capital assets subject to depreciation and amortization - net	36,690,551	(1,027,127)	(1,255,340)	34,408,084
Governmental activities capital assets - net	$ 40,256,631	$ 20,632	$ (1,255,340)	$ 39,021,923

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

Governmental Activities:	
General government	$ 242,950
Judicial administration	93,440
Public safety	1,230,516
Health and welfare	17,459
Education	647,072
Parks, recreation, and facilities management	198,538
Community development	15,978
	$ 2,445,953

A summary of proprietary fund capital assets at June 30, 2013 follows.

Primary Government – Business-type Activities

	Balance July 1, 2012	**Additions**	**Deletions / Transfers**	**Balance June 30, 2013**
Capital assets not subject to depreciation or amortization:				
Construction in progress	$ -	$ 41,817	$ -	$ 41,817
Land and land improvements	2,874,584	-	-	2,874,584
Total capital assets not subject to depreciation or amortization	2,874,584	41,817	-	2,916,401
Capital assets subject to depreciation and amortization:				
Water and sewer system	79,682,243	2,656,879	-	82,339,122
Capacity rights	37,985,116	-	-	37,985,116
Machinery and equipment	91,078	28,515	(38,350)	81,243
Total capital assets subject to depreciation and amortization	117,758,437	2,685,394	(38,350)	120,405,481
Less accumulated depreciation and amortization for:				
Water and sewer system	(10,843,855)	(1,654,566)	-	(12,498,421)
Capacity rights	(5,327,082)	(949,628)	-	(6,276,710)
Machinery and equipment	(74,527)	(6,513)	27,510	(53,530)
Total accumulated depreciation and amortization	(16,245,464)	(2,610,707)	27,510	(18,828,661)
Total capital assets subject to depreciation and amortization - net	101,512,973	74,687	(10,840)	101,576,820
Business-type activities capital assets - net	$ 104,387,557	$ 116,504	$ (10,840)	$ 104,493,221

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, 2013 is that school related financed assets in the amount of $16,963,164 (net of accumulated depreciation and amortization) are reported in the Primary Government as buildings - jointly owned assets for financial reporting purposes.

Component Unit – School Board

	Balance July 1, 2012	Additions	Deletions / Transfers	Balance June 30, 2013
Capital assets not subject to depreciation and amortization:				
Construction in progress	$ -	$ 39,937	$ -	$ 39,937
Land and land improvements	459,907	-	-	459,907
Total capital assets not subject to depreciation and amortization	459,907	39,937	-	499,844
Capital assets subject to depreciation and amortization:				
Vehicles and equipment	4,794,073	68,925	84,675	4,947,673
Buildings and improvements	30,183,844	1,895,869	-	32,079,713
Total capital assets subject to depreciation and amortization	34,977,917	1,964,794	84,675	37,027,386
Less accumulated depreciation and amortization for:				
Vehicles and equipment	(3,455,483)	(402,810)	(80,575)	(3,938,868)
Buildings and improvements	(9,371,375)	(1,328,739)	-	(10,700,114)
Total accumulated depreciation and amortization	(12,826,858)	(1,731,549)	(80,757)	(14,638,982)
Total capital assets subject to depreciation and amortization - net	22,151,059	233,245	4,100	22,388,404
School Board capital assets - net	$ 22,610,966	$ 273,182	$ 4,100	$ 22,888,248

Construction in progress balances are composed of the following:

	Expended to June 30, 2013	Committed at June 30, 2013
Governmental Activities:		
Leake's Mill park	$ 561,395	$ -
Narrow banding communications system	183,587	379,636
Library expansion	35,989	69,651
Total construction in progress – governmental activities	$ 780,971	$ 449,287
Component Unit – School Board:		
Security system	$ 39,937	$ 15,442

8. Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund 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, 2013, the General Fund received a transfer of $190,692 from the Capital Projects Fund and $9,777 from the Utilities Fund while transferring out $3,552,000, $644,648, and $563,267 to the Capital Projects Fund, Other Nonmajor Governmental Funds, and Utilities Fund, respectively. The transfers from the General Fund to the Utilities Fund were made to support capital activities.

9. Long-Term Obligations

A. Advance Refunding

On November 15, 2012, the County issued $56,053,736 of Water and Sewer System Revenue Bonds, Refunding Series 2012. The bonds consist of the following: $30,020,000 of Tax-Exempt Current Interest bonds bearing interest at 4% with annual maturities from October 2037 through October 2041, $19,303,736 of Tax-Exempt Capital Appreciation bonds bearing various fixed rates ranging from 3.55% and 4.01% with annual maturities from October 2029 through October 2036, and $6,730,000 Taxable Current Interest bonds bearing interest at 3.82% with annual maturities from October 2028 through October 2029.

The net proceeds of $49,526,617 (after issuance costs of $678,937, reserve establishment of $7,281,377, plus premium of $1,433,155) were used to advance refund a portion of the Series 2002 bonds with total principal amount of $39,925,456 and accreted interest of $5,595,658. The reacquisition price exceeded the net carrying amount of the old debt by $4,005,504. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the County’s liabilities.

The advance refunding was done in order to smooth peaks in debt service on the original Series 2002 Bonds and reduce maximum annual debt service by extending the final maturity of the outstanding obligations to October 1, 2041. The refunding generated a net present value savings of approximately $4.3 million, or 9.4% of the refunded par amount.

At June 30, 2013, there was $7,485,456 in bonds still outstanding that were considered defeased.

B. Primary Government

The following is a summary of long-term obligations for the year ended June 30, 2013.

	Amounts Payable at July 1, 2012	Increases	Decreases	Amounts Payable at June 30, 2013	Amounts Due Within One Year
Governmental activities obligations:					
Incurred for County:					
Compensated absences payable	$ 728,855	$ 459,542	$ (412,024)	$ 776,373	$ 77,637
Capital lease obligations	1,263,304	-	(1,046,819)	216,485	114,753
Other postemployment benefits	511,639	165,089	(75,489)	601,239	-
Landfill postclosure care	1,923,279	14,951	(43,767)	1,894,463	20,000
Total incurred by County	4,427,077	639,582	(1,578,099)	3,488,560	212,390
Incurred for School Board:					
General obligation bonds	18,585,000	-	(1,875,000)	16,710,000	1,940,000
Add deferred amounts issuance premiums	272,640	-	(19,475)	253,165	19,475
Total incurred for School Board	18,857,640	-	(1,894,475)	16,963,165	1,959,475
Total Governmental activities obligations	23,284,717	639,582	(3,472,574)	20,451,725	2,171,865
Business-type activities:					
Compensated absences payable	14,367	23,141	(11,240)	26,268	2,627
Revenue bonds	65,337,167	56,053,736	(40,948,747)	80,442,156	1,134,765
Add deferred amounts issuance premiums	-	1,433,155	(32,649)	1,400,506	49,419
Less deferred amounts on refunding	(240,000)	(4,005,504)	129,435	(4,116,069)	(187,485)
Accreted interest – revenue bonds	17,926,838	2,298,681	(6,012,397)	14,213,122	-
Capacity rights obligations	19,630,367	-	(270,481)	19,359,886	271,006
Contractual agreement payable	1,762,260	2,560,000	(76,297)	4,245,963	72,039
Total Enterprises funds obligations	104,430,999	58,363,209	(47,222,376)	115,571,832	1,342,371
Total Primary Government	$ 127,715,716	$ 59,002,791	$ (50,694,950)	$ 136,023,557	$ 3,514,236

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

	General Government Obligations			
	Capital Leases		General Obligation School Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest
2014	$ 114,753	$ 7,413	$ 1,940,000	$ 785,971
2015	101,732	3,102	1,680,000	697,842
2016	-	-	1,740,000	612,770
2017	-	-	1,795,000	522,627
2018	-	-	1,865,000	429,297
2019-2023	-	-	5,550,000	975,075
2024-2027	-	-	2,140,000	206,243
Total	$ 216,485	$ 10,515	$ 16,710,000	$ 4,229,825

	Enterprise Obligations			
	Water and Sewer Revenue Bonds		Capacity Rights Obligation	Contractual Agreement
Year ending June 30:	Principal	Interest	Principal	Principal
2014	$ 1,134,765	$ 2,239,781	$ 271,006	$ 72,039
2015	1,256,289	2,388,603	500,000	149,069
2016	1,365,007	2,569,794	500,000	149,069
2017	1,472,128	2,777,251	600,000	149,069
2018	1,591,569	3,021,750	600,000	149,069
2019-2023	8,368,255	18,181,879	3,900,000	745,345
2024-2028	8,725,407	24,032,126	4,850,000	745,345
2029-2033	17,438,804	16,003,719	5,000,000	745,345
2034-2038	14,589,932	18,423,668	3,138,880	745,345
2039-2042	24,500,000	2,010,600	-	596,268
Total	$ 80,442,156	$ 91,649,171	$ 19,359,886	$ 4,245,963

Long-Term Obligations – Governmental Activities:

Governmental activities obligations:	
County obligations:	
Capital lease obligations:	
$69,856 capital lease obligation issued June 23, 2010, secured by equipment, final installment of $18,030 due July 15, 2013, not including interest at a rate of 7.23%	$ 18,030
$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%	198,455
Total capital lease obligations	216,485
Compensated absences	776,373
Other postemployment benefits	601,239
Landfill postclosure care	1,894,463
Total governmental activities obligations	$ 3,488,560

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%.	$	7,505,000
$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%.		310,000
$19,350,000 Virginia Pubic 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%.		8,895,000
Deferred amounts of issuance premiums		253,165
Total incurred for School Board	$	16,963,165

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%.	$	2,990,000
$2,595,000 Virginia Resources Authority, issued June 7, 2007, maturing annually through October 1, 2027, interest payable at rates ranging from 4.1% to 4.8%.		2,145,000
$62,747,167 Virginia Resources Authority, issued July 31, 2002, partially defeased on November 6, 2012, maturing annually through October 1, 2027, interest payable at rates ranging from 4.28% to 5.35%.		19,253,420
Accreted interest on $19,253,420 of capital appreciation bonds issued as part of the $62,747,167 Virginia Resources Authority issue dated July 31, 2002, and remaining after the November 1, 2012, refunding and partial defeasance.		13,756,816
$56,053,736 Virginia Resources Authority, issued November 6, 2012, maturing annually from October 1, 2028, through October 1, 2031, interest payable at rates ranging from 3.55% to 4.01%.		56,053,736
Accreted interest on $19,303,736 of capital appreciation bonds issued as part of the $56,053,736 Virginia Resources Authority issue dated November 6, 2012.		456,306
$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.		19,359,886
$1,786,967 Contractual agreement with the City of Richmond related to the County's share of Nutrient Reduction Program infrastructure completed during fiscal year 2012, payable at 0% interest over thirty years, through treatment rates paid by the County, which will commence during fiscal year 2013.		4,245,963
Add deferred amounts on 2012 premium		1,400,506
Less deferred amounts on 2006 refunding		(226,667)
Less deferred amounts on 2012 refunding		(3,889,402)
Compensated absences		26,268
Total business-type obligations	$	115,571,832
Total long-term obligations – Primary Government	$	136,023,557

Capital Leases

The County has lease agreements for financing the acquisition of the following: 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:

	Governmental Activities
Asset:	
Backhoe/Loader	$ 69,856
Mobile data terminals	393,095
Less accumulated depreciation	(113,113)
Net book value of assets acquired under capital leasing arrangements	$ 349,838

Scheduled Repayment	Governmental Activities
Year ending June 30:	
2014	$ 122,166
2015	104,834
Total minimum lease payments	227,000
Less amount representing interest	(10,515)
Present value of minimum lease payments	$ 216,485

Contractual Agreement (EDA)

	Amounts Payable at July 1, 2012	Increases	Decreases	Amounts Payable at June 30, 2013	Amounts Due Within One Year
Governmental activities obligations:					
Incurred by County:					
Due to component unit	$ 2,955,422	$ -	$ (192,950)	$ 2,762,472	$ 180,000

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, 2013.	$ 2,537,472
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 began in fiscal year 2013 and will be in principal amounts no less than $15,000 per year, with 3% annual interest payable beginning in fiscal year 2014.	225,000
Total due to component unit	$ 2,762,472

C. Component Unit – School Board

	Amounts Payable at July 1, 2012	Increases	Decreases	Amounts Payable at June 30, 2013	Amounts Due Within One Year
Component Unit – School Board:					
Capital lease	$ 73,254	$ -	$ (36,159)	$ 37,095	$ 37,095
Other postemployment benefits obligations	720,963	214,522	(91,064)	844,421	118,605
Compensated absences	348,195	180,327	(159,670)	368,852	168,289
Subtotal	1,142,412	394,849	(286,893)	1,250,368	323,989
Deferred compensation liability	102,306	-	(72,764)	29,542	26,083
Total Component Unit – School Board	$ 1,244,718	$ 398,603	$ (363,411)	$ 1,279,910	$ 350,072

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 made a contribution of $3,754 during the year ended June 30, 2013. For the year ended June 30, 2013, the amount of benefits paid to participants was $64,348. 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	(127,523)
	$ 31,881

Minimum lease payments: year ending June 30, 2014	$ 39,321
Less amount representing interest	(2,226)
Present value of minimum lease payments	$ 37,095

10. 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 $16,899,159 (governmental funds $15,318,229 and proprietary fund $1,580,930) is comprised of the following:

A. Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled $15,073,874 for governmental funds at June 30, 2013. Deferred revenue in the proprietary funds totaled $1,548,600 at June 30, 2013 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, 2013 but paid in advance by the taxpayers totaled $244,355 in the General Fund and $32,330 in the proprietary fund at June 30, 2013.

11. Commitments and Contingent Liabilities

Federal programs in which the County and the discretely presented School Board component unit participate are audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133*, Audits of States, Local Governments and Non-Profit Organizations.* Pursuant to the provisions of this circular, all major programs, and certain other programs, were tested for compliance with applicable grant requirements. While matters of noncompliance may be disclosed by the audit, the grantors may also subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, future disallowance of current grant program expenditures, if any, would be immaterial.

12. Fund Balance

General Fund

The General Fund has Unassigned fund balance of $22,873,972 at June 30, 2013. Noncurrent notes receivable of $2,494,589 related to Fire and Rescue and Utilities ($176,955 and $2,317,634, respectively) and prepaid expenses of $90,704 are considered Nonspendable fund balances. The General Fund has Restricted funds of $105,609 which consists of revenue maximization funds of $36,500, restricted by the State of Virginia, to be used by the Department of Social Services, and courthouse maintenance funds of $69,109, 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. The General Fund has an Assigned 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
Future years' VRS cost increases		850,000
Fiscal year 2014 budget supplement		1,873,414
Park development		300,000
School's FY14 special education requirements, FY15 VRS reservation and encumbrances		193,302
Replacement vehicles for Sheriff		100,000
Community development		75,000
Economic development and planning – Courthouse Village Plan and other		360,000
Courthouse security		178,072
Fire and rescue		290,000

Utilities Master Plan		400,000
Utilities maintenance projects		600,000
Utilities future debt service		500,000
Encumbrances		35,527
Social Services		101,181
Total Assigned Fund Balance	$	6,066,496

Other Major Funds
The Capital Projects Fund has an Assigned fund balance of $4,700,812 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 $117,233, consisting of asset forfeiture proceeds. The Assigned fund balance of $57,642 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 $488 nonspendable fund balance related to prepaid expenses at the end of the year.

13. Litigation

At June 30, 2013, 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.

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

15. 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 service 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 were vested as of January 1, 2013, 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 early 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 Plan 1 members who were not vested on January 1, 2013 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. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. 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 website at http://www.varetire.org/Pdf/Publications/2012-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. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. 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 2013 was 12.63% of annual covered payroll (this amount does not include the 5.00% employee share paid by the employees).

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. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. 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 employer's contribution rate for the fiscal year ended 2013 was 10.19% of annual covered payroll. This amount does not include the 5.00% employee share paid by new employees or the 1.00% phase-in share paid by existing employees with the remaining 4.00% of the employee share assumed by the School Board.

The School Board's contributions to the VRS cost-sharing multiple-employer plan pool for professional employees were $1,988,328, $1,370,420, and $1,137,613 for the fiscal years ended June 30, 2013, 2012, and 2011, respectively. The School Board employer's rate for professional employees was 11.66%, 6.33%, and 3.93% of annual covered payroll for fiscal years 2013, 2012, and 2011 respectively. The rates for fiscal years 2012 and 2011 do not include the 5% employee contribution that was assumed by the School Board. The rate for fiscal year 2013 does not include the 4% of the employee contribution that had not yet been phased in for most employees and was thus assumed by the School Board. Actual contributions equaled the required contributions.

C. Annual Pension Cost

For fiscal year 2013, the County's annual pension cost of $990,554 was equal to the County's annual required contribution.

For fiscal year 2013, the School Board's annual pension cost for the nonprofessional employees was $75,523 and was equal to the Board's annual required contribution.

	Primary Government	Discretely Presented Component Unit School Board
	County Retirement Plan	**Nonprofessional Retirement Plan**
Contribution rates for the year ended June 30, 2013 (determined by the June 30, 2011 actuarial valuation):		
Employer	12.63%	10.19%
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 6.20%
LEO Employees	3.50% to 4.75%	n/a
Cost-of-living adjustments:		
Plan 1 employees	2.50%	2.50%
Plan 2 employees	2.25%	2.25%

(1) Of the total School Board member contribution, up to 4% has been assumed by the employer.
(2) Includes inflation at 2.50%.

	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
Fiscal year ended:			
County:			
June 30, 2013	$ 990,554	100%	$ -
June 30, 2012	747,374	100%	-
June 30, 2011	765,710	100%	-
School Board:			
Non-Professional:			
June 30, 2013	$ 75,523	100%	$ -
June 30, 2012	59,307	100%	-
June 30, 2011	66,244	100%	-

(1) Employer portion only

D. Funded Status and Funding Progress

County

As of June 30, 2012, the most recent actuarial valuation date, the plan was 77.33% funded. The actuarial accrued liability for benefits was $24,248,167 and the actuarial value of assets was $18,751,972, resulting in an unfunded actuarial liability (UAAL) of $5,496,195. The covered payroll (annual payroll of active employees covered by the plan) was $7,507,832 and the ratio of the UAAL to covered payroll was 73.21%.

School Board (Nonprofessional Employees)

As of June 30, 2012, the most recent actuarial valuation date, the plan was 81.65% funded. The actuarial accrued liability for benefits was $3,383,361 and the actuarial value of assets was $2,762,378, resulting in an unfunded actuarial liability (UAAL) of $620,983. The covered payroll was $743,270 and the ratio of the UAAL to covered payroll was 83.55%.

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.

16. 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-three retirees, nine covered spouses, and 118 active members participated in the plan as of June 30, 2012, 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 17). 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-four retirees, six covered spouses, and 396 active employees participated in the plan as of June 30, 2012, 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 2013, 2012, and 2011, the County’s annual pension cost ($166,101, $214,354, and $203,289) equaled its ARC and the School Board’s annual pension cost ($215,947, $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

	Primary Government	Component Unit School Board
ARC Normal Cost	$ 166,101	$ 215,947
Amortization	-	-
Annual required contribution	166,101	215,947
Interest on the Net OPEB Obligation (NOO)	17,907	25,234
Adjustment to ARC	(18,919)	(26,659)
Annual OPEB cost (AOC)	165,089	214,522
Contribution for fiscal year ended June 30, 2013	(75,489)	(91,064)
Increase in net OPEB obligation	89,600	123,458
Net OPEB obligation – beginning of fiscal year	511,639	720,963
Net OPEB obligation – end of fiscal year	$ 601,239	$ 844,421
Percentage of AOC contributed	45.73%	42.45%
Actuarial value of assets	$ -	$ -
Actuarial accrued liability	2,034,629	2,481,525
Unfunded actuarial liability (UAAL)	$ 2,034,629	$ 2,481,525
Funded ratio	- %	- %
Annual covered payroll	7,215,948	14,687,983
UAAL as a percentage of covered payroll	28.20%	16.89%

Valuation as of June 30, 2012

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, 2012, actuarial valuation, the liabilities were computed using the projected unit credit method and the level dollar amortization. The actuarial assumptions utilized a 3.5% 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 3.5% rate. The valuation assumes a 8% and 7.5% healthcare cost trend increase for fiscal year 2013 and 2014, respectively.

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.

17. 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 1.11% of eligible covered payroll in 2013 to this program for a total of $140,821.

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, 2013 represents the estimated liability for postclosure monitoring ($1,894,463) over a remaining period of nineteen 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 2013. 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 9VAC2O-70 of the Virginia Administrative Code. The County intends to pay these costs from accumulated funds and tax revenue.

* * * * *

County of Goochland, Virginia

Required Supplementary Information

Year Ended June 30, 2013

County of Goochland, Virginia ***Exhibit 11***

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

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
Revenues				
General property taxes	$ 31,468,159	$ 31,468,159	$ 32,914,846	$ 1,446,687
Other local taxes	4,824,913	4,824,913	9,029,544	4,204,631
Permits, privilege fees and regulatory licenses	333,100	333,600	973,999	640,399
Fines and forfeitures	90,000	90,000	130,802	40,802
Revenue from use of money and property	25,000	44,584	93,455	48,871
Charges for services	481,750	522,724	508,549	(14,175)
Miscellaneous	30,000	30,000	52,159	22,159
Recovered costs	390,500	397,500	200,640	(196,860)
Intergovernmental revenues:				
Commonwealth	5,103,265	5,160,672	5,288,330	127,658
Federal	756,256	833,312	877,207	43,895
Total revenues	43,502,943	43,705,464	50,069,531	6,364,067
Expenditures				
Current:				
General government administration	3,875,950	4,023,809	3,717,286	306,523
Judicial administration	1,526,141	1,534,171	1,488,895	45,276
Public safety	7,040,063	7,348,448	6,678,760	669,688
Public works	879,232	879,232	842,089	37,143
Health and welfare	2,921,767	2,945,309	2,947,503	(2,194)
Education	17,761,626	18,042,626	17,539,786	502,840
Parks, recreation, and facilities management	1,801,150	1,862,495	1,866,550	(4,055)
Community development	1,255,760	1,481,211	1,220,688	260,523
Capital outlays and projects -				
Computer aided dispatch system	102,000	122,000	20,687	101,313
Debt service:				
Principal retirement	2,811,199	2,811,199	2,905,005	(93,806)
Interest and other fiscal charges	908,140	908,140	906,679	1,461
Total expenditures	40,883,028	41,958,640	40,133,928	1,824,712
Excess of revenues over expenditures	2,619,915	1,746,824	9,935,603	8,188,779
Other financing sources (uses)				
Transfers in	-	-	200,469	200,469
Transfers out	(5,044,915)	(5,679,915)	(4,759,915)	920,000
Total other financing uses, net	(5,044,915)	(5,679,915)	(4,559,446)	1,120,469
Net change in fund balance	(2,425,000)	(3,933,091)	5,376,157	9,309,248
Fund balance - beginning of year	-	-	26,255,213	26,255,213
Fund balance - end of year	$ (2,425,000)	$ (3,933,091)	$ 31,631,370	$ 35,564,461

June 30, 2013

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an 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.

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						
6/30/2012	$ 18,751,972	$ 24,248,167	$ 5,496,195	77.33%	$ 7,507,832	73.21%
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%
County Other Postemployment Benefits						
6/30/2013	$ -	$ 2,034,629	$ 2,034,629	- %	$ 7,215,948	28.20%
6/30/2012	-	1,949,191	1,949,191	- %	6,667,340	29.23%
6/30/2011	-	1,968,993	1,968,993	- %	6,752,625	29.16%
DISCRETELY PRESENTED COMPONENT UNIT						
School Board Non-Professional Retirement Plan						
6/30/2012	$ 2,762,378	$ 3,383,361	$ 620,983	81.65%	$ 743,270	83.55%
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%
School Board Other Postemployment Benefits						
6/30/2013	$ -	$ 2,481,525	$ 2,481,525	- %	$ 14,687,983	16.89%
6/30/2012	-	2,362,907	2,362,907	- %	14,567,688	16.22%
6/30/2011	-	2,326,224	2,326,224	- %	14,310,545	16.26%

County of Goochland, Virginia

Other Supplementary Information

Year Ended June 30, 2013

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

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
Revenues				
Miscellaneous	$ 253,000	$ 781,835	$ 744,365	$ (37,470)
Commonwealth	-	110,000	110,120	120
Total revenues	253,000	891,835	854,485	(37,350)
Expenditures				
Capital outlays and projects	5,120,000	9,846,650	2,003,452	7,843,198
Deficiency of revenues under expenditures	(4,867,000)	(8,954,815)	(1,148,967)	7,805,848
Other financing sources (uses)				
Transfers in	4,867,000	8,954,815	4,267,000	(4,687,815)
Transfers out	-	-	(905,692)	(905,692)
Total other financing sources, net	4,867,000	8,954,815	3,361,308	(5,593,507)
Net change in fund balance	-	-	2,212,341	2,212,341
Fund balance - beginning of year	-	-	2,488,471	2,488,471
Fund balance - end of year	$ -	$ -	$ 4,700,812	$ 4,700,812

Other Nonmajor Governmental Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
Revenues				
Charges for services	$ -	$ 25,000	$ 36,672	$ 11,672
Intergovernmental revenues:				
Commonwealth	266,339	412,924	351,316	(61,608)
Federal government	-	-	38,816	38,816
Total revenues	266,339	437,924	426,804	(11,120)
Expenditures				
Current:				
Public safety	-	-	8,431	(8,431)
Health and welfare	760,987	1,082,572	1,013,827	68,745
Total expenditures	760,987	1,082,572	1,022,258	60,314
Deficiency of revenues under expenditures	(494,648)	(644,648)	(595,454)	49,194
Other financing sources				
Transfers in	494,648	644,648	644,648	-
Net change in fund balance	-	-	49,194	49,194
Fund balance - beginning of year	-	-	126,169	126,169
Fund balance - end of year	$ -	$ -	$ 175,363	$ 175,363

Combining Statement of Fiduciary Net Position
Agency Funds

June 30, 2013

	Agency Funds			
	Special Welfare	Towers & Roads	Performance Bonds	Total
Assets				
Cash and cash equivalents	$ 7,104	$ 161,000	$ 524,846	$ 692,950
Due from other governmental units	477	-	-	477
Total assets	$ 7,581	$ 161,000	$ 524,846	$ 693,427
Liabilities				
Amounts held for social services clients	$ 5,174	$ -	$ -	$ 5,174
Due to County of Goochland, Virginia	2,407	-	-	2,407
Performance bonds payable	-	161,000	524,846	685,846
Total liabilities	$ 7,581	$ 161,000	$ 524,846	$ 693,427

Statement of Changes in Fiduciary Net Position
Agency Funds

Year Ended June 30, 2013

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund				
Assets:				
Cash and cash equivalents	$ 13,240	$ 44,162	$ (50,298)	$ 7,104
Due from other governmental units	-	477	-	477
Total assets	$ 13,240	$ 44,639	$ (50,298)	$ 7,581
Liabilities:				
Amounts held for social services clients	$ 3,025	$ 42,232	$ (40,083)	$ 5,174
Due to County of Goochland, VA	10,215	2,407	(10,215)	2,407
Total liabilities	$ 13,240	$ 44,639	$ (50,298)	$ 7,581
Towers & Roads				
Assets:				
Cash and cash equivalents	$ 146,000	$ 15,000	$ -	$ 161,000
Liabilities:				
Performance bonds payable	$ 146,000	$ 15,000	$ -	$ 161,000
Performance Bonds				
Assets:				
Cash and cash equivalents	$ 285,518	$ 353,906	$ (114,578)	$ 524,846
Liabilities:				
Performance bonds payable	$ 285,518	$ 353,906	$ (114,578)	$ 524,846
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	$ 444,758	$ 413,068	$ (164,876)	$ 692,950
Due from other governmental units	-	477	-	477
Total assets	$ 444,758	$ 413,545	$ (164,876)	$ 693,427
Liabilities:				
Amounts held for social services clients	$ 3,025	$ 42,232	$ (40,083)	$ 5,174
Due to County of Goochland, VA	10,215	2,407	(10,215)	2,407
Performance bonds payable	431,518	368,906	(114,578)	685,846
Total liabilities	$ 444,758	$ 413,545	$ (164,876)	$ 693,427

County of Goochland, Virginia

Discretely Presented Component Unit – School Board

Combining Balance Sheet
Discretely Presented Component Unit - School Board

June 30, 2013

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 1,654,859	$ 124,963	$ 1,779,822
Accounts receivable	23,654	-	23,654
Prepaid expenses	349,303	-	349,303
Due from other governmental units	814,643	-	814,643
Inventories	-	32,581	32,581
Restricted assets:			
Investments	35,193	-	35,193
Total assets	$ 2,877,652	$ 157,544	$ 3,035,196
Liabilities and Fund Balances			
Current liabilities			
Accounts payable	$ 272,057	$ 109	$ 272,166
Accrued liabilities	2,544,840	60,424	2,605,264
Long-term liabilities payable from restricted assets			
Due within one year	26,083	-	26,083
Due in more than one year	3,459	-	3,459
Total liabilities	2,846,439	60,533	2,906,972
Fund balances			
Nonspendable			
Prepaid expenses	349,303	-	349,303
Inventories	-	32,581	32,581
Restricted	5,651	-	5,651
Assigned			
Encumbered	33,203	-	33,203
Food services	-	64,430	64,430
Unassigned	(356,944)	-	(356,944)
Total fund balances	31,213	97,011	128,224
Total liabilities and fund balances	$ 2,877,652	$ 157,544	$ 3,035,196

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

Total fund balances per above	$ 128,224
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	37,527,230
Less - accumulated depreciation and amortization	(14,638,982)
	22,888,248
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the funds:	
Capital lease	(37,095)
Compensated absences	(368,852)
Other postemployment benefits	(844,421)
	(1,250,368)
Net position of governmental activities	$ 21,766,104

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

Year Ended June 30, 2013

	School Operating Fund	School Cafeteria Fund	Total Component Unit
Revenues			
Revenue from use of money and property	$ 46,382	$ -	$ 46,382
Charges for services	13,227	515,008	528,235
Miscellaneous	71,544	-	71,544
Intergovernmental revenues:			
Contributions from County of Goochland, VA	17,539,786	-	17,539,786
Commonwealth	6,033,718	9,817	6,043,535
Federal	1,217,233	383,181	1,600,414
Total revenues	24,921,890	908,006	25,829,896
Expenditures			
Current			
Education	24,863,626	960,029	25,823,655
Debt service:			
Principal retirement	36,159	-	36,159
Interest and other fiscal charges	6,736	-	6,736
Total expenditures	24,906,521	960,029	25,866,550
Excess (deficiency) of revenues over (under) expenditures	15,369	(52,023)	(36,654)
Other financing sources (uses)			
Transfers in	-	12,834	12,834
Transfers out	(12,834)	-	(12,834)
Total other financing sources (uses)	(12,834)	12,834	-
Net change in fund balances	2,535	(39,189)	(36,654)
Fund balances - beginning	28,678	136,200	164,878
Fund balances - ending	$ 31,213	$ 97,011	$ 128,224

Net change in fund balances - total governmental funds - per above	$ (36,654)
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation, amortization, and transfers of joint tenancy assets exceeded capital outlays in the current period.	
Capital outlay	108,862
Depreciation and amortization expense	(1,099,186)
Net book value of assets donated during the year	4,100
Transfer of depreciation and amortization expense related to joint tenancy assets from Primary Government	(632,363)
Transfer of joint tenancy assets from Primary Government	1,895,869
	277,282
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	36,159
Change in other postemployment benefits	(123,458)
Change in compensated absences	(20,657)
	(107,956)
Change in net position of governmental activities	$ 132,672

County of Goochland, Virginia — *Exhibit 19*

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

Year Ended June 30, 2013

	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)
Revenues								
Revenue from use of money and property	$ 52,500	$ 52,500	$ 46,382	$ (6,118)	$ 25	$ 25	$ -	$ (25)
Charges for services	28,030	28,030	13,227	(14,803)	675,589	675,589	515,008	(160,581)
Miscellaneous	53,590	94,004	71,544	(22,460)	-	-	-	-
Intergovernmental revenues:								
Contributions from County of Goochland, VA	17,796,626	18,042,626	17,539,786	(502,840)	-	-	-	-
Commonwealth	6,069,053	6,170,487	6,033,718	(136,769)	10,892	10,892	9,817	(1,075)
Federal	1,135,443	1,372,166	1,217,233	(154,933)	339,383	356,201	383,181	26,980
Total revenues	25,135,242	25,759,813	24,921,890	(837,923)	1,025,889	1,042,707	908,006	(134,701)
Expenditures								
Current								
Education	25,135,242	25,702,979	24,863,626	839,353	1,042,707	1,055,541	960,029	95,512
Debt service:								
Principal retirement	-	37,000	36,159	841	-	-	-	-
Interest and other fiscal charges	-	7,000	6,736	264	-	-	-	-
Total expenditures	25,135,242	25,746,979	24,906,521	840,458	1,042,707	1,055,541	960,029	95,512
Excess (deficiency) of revenues over (under) expenditures	-	12,834	15,369	2,535	(16,818)	(12,834)	(52,023)	(39,189)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	12,834	12,834	-
Transfers out	-	(12,834)	(12,834)	-	-	-	-	-
Total other financing sources (uses), net	-	(12,834)	(12,834)	-	-	12,834	12,834	-
Net change in fund balances	-	-	2,535	2,535	(16,818)	-	(39,189)	(39,189)
Fund balances - beginning	28,678	28,678	28,678	-	136,200	136,200	136,200	-
Fund balances - ending	$ 28,678	$ 28,678	$ 31,213	$ 2,535	$ 119,382	$ 136,200	$ 97,011	$ (39,189)

County of Goochland, Virginia

Discretely Presented Component Unit – Economic Development Authority

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

June 30, 2013

Assets	
Current assets	
Cash and cash equivalents	$ 351,538
Noncurrent assets	
Due from primary government	2,762,472
Land held for resale	801,100
Total noncurrent assets	3,563,572
Total assets	$ 3,915,110
Liabilities	
Current liabilities	
Accounts payable	$ 640
Contractual agreement payable - current portion	165,000
Total current liabilities	165,640
Long-term liabilities	
Contractual agreement payable - less current portion	2,372,472
Total liabilities	2,538,112
Net position	
Unrestricted	1,376,998
Total liabilities and net position	$ 3,915,110

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

Year Ended June 30, 2013

Operating revenues	
Charges for services - bond fees	$ 19,193
Operating expenditures	
Contractual services	3,463
Other supplies and expenditures	12,404
Total operating expenditures	15,867
Operating income	3,326
Nonoperating revenues	
Investment earnings	614
Change in net position	3,940
Net position - beginning of year	1,373,058
Net position - end of year	$ 1,376,998

County of Goochland, Virginia

Supporting Schedules

Schedule of Revenues - Budget and Actual

Year Ended June 30, 2013

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
PRIMARY GOVERNMENT				
GENERAL FUND				
Revenue from local sources				
General property taxes:				
Real property tax	$ 20,870,000	$ 20,870,000	$ 20,794,445	$ (75,555)
Real and personal PSC tax	601,500	601,500	643,623	42,123
Personal property tax	9,646,659	9,646,659	10,927,770	1,281,111
Penalties	200,000	200,000	325,339	125,339
Interest	150,000	150,000	223,669	73,669
Total general property taxes	31,468,159	31,468,159	32,914,846	1,446,687
Other local taxes:				
Local sales and use tax	2,054,913	2,054,913	2,277,542	222,629
Consumer utility tax	400,000	400,000	423,108	23,108
Consumption tax	90,000	90,000	96,541	6,541
Communications tax	850,000	850,000	875,140	25,140
Business license tax	455,000	455,000	639,592	184,592
Motor vehicle licenses	580,000	580,000	632,904	52,904
Bank stock taxes	90,000	90,000	3,592,817	3,502,817
Taxes on recordation and wills	305,000	305,000	491,900	186,900
Total other local taxes	4,824,913	4,824,913	9,029,544	4,204,631
Permits, privilege fees, and regulatory licenses:				
Animal licenses	22,000	22,000	25,265	3,265
Land use application fees	1,000	1,000	3,875	2,875
Transfer fees	600	600	751	151
Zoning and subdivision permits	25,000	25,500	72,400	46,900
Building permits	250,000	250,000	814,201	564,201
Other permits and licenses	34,500	34,500	57,507	23,007
Total permits, privilege fees, and regulatory licenses	333,100	333,600	973,999	640,399
Fines and forfeitures -				
Court fines and forfeitures	90,000	90,000	130,802	40,802
Revenue from use of money and property:				
Revenue from use of money	20,000	20,000	15,964	(4,036)
Revenue from use of property	5,000	24,584	77,491	52,907
Total revenue from use of money and property	25,000	44,584	93,455	48,871
Charges for services:				
Sheriff fees	5,000	5,000	3,381	(1,619)
Commonwealth's Attorney	750	750	1,936	1,186
Courthouse security	70,000	70,000	46,385	(23,615)
Other court services	-	-	26,878	26,878
Sanitation and waste removal	35,000	35,000	34,325	(675)
Parks, recreation, and facilities management	75,000	110,000	127,380	17,380
Community development	24,600	24,600	25,835	1,235
Fire and rescue	271,400	277,374	242,429	(34,945)
Total charges for services	481,750	522,724	508,549	(14,175)

Schedule of Revenues - Budget and Actual (Continued)

Year Ended June 30, 2013

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from local sources (continued)				
Miscellaneous -				
Miscellaneous revenues	$ 30,000	$ 30,000	$ 52,159	$ 22,159
Recovered costs:				
Public assistance refunds	-	-	12,452	12,452
TCSD reimbursements	370,000	370,000	70,808	(299,192)
Other recovered costs	20,500	27,500	117,380	89,880
Total recovered costs	390,500	397,500	200,640	(196,860)
Total revenue from local sources	37,643,422	37,711,480	43,903,994	6,192,514
Revenue from the Commonwealth				
Noncategorical aid:				
Rolling stock tax	20,000	20,000	108,075	88,075
Mobile home titling tax	11,000	11,000	7,826	(3,174)
State recordation tax	70,000	70,000	85,100	15,100
Auto rental tax	2,500	2,500	5,038	2,538
Personal property tax relief funds	2,853,011	2,853,011	2,853,012	1
Total noncategorical aid	2,956,511	2,956,511	3,059,051	102,540
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	249,689	249,689	250,237	548
Sheriff	853,258	853,258	863,807	10,549
Commissioner of Revenue	83,336	83,336	83,221	(115)
Treasurer	89,791	89,791	89,799	8
Registrar/electoral board	31,000	31,000	35,211	4,211
Clerk of the Circuit Court	230,726	230,726	237,851	7,125
Total shared expenses	1,537,800	1,537,800	1,560,126	22,326
Other categorical aid:				
Public assistance and welfare administration	437,607	437,607	428,593	(9,014)
Fire programs fund	55,390	64,602	70,142	5,540
DMV agent compensation	20,000	20,000	32,723	12,723
Wireless E911	39,000	39,000	41,396	2,396
Four 4 life funds	24,278	24,278	23,810	(468)
Fire training grants	3,000	3,000	-	(3,000)
Victim-witness grant	29,679	29,679	44,809	15,130
Litter control	-	7,996	7,347	(649)
Electoral services	-	4,169	4,169	-
Other categorical aid	-	36,030	16,164	(19,866)
Total other categorical aid	608,954	666,361	669,153	2,792
Total categorical aid	2,146,754	2,204,161	2,229,279	25,118
Total revenue from the Commonwealth	5,103,265	5,160,672	5,288,330	127,658

Schedule of Revenues - Budget and Actual (Continued)

Year Ended June 30, 2013

Entity, Fund, Major and Minor Revenue Source	**Original Budget**	**Final Budget**	**Actual**	**Variance From Final Budget Over (Under)**
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from the federal government				
Categorical aid:				
Public assistance and welfare administration	$ 739,352	$ 755,394	$ 775,798	$ 20,404
Emergency management performance grant	16,904	16,904	36,108	19,204
Highway safety grant	-	58,381	65,301	6,920
Other federal funds	-	2,633	-	(2,633)
Total categorical aid	756,256	833,312	877,207	43,895
Total revenue from the federal government	756,256	833,312	877,207	43,895
Total General Fund	43,502,943	43,705,464	50,069,531	6,364,067
SPECIAL REVENUE FUND				
Revenue from local sources				
Charges for services -				
Foster care reimbursement	-	25,000	36,672	11,672
Revenue from the Commonwealth				
Categorical aid -				
Comprehensive services	266,339	412,924	351,316	(61,608)
Revenue from the federal government				
Categorical aid -				
Comprehensive services	-	-	38,816	38,816
Total Special Revenue Fund	266,339	437,924	426,804	(11,120)
CAPITAL PROJECTS FUND				
Revenue from local sources				
Miscellaneous:				
Miscellaneous revenues	190,000	191,500	45,567	(145,933)
Contributions from charitable foundations	-	441,166	-	(441,166)
Contributions from developers	63,000	149,169	698,798	549,629
Total miscellaneous	253,000	781,835	744,365	(37,470)
Total revenue from local sources	253,000	781,835	744,365	(37,470)
Revenue from the Commonwealth				
Categorical aid -				
Other categorical aid	-	110,000	110,120	120
Total revenue from the Commonwealth	-	110,000	110,120	120
Total Capital Projects Fund	253,000	891,835	854,485	(37,350)

Schedule of Revenues - Budget and Actual (Continued)

Year Ended June 30, 2013

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
School Operating Fund				
Revenue from local sources				
Revenue from use of money and property:				
Revenue from use of money	$ 15,000	$ 15,000	$ 819	$ (14,181)
Revenue from use of property	37,500	37,500	45,563	8,063
Total revenue from use of money and property	52,500	52,500	46,382	(6,118)
Charges for services -				
Education	28,030	28,030	13,227	(14,803)
Miscellaneous -				
Miscellaneous revenues	53,590	94,004	71,544	(22,460)
Total revenue from local sources	134,120	174,534	131,153	(43,381)
Revenues from local governments -				
Contributions from County of Goochland, VA	17,796,626	18,042,626	17,539,786	(502,840)
Revenue from the Commonwealth				
Categorical aid:				
Share of state sales tax	3,037,760	3,037,760	3,026,915	(10,845)
Basic school aid	1,948,308	1,948,308	1,899,193	(49,115)
Remedial summer education	22,988	22,988	16,839	(6,149)
Regular foster care	-	19,953	20,331	378
Gifted education	21,620	21,620	21,298	(322)
Prevention, intervention, and remediation	31,020	31,020	30,558	(462)
Special education	335,580	335,580	330,579	(5,001)
Career and technical education	42,653	42,653	40,714	(1,939)
Instructional fringe benefits	352,970	408,834	403,574	(5,260)
Homebound education	6,127	6,127	1,654	(4,473)
Early reading intervention	4,995	4,995	5,620	625
GED prep program - ISAEP	7,859	7,859	10,363	2,504
At risk payments	18,182	18,182	32,111	13,929
VPSA technology grants	180,000	180,000	115,242	(64,758)
Mentor teacher program	5,925	5,925	1,226	(4,699)
English as a second language	7,513	7,513	6,678	(835)
Textbook payments	42,173	42,173	41,546	(627)
Primary class size	-	20,125	20,125	-
Other categorical aid	3,380	8,872	9,152	280
Total categorical aid	6,069,053	6,170,487	6,033,718	(136,769)
Total revenue from the Commonwealth	6,069,053	6,170,487	6,033,718	(136,769)

Schedule of Revenues - Budget and Actual (Continued)

Year Ended June 30, 2013

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD (continued)				
School Operating Fund (continued)				
Revenue from the federal government				
Categorical aid:				
Title I-A Grants to LEAS	$ 238,849	$ 316,983	$ 227,654	$ (89,329)
Title I-D Neglected and Delinquent	-	86,722	81,877	(4,845)
Title II-A Improving Teacher Education (ESEA)	61,400	64,925	55,617	(9,308)
Title II-D Education Technology	-	2,594	2,594	-
Title III Language Acquisition (ESL)	-	25,026	12,994	(12,032)
Title VI-B Special Education (IDEA)	616,715	611,669	587,125	(24,544)
Perkins Career and Technical Education	26,000	29,677	29,677	-
Workforce Investment Act	192,479	191,678	176,837	(14,841)
Federal Education Jobs Fund (ARRA)	-	15,937	15,936	(1)
Statewide Data System (ARRA)	-	26,955	26,922	(33)
Total categorical aid	1,135,443	1,372,166	1,217,233	(154,933)
Total revenue from the federal government	1,135,443	1,372,166	1,217,233	(154,933)
Total School Operating Fund	25,135,242	25,759,813	24,921,890	(837,923)
School Cafeteria Fund				
Revenue from local sources				
Revenue from use of money and property -				
Revenue from use of money	25	25	-	(25)
Charges for services -				
Cafeteria sales	675,589	675,589	515,008	(160,581)
Total revenue from local services	675,614	675,614	515,008	(160,606)
Revenue from the Commonwealth				
Categorical aid -				
School food program grant	10,892	10,892	9,817	(1,075)
Revenue from the federal government				
Categorical aid:				
School food program grant	339,383	301,476	327,919	26,443
Commodities	-	54,725	54,724	(1)
Other federal funds	-	-	538	538
Total categorical aid	339,383	356,201	383,181	26,980
Total revenue from the federal government	339,383	356,201	383,181	26,980
Total School Cafeteria Fund	1,025,889	1,042,707	908,006	(134,701)
Total Discretely Presented Component Unit - School Board	$ 26,161,131	$ 26,802,520	$ 25,829,896	$ (972,624)

Governmental Funds
Schedule of Expenditures - Budget and Actual

Year Ended June 30, 2013

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
PRIMARY GOVERNMENT				
GENERAL FUND				
General government administration				
Legislative -				
Board of Supervisors	$ 178,066	$ 178,066	$ 143,450	$ 34,616
General and financial administration:				
County Administrator	356,130	364,130	358,228	5,902
Legal services	364,855	369,963	376,069	(6,106)
Human resources and risk management	97,368	97,368	89,295	8,073
Commissioner of the Revenue	323,972	323,972	318,569	5,403
Assessor	348,398	353,398	344,113	9,285
Other general and financial administration	389,000	326,000	177,566	148,434
Treasurer	387,756	407,756	401,789	5,967
Information systems	733,560	899,560	859,743	39,817
Finance	408,027	410,609	383,511	27,098
Purchasing	104,571	104,571	93,463	11,108
Total general and financial administration	3,513,637	3,657,327	3,402,346	254,981
Board of Elections -				
Registrar	184,247	188,416	171,490	16,926
Total general government administration	3,875,950	4,023,809	3,717,286	306,523
Judicial administration				
Courts:				
Circuit court	33,050	33,050	34,280	(1,230)
General District Court	11,000	11,000	10,612	388
Magistrates	4,000	4,000	924	3,076
Sheriff - court services	502,008	502,008	476,611	25,397
Clerk of the Circuit Court	512,939	520,969	520,494	475
Total courts	1,062,997	1,071,027	1,042,921	28,106
Commonwealth's attorney	463,144	463,144	445,974	17,170
Total judicial administration	1,526,141	1,534,171	1,488,895	45,276
Public safety				
Law enforcement and traffic control:				
Sheriff	2,586,325	2,733,534	2,600,440	133,094
Highway safety commission	-	61,014	55,475	5,539
Total law enforcement and traffic control	2,586,325	2,794,548	2,655,915	138,633
Fire and rescue services:				
Fire and rescue	2,008,464	2,099,414	1,817,579	281,835
Emergency planning	116,476	125,688	123,237	2,451
Fire and rescue revenue recovery	-	-	17,787	(17,787)
Fire and rescue training center	28,900	28,900	12,043	16,857
Forest fire protection	9,900	9,900	9,853	47
Total fire and rescue services	2,163,740	2,263,902	1,980,499	283,403

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended June 30, 2013

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Public safety (continued)				
Correction and detention -				
Confinement and care of prisoners	$ 692,300	$ 652,300	$ 508,275	$ 144,025
Inspections -				
Building inspections	410,019	425,019	420,503	4,516
Other protection:				
Animal control	191,733	211,733	204,489	7,244
Emergency dispatch services	369,000	369,000	288,468	80,532
E911 System	592,446	597,446	590,476	6,970
Total other protection	1,153,179	1,178,179	1,083,433	94,746
Other public safety -				
Risk management	34,500	34,500	30,135	4,365
Total public safety	7,040,063	7,348,448	6,678,760	669,688
Public works				
Sanitation and waste removal -				
Refuse disposal	879,232	879,232	842,089	37,143
Total public works	879,232	879,232	842,089	37,143
Health and welfare				
Health -				
Supplement of local health department	212,360	219,360	216,566	2,794
Mental health and mental retardation -				
Chapter X Board	255,980	255,980	255,511	469
Welfare:				
Public assistance and welfare administration	1,810,716	1,826,758	1,847,331	(20,573)
Tax relief for the elderly and disabled	410,000	410,000	398,576	11,424
Goochland Free Clinic and Family Services	149,000	149,500	150,268	(768)
Contributions	82,211	82,211	76,171	6,040
Other welfare contributions	1,500	1,500	3,080	(1,580)
Total welfare	2,453,427	2,469,969	2,475,426	(5,457)
Total health and welfare	2,921,767	2,945,309	2,947,503	(2,194)

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended June 30, 2013

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Education				
Other instructional costs -				
Contribution to County School Board	$ 17,761,626	$ 18,042,626	$ 17,539,786	$ 502,840
Parks, recreation, and facilities management				
Parks, recreation, and facilities management -				
Recreation centers, playgrounds, and facilities management	1,412,750	1,474,095	1,478,150	(4,055)
Library -				
Contribution to regional library	388,400	388,400	388,400	-
Total parks, recreation, and facilities management	1,801,150	1,862,495	1,866,550	(4,055)
Community development				
Planning and community development:				
Planning and zoning	407,443	407,443	392,889	14,554
Community development	215,450	404,905	306,477	98,428
Plan review and code enforcement	161,927	161,927	109,030	52,897
Other planning and community development	-	28,000	1,120	26,880
Extension office	400	400	600	(200)
Economic development	470,540	478,536	410,572	67,964
Total community development	1,255,760	1,481,211	1,220,688	260,523
Debt service				
Principal retirement	2,811,199	2,811,199	2,905,005	(93,806)
Interest and other fiscal charges	908,140	908,140	906,679	1,461
Total debt service	3,719,339	3,719,339	3,811,684	(92,345)
Capital outlays and projects				
Computer aided dispatch system	102,000	122,000	20,687	101,313
Total General Fund	40,883,028	41,958,640	40,133,928	1,824,712
SPECIAL REVENUE FUND				
Public safety				
Other protection -				
Drug enforcement	-	-	8,431	(8,431)
Health and welfare				
Welfare -				
Comprehensive services act	760,987	1,082,572	1,013,827	68,745
Total Special Revenue Fund	760,987	1,082,572	1,022,258	60,314

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended June 30, 2013

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Over (Under)
PRIMARY GOVERNMENT (continued)				
COUNTY CAPITAL PROJECTS FUND				
Capital outlays and projects				
School capital projects	$ -	$ 1,200,000	$ 824,730	$ 375,270
Parks and recreation projects	295,000	824,909	657,100	167,809
Public safety equipment acquisition	250,000	250,000	248,507	1,493
Fire and rescue	100,000	2,600,000	95,287	2,504,713
Emergency communications	4,300,000	4,446,458	58,607	4,387,851
Other capital projects	175,000	525,283	119,221	406,062
Total Capital Projects Fund	5,120,000	9,846,650	2,003,452	7,843,198
Total Primary Government	$ 46,764,015	$ 52,887,862	$ 43,159,638	$ 9,728,224
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
School Operating Fund				
Education:				
Instruction costs	$ 17,920,943	$ 18,308,184	$ 17,822,289	$ 485,895
Administration, health, and attendance	1,301,362	1,259,466	1,203,222	56,244
Pupil transportation	2,258,478	2,258,479	2,097,494	160,985
Operation and maintenance of school plant	2,266,375	2,444,436	2,380,836	63,600
Technology	1,388,084	1,432,414	1,359,785	72,629
Total education	25,135,242	25,702,979	24,863,626	839,353
Debt service:				
Principal retirement	-	37,000	36,159	841
Interest and other fiscal charges	-	7,000	6,736	264
Total debt service	-	44,000	42,895	1,105
Total School Operating Fund	25,135,242	25,746,979	24,906,521	840,458
School Cafeteria Fund				
Education -				
School food services	1,042,707	1,055,541	960,029	95,512
Total Discretely Presented Component Unit - School Board	$ 26,177,949	$ 26,802,520	$ 25,866,550	$ 935,970

County of Goochland, Virginia

Statistical Section (unaudited)

Year Ended June 30, 2013

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	$ 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	$ 21,842,273
Unrestricted	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	32,334,297
Total governmental activities net position	$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	$ 54,176,570
Business-type activities										
Net investment in capital assets	$ 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	$ (11,052,343)
Restricted	3,692,984	-	-	-	-	-	-	-	-	13,526,684
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	6,522,399
Total business-type activities net position	$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	$ 8,996,740
Primary Government										
Net investment in capital assets	$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	$ 10,789,930
Restricted	3,692,984	-	-	-	-	-	-	-	-	13,526,684
Unrestricted	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	38,856,696
Total Primary Government net position	$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	$ 63,173,310

Note: This table reports financial information based on the full accrual basis of accounting. The County implemented GASB Stmt. No. 63 in fiscal year 2013. This standard eliminated the use of the term "net assets" and now refers to this measurement as "net position."

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

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Expenses										
Governmental activities:										
General government administration	$ 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	$ 3,783,527
Judicial administration	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	1,561,657
Public safety	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	7,658,681
Public works	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	801,403
Health and welfare	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	3,938,769
Education	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	19,467,678
Parks, recreation, and facilities management	716,747	764,196	851,842	897,317	1,091,454	1,176,038	959,783	991,726	2,045,649	2,089,590
Community development	435,401	538,121	1,142,115	1,153,925	1,320,752	1,206,680	1,163,011	924,947	1,191,392	1,020,421
Interest and other fiscal charges	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	836,779
Total governmental activities expenses	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	41,158,505
Business-type activities:										
Public utilities	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	10,922,109
Total Primary Government expenses	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	52,080,614
Program revenues										
Governmental activities:										
Charges for services:										
General government	-	-	-	-	-	-	18,000	-	-	-
Judicial administration	202,660	222,385	216,131	218,918	164,268	63,485	64,192	13,130	14,964	28,814
Public safety	1,066,622	1,449,783	1,115,050	1,341,566	578,857	282,823	32,381	163,368	87,764	317,460
Public works	24,022	24,336	29,653	33,442	28,983	35,736	25,833	34,529	36,284	34,325
Health and welfare	3,750	5,000	-	-	18,000	-	44,059	59,859	47,247	36,672
Education	-	-	-	-	154,669	-	-	354,115	765,182	974,569
Parks, recreation, and facilities management	45,363	43,616	56,333	63,583	69,294	74,697	77,420	86,923	126,822	127,380
Community development	2,438	4,565	12,318	23,001	200,843	327,729	247,900	-	-	-
Operating grants and contributions	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	3,606,738
Capital grants and contributions	57,725	-	-	149,309	171,522	-	155,624	27,181	190,358	37,000
Total governmental activities revenues	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	5,162,958
Business-type activities:										
Charges for services:										
Public utilities	588,776	603,211	889,966	1,601,136	2,479,214	3,940,435	3,205,803	3,350,912	3,576,014	4,014,710
Operating grants and contributions	330,525	793,521	617,206	757,004	-	-	-	-	-	-
Capital grants and contributions	-	-	2,579,591	2,820,683	1,263,689	474,120	319,998	351,790	1,790,690	932,860
Total business-type activities revenues	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	4,947,570
Total Primary Government program revenues	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	10,110,528

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

	Fiscal Year									
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Net (expense) / revenue:										
Governmental activities	(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)	(35,995,547)
Business-type activities	(101,017)	184,955	2,293,189	(507,474)	(2,808,174)	(5,965,814)	(6,643,192)	(6,361,869)	(4,832,615)	(5,974,539)
Total Primary Government net expense	(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)	(41,970,086)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	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	33,172,749
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	2,277,542
Consumer utility taxes	963,991	1,175,825	1,107,757	740,236	319,706	418,162	418,249	421,353	422,363	423,108
Communications tax	-	-	-	-	1,024,954	865,751	896,132	890,874	876,103	875,140
Other local taxes	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	5,453,754
Unrestricted grants and contributions	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	3,059,051
Unrestricted revenues from use of money and property	207,580	378,748	802,956	1,488,090	1,029,969	466,093	184,717	161,386	217,982	90,781
Fines and forfeitures	-	-	-	-	-	-	-	170,670	182,360	130,802
Miscellaneous	1,062,794	101,996	102,808	118,657	159,142	35,650	451,414	722,591	375,003	796,524
Transfers	(220,185)	(221,737)	(245,154)	(322,523)	(424,637)	(432,547)	(468,154)	(483,356)	(466,067)	(546,650)
Total governmental activities expenses	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	45,732,801
Business-type activities:										
Taxes:										
Property taxes	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	3,128,789
Unrestricted revenues from use of money and property	1,141,932	662,164	363,067	559,790	514,150	358,289	351,471	358,005	336,694	424,269
Miscellaneous	411,403	929,577	-	-	23,021	2,110	25,235	18,129	369	3,939
Transfers	220,185	221,737	245,154	322,523	424,637	432,547	468,154	483,356	466,067	546,650
Total business-type activities	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	4,103,647
Total Primary Government	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	49,836,448
Change in net position										
Governmental activities	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	9,737,254
Business-type activities	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)	(1,870,892)
Total Primary Government	$ 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	$ 7,866,362

County of Goochland, Virginia *Table 3*

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011[(a)]	2012	2013
General fund										
Reserved	$ -	$ -	$ -	$ 115,000	$ 405,907	$ 7,390,926	$ 7,854,283	$ -	$ -	$ -
Unreserved, undesignated	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	2,585,293
Restricted	-	-	-	-	-	-	-	114,244	111,334	105,609
Committed	-	-	-	-	-	-	-	2,693,315	3,914,260	-
Assigned	-	-	-	-	-	-	-	1,349,452	2,358,443	6,066,496
Unassigned	-	-	-	-	-	-	-	15,676,774	16,884,189	22,873,972
Total general fund	$ 15,096,268	$ 15,939,797	$ 20,067,007	$ 23,275,450	$ 25,634,876	$ 25,689,557	$ 20,376,627	$ 23,172,621	$ 26,255,213	$ 31,631,370
All other governmental funds										
Reserved for construction	$ -	$ -	$ -	$ -	$ 631,895	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue fund	384,636	439,140	478,018	599,573	644,646	143,954	166,214	-	-	-
School capital projects	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	488
Restricted for drug enforcement	-	-	-	-	-	-	-	129,822	125,664	117,233
Assigned, reported in:										
Capital projects	-	-	-	-	-	-	-	1,953,419	2,488,471	4,700,812
Special revenue fund	-	-	-	-	-	-	-	69,577	505	57,642
Unassigned	-	-	-	-	-	-	-	-	(506)	-
Total all other government funds	$ 2,514,909	$ 2,354,233	$ 11,790,677	$ 4,397,809	$ 5,148,862	$ 2,330,446	$ 2,505,843	$ 2,152,818	$ 2,614,640	$ 4,876,175

[(a)] 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.

County of Goochland, Virginia *Table 4*

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
General property taxes	$ 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	$ 32,914,846
Other local taxes	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	9,029,544
Permits, privilege fees, and regulatory licenses	1,064,497	1,447,488	1,112,680	1,339,121	941,957	529,926	267,341	256,225	764,566	973,999
Fines and forfeitures	99,545	112,912	92,885	104,804	105,799	45,601	117,107	170,670	182,360	130,802
Revenue from use of money and property	207,580	378,748	802,956	1,468,616	1,010,495	466,093	184,717	161,387	217,982	93,455
Charges for services	180,813	189,285	223,922	236,585	167,458	208,943	242,444	355,699	313,697	545,221
Miscellaneous	73,797	101,996	102,808	118,657	159,142	25,450	334,307	542,121	555,473	796,524
Recoverd costs	80,612	1,075,564	128,468	361,250	630,172	265,623	227,446	134,372	144,144	200,640
Intergovernmental:										
Commonwealth	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	5,749,766
Federal	1,365,796	978,714	1,010,657	1,003,151	950,200	858,893	999,794	994,544	943,199	916,023
Total revenues	32,536,520	36,358,175	39,529,205	45,306,013	46,011,050	45,766,674	42,859,389	42,868,357	43,088,044	51,350,820
Expenditures										
General government administration	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	3,717,286
Judicial administration	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	1,488,895
Public safety	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	6,687,191
Public works	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	842,089
Health and welfare	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	3,961,330
Education	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	17,539,786
Parks, recreation, and facilities management	651,047	689,358	771,454	826,648	906,674	946,161	880,499	938,631	1,813,179	1,866,550
Community development	424,204	598,668	1,141,602	1,254,571	1,365,326	1,506,566	1,321,710	906,998	1,105,405	1,220,688
Capital projects	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	2,024,139
Debt service:										
Principal	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	2,905,005
Interest and other fiscal charges	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	906,679
Total expenditures	33,435,925	35,595,087	39,455,719	49,167,915	44,554,702	47,727,516	47,528,768	40,042,032	39,540,514	43,159,638
Excess (deficiency) of revenues over (under) expenditures	(899,405)	763,088	73,486	(3,861,902)	1,456,348	(1,960,842)	(4,669,379)	2,826,325	3,547,530	8,191,182
Other financing sources (uses)										
Operating transfers in	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	4,397,117
Operating transfers out	(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)	(4,950,607)
Long-term debt issued	-	-	13,735,324	-	2,499,750	-	-	-	462,951	-
Premium on debt issued	999,980	-	-	-	-	-	-	-	-	-
Total other financing sources (uses), net	779,795	(221,737)	13,490,170	(322,523)	2,075,113	(432,547)	(468,154)	(483,356)	(3,116)	(553,490)
Net change in fund balances	$ (119,610)	$ 541,351	$ 13,563,656	$ (4,184,425)	$ 3,531,461	$ (2,393,389)	$ (5,137,533)	$ 2,342,969	$ 3,544,414	$ 7,637,692
Debt service as a percentage of noncapital expenditures	9.80%	10.31%	8.69%	8.85%	9.76%	10.11%	9.78%	11.36%	10.15%	9.27%

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
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	5,066,262,190	0.53	4,700,768,490	107.78%
2011	4,350,863,500	256,886,512	11,302,821	118,435,658	4,737,488,491	0.53	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%
2013	4,066,751,908	258,095,897	9,074,954	120,057,618	4,453,980,377	0.53	4,453,980,377	100.00%

Source: Commissioner of Revenue

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

	Direct Rates			
Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Utilities Ad Valorem
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
2013	0.53	4.00	3.75	0.32

(1) Per $100 of assessed value

County of Goochland, Virginia *Table 7*

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Taxpayer	Business Type	Fiscal Year 2013** Tax Year 2012 Assessed Valuation	Fiscal Year 2013** % of Total Assessed Valuation	Fiscal year 2004** Tax Year 2003 Assessed Valuation	Fiscal year 2004** % of Total Assessed Valuation
Capital One Bank	Bank Headquarters	$125,091,508	2.81%	$ 63,086,700	2.34%
West Creek/WC/GC Land	Land Developers	108,617,060	2.44%	85,438,500	3.17%
Dominion Virginia Power	Public Utility	49,601,840	1.11%	33,533,661	1.24%
Car Max Business Services	Car Sales Headquarters	39,457,800	0.89%	n/a	n/a
Luck Stone Corporation	Rock Quarries	32,212,030	0.72%	10,186,900	0.38%
Pruitt, Richard I	Rock Quarries	26,333,187	0.59%	8,108,400	0.30%
Verizon Virginia Inc.	Communications	22,229,338	0.50%	24,651,343	0.91%
Gotwald, James T	Individual	22,450,211	0.50%	9,791,500	0.36%
Federal Reserve Bank	Bank Headquarters	21,892,100	0.49%	n/a	n/a
Markel Properties	Land Holding	16,576,300	0.37%	1,928,600	0.07%
Hermitage Country Club	Country Club	17,500,300	0.39%	10,041,400	0.37%
Virginia Farm Bureau	Insurance	17,581,000	0.39%	19,058,800	0.71%
Tuckahoe LLC	Land Developers	17,673,485	0.40%	4,032,900	0.15%
CSX Transportation	Railroad	18,063,882	0.41%	9,134,510	0.34%
Kinloch Golf Club	Golf Club	16,323,800	0.37%	7,935,600	0.29%
Cox, Sidney B / SB	Land Holding	13,493,076	0.30%	3,877,100	0.14%
Riverstone Group LLP et al	Land Holding	12,543,000	0.28%	301,600	0.01%
Earl M Thompson Inc.	Developer	14,629,098	0.33%	6,307,800	0.23%
		$ 592,269,015	13.30%	$ 297,415,314	11.02%

Source: Commissioner of Revenue
n/a - did not exist at that time
**Commissioner's figures are based on Calendar Year 2012 and Calendar Year 2003 without abatements or supplements.

County of Goochland, Virginia — *Table 8*

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	$ 24,167,384	$ 23,308,908	96.45%	$ 858,476	$ 24,167,384	100.00%
2005	25,213,859	24,080,550	95.51%	404,263	24,484,813	97.11%
2006	28,886,527	26,931,952	93.23%	698,514	27,630,466	95.65%
2007	30,303,638	29,747,213	98.16%	556,425	30,303,638	100.00%
2008	31,751,540	30,382,467	95.69%	1,236,230	31,618,697	99.58%
2009	33,921,962	32,187,530	94.89%	1,530,414	33,717,944	99.40%
2010	31,742,964	29,874,484	94.11%	1,560,566	31,435,050	99.03%
2011	31,180,137	29,377,651	94.22%	1,367,307	30,744,958	98.60%
2012	31,544,172	29,854,001	94.64%	1,132,562	30,986,563	98.23%
2013	35,903,587	34,089,797	94.95%	n/a	34,089,797	94.95%

Sources: Commissioner of Revenue; County Treasurer's office

County of Goochland, Virginia — *Table 9*

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities		Business-Type Activities				
Fiscal Year	General Obligation Bonds	Capital Leases	Revenue Bonds	Accreted Interest on Revenue Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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	10.24%	4,782
2012	18,585,000	1,263,304	65,337,167	17,926,838	103,112,309	n/a	4,712
2013	16,710,000	216,485	80,442,156	14,213,122	111,581,763	n/a	5,227

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

County of Goochland, Virginia *Table 10*

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)
2013	$ 16,710,000	0.38%	$ 783
2012	18,585,000	0.40%	849
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

Notes:
(1) Poplulation 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

Demographic and Economic Statistics
Last Ten Years

Fiscal Year	Population	Total Personal Income (in thousands)	Per Capita Personal Income	Median Age	School Enrollment*	Unemployment Rate
2013	21,347	n/a	n/a	40.50	2,315	4.50%
2012	21,883	n/a	n/a	40.50	2,359	5.32%
2011	21,849	$ 1,020,283	$ 46,697	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%

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

County of Goochland, Virginia ***Table 12***

Principal Employers
Current Year and the Period Ten Years Prior

Employer	Fiscal Year 2013 Employees	Rank	% of Total County Employment	Fiscal Year 2002* Employees
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
	8,891		78.78%	

*Note: Information from 2004 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

	Fiscal Year									
Function	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011***	**2012**	**2013**
Government:										
General government	17	16	22	27	35	35	32	29	32	36
Judicial administration	20	21	22	25	15	12	12	15	24	24
Public safety:										
Sheriff's department	34	33	45	33	33	42	41	38	39	41
Fire and rescue	4	4	5	5	6	16	17	16	19	20
Building inspections	6	6	6	7	9	6	6	4	5	6
Animal control	3	3	2	2	2	3	3	3	3	3
Public works:										
General maintenance	7	7	8	13	12	16	12	11	-	-
Landfill	3	3	3	9	7	7	8	6	7	6
Engineering	5	7	5	5	7	6	6	6	6	6
Health and welfare:										
Department of social services	20	17	17	18	19	19	20	21	22	22
Parks, recreation, and facilities management	5	5	5	6	5	2	5	7	18	18
Community development:										
Planning	3	6	7	9	10	11	11	9	11	10
Total Government	127	128	147	159	160	175	173	165	186	192
School Board:										
Central office administrators	15	15	15	18	18	18	21	14	13	11
Principals and Assistant Principals*	-	-	-	-	-	-	-	8	8	8
Instructors:										
Elementary school	89	98	105	97	102	103	87	97	99	97
Middle school	36	34	35	44	41	43	41	47	50	51
High school	61	67	71	52	63	54	49	56	56	55
Special education professionals*	-	-	-	-	-	-	-	13	12	12
Instructional aides (all schools)*	-	-	-	-	-	-	-	33	33	33
Other admin support staff*	-	-	-	-	-	-	-	23	24	24
Custodians, bus drivers, cafeteria workers*	-	-	-	-	-	-	-	78	76	79
Total School Board	200	215	226	211	224	218	197	369	371	370
Total County	327	343	373	370	384	393	370	534	557	562

Source: Human Resources, Virginia Dept of Education IPAL (Instructional Personnel and Licensure) 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

Table 14

Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
PUBLIC SAFETY										
Sheriff's department:										
Physical arrests	754	703	903	765	789	661	637	548	427	492
Traffic violations	5,331	5,003	4,847	4,589	4,228	4,606	5,205	6,299	5,784	5,847
Civil papers	6,036	5,559	5,587	5,756	4,890	5,693	4,951	5,227	5,143	4,689
Fire and rescue:										
Number of calls answered	3,228	3,551	3,198	2,658	2,643	3,414	3,146	2,906	3,444	3,609
Building inspections:										
Permits issued	360	393	323	239	156	84	73	37	63	145
Animal control:										
Number of calls answered	4,061	3,623	2,972	4,015	4,680	5,110	5,020	5,475	5,712	5,548
CULTURE AND RECREATION										
Parks and recreation:										
After-school program participants	110	156	128	219	274	227	1,189	1,211	1,279	1,255
Youth sports participants	275	232	265	205	310	495	1,100	1,975	1,350	1,475
COMPONENT UNIT - SCHOOL BOARD										
Education:										
School age population**										
Elementary school	914	955	981	1,039	1,082	1,207	1,134	1,129	1,039	1,001
Middle school	366	350	337	321	508	564	583	585	556	580
High school	800	851	930	926	763	770	764	729	734	727
Free and reduced meals served*	60,048	63,008	68,929	104,583	99,088	116,082	128,880	121,302	123,274	119,515

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 *Table 15*

Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
Function	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Governmental activities:										
General government:										
Administration buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	7	6	8	7	5	6	9	6	6	4
Public safety:										
Sheriff's department:										
Patrol units	40	37	43	42	52	50	54	53	55	55
Fire and rescue:										
Vehicles	3	3	3	6	6	9	11	14	16	15
Building inspections:										
Vehicles	6	5	3	3	4	4	4	4	4	5
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	3	3
Public works:										
General maintenance:										
Trucks/vehicles**	7	13	14	16	19	26	18	15	-	-
Convenience center:										
Vehicles	1	1	1	4	4	2	2	2	1	1
Equipment	2	2	2	2	2	3	1	1	1	1
Sites	1	1	1	1	2	2	2	2	2	2
Health and welfare										
Department of Social Services:										
Vehicles	5	7	6	6	6	7	6	6	6	7
Parks, recreation, and facilities management:										
Community Centers	1	1	1	1	1	1	1	1	2	1
Vehicles	2	3	4	2	3	3	3	4	19	18
Community development:										
Planning:										
Vehicles	1	1	1	1	2	4	3	1	2	3
Business-type activities:*										
Utilities:										
Vehicles	-	-	-	-	-	-	-	-	4	5
Education:										
Administration buildings	3	3	3	1	1	1	1	1	1	1
Elementary schools	4	4	4	3	3	3	3	3	3	3
Middle schools	1	1	1	1	1	1	1	1	1	1
High schools	1	1	1	1	1	1	1	1	1	1
Vehicles	63	56	53	53	53	57	57	54	53	52
School buses	57	54	55	64	64	68	68	66	60	60

*Note: This information was not presented prior to 2012.
**Note: These are combined with Parks and recreation after 2011.

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, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 21, 2013.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control as described in the accompanying Schedule of Findings and Questioned Costs as 2013-01, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

PBMares, LLP

Harrisonburg, Virginia
November 21, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited the County of Goochland, Virginia's (County) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in the accompanying Schedule of Findings and Questioned Costs, the School Board did not comply with the requirements regarding CFDA 84.010, Title I Grants to Local Educational Agencies, as described in finding numbers 2013-02 and 2013-03 for Allowable Costs and Private School Notification. Compliance with these requirements is necessary, in our opinion, for the School Board to meet the requirements applicable to this program.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-02 and 2013-03. Our opinion on the major federal program is qualified with respect to these matters.

The School Board's responses to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan. The School Board's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 material weaknesses or significant deficiencies and, therefore, material weaknesses and significant deficiencies may exist that were not identified.

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. However, as discussed below, we identified deficiencies in internal control over compliance that we consider to be material weaknesses.

We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-02 and 2013-03 to be material weaknesses. 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 School Board's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. The School Board's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
November 21, 2013

County of Goochland, Virginia

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

Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Expenditures
Department of Health and Human Services pass-through programs:			
Department of Social Services:			
Community Services Block Grant	93.569	not provided	$ 68,811
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760112/0760113	23,859
Temporary Assistance to Needy Families (TANF)	93.558	0400112/0400113	119,815
Refugee and Entrant Assistance - State Administered Programs	93.566	0500112/0500113	604
Low Income Home Energy Assistance	93.568	0600412/0600413	12,782
Chafee Education and Training Vouchers Program	93.599	9160112	5,553
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900112/090113	456
Foster Care - Title IV-E	93.658	1100112/1100113	151,188
Adoption Assistance	93.659	1120112/1120113	27,371
Social Services Block Grant	93.667	1000112/100113	124,278
Chafee Foster Care Independence Program	93.674	9150112/9150113	2,176
Children's Health Insurance Program	93.767	0540112/0540113	3,873
Medical Assistance Program (Title XIX)	93.778	1200112/1200113	104,290
Total Department of Health and Human Services:			645,056
Department of Transportation pass-through payments:			
National Highway Traffic Safety Administration			
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	K8-2011-51135-4077	65,301
Department of Agriculture pass-through programs:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food distribution	10.555	17901-45707	54,724
Virginia Department of Education:			
National school lunch program	10.555	17901-40623	259,289
School breakfast program	10.553	17901-40591	68,631
Total Virginia Department of Education			327,920
Total Child Nutrition Cluster			382,644
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010112/0010113/0040113	172,393
Total Department of Agriculture			555,037
Department of Homeland Security pass-through programs:			
Department of Emergency Assistance:			
State Homeland Security Program	97.073	not provided	2,300
Emergency Management Performance Grant	97.042	not provided	33,808
Total Department of Emergency Assistance			36,108
Total Department of Homeland Security			36,108

See notes to Schedule of Expenditures of Federal Awards

County of Goochland, Virginia

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

Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Entity Identifying Number	Expenditures
Department of Education pass-through programs:			
Virginia Department of Education:			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	H027A120107-2012-430710000	$ 582,693
Special Education - Preschool Grants	84.173	H173A120112-2012-625210000	4,433
Total Special Education Cluster (IDEA)			587,126
Title I Grants to Local Educational Agencies	84.010	S010A11(12)0046-2010/2011/2012-42901000	227,712
Title I, Part D: State Agency Program for Neglected and Delinquent Children and Youth	84.013	S010A090046-2012-429350000	81,877
Career and Technical Education - Basic Grant to States	84.048	V048A120046-2012-610950000	206,514
ARRA - Longitudinal Data Systems	84.384	R384A100037-2010-479440000	26,922
Title II, Part A: Improving Teacher Quality State Grant	84.367	S367A11(12)00044-2011/2012-614800000	55,617
Title III, Part A: English Language Acquisition State Grant	84.365	S3635A11(12)0046-2011/2012-605120000	12,994
ARRA - Education Jobs Fund	84.410	S410A100047-2010-627000000	15,936
			317,983
Total Department of Education			1,214,698
Total Federal Expenditures			$ 2,516,200

See notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2013

1. Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the ***County of Goochland, Virginia*** and component units of the ***Goochland County Public School Board and the Goochland County Economic Development Authority*** and is presented on the modified accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133 define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Nonmonetary deferral assistance including food commodities is considered federal assistance and, therefore, is reported on the Schedule of Expenditures of Federal Awards. Federal financial assistance does not include direct federal cash assistance to individuals.

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

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

Major Programs – The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the criteria to be used in defining major programs. Major programs for the County of Goochland, Virginia and its component units were determined using a risk-based approach in accordance with OMB Circular A-133.

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

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

2. Non-Cash Assistance

In addition to amounts reported on the Schedule of Expenditures of Federal Awards, the County of Goochland, Virginia consumed non-cash assistance in the form of food commodities. Commodities with a fair value of $54,724 at the time received were consumed during the year ended June 30, 2013. These commodities were included in the determination of federal awards expended during the year ended June 30, 2013.

COUNTY OF GOOCHLAND, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	___ Yes	√ No
Significant deficiencies identified?	√ Yes	___ None Reported
Noncompliance material to financial statements noted?	___ Yes	√ No

Federal awards

Internal control over major programs:

Material weaknesses identified?	√ Yes	___ No
Significant deficiencies identified?	___ Yes	√ None Reported

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

- Qualified for Title I Grants to Local Educational Agencies (CFDA Number 84.010) allowable costs and private school notification
- Unmodified for all other applicable compliance requirements of the Title I Grants to Local Educational Agencies 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
84.010	Title I Grants to Local Educational Agencies
93.778	Medical Assistance Program (Title XIX)
Special Education Cluster:	
84.027	Special Education – Grants to States
84.173	Special Education – Preschool Grants
Child Nutrition Cluster:	
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.555	Food Distribution

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

I. SUMMARY OF AUDITOR'S RESULTS (Continued)

Identification of major programs: (Continued)

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

Significant Deficiency in Internal Control

2013-01: Significant Deficiency in Internal Control over School Food Services

Requirement: Duties relating to significant accounting processes, including cash receipts and reconciliation, 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.

Conditions: At each school cafeteria location, we noted during the current year that only one person is responsible for counting the cash receipts for the day, with no secondary attestation, prior to cash leaving the school. Upon inquiry with management, it was noted this was not the case in the previous year, when cash was prepared for deposit. It was determined by the cafeteria management that under a change in policy implemented by the Treasurer, a secondary level of review was being performed in the Treasurer's Office, and a secondary school level review was redundant. Furthermore, at the elementary schools, the cafeteria manager often performs all functions relating to cash collections and reconciliation, with no secondary support or review. Therefore, we believe there appears to be inadequate controls in place to prevent a cashier or manager from the theft of cash. Additionally, the Supervisor of School Nutrition Food Services has the ultimate responsibility for all aspects of the accounting and reconciliation process related to Food Services. Each school has a second employee trained to back up the cafeteria manager in her absence; however, currently there is little internal oversight.

Effect: The lack of segregation of duties over collecting and receipting cash could allow for the theft or misstatement of cash collections. Furthermore, the lack of segregation also creates an environment in which there is more potential for human error, which could go undetected. Having only one individual with knowledge of the accounting and reporting aspect of all Food Services collections could be detrimental to the School Board in the event of an untimely absence. There is a significant amount of cash collected and reported, including federal amounts under OMB Circular A-133, and this could potentially lead to misstatements, theft, or loss of federal funding due to deficiencies in reporting.

II. FINANCIAL STATEMENT FINDINGS (Continued)

Significant Deficiency in Internal Control (Continued)

Recommendation: With regards to the segregation of duties over cash collections, we recommend each school maintain a practice of having a secondary level of review of daily cash collections, to verify and confirm the amount of cash collected at each location. The individual collecting cash should be required to attest to the amount collected, and have that same amount verified by a second individual, and any discrepancies should be investigated immediately, prior to delivery to the Treasurer's Office. With regards to the lack of oversight and cross-training of a back-up for the Supervisor of School Nutrition Food Services, we encourage the School Board's Director of Finance to observe, perform inquiries, inspect reconciliation documentation, and develop a written policies and procedures document to provide an in-depth description of each of the Supervisor's duties. This will serve to aid as guidance in the re-performance of these duties, or in the event of an absence, allow for an employee to substitute in the role of the Supervisor, with little to no stoppage or creation of gaps in internal controls. Lastly, once this has been completed, we believe that oversight be provided by an individual designated by the Director of Finance, on a routine basis, to aid with any potential segregation of duties issues that may already exist.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

2013-02: Allowable Costs

Program: Title I Grants to Local Educational Agencies (CFDA Number 84.010) – 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 having 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 Title I, Part A program, the certifications were not completed properly. It was identified that each employee selected for testing compliance related to the grant, had not completed the time certification for the current period under audit. In observing the student records and other support relating to the grant, we observed additional documentation identifying the personnel with the grant; however, as a requirement for compliance under the grant, the time certifications were not completed, as noted.

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

Questioned costs: Undeterminable.

Recommendation: The School Board should require employees who work solely on a single federal program to complete and sign certifications of time charged to federal programs after they have worked that time as required by OMB Circular A-87.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

2013-03: Private School Notification

Program: Title I Grants to Local Educational Agencies (CFDA Number 84.010) – U.S. Department of Education – Commonwealth of Virginia Department of Education.

Requirements: OMB Circular A-133, Department of Education Cross-Cutting Section, N. 1. – "For programs funded under Title I, Park A, and LEA, after timely and meaningful consultation with private school officials, must provide equitable services to eligible private school children, their teachers and their families. Eligible private school children are those who reside in a participating public school attendance area and have educational needs under Section 1115(b) of the ESEA (20 USC 6315 (b))."

Condition: Although the County has established a policy requiring timely and meaningful consultation with private school officials through the issuance of an annual letter explaining the educational services available, no record of that communication was maintained. It was identified that turnover had occurred in the position responsible for the completion of such communication and no records were available to demonstrate that the communication had occurred.

Effect: Noncompliance with OMB Circular A-133 may result in reduced funding for these programs.

Questioned costs: Undeterminable.

Recommendation: The School Board should maintain records demonstrating that timely and meaningful communication with private school officials has occurred as required by OMB Circular A-133.

COUNTY OF GOOCHLAND, VIRGINIA

CORRECTIVE ACTION PLAN
Year Ended June 30, 2013

Identifying Number: 2013-01 Significant Deficiency in Internal Control over Food Services

Finding:

At each school cafeteria location, we noted during the current year that only one person is responsible for counting the cash receipts for the day, with no secondary attestation, prior to cash leaving the school. Per inquiry with management, it was noted this was not the case in the previous year, when cash was prepared for deposit. It was determined by the cafeteria management that under a change in policy implemented by the Treasurer, a secondary level of review was being performed in the Treasurer's Office, and a secondary school level review was redundant. Furthermore, at the elementary schools, the cafeteria manager often performs all functions relating to cash collections and reconciliation, with no secondary support or review. Therefore, we believe there appears to be inadequate controls in place to prevent a cashier or manager from the theft of cash. Additionally, the Supervisor of School Nutrition Food Services has the ultimate responsibility for all aspects of the accounting and reconciliation process related to Food Services. Each school has a second employee trained to back up the cafeteria manager in her absence; however, currently there is little internal oversight.

Corrective Action Taken or Planned:

As soon as the current auditors pointed out the need for secondary review at the school level, cafeteria management immediately returned to their previous practice and performed secondary reviews since July 2013. This secondary school review and additional Treasurer's office review also compensates for the elementary school cafeteria managers' frequent lack of segregation of duties due to their small staff. Additionally, although the state Office of School Nutrition Programs routinely reviews the work of the Supervisor of School Nutrition and has given her high marks for her record keeping, compliance to state and federal laws, and overall professionalism, School Board Management agrees that additional internal oversight is needed. Until the Nutrition program has enough resources to add at least a clerical position to backup the Supervisor of School Nutrition, the School Board Director of Finance is expanding her observation, inquiries and documentation of the Supervisor of School Nutrition processes so that there will be adequate written procedures in place for someone else to do the financial aspects of the job in the absence of the Supervisor of School Nutrition. The Supervisor of School Nutrition has already cross-trained a cafeteria manager to handle other aspects of the division-wide food service program.

Contact Person: Lisa Landrum, Supervisor of School Nutrition
Deborah White, Director of Finance, Goochland Public Schools

CORRECTIVE ACTION PLAN
Year Ended June 30, 2013

Identifying Number: 2013-02 Allowable Costs

Finding:

Although the County established a policy requiring the completion of time certifications for personnel costs charged to the Title I, Part A program, the certifications were not completed properly. It was identified that each employee selected for testing compliance related to the grant, had not completed the time certification for the current period under audit. In observing the student records and other support relating to the grant, we observed additional documentation identifying the personnel with the grant; however, as a requirement for compliance under the grant, the time certifications were not completed, as noted.

Corrective Action Taken or Planned:

The School's Director of Federal Grants 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 31 and June 30). Management is also working on a federal grants checklist to aid grant program managers in complying with all federal program requirements in a timely fashion.

Contact Person: Raye Rector, Director of Gifted and Federal Grants, Goochland Public Schools

Identifying Number: 2013-03 Private School Communication for Title I, Part A

Finding:

Although the County has established a policy requiring timely and meaningful consultation with private school official through the issuance of an annual letter explaining the educational services available, no record of that communication was maintained. It was identified that turnover had occurred in the position responsible for the completion of this communication and no records were available to demonstrate that the communication had occurred.

Corrective Action Taken or Planned:

The School's Assistant Superintendent of Business Operations will insure that the annual private school communication letter is sent out each year in a timely and meaningful manner and that we maintain a record of this communication.

Contact Person: Dr. Peter Gretz, Assistant Superintendent of Business Operations, Goochland Public Schools

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

Identifying Number: 2012-01: 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 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.

Identifying Number: 2012-02: 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.

Identifying Number: 2012-03: 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.

<u>Corrective Action Taken or Planned</u>:

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.

<u>Identifying Number:</u> 2012-04: Unclaimed Property Report Not Filed with the Virginia Department of the Treasury for June 30, 2011

<u>Finding</u>:

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.

<u>Corrective Action Taken or Planned</u>:

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.

<u>Identifying Number:</u> 2012-05: Allowable Costs

<u>Finding</u>:

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.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2013

Corrective Action Taken or Planned:

The School's Director of Special Education required 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.