

*Comprehensive Annual  
Financial Report  
Fiscal Year Ended  
June 30, 2014*

*County of Powhatan, Virginia*



**DIXON HUGHES GOODMAN<sup>LLP</sup>**  
Certified Public Accountants and Advisors

***County of Powhatan, Virginia***  
***Introductory Section (Unaudited)***  
***Year Ended June 30, 2014***

# County of Powhatan, Virginia

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***County of Powhatan, Virginia***

***June 30, 2014***

***Board of Supervisors***

Carson Tucker, Chairman  
David Williams, Vice Chairman

Barry Hodge  
William E. "Bill" Melton

Jason Moore

***School Board***

Rick Cole, Chairman  
James Kunka, Vice Chairman

Valarie C. Ayers  
Sammy Frame

Kim D. Hymel

***Board of Social Services***

Mary Ellen Freer, Chairman

Gay Bartlett  
Deborah Clarke  
Gale Lipscomb  
Carson Tucker

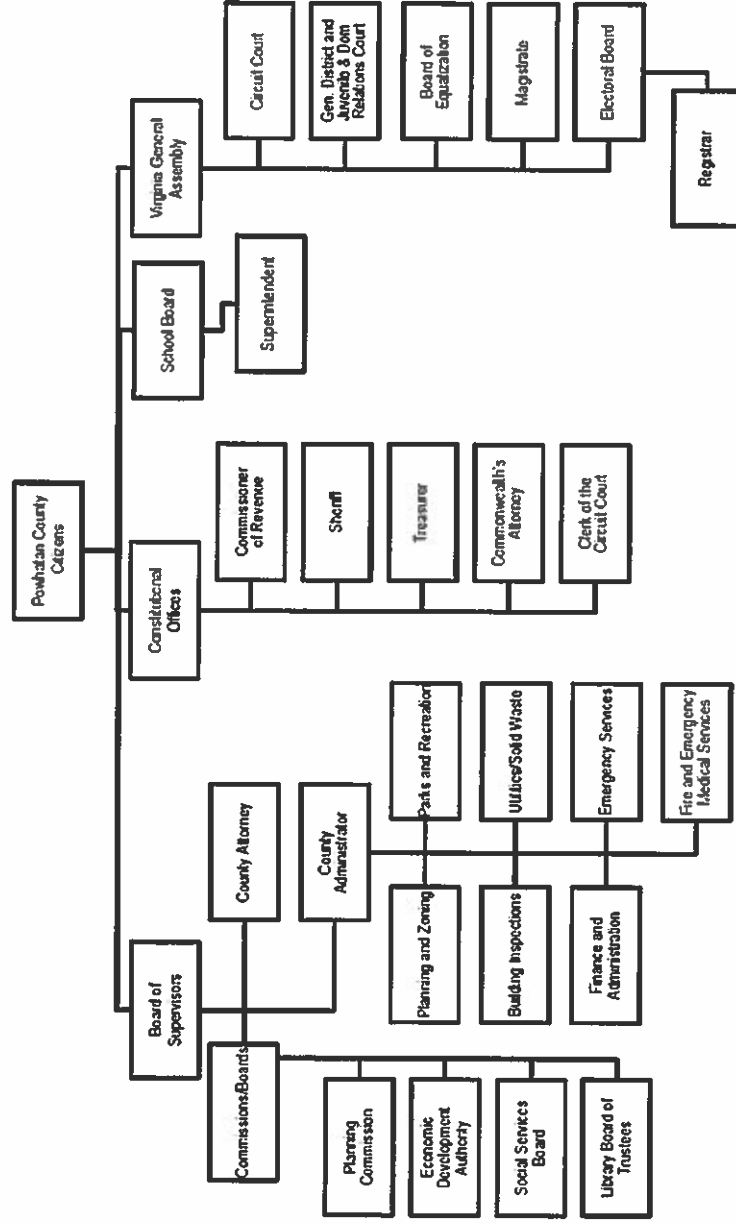
Brad Burdette  
Grace Hawkins  
Ernestine Taylor

***Other Officials***

Clerk of the Circuit Court  
Commonwealth's Attorney  
Treasurer  
Sheriff  
Superintendent of Schools  
Director of Social Services  
Commissioner of the Revenue  
County Administrator  
Deputy County Administrator  
Director of Administration and Finance - County  
Assistant Superintendent for Finance and Business Operations  
and Transportation - Schools

Teresa H. Dobbins  
Robert Beasley  
Faye G. Barton  
Gregory A. Neal  
Dr. Eric L. Jones  
Catherine Pemberton  
James B. Timberlake, II  
Patricia A. Weiler  
John M. Altman, Jr.  
Charla W. Schubert  
Larry Johns

# Powhatan County Government Organizational Chart



***County of Powhatan, Virginia***

***Financial Section***

***Year Ended June 30, 2014***



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

## ***Independent Auditors' Report***

To the Honorable Members of the Board of Supervisors  
*County of Powhatan, 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 unit, each major fund, and the aggregate remaining fund information of the *County of Powhatan, Virginia*, as of and for the year ended *June 30, 2014*, 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.

### ***Auditors' 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards 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 auditors' 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 auditors consider internal control relevant to the entity'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 entity'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 that 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 unit, each major fund, and the aggregate remaining fund information of the *County of Powhatan, Virginia*, as of *June 30, 2014*, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

#### *Change in Accounting Principle*

As discussed in Note 3 to the financial statements, beginning net position was *restated* due to the implementation of GASB Statement 65, Items Previously Reported as Assets and Liabilities, in 2014. Our opinion is not modified with respect to these changes.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 through 9 and 51 and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Accompanying Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *County of Powhatan, Virginia's* basic financial statements. The introductory section, other supplementary information, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is also presented for purposes of additional analysis and is also not a required part of the basic financial statements of the *County of Powhatan, Virginia*.

The other supplementary information and the schedule of expenditures of federal awards 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 25, 2014, on our consideration of *County of Powhatan, Virginia'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 *County of Powhatan, Virginia's* internal control over financial reporting and compliance.

*Dixon Hughes Goodman LLP*

Chester, Virginia  
November 25, 2014

## *County of Powhatan, Virginia*

### *Management's Discussion and Analysis*

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**June 30, 2014**

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As management of the County of Powhatan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal years ended June 30, 2014 and June 30, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

#### **Financial Highlights**

- The assets and deferred inflows of resources of the County exceeded its liabilities and deferred outflows of resources at the close of the fiscal year by \$15,204,999 (net position).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,650,907, an increase of \$1,990,837 in comparison with the prior year.
- Approximately 83% of the ending governmental fund balance, or \$13,877,646, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,877,646, which represents approximately 17% of General Fund and School Operating Fund expenditures and transfers, which totaled \$79,365,286.
- The County Board of Supervisor's policy is to maintain the General Fund unassigned fund balance at a minimum of 15% of the subsequent year total budgeted General Fund and School Operating Fund expenditures net of transfers, or \$96,902,613 less \$24,625,792. The General Fund unassigned fund balance is 19.20% of this amount.
- The County's total capital assets (governmental and business-type) decreased from \$88,937,310 in 2013 to \$84,929,532 in 2014, a decrease of (\$4,007,778) for the current fiscal year. The decrease is primarily due to \$1,392,765 in capital asset additions, (\$3,698,765) in current year depreciation and amortization of capital assets, and (\$1,301,857) in transfers of property from the County to the School Board as the related debt which financed the property is relieved by the County.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

#### **Basic Financial Statements**

The first two statements (pages 11 & 12) in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about the County's financial status.

The next group of statements (pages 13 through 20) is the fund financial statements. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the notes to the financial statements. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County's individual funds.

### **Government-wide financial statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole. The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the County's total assets and total liabilities. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes, other local tax sources, and state and federal grant funds finance most of these activities. The business-type activities include the Water and Sewer Fund in which fees are charged to customers to help cover the cost of providing water and sewer services. The third category, the component unit, accounts for activities of the County's public school system. Although the Powhatan County Public School System is a legally separate entity and the members of the School Board are elected by the citizens of the district they represent, the School System is presented as a discretely presented component unit of the County because the County Board of Supervisors is financially accountable for the School System.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. 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 all other governmental entities in Virginia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements. The County has three types of funds:

#### ***Governmental Funds***

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on assets that can readily be converted into cash flow in and out, and the balances left at year-end that will be available for spending in the next year. Governmental funds are reported using modified accrual accounting, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

Proprietary funds are used to account for those activities reported as business-type activities in the government-wide financial statements. These funds are reported using full accrual accounting which focuses on economic resources including long term debt and fixed assets. Private businesses typically use full accrual accounting.

#### ***Fiduciary Funds***

The County is a trustee, or fiduciary, for certain funds. It is also responsible for other assets that, because of a trust relationship, can be used only for the trust beneficiaries. The County is responsible for ensuring the assets in this fund are used for their intended purpose. The Fiduciary Funds of the County include Agency Funds. These activities are reported in a separate statement of fiduciary net position. The County excludes this activity from its government-wide financial statements because the County cannot use these assets to finance its operations.

The County adopts an annual budget for its General Fund. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the appropriation resolution and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The budget and actual statement for the General Fund shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

## Notes to the Financial Statements

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

## Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees.

## Government-Wide Financial Analysis

This is the tenth year that the County has presented its financial statements under the reporting model required by GASB Statement No. 34. This reporting model changes significantly both the recording and presentation of financial data. Prior year information is shown in a comparative analysis of government-wide information.

**Table 1 - Statement of Net Position**

The following table reflects the condensed net position of the County:

### County of Powhatan, Virginia's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	(As Restated)		(As Restated)		(As Restated)	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 22,879,256	\$ 33,955,302	\$ 78,547	\$ 126,677	\$ 22,957,803	\$ 34,081,979
Capital assets	65,496,804	69,265,919	19,432,728	19,671,391	84,929,532	88,937,310
<b>Total assets</b>	<b>\$ 88,376,060</b>	<b>\$ 103,221,221</b>	<b>\$ 19,511,275</b>	<b>\$ 19,798,068</b>	<b>\$ 107,887,335</b>	<b>\$ 123,019,289</b>
Deferred amounts on bond refunding	\$ (1,388,067)	\$ (1,508,297)	\$ 2,001,786	\$ 2,174,163	\$ 613,719	\$ 665,866
Current liabilities	\$ 1,692,117	\$ 2,213,458	\$ 353,227	\$ 304,244	\$ 2,045,344	\$ 2,517,702
Long-term liabilities outstanding	67,633,551	71,027,280	20,439,505	21,101,620	88,073,056	92,128,900
<b>Total liabilities</b>	<b>\$ 69,325,668</b>	<b>\$ 73,240,738</b>	<b>\$ 20,792,732</b>	<b>\$ 21,405,864</b>	<b>\$ 90,118,400</b>	<b>\$ 94,646,602</b>
Deferred property taxes	\$ 3,177,655	\$ 16,131,440	\$ -	\$ -	\$ 3,177,655	\$ 16,131,440
Net position:						
Net investment in capital assets	\$ (2,085,394)	\$ (1,962,152)	\$ 1,044,804	\$ 786,715	\$ (1,040,590)	\$ (1,175,437)
Restricted	29,239	321,995	-	72,357	29,239	394,352
Unrestricted	16,540,825	13,980,903	(324,475)	(292,705)	16,216,350	13,688,198
<b>Total net position</b>	<b>\$ 14,484,670</b>	<b>\$ 12,340,746</b>	<b>\$ 720,329</b>	<b>\$ 566,367</b>	<b>\$ 15,204,999</b>	<b>\$ 12,907,113</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred inflows of resources of the County exceeded its liabilities and deferred outflows of resources by \$15,204,999 as of June 30, 2014. The County's net position increased by \$2,297,886 for the fiscal year ended June 30, 2014. Net position include the County's investment in capital assets (e.g. land, buildings, machinery, vehicles, and equipment) less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County of Powhatan's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. Unrestricted net position of \$16,216,350 may be used to meet the government's ongoing obligations to citizens and creditors.

**Table 2 - Statement of Activities**

The following table reflects the revenues and expenses of the governmental and business-type activities:

**County of Powhatan, Virginia's Revenues and Expenses**

	Governmental Activities		Business-Type Activities		Totals	
	(As Restated)		(As Restated)		(As Restated)	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,622,168	\$ 1,414,299	\$ 272,633	\$ 388,990	\$ 1,894,801	\$ 1,803,289
Operating grants and contributions	4,374,567	3,969,854	-	-	4,374,567	3,969,854
Property taxes	35,253,633	33,447,832	-	-	35,253,633	33,447,832
Other local taxes	4,250,661	4,960,172	-	-	4,250,661	4,960,172
Grants and contributions not restricted to specific programs	4,147,231	3,178,838	-	-	4,147,231	3,178,838
Other	639,461	414,846	51	415	639,512	415,261
<b>Total revenues</b>	<b>50,287,721</b>	<b>47,385,841</b>	<b>272,684</b>	<b>389,405</b>	<b>50,560,405</b>	<b>47,775,246</b>
<b>Expenses:</b>						
General government	2,913,719	2,693,439	-	-	2,913,719	2,693,439
Judicial administration	915,308	924,281	-	-	915,308	924,281
Public safety	7,386,351	7,198,186	-	-	7,386,351	7,198,186
Public works	1,715,947	1,716,111	2,439,900	2,548,849	4,155,847	4,264,960
Health and welfare	4,079,149	3,859,387	-	-	4,079,149	3,859,387
Education	24,091,342	23,514,070	-	-	24,091,342	23,514,070
Parks, recreation, and cultural	881,707	932,155	-	-	881,707	932,155
Community development	784,157	599,847	-	-	784,157	599,847
Interest and other fiscal charges	2,664,241	2,836,549	-	-	2,664,241	2,836,549
Loss on disposal of fixed assets	390,698	-	-	-	390,698	-
<b>Total expenses</b>	<b>45,822,619</b>	<b>44,274,025</b>	<b>2,439,900</b>	<b>2,548,849</b>	<b>48,262,519</b>	<b>46,822,874</b>
Change in net position before transfers	4,465,102	3,111,816	(2,167,216)	(2,159,444)	2,297,886	952,372
Transfers	(2,321,178)	(2,357,229)	2,321,178	2,357,229	-	-
<b>Change in net position</b>	<b>2,143,924</b>	<b>754,587</b>	<b>153,962</b>	<b>197,785</b>	<b>2,297,886</b>	<b>952,372</b>
Net position - beginning	12,340,746	11,586,159	566,367	368,582	12,907,113	11,954,741
<b>Net position - ending</b>	<b>\$ 14,484,670</b>	<b>\$ 12,340,746</b>	<b>\$ 720,329</b>	<b>\$ 566,367</b>	<b>\$ 15,204,999</b>	<b>\$ 12,907,113</b>

**Governmental Activities**

The County's three largest sources of revenue make up approximately 89% of total revenues and include property taxes (70%), operating grants from state and federal sources (9%), and other local taxes (10%). Education accounts for approximately 53% of total expenses and represents operating contributions to Powhatan County Public Schools. Other significant expenses are for public safety and health and welfare, which represent approximately 16% and 9%, respectively, of total expenses. Overall, net position increased by \$2,297,886.

## 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 usable resources. Such information is useful in assessing the County's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the County. At June 30, 2014, the unassigned fund balance of the General Fund was \$13,877,646. For the same period, the governmental funds of the County reported a combined fund balance of \$16,650,907, a 13% increase over last year.

### General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original appropriation resolution once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Overall general fund revenues were more than the amended budget by \$2,225,149. General property tax collections were \$1,824,415 higher than budgeted and most other revenue categories also exceeded amended appropriations.

Overall, expenditures had a positive variance compared to budget of \$446,828. The contribution to Powhatan County Public Schools for operating expenditures was \$24,576 less than the amended budget.

### Capital Asset and Debt Administration

#### *Capital assets*

The County's investment in capital assets as of June 30, 2014, totals \$107,887,335 (net of accumulated depreciation). These assets include buildings, land, utility plant in service, construction in progress, and machinery and equipment.

*Table 3 – County Capital Assets (net of depreciation)*

	2014		2013	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Land	\$ 1,590,827	\$ 859,030	\$ 1,590,827	\$ 859,030
Construction in progress	-	-	297,631	400,000
Buildings	12,197,105	-	13,186,295	-
Utility plant in service	-	18,560,379	-	18,412,361
Machinery and equipment	2,666,404	13,319	2,256,639	-
Jointly owned assets	49,042,468	-	51,934,527	-
<b>Total</b>	<b>\$ 65,496,804</b>	<b>\$ 19,432,728</b>	<b>\$ 69,265,919</b>	<b>\$ 19,671,391</b>

Overall net capital assets decreased by \$4,007,778 primarily due to the purchase of capital assets, current year depreciation and amortization, and the transfer of property from the County to the School Board as debt which financed the property is relieved by the County. Additional information on the County's capital assets can be found in Note 6 in the Notes to the Financial Statements.

### ***Long-term Debt***

As of June 30, 2014, the County had total bonded debt outstanding (including literary loans) of \$39,465,462. Capital leases, revenue bonds, compensated absences and the County's liability for other post employment benefits are not included in these figures.

***Table 4 – Outstanding Debt***

	2014		2013	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
General obligation bonds	\$ 31,425,110	\$ 6,790,352	\$ 33,554,527	\$ 7,068,118
State literary fund loans	1,250,000	-	1,500,000	-
<b>Total</b>	<b>\$ 32,675,110</b>	<b>\$ 6,790,352</b>	<b>\$ 35,054,527</b>	<b>\$ 7,068,118</b>

Total debt decreased by \$2,657,183 due to debt retirement. Additional information regarding the County's long-term debt can be found in Note 8 of the Notes to the Financial Statements.

### ***Economic Factors***

Powhatan County is located in the lower piedmont area of Virginia. It is bordered by Chesterfield County to the east, Amelia County and the Appomattox River to the south, Goochland County and the James River to the north, and Cumberland County to the west. The eastern tip of the County is approximately fifteen miles directly west of the downtown area of the City of Richmond. The County encompasses 272 square miles. The Weldon-Cooper Center for Public Service's 2013 (latest available) population estimate for the County is 28,451.

### ***Budget Highlights for the Fiscal Year Ending June 30, 2015***

#### ***Tax Rates and Fees***

The FY 2015 adopted budget included a real estate tax rate of \$.90 per \$100 of assessed value and maintains the personal property tax rate of \$3.60 per \$100 of assessed value.

#### ***Total Fiscal Year 2015 Estimated Revenues***

The fiscal year 2015 estimated total revenues include the real estate tax, personal property tax, and state and federal sources. The Board of Supervisors prioritized maintaining a level real estate tax rate and not using fund balance for operating expenditures.

#### ***Total Fiscal Year 2015 Expenditures***

The fiscal year 2015 total budget is \$72,276,821, a 3.3% increase, and is balanced between revenues and expenditures. This includes \$45,008,993 in school funding (which does not include school debt service) and represents a 3.4% increase in funding for the schools from FY 2014. The County operating budget increased by a total of \$2,398,475. The largest increases were for higher funding for Schools and funding for the fire and rescue fund.

#### ***Employee Compensation and Benefits***

The adopted budget is funded to maintain a competitive compensation program to attract, retain and motivate exceptional employees. For fiscal year 2015, the budget includes a 2% merit increase for eligible employees.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance and Administration, County of Powhatan, 3834 Old Buckingham Road, Suite A, Powhatan, VA 23139. This report can also be viewed via the internet at [www.powhatanva.gov](http://www.powhatanva.gov).



***County of Powhatan, Virginia***

***Basic Financial Statements***

***Year Ended June 30, 2014***

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

**County of Powhatan, Virginia**  
**Statement of Net Position**

**Exhibit 1**

**June 30, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	School Board
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 15,572,990	\$ 47,448	\$ 15,620,438	\$ 3,102,826
Receivables (net of allowances for uncollectibles)				
Taxes receivable, including penalties	5,948,706	-	5,948,706	-
Accounts receivable	204,553	31,099	235,652	-
Prepaid expenses	4,048	-	4,048	-
Due from other governmental units	1,119,720	-	1,119,720	1,370,918
Inventories	-	-	-	8,262
<b>Total current assets</b>	<b>\$ 22,850,017</b>	<b>\$ 78,547</b>	<b>\$ 22,928,564</b>	<b>\$ 4,482,006</b>
<b>Noncurrent assets</b>				
Restricted assets:				
Temporarily restricted (in custody of others):				
Cash and cash equivalents	\$ 29,239	\$ -	\$ 29,239	\$ 280,950
Investments	-	-	-	526,621
Capital assets (net of accumulated depreciation):				
Land	1,590,827	859,030	2,449,857	668,764
Buildings	61,239,573	-	61,239,573	10,854,717
Utility plant in service	-	18,560,379	18,560,379	-
Machinery and equipment	2,666,404	13,319	2,679,723	289,657
<b>Total capital assets net of accumulated depreciation</b>	<b>\$ 65,496,804</b>	<b>\$ 19,432,728</b>	<b>\$ 84,929,532</b>	<b>\$ 11,813,138</b>
<b>Total assets</b>	<b>\$ 88,376,060</b>	<b>\$ 19,511,275</b>	<b>\$ 107,887,335</b>	<b>\$ 17,102,715</b>
<b>Deferred Outflow of Resources</b>				
Deferred amount on bond refunding	\$ (1,388,067)	\$ 2,001,786	\$ 613,719	\$ -
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accrued expenses	\$ 603,027	\$ 109,265	\$ 712,292	\$ 335,270
Accrued personnel expenses	-	-	-	4,154,069
Accrued interest payable	1,074,524	236,150	1,310,674	-
Unearned revenue	14,566	7,812	22,378	-
<b>Total current liabilities</b>	<b>\$ 1,692,117</b>	<b>\$ 353,227</b>	<b>\$ 2,045,344</b>	<b>\$ 4,489,339</b>
<b>Noncurrent liabilities</b>				
Due within one year	\$ 4,269,654	\$ 696,550	\$ 4,966,204	\$ 867,924
Due in more than one year	63,363,897	19,742,955	83,106,852	10,152,723
<b>Total noncurrent liabilities</b>	<b>\$ 67,633,551</b>	<b>\$ 20,439,505</b>	<b>\$ 88,073,056</b>	<b>\$ 11,020,647</b>
<b>Total liabilities</b>	<b>\$ 69,325,668</b>	<b>\$ 20,792,732</b>	<b>\$ 90,118,400</b>	<b>\$ 15,509,986</b>
<b>Deferred Inflow of Resources</b>				
Deferred property taxes	\$ 3,177,655	\$ -	\$ 3,177,655	\$ -
<b>Net Position</b>				
Net investment in capital assets	\$ (2,085,394)	\$ 1,044,804	\$ (1,040,590)	\$ 11,813,138
Restricted for				
Public Safety	29,239	-	29,239	-
Unrestricted (deficit)	16,540,825	(324,475)	16,216,350	(10,220,409)
<b>Total net position</b>	<b>\$ 14,484,670</b>	<b>\$ 720,329</b>	<b>\$ 15,204,999</b>	<b>\$ 1,592,729</b>

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

**County of Powhatan, Virginia**  
**Statement of Activities**

**Exhibit 2**

**Year Ended June 30, 2014**

Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Unit
				Primary Government				
				Governmental Activities	Business-Type Activities	Total	School Board	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
<b>Primary government</b>								
Governmental activities:								
General government administration	\$ 2,913,719	\$ -	\$ 276,441	\$ -	\$ (2,637,278)	\$ -	\$ (2,637,278)	\$ -
Judicial administration	915,308	188,666	468,898	-	(257,744)	-	(257,744)	-
Public safety	7,386,351	520,637	1,580,455	-	(5,285,259)	-	(5,285,259)	-
Public works	1,715,947	54,264	-	-	(1,661,683)	-	(1,661,683)	-
Health and welfare	4,079,149	-	1,903,624	-	(2,175,525)	-	(2,175,525)	-
Education	24,091,342	-	-	-	(24,091,342)	-	(24,091,342)	-
Parks, recreation and cultural	881,707	30,176	138,389	-	(713,142)	-	(713,142)	-
Community development	784,157	828,425	6,760	-	51,028	-	51,028	-
Interest on long-term debt	2,664,241	-	-	-	(2,664,241)	-	(2,664,241)	-
<b>Total governmental activities</b>	<b>\$ 45,431,921</b>	<b>\$ 1,622,168</b>	<b>\$ 4,374,567</b>	<b>\$ -</b>	<b>\$ (39,435,186)</b>	<b>\$ -</b>	<b>\$ (39,435,186)</b>	<b>\$ -</b>
Business-type activities:								
Water and sewer	\$ 2,439,900	\$ 272,633	\$ -	\$ -	\$ -	\$ (2,167,267)	\$ (2,167,267)	\$ -
<b>Total primary government</b>	<b>\$ 47,871,821</b>	<b>\$ 1,894,801</b>	<b>\$ 4,374,567</b>	<b>\$ -</b>	<b>\$ (39,435,186)</b>	<b>\$ (2,167,267)</b>	<b>\$ (41,602,453)</b>	<b>\$ -</b>
<b>Component unit</b>								
School Board	\$ 44,852,345	\$ 662,251	\$ 21,151,734	\$ -	\$ -	\$ -	\$ -	\$ (23,038,360)
<b>General revenues</b>								
General property taxes					\$ 35,253,633	\$ -	\$ 35,253,633	\$ -
Local sales and use tax					1,953,664	-	1,953,664	-
Consumer utility tax					602,360	-	602,360	-
Other local taxes					1,694,637	-	1,694,637	-
Revenues from use of money and property					283,313	51	283,364	354,876
Miscellaneous					356,148	-	356,148	270,580
Grants and contributions not restricted to specific programs					4,147,231	-	4,147,231	-
Payment from Powhatan County					(390,698)	-	(390,698)	22,010,708
Loss on disposal of fixed assets					-	-	-	-
<b>Total general revenues not including transfers</b>					<b>\$ 43,900,288</b>	<b>\$ 51</b>	<b>\$ 43,900,339</b>	<b>\$ 22,636,164</b>
Transfers					(2,321,178)	2,321,178	-	-
<b>Total general revenues and transfers</b>					<b>\$ 41,579,110</b>	<b>\$ 2,321,229</b>	<b>\$ 43,900,339</b>	<b>\$ 22,636,164</b>
<b>Change in net position</b>					<b>\$ 2,143,924</b>	<b>\$ 153,962</b>	<b>\$ 2,297,886</b>	<b>\$ (402,196)</b>
<b>Net position - beginning of year, as restated</b>					<b>12,340,746</b>	<b>566,367</b>	<b>12,907,113</b>	<b>1,994,925</b>
<b>Net position - end of year</b>					<b>\$ 14,484,670</b>	<b>\$ 720,329</b>	<b>\$ 15,204,999</b>	<b>\$ 1,592,729</b>

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

***County of Powhatan, Virginia***

***Fund Financial Statements***

**Balance Sheet**  
**Governmental Funds**

**June 30, 2014**

	Major Fund	Non-Major Funds		
		County	Other	
	General	Capital Projects	Governmental Funds	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 12,969,529	\$ 883,385	\$ 1,720,076	\$ 15,572,990
Receivables (net of allowances for uncollectibles)				
Taxes receivable, including penalties	5,948,706	-	-	5,948,706
Accounts receivable	117,666	-	86,887	204,553
Prepaid expenses	4,048	-	-	4,048
Due from other governmental units	1,061,911	-	57,809	1,119,720
Restricted assets				
Temporarily restricted (in custody of others)				
cash and cash equivalents	-	29,239	-	29,239
	\$ 20,101,860	\$ 912,624	\$ 1,864,772	\$ 22,879,256
<b>Liabilities</b>				
Accounts payable	\$ 594,844	\$ -	\$ 8,183	\$ 603,027
Deferred revenue	5,449,342	-	-	5,449,342
Unearned revenue	175,980	-	-	175,980
	\$ 6,220,166	\$ -	\$ 8,183	\$ 6,228,349
<b>Fund Balances</b>				
Nonspendable for prepaids	\$ 4,048	\$ -	\$ -	\$ 4,048
Restricted for				
Capital projects	-	29,239	-	29,239
Other	-	-	1,856,589	1,856,589
Assigned to capital projects	-	883,385	-	883,385
Unassigned	13,877,646	-	-	13,877,646
	\$ 13,881,694	\$ 912,624	\$ 1,856,589	\$ 16,650,907
<b>Total liabilities and fund balances</b>	<b>\$ 20,101,860</b>	<b>\$ 912,624</b>	<b>\$ 1,864,772</b>	<b>\$ 22,879,256</b>

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, 2014**

<b>Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds</b>	<b><u>\$ 16,650,907</u></b>
<b>Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1)</b>	
<b>are different because</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	\$106,731,210
Less: accumulated depreciation	<u>(41,234,406)</u>
	<b><u>\$ 65,496,804</u></b>
Deferred inflows of resources (i.e. taxes levied) are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Deferred revenue	\$ 2,433,101
Deferred amounts on bond refundings	<u>(1,388,067)</u>
	<b><u>\$ 1,045,034</u></b>
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and loans payable	\$(63,871,761)
Bond issuance premium	(1,925,247)
Interest payable	(1,074,524)
Compensated absences	(686,942)
OPEB liability	(752,478)
Capital lease	<u>(397,123)</u>
	<b><u>\$(68,708,075)</u></b>
<b>Net position of governmental activities</b>	<b><u>\$ 14,484,670</u></b>

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

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

**Year Ended June 30, 2014**

	Major Funds		Non-Major Funds		Total Government Funds
	General	Debt Service	County Capital Projects	Other Governmental Funds	
<b>Revenues</b>					
General property taxes	\$ 34,940,715	\$ -	\$ -	\$ -	\$ 34,940,715
Other local taxes	4,250,661	-	-	-	4,250,661
Permits, privilege fees, and regulatory licenses	544,125	-	-	298,349	842,474
Fines and forfeitures	111,173	-	-	-	111,173
Revenue from use of money and property	282,526	6	468	313	283,313
Charges for services	183,370	-	-	485,151	668,521
Miscellaneous	218,465	-	127,104	10,579	356,148
Intergovernmental:					
Commonwealth	7,381,148	-	-	115,959	7,497,107
Federal	729,546	-	-	295,145	1,024,691
<b>Total revenues</b>	<b>\$ 48,641,729</b>	<b>\$ 6</b>	<b>\$ 127,572</b>	<b>\$ 1,205,496</b>	<b>\$ 49,974,803</b>
<b>Expenditures</b>					
Current:					
General government administration	\$ 2,706,558	\$ -	\$ -	\$ -	\$ 2,706,558
Judicial administration	842,973	-	-	-	842,973
Public safety	6,353,339	-	-	581,350	6,934,689
Public works	1,646,877	-	-	-	1,646,877
Health and welfare	4,064,527	-	-	4,873	4,069,400
Education	20,708,851	-	-	-	20,708,851
Parks, recreation, and cultural	621,516	-	-	38,188	659,704
Community development	748,864	-	-	18,811	767,675
Capital outlays and projects	20,357	-	900,265	-	920,622
Debt service:					
Principal retirement	11,925	3,849,239	-	-	3,861,164
Interest and other fiscal charges	1,238	3,024,247	-	-	3,025,485
<b>Total expenditures</b>	<b>\$ 37,727,025</b>	<b>\$ 6,873,486</b>	<b>\$ 900,265</b>	<b>\$ 643,222</b>	<b>\$ 46,143,998</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 10,914,704</b>	<b>\$ (6,873,480)</b>	<b>\$ (772,693)</b>	<b>\$ 562,274</b>	<b>\$ 3,830,805</b>
<b>Other financing sources (uses)</b>					
Transfers in (out), net	\$ (9,513,849)	\$ 6,864,588	\$ (260,841)	\$ 588,924	\$ (2,321,178)
Proceeds from capital lease	-	-	481,210	-	481,210
<b>Total other financing sources (uses)</b>	<b>\$ (9,513,849)</b>	<b>\$ 6,864,588</b>	<b>\$ 220,369</b>	<b>\$ 588,924</b>	<b>\$ (1,839,968)</b>
<b>Net change in fund balances</b>	<b>\$ 1,400,855</b>	<b>\$ (8,892)</b>	<b>\$ (552,324)</b>	<b>\$ 1,151,198</b>	<b>\$ 1,990,837</b>
<b>Fund balances - beginning of year</b>	<b>12,480,839</b>	<b>8,892</b>	<b>1,464,948</b>	<b>705,391</b>	<b>14,660,070</b>
<b>Fund balances - end of year</b>	<b>\$ 13,881,694</b>	<b>\$ -</b>	<b>\$ 912,624</b>	<b>\$ 1,856,589</b>	<b>\$ 16,650,907</b>

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**

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**Year Ended June 30, 2014**

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Net change in fund balances - total governmental funds	\$ 1,990,837
<p><b>Amounts reported for governmental activities in the statement of activities are different because</b></p> <p>Governmental funds report capital outlays as expenditures. However, in the statements of activities, the cost of those assets is allocated over their estimated useful lives and reported as the cost of depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period. Details supporting this adjustment as follows:</p>	
Capital asset additions	\$ 1,174,353
Depreciation expense	(3,250,913)
	<u>\$ (2,076,560)</u>
Transfer of joint tenancy assets from Primary Government to the Component Unit	<u>\$ (1,301,857)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of these items consist of the changes in deferred taxes as well as water charges received later than sixty days after year end.	<u>\$ 312,918</u>
<p>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. A summary of items supporting this adjustment is as follows:</p>	
Proceeds from capital lease	\$ (481,210)
Principal retired on revenue bonds	1,371,971
Principal retired on general obligation bonds	2,129,417
Principal retired on state literary fund loans	250,000
Principal retired on capital lease	109,776
	<u>\$ 3,379,954</u>
<p>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. The following is a summary of items supporting this adjustment:</p>	
Change in accrued leave	\$ (23,752)
Change in other post employment benefits	(108,162)
Change in interest payable	95,325
Amortization of deferred amounts on refunding	120,230
Amortization of premium on bonds payable	145,689
Fixed asset disposals (loss on disposal)	(390,698)
	<u>\$ (161,368)</u>
<b>Change in net position of governmental activities</b>	<u><b>\$ 2,143,924</b></u>

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

**Statement of Net Position**  
**Proprietary Fund**

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**Year Ended June 30, 2014**

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	Enterprise Fund Water & Sewer
<b>Assets</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 47,448
Accounts receivable, net of allowance for doubtful accounts	31,099
<b>Total current assets</b>	<u>\$ 78,547</u>
<b>Noncurrent assets</b>	
Capital assets	
Machinery and equipment	\$ 69,139
Land	859,030
Utility plant in service	22,034,085
Less accumulated depreciation	(3,529,526)
<b>Total noncurrent assets</b>	<u>\$ 19,432,728</u>
	<u>\$ 19,511,275</u>
<b>Deferred Outflow of Resources</b>	
Deferred amount on bond refunding	<u>\$ 2,001,786</u>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Unearned revenue	\$ 7,812
Accounts payable	109,265
Accrued interest payable	236,150
Compensated absences - current portion	2,517
Bonds payable - current portion	694,033
<b>Total current liabilities</b>	<u>\$ 1,049,777</u>
<b>Noncurrent liabilities</b>	
Compensated absences - net of current portion	\$ 22,656
Other post-employment benefits payable	24,622
Bonds payable - net of current portion	19,695,677
<b>Total noncurrent liabilities</b>	<u>\$ 19,742,955</u>
<b>Total liabilities</b>	<u>\$ 20,792,732</u>
<b>Net Position</b>	
Net investment in capital assets	\$ 1,044,804
Unrestricted (deficit)	(324,475)
<b>Total net position</b>	<u>\$ 720,329</u>

*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, 2014**

	Enterprise Fund Water & Sewer
<b>Operating revenues</b>	
Water and sewer revenues	\$ 190,658
Miscellaneous revenues	723
<b>Total operating revenues</b>	<b>\$ 191,381</b>
<b>Operating expenses</b>	
Personal services	\$ 269,756
Fringe benefits	59,983
Contractual services	221,865
Other charges	431,371
Depreciation	447,853
<b>Total operating expenses</b>	<b>\$ 1,430,828</b>
<b>Operating loss</b>	<b>\$ (1,239,447)</b>
<b>Nonoperating revenues (expenses)</b>	
Connection and reconnection fees	\$ 81,252
Investment earnings	51
Interest expense	(1,009,072)
<b>Total nonoperating revenues (expenses)</b>	<b>\$ (927,769)</b>
<b>Loss before transfers</b>	<b>\$ (2,167,216)</b>
<b>Transfers</b>	<b>\$ 2,321,178</b>
<b>Net change in net position</b>	<b>\$ 153,962</b>
<b>Net position at beginning of year, as restated</b>	<b>566,367</b>
<b>Net position at end of year</b>	<b>\$ 720,329</b>

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

**Statement of Cash Flows**  
**Proprietary Fund**

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**Year Ended June 30, 2014**

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	Enterprise Fund Water & Sewer
<b>Cash flows from operating activities</b>	
Receipts from customers and users	\$ 191,697
Payments to suppliers	(596,560)
Payments to employees	(322,725)
<b>Net cash used by operating activities</b>	<b>\$ (727,588)</b>
<b>Cash flows from noncapital financing activities</b>	
Transfers from other funds	\$ 2,321,178
<b>Cash flows from capital and related financing activities</b>	
Additions to capital assets	\$ (209,190)
Principal payments on bonds	(570,796)
Connection and availability fees	73,150
Interest payments	(934,619)
<b>Net cash used by capital and related financing activities</b>	<b>\$ (1,641,455)</b>
<b>Cash flows from investing activities</b>	
Interest and dividends received	\$ 51
<b>Net decrease in cash and cash equivalents</b>	<b>\$ (47,814)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>95,262</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 47,448</b>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (1,239,447)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	\$ 447,853
Decrease in water and sewer receivables, net of allowance for uncollectibles	316
Increase in accounts payable and accrued liabilities	56,676
Increase in compensated absences	3,176
Increase in OPEB liability	3,838
<b>Total adjustments</b>	<b>\$ 511,859</b>
<b>Net cash used by operating activities</b>	<b>\$ (727,588)</b>

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

*County of Powhatan, Virginia*  
*Statement of Fiduciary Net Position*  
*Agency Funds*

*Exhibit 10*

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**June 30, 2014**

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Agency Funds

**Assets**

**Cash and cash equivalents**

\$ 128,572

**Liabilities**

**Amounts held for social services clients**

\$ 35,471

**Amounts held for others**

93,101

\$ 128,572

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

## *County of Powhatan, Virginia*

### *Notes to Financial Statements*

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**June 30, 2014**

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

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

The financial statements of the *County of Powhatan, Virginia* have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

#### **Financial Statement Presentation**

##### *Management's Discussion and Analysis*

GASB Statement No. 34 requires the 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" (MD&A).

##### *Government-wide Financial Statements*

The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

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 primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

##### *Statement of Net Position*

The statement of net position is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component unit. Governments will report all capital assets in the government-wide statement of net position and will report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

##### *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 government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### ***Budgetary Comparison Schedules***

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the government's original budget with a comparison of final budget and actual results.

#### **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 a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the Organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the *County of Powhatan, Virginia* (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

#### **B. Individual Component Unit Disclosures**

##### ***Blended Component Unit***

The County has no blended component units to be included for the fiscal year ended June 30, 2014.

##### ***Discretely Presented Component Unit - School Board***

The School Board members are elected by the citizens of Powhatan County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2014.

#### **C. Other Related Organizations**

Related organizations that are excluded from the County's Comprehensive Annual Financial Report are as follows:

##### ***Economic Development Authority***

The Economic Development Authority is empowered to identify, promote, and support new development projects and expand existing areas of development for the purpose of increasing the economic productivity of the County. There are seven members on the Economic Development Authority appointed by the Board of Supervisors. Members are appointed to a four-year term. The County makes an annual contribution to the Authority, which is determined by the Board of Supervisors during the budgetary process. The County made no contribution for fiscal year 2014.

#### ***James River Juvenile Detention Commission***

The James River Juvenile Detention Commission is jointly governed by the following localities: Goochland, Henrico, and Powhatan. The Commission is funded primarily through monthly fees paid by the member jurisdictions for operating support which is determined annually by the Commission. The County's annual fee for fiscal year 2014 was \$203,131.

#### ***Central Virginia Waste Management Authority***

The Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and Prince George, and the Cities of Colonial Heights, Hopewell, Petersburg, and Richmond, and the Town of Ashland provide financial support for the Authority, which is determined annually by the Board, 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. During fiscal year 2013, the County executed and renewed 6 contracts with the CVWMA. The County made no contribution during fiscal year 2014.

#### ***Goochland-Powhatan Community Services Board***

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization, and therefore, its operations are not included in the County's financial statements. The counties of Goochland and Powhatan provide the financial support for the Board, which is determined annually by the Board, and appoint its governing Board in which is vested the ability to execute contracts and to budget and expend funds. The County has no equity interest in the Board, and made operating contributions of \$252,730 to the Board during fiscal year 2014.

#### ***Virginia Department of Health - Chesterfield Health District***

The Chesterfield Health District includes the localities of Chesterfield, Powhatan, and Colonial Heights. The County makes an annual contribution for operating support, which is based on the needs of the Department and determined annually by the Board of Supervisors. The County's contribution for fiscal year 2014 was \$195,924.

#### ***Monacan Soil and Water Conservation District***

The County entered into an agreement with the District to work together in the development of effective soil and water conservation programs. The County's contribution during fiscal year 2014 was \$26,500.

#### ***Piedmont Court Services***

Piedmont Court Services is an agency dedicated to enhancing public safety, reducing crime, reinforcing offender accountability, promoting lawful and productive lifestyles among offenders, and assisting the Courts in managing offenders by utilizing evidence-based practices and principles and establishing collaborative community partnerships in order to promote offender self-efficacy and to reduce recidivism. The agency is jointly governed by the following localities: Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Powhatan, and Prince Edward. The County made no contribution during fiscal year 2014.

#### ***Richmond Regional Planning District***

The Richmond Regional Planning District Commission is a regional planning agency with major emphasis in the areas of transportation, local technical assistance and information services including demographic, economic and geographic information systems. The Commission, which was formed by local governments on August 14, 1969 under the authority of the Virginia Area Development Act, which was revised and retitled as the Regional Cooperation Act in 1995, is comprised of elected officials and citizens who address mutual problems and work out solutions for the local governments which benefit from intergovernmental cooperation. Each county within the Richmond region is required to pay annual dues, which is based on estimated population. The County's dues for fiscal year 2014 were \$17,036.

### *Math and Science Innovation Center*

The Math and Science Innovation Center (Center) is comprised of eight school divisions: Chesterfield, Colonial Heights, Hanover, Henrico, King William, Petersburg, Powhatan and Richmond. Through abbreviated memberships, other divisions also participate: Charles City, Hopewell, Prince George and The Steward School. The Center is governed by a nineteen-member board consisting of the superintendent and school board member from each consortium division and several at-large members. The School Board makes annual contributions to the Center which is determined each year based on the size of the locality and membership. The School Board's contribution for fiscal year 2014 was \$85,635.

### *Maggie L. Walker Governor's School for Government and International Studies*

The Maggie L. Walker Governor's School for Government and International Studies provides broad-based educational opportunities that develop gifted students' understanding of world cultures and languages, as well as their ability to lead, participate, and contribute in a rapidly changing global society. The Regional School Board is jointly governed by a representative from each of the following localities: the counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and Prince George and the cities of Hopewell, King and Queen, Petersburg, and Richmond. The County of Powhatan pays the school a set rate for each student that attends. The School Board's contribution for fiscal year 2014 was \$80,003.

### *Appomattox Regional Governor's School*

The Appomattox Regional Governor's School for the Arts and Technology provides gifted and talented students a differentiated and rigorous education, cultivates a supportive environment that inspires unique artistic and technological visions, promotes cultural tolerance, nurtures community partnerships, and produces active, engaged citizens. This school board is jointly governed by a representative from each of the following localities: the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Powhatan, Prince George, Southampton, Surry and Sussex and the cities of Colonial Heights, Franklin, Hopewell, Petersburg, and Richmond. The County of Powhatan pays the school a set rate for each student that attends. The School Board's contribution for fiscal year 2014 was \$52,752.

## **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property taxes, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.).

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. 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 government considers most 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 government. 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 and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. 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 statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end 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 upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government. 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.

## **1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General and Debt Service Funds as major governmental funds.

### **a. General Fund**

The 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 revenues is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for government-wide reporting purposes.

### **b. Debt Service Fund**

The Debt Service Fund accounts for the accumulation of funds for the payment of debt service expenditures of the County, including debt incurred on behalf of the schools. Payment of principal and interest is provided by appropriations from the General Fund.

### **c. Proprietary Funds**

The Proprietary Fund accounts for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position.

### **d. Enterprise Fund**

The Enterprise Fund distinguishes 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 Major Enterprise Fund consists of the water and sewer fund.

**2. The County reports the following non-major governmental funds**

**a. Capital Project Funds**

The Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

**b. Special Revenue Funds**

The 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 administration action. Special Revenue Funds consist of the following funds: Cash Proffers, Drug Task Force, Asset Forfeiture, Fire and Rescue, and Grants Fund.

**c. Fiduciary Funds (Trust and Agency Funds)**

The Fiduciary Funds (Trust and 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 include Agency Funds and Private Purpose Trust Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

**F. Investments**

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposits and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

**G. Receivables and payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds."

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 and, in certain cases, specific account analysis. The allowance amounted to \$387,032 at June 30, 2014 and is comprised of personal property taxes in the amount of \$276,843 and real property taxes in the amount of \$110,189.

***Real and Personal Property Tax Data***

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

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

The County bills and collects its own property taxes.

## H. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. 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.

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	5 - 40 years
Utility plant in service	30 - 50 years
Machinery and Equipment	3 - 20 years

## I. Compensated Absences

Vested or 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. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

## J. 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 proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amounts of debt issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## K. Fund Equity

The County has adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which provides defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances 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 loans / notes receivable)
- Restricted fund balance – amounts constrained for a specific purpose by external parties, constitutional provisions, or enabling legislation (such as bond covenants)
- Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the Board of Supervisors, before the close of the fiscal year

- Assigned fund balance – amounts a government intends to use for a specific purpose as expressed by the governing body itself, the budget document, or delegated official, the County Administrator. For all government funds except the General Fund, assigned fund balances represent the amount that is not nonspendable, restricted, or committed.
- Unassigned fund balance – amounts available for any purpose. Includes all spendable amounts not classified as nonspendable, restricted, committed, or assigned. The General Fund is the only fund that would report a positive amount in the unassigned fund balance.

Beginning fund balances for the County's governmental funds have been restated to reflect the above only in the General Fund.

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 the 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. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Powhatan County Board of Supervisors has provided otherwise in its commitment or assignment actions.

In the fiscal year 2009, the Powhatan County Board of Supervisors adopted a minimum fund balance policy for the General Fund which requires the unassigned fund balance at June 30th to be at least 15 percent of the subsequent year's total budgeted expenditures for cashflow purposes.

#### **L. Net Position**

Net position is the difference between assets and liabilities. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Restricted net position represents constraints placed on net position which are either externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

#### **M. Retirement Plan**

Retirement plan contributions are actuarially determined and consist of current services costs and amortization of prior service cost over a 30-year period. The County's policy is to fund pension costs as they accrue.

#### **N. Use of Estimates**

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

#### **O. Subsequent Events**

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 25, 2014, the date the financial statements were available to be issued.

## 2. Stewardship, Compliance and Accounting

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

- A. On or before March 30<sup>th</sup>, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain citizen comments.
- C. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
- D. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- E. Appropriations lapse on June 30, for all County units.

### *Expenditures and Appropriations*

Expenditures did not exceed appropriations during the fiscal year ending June 30, 2014.

## 3. New GASB Standard

In the fiscal year ending June 30, 2014, the County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities (GASB 65)*. The objective of this Statement is to (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources and (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenue). GASB 65 was implemented retroactively. As a result of implementing GASB Statement No. 65, the governmental activities and business-type activities 'Net position – beginning of year' balances have been restated to reflect a decrease of \$56,316 and \$183,176, respectively, for the net amount of unamortized bond issuance costs as of that date. Further, the County has reclassified the deferred amount on bond refunding from a long-term liability contra-account to a deferred inflow/outflow of resources on the Statement of Net Position. Also, the County has reclassified deferred property taxes assessed during 2014 to support 2015 fiscal year operating expenses to a deferred inflow of resources on the Statement of Net Position.

## 4. Deposits and Investments

### **Deposits**

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

### **Investments**

At June 30, 2014, all investments held by the County were in external investment pools which were considered to be cash and cash equivalents for purposes of presentation in the basic financial statements. Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development Bank (World Bank), the Asian Development bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

### External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7. Assets of these pools are invested and collateralized by U.S. Government obligations held by an independent third party custodian. Fair value of the investments is determined on a daily basis.

### Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2014 were rated by *Standard & Poor's* and the ratings are presented below using *Standard & Poor's* rating scale. The County's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are not allowed to exceed thirty-five percent of the investment portfolio.

### Locality's Rated Debt Investments

<u>Rated Debt Investments</u>	<u>Fair Quality Rating</u>
	<u>AAAm</u>
Local Government Investment Pool	<u>\$ 16.677</u>

### Total Cash and Cash Equivalents

Following is a summary, as of June 30, 2014, of the Primary Government's cash, cash equivalents, and investments by asset type:

<u>Government-Wide Accounts</u>	<u>Balance June 30, 2014</u>
Current:	
Governmental Activities	\$ 15,572,990
Proprietary Funds:	
Water and Sewer Fund	47,448
Fiduciary Funds:	
Agency Fund	128,572
Temporarily restricted (in custody of others):	
Governmental Activities	<u>29,239</u>
Total cash, cash equivalents and investments	<u>\$ 15,778,249</u>
<u>Asset Type</u>	
Petty Cash	\$ 1,050
Deposit accounts	12,212,631
Local Government Investment Pool	16,677
Certificates of Deposit	<u>3,547,891</u>
Total cash and cash equivalents	<u>\$ 15,778,249</u>

## 5. Due From Other Governmental Units

At June 30, 2014 the County has receivables from other governments as follows:

	Component Unit	
	Primary Government	School Board
Commonwealth of Virginia:		
State sales tax	\$ -	\$ 807,538
VPSA technology grant	-	224,180
Rolling stock tax	11,175	-
E-911 wireless funds	8,515	-
Recordation tax	38,215	-
Car rental distribution	3,468	-
Comprehensive service	194,931	-
Victim witness assistance grant	13,526	-
Communication tax	145,967	-
Public assistance and welfare	36,063	-
Constitutional officer reimbursements	155,912	-
Local sales tax	382,474	-
Fire programs funds	13,317	-
Mobile home titling tax	4,101	-
Water quality improvement fund	2,631	-
Other state funds	11	-
Federal Government:		
Public assistance and welfare	64,685	-
School fund grants	-	339,200
Leisure and recreation service	30,731	-
Other federal funds	13,998	-
<b>Total due from other governments</b>	<b>\$ 1,119,720</b>	<b>\$ 1,370,918</b>

## 6. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2014:

### Primary Government

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,590,827	\$ -	\$ -	\$ 1,590,827
Construction in progress	297,631	-	(297,631)	-
<b>Total capital assets not being depreciated</b>	<b>\$ 1,888,458</b>	<b>\$ -</b>	<b>\$ (297,631)</b>	<b>\$ 1,590,827</b>
Capital assets being depreciated:				
Buildings	\$ 19,995,984	\$ 17,440	\$ (455,100)	\$ 19,558,324
Machinery and Equipment	8,791,629	966,906	(262,048)	9,496,487
Jointly owned assets	78,204,672	496,860	(2,615,960)	76,085,572
<b>Total capital assets being depreciated</b>	<b>\$ 106,992,285</b>	<b>\$ 1,481,206</b>	<b>\$ (3,333,108)</b>	<b>\$ 105,140,383</b>
Less accumulated depreciation for:				
Buildings	\$ (6,809,689)	\$ (612,210)	\$ 60,680	\$ (7,361,219)
Machinery and Equipment	(6,534,990)	(551,641)	256,548	(6,830,083)
Jointly owned assets	(26,270,145)	(2,087,061)	1,314,102	(27,043,104)
<b>Total accumulated depreciation</b>	<b>\$ (39,614,824)</b>	<b>\$ (3,250,912)</b>	<b>\$ 1,631,330</b>	<b>\$ (41,234,406)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 67,377,461</b>	<b>\$ (1,769,706)</b>	<b>\$ (1,701,778)</b>	<b>\$ 63,905,977</b>
<b>Governmental capital assets, net</b>	<b>\$ 69,265,919</b>	<b>\$ (1,769,706)</b>	<b>\$ (1,999,409)</b>	<b>\$ 65,496,804</b>

# **Primary Government (Continued)**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 859,030	\$ -	\$ -	\$ 859,030
Construction in progress	400,000	-	(400,000)	-
<b>Total capital assets not being depreciated</b>	<b>\$ 1,259,030</b>	<b>\$ -</b>	<b>\$ (400,000)</b>	<b>\$ 859,030</b>
Capital assets being depreciated:				
Utility plant in service	\$ 21,439,351	\$ 594,734	\$ -	\$ 22,034,085
Machinery and equipment	54,683	14,456	-	69,139
<b>Total capital assets being depreciated</b>	<b>\$ 21,494,034</b>	<b>\$ 609,190</b>	<b>\$ -</b>	<b>\$ 22,103,224</b>
Less accumulated depreciation for:				
Utility plant in service	\$ (3,026,990)	\$ (446,716)	\$ -	\$ (3,473,706)
Machinery and equipment	(54,683)	(1,137)	-	(55,820)
<b>Total accumulated depreciation</b>	<b>\$ (3,081,673)</b>	<b>\$ (447,853)</b>	<b>\$ -</b>	<b>\$ (3,529,526)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 18,412,361</b>	<b>\$ 161,337</b>	<b>\$ -</b>	<b>\$ 18,573,698</b>
<b>Business-type capital assets, net</b>	<b>\$ 19,671,391</b>	<b>\$ 161,337</b>	<b>\$ (400,000)</b>	<b>\$ 19,432,728</b>

## **Component Unit – School Board**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 668,764	\$ -	\$ -	\$ 668,764
Construction in progress	9,222	-	(9,222)	-
<b>Total capital assets not being depreciated</b>	<b>\$ 677,986</b>	<b>\$ -</b>	<b>\$ (9,222)</b>	<b>\$ 668,764</b>
Capital assets being depreciated:				
Jointly owned assets	\$ 14,972,820	\$ 1,867,429	\$ -	\$ 16,840,249
Machinery and equipment	479,925	21,142	-	501,067
<b>Total capital assets being depreciated</b>	<b>\$ 15,452,745</b>	<b>\$ 1,888,571</b>	<b>\$ -</b>	<b>\$ 17,341,316</b>
Less accumulated depreciation for:				
Jointly owned assets	\$ (5,029,599)	\$ (955,933)	\$ -	\$ (5,985,532)
Machinery and equipment	(153,818)	(57,592)	-	(211,410)
<b>Total accumulated depreciation</b>	<b>\$ (5,183,417)</b>	<b>\$ (1,013,525)</b>	<b>\$ -</b>	<b>\$ (6,196,942)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 10,269,328</b>	<b>\$ 875,046</b>	<b>\$ -</b>	<b>\$ 11,144,374</b>
<b>Component unit capital assets, net</b>	<b>\$ 10,947,314</b>	<b>\$ 875,046</b>	<b>\$ (9,222)</b>	<b>\$ 11,813,138</b>

Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General government administration	\$ 182,401
Judicial administration	80,581
Public safety	637,936
Public works	15,958
Health and welfare	13,345
Education	2,087,062
Parks, recreation and cultural	225,152
Community development	8,477
<b>Total governmental activities</b>	<b>\$ 3,250,912</b>
Business-type activities:	
Water and sewer fund	\$ 447,853
Component Unit - School Board:	
Education	\$ 457,175
Accumulated depreciation on jointly owned assets transferred to School Board during the year	556,350
<b>Total Component Unit School Board</b>	<b>\$ 1,013,525</b>

## 7. Interfund Transfers

Interfund transfers for the year ended June 30, 2014, consisted of the following:

	Transfers In	Transfers Out
Primary Government		
Governmental funds:		
General fund	\$ -	\$ (9,513,849)
Other governmental funds	677,794	(88,870)
Debt service fund	6,864,588	-
Capital projects fund	69,179	(330,020)
<b>Total governmental funds</b>	<b>7,611,561</b>	<b>(9,932,739)</b>
Enterprise funds:		
Water and sewer	2,321,178	-
<b>Total – All funds</b>	<b>\$ 9,932,739</b>	<b>\$ (9,932,739)</b>

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 to finance various programs accounted for in other funds in accordance with budgeting authorization.

## 8. Long-Term Obligations

### Primary Government

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2014:

	Amount Payable July 1, 2013	Increase	Decrease	Amount Payable June 30, 2014	Amounts Due Within One Year
Governmental Obligations:					
Incurring by County:					
Compensated absences	\$ 663,190	\$ 353,609	\$ (329,857)	\$ 686,942	\$ 68,694
Lease revenue bonds	15,688,622	-	(475,971)	15,212,651	594,175
Bond premium	711,108	-	(72,939)	638,169	72,161
Capital lease	25,689	481,210	(109,776)	397,123	114,045
OPEB liability	644,316	133,947	(25,785)	752,478	-
<b>Total incurred by County</b>	<b>\$ 17,732,925</b>	<b>\$ 968,766</b>	<b>\$ (1,014,328)</b>	<b>\$ 17,687,363</b>	<b>\$ 849,075</b>
Incurring by School Board (for School Capital Assets):					
Literary loans	\$ 1,500,000	\$ -	\$ (250,000)	\$ 1,250,000	\$ 250,000
General obligations	33,554,527	-	(2,129,417)	31,425,110	2,161,828
Lease revenue bonds	16,880,000	-	(896,000)	15,984,000	936,000
Bond premium	1,359,828	-	(72,750)	1,287,078	72,751
<b>Total incurred by School Board</b>	<b>\$ 53,294,355</b>	<b>\$ -</b>	<b>\$ (3,348,167)</b>	<b>\$ 49,946,188</b>	<b>\$ 3,420,579</b>
<b>Total governmental obligations</b>	<b>\$ 71,027,280</b>	<b>\$ 968,766</b>	<b>\$ (4,362,495)</b>	<b>\$ 67,633,551</b>	<b>\$ 4,269,654</b>
Business-Type Obligations:					
Compensated absences payable	\$ 21,997	\$ 14,899	\$ (11,723)	\$ 25,173	\$ 2,517
General obligation bonds	7,068,118	-	(277,766)	6,790,352	283,276
Bond premium	1,359,346	-	(98,333)	1,261,013	95,933
Lease revenue bonds	12,631,375	-	(293,030)	12,338,345	314,824
OPEB liability	20,784	4,753	(915)	24,622	-
<b>Total enterprise obligations</b>	<b>\$ 21,101,620</b>	<b>\$ 19,652</b>	<b>\$ (681,767)</b>	<b>\$ 20,439,505</b>	<b>\$ 696,550</b>

Annual requirement to amortize long-term obligations and related interest are as follows:

Year Ending June 30.	County Obligations	
	Lease Revenue Bonds	
	Principal	Interest
2015	\$ 594,175	\$ 650,903
2016	958,321	617,522
2017	1,016,440	575,484
2018	1,234,145	524,424
2019	1,302,366	466,870
2020 – 2024	3,936,204	1,710,341
2025 – 2029	3,644,000	984,657
2030 – 2034	2,527,000	224,053
<b>Total</b>	<b>\$ 15,212,651</b>	<b>\$ 5,754,254</b>

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30.	School Board Obligations					
	Lease Revenue Bonds		Literary Loans		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 936,000	\$ 780,510	\$ 250,000	\$ 37,500	\$ 2,161,828	\$ 1,385,075
2016	984,000	733,710	250,000	30,000	1,727,635	1,311,940
2017	1,032,000	684,510	250,000	22,500	1,748,076	1,247,485
2018	812,000	632,910	250,000	15,000	1,755,316	1,181,578
2019	856,000	592,310	250,000	7,500	1,787,937	1,110,868
2020 – 2024	4,260,000	2,337,560	-	-	9,211,440	4,344,997
2025 – 2029	4,176,000	1,366,100	-	-	8,377,878	2,374,339
2030 – 2032	2,928,000	297,600	-	-	4,655,000	473,250
<b>Total</b>	<b>\$ 15,984,000</b>	<b>\$ 7,425,210</b>	<b>\$ 1,250,000</b>	<b>\$ 112,500</b>	<b>\$ 31,425,110</b>	<b>\$ 13,429,532</b>

Annual requirement to amortize long-term obligations and related interest are as follows:

Year Ending June 30.	Business-Type Obligations			
	General Obligation Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 283,276	\$ 320,561	\$ 314,824	\$ 588,342
2016	299,009	308,772	407,678	571,814
2017	309,968	296,361	406,560	554,158
2018	321,167	282,971	438,855	535,217
2019	337,614	268,475	466,634	514,970
2020 – 2024	1,159,318	1,144,239	2,418,794	2,254,030
2025 – 2029	1,265,000	862,264	3,035,000	1,583,711
2030 – 2034	1,630,000	506,427	3,870,000	733,200
2035 – 2038	1,185,000	90,631	980,000	100,711
<b>Total</b>	<b>\$ 6,790,352</b>	<b>\$ 4,080,701</b>	<b>\$ 12,338,345</b>	<b>\$ 7,436,153</b>

**Details of Long-Term Obligations**

	<u>Amount Outstanding</u>
<b>Governmental obligations</b>	
Incurred by County:	
Lease revenue bonds:	
\$2,920,000 Virginia Resources Authority refunding lease revenue bond issued in October 2011 due in various annual principal payments through October 2033, interest payable semi-annually at 3.83%	\$ 2,760,000
\$4,808,000 Economic Development Authority lease revenue bond issued June 2007 due in various annual principal payments through March 2032, interest payable semi-annually ranging from 4.85% to 5.00%	3,996,000
\$3,518,372 Virginia Resources Authority lease revenue bond issued in April 2010 due in various annual principal payments through October 2019, interest payable semi-annually ranging from 4.32% to 4.80%	3,316,651
\$5,290,000 Economic Development Authority lease revenue bond issued in August 2010 due in various annual principal payments through August 2030, interest payable semi-annually at 3.51%	5,140,000
<b>Total lease revenue bonds</b>	<b>\$ 15,212,651</b>
Unamortized bond premiums:	
2011 VRA refunding lease revenue bond	\$ 303,909
2007 EDA lease revenue bond	81,861
2010 VRA lease revenue bond	252,399
<b>Total unamortized premiums</b>	<b>\$ 638,169</b>
 \$36,000 capital lease obligation issued in August 2012, secured by equipment, due in monthly installments of \$1,097, including interest at 6.1%, through August 2015	 \$ 13,765
\$481,210 capital lease obligation issued in July 2013, secured by equipment, due in annual installments of \$101,980, including interest at 2.54%, through July 2017	383,358
<b>Total capital lease outstanding</b>	<b>\$ 397,123</b>
 Incurred by School Board:	
Literary loans:	
\$5,000,000 literary loan issued August 1998 due in annual principal payments of \$250,000 through August 2018, interest due annually at 3.0%	\$ 1,250,000
General obligation bonds:	
\$485,000 issued May 1996 due in annual principal payments of \$25,000 through July 2016, interest payable semi-annually ranging from 5.63% to 5.80%	\$ 75,000
\$7,084,114 issued November 2002 due in various annual principal payments through July 2022, interest payable semi-annually ranging from 4.62% to 5.00%	3,253,293
\$3,770,000 issued May 2004 due in various annual principal payments through July 2024, interest payable semi-annually at 5.10%	2,060,000
\$4,000,000 issued November 1994 due in annual principal payments of \$200,000 through July 2014, interest payable semi-annually ranging from 6.40% to 6.60%	200,000
\$4,046,592 issued November 1994 due in various annual principal payments through July 2014, interest payable semi-annually ranging from 6.42% to 6.60%	257,926
\$23,335,000 issued January 2010 due in various annual principal payments through January 2032, interest payable semi-annually ranging from 3.97% to 5.00%	20,685,000
\$6,350,705 issued July 2008 due in various annual principal payments through July 2028, interest payable semi-annually ranging from 4.96% to 5.27%	4,893,891
<b>Total general obligation bonds</b>	<b>\$ 31,425,110</b>
Lease revenue bonds:	
\$19,232,000 EDA lease revenue bond issued June 2007 due in various annual principal payments through March 2032, interest payable semi-annually ranging from 4.85% to 5.00%	\$ 15,984,000
Unamortized bond premiums:	
2010 general obligation refunding bond	\$ 847,389
2008 general obligation bond	112,242
2007 lease revenue bond	327,447
<b>Total premiums on bonds payable</b>	<b>\$ 1,287,078</b>

## Business-Type Obligations

### General obligation bonds:

\$6,680,000 issued June 2006 due in various annual principal payments through October 2036, interest due semi-annually ranging from 4.81% to 4.99%	\$	5,840,000
\$2,386,274 issued February 2001 due in annual principal payments of \$181,291, interest due annually at 4.00%		950,352
<b>Total general obligation bonds</b>	<b>\$</b>	<b>6,790,352</b>

### Lease revenue bonds:

\$8,730,000 Virginia Resources Authority refunding lease revenue bond issued in October 2011 due in various annual principal payments through October 2033, interest payable semi-annually at 3.83%	\$	8,255,000
\$95,000 Virginia Resources Authority lease revenue bond issued in October 2011 due in various annual principal payments through October 2026, interest payable semi-annually at 3.83%		85,000
\$231,628 VRA lease revenue bond issued April 2010 due in various annual principal payments through October 2019, interest payable semi-annually ranging from 4.32% to 4.80%		218,345
\$3,860,000 VRA water and sewer system revenue bond issued April 2010 due in various annual principal payments through October 2037, interest payable semi-annually ranging from 4.77% to 4.97%		3,780,000
<b>Total lease revenue bonds</b>	<b>\$</b>	<b>12,338,345</b>

### Unamortized bond premiums:

2006 general obligation bond	\$	106,551
2011 VRA refunding lease revenue bond		903,611
2011 VRA lease revenue bond		11,367
2010 VRA water and sewer system revenue bond		239,484
<b>Total premiums on bonds payable</b>	<b>\$</b>	<b>1,261,013</b>

## Component Unit – School Board

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2014:

	Amount Payable July 1, 2013	Increase	Decrease	Amount Payable June 30, 2014	Amounts Due Within One Year
Compensated absences payable (payable from the School Fund)	\$ 2,035,083	\$ 407,016	\$ (59,203)	\$ 2,382,896	\$ 238,290
OPEB liability	6,639,600	1,391,000	(506,300)	7,524,300	-
Subtotal	8,674,683	1,798,016	(565,503)	9,907,196	238,290
Deferred compensation liability	1,591,471	272,461	(750,481)	1,113,451	629,634
<b>Total incurred by School Board</b>	<b>\$ 10,266,154</b>	<b>\$ 2,070,477</b>	<b>\$ (1,315,984)</b>	<b>\$ 11,020,647</b>	<b>\$ 867,924</b>

The School Board has adopted a deferred compensation plan designed to provide supplemental income to recently retired School Board teachers and staff and transition them into retirement, in addition to keeping experienced educators in the Powhatan County School Division. To be eligible, participants must be former full-time employees of the School Board who have retired, are eligible to receive retirement benefits under the Virginia Retirement System (VRS), are not eligible for disability retirement benefits under the VRS, and have attained:

- (a) age 53 with 30 years of service with Powhatan County Schools; or
- (b) age 54 with 20 years of service with Powhatan County Schools; or
- (c) age 55 with 10 years of service with Powhatan County Schools; and
- (d) has worked in the Powhatan County Public School system for the five (5) year period immediately preceding retirement.

While the Plan is open to all full-time School Board retirees who meet the eligibility criteria noted above, participation in the plan is dependent on the approval of the Superintendent and the availability of a suitable position. Normally participants perform the duties of the position from which they retired, but the Superintendent may assign them to another suitable position.

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. The School Board contributed \$970,950 to the plan during the year ended June 30, 2014.

## Capital Leases

The County has lease agreements for financing the acquisition of school buses 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:	
School buses	\$ 506,062
Backhoe	36,000
Less accumulated depreciation	(65,008)
	<u>\$ 477,054</u>
	Governmental Activities
Year ending June 30:	
2015	\$ 114,045
2016	104,173
2017	101,980
2018	101,980
Total minimum lease payments	<u>422,178</u>
Less amount representing interest	<u>(22,055)</u>
Present value of minimum lease payments	<u>\$ 397,123</u>

## 9. Deferred Revenue

Deferred revenue represents 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 \$5,625,322 is comprised of the following:

### Deferred Property Tax Revenue

Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$5,449,342 at June 30, 2014.

### Prepaid Property Taxes

Property taxes due subsequent to June 30, 2014 but paid in advance by the taxpayers totaled \$175,980 at June 30, 2014.

## 10. Fund Balance

### General Fund

The General Fund has an Unassigned Fund Balance of \$13,877,646 at June 30, 2014.

### Other Funds

The Capital Projects Fund has Restricted Funds of \$29,239 consisting primarily of unspent bond funds that will be used on current and future capital projects. The following non-major funds have restricted fund balances designated for specific purposes:

Fund	Purpose	Amount
Asset Forfeiture Fund	Sheriff - drug enforcement	\$ 98,803
Drug Taskforce Fund	Sheriff - drug enforcement	15,878
Grants Fund	Specific grantor restrictions	32,166
Cash Proffers Fund	Transportation	1,374,820
Fire and Rescue Fund	Fire and Emergency medical transport services	334,922
		<u>\$ 1,856,589</u>

## 11. Commitments and Contingencies

### Federal programs

Federal programs in which the County and discretely presented component unit participate were 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 no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

### Operating leases

The County has numerous operating leases for office equipment. However, total future minimum lease commitments are considered insignificant.

## 12. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation and public officials' liability coverage with the Virginia Association of Counties Group Self Insurance Risk Pool. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of losses. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

## 13. Surety Bonds

	<u>Amount</u>
Division of Risk Management Surety Bond:	
Commonwealth Funds:	
Teresa H. Dobbins, Clerk of the Circuit Court	\$ 320,000
Faye G. Barton, Treasurer	400,000
Charla W. Schubert, Director of Administration and Finance	400,000
James B. Timberlake, II, Commissioner of the Revenue	3,000
Gregory A. Neal, Sheriff	30,000

## 14. Pension Plan

### Primary Government

#### A. Plan Description

Name of Plan:	Virginia Retirement System (VRS)
Identification of Plan:	Agent and Cost-Sharing Multiple-Employer Pension Plan
Administering Entity:	Virginia Retirement System (System)

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Members earn one month of service credit for each month they are employed and they and their employer are paying contributions to 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.

Within the VRS Plan, the System administers three different benefit plans for local government employees – Plan 1, Plan 2, and, Hybrid. Each plan has different eligibility and benefit structures as set out in the table below:

### **VRS PLAN 1**

#### **About VRS Plan 1**

VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

#### **Eligible Members**

Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

#### **Hybrid Opt-In Election**

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

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

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

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

#### **Retirement Contributions**

Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment. Beginning July 1, 2012, the County opted for employees to pay the entire 5% member contribution.

#### **Creditable Service**

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

#### **Vesting**

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

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

#### **Calculating the Benefit**

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

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

#### **Average Final Compensation**

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

**Service Retirement Multiplier**

The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.

**Normal Retirement Age**

Age 65.

**Earliest Unreduced Retirement Eligibility**

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

**Earliest Reduced Retirement Eligibility**

Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

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

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

**Eligibility**

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

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

**Exceptions to COLA Effective Dates**

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

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).
- The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

**Disability Coverage**

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

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

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

**Purchase of Prior Service**

Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

## **VRS PLAN 2**

### **About VRS Plan 2**

VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

### **Eligible Members**

Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

### **Hybrid Opt-In Election**

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

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

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

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

### **Retirement Contributions**

Same as VRS Plan 1.

### **Creditable Service**

Same as VRS Plan 1.

### **Vesting**

Same as VRS Plan 1.

### **Calculating the Benefit**

See definition under VRS Plan 1.

### **Average Final Compensation**

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

### **Service Retirement Multiplier**

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

### **Normal Retirement Age**

Normal Social Security retirement age.

### **Earliest Unreduced Retirement Eligibility**

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

### **Earliest Reduced Retirement Eligibility**

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

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

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

**Eligibility**

Same as VRS Plan 1

**Exceptions to COLA Effective Dates**

Same as VRS Plan 1

**Disability Coverage**

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

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

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

**Purchase of Prior Service**

Same as VRS Plan 1.

**HYBRID RETIREMENT PLAN****About the Hybrid Retirement Plan**

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members")

- The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.
- The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

**Eligible Members**

Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- State employees\*
- School division employees
- Political subdivision employees\*
- Judges appointed or elected to an original term on or after January 1, 2014
- Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

**\*Non-Eligible Members**

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

- Members of the State Police Officers' Retirement System (SPORS)
- Members of the Virginia Law Officers' Retirement System (VaLORS)
- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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

### **Retirement Contributions**

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

### **Creditable Service**

#### **Defined Benefit Component**

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

#### **Defined Contributions Component**

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

### **Vesting**

#### **Defined Benefit Component**

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

#### **Defined Contributions Component**

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

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

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

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

Distribution is not required by law until age 70½.

### **Calculating the Benefit**

#### **Defined Benefit Component**

See definition under VRS Plan 1

#### **Defined Contribution Component**

The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

### **Average Final Compensation**

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

### **Service Retirement Multiplier**

The retirement multiplier is 1.0%.

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

## **Normal Retirement Age**

### **Defined Benefit Component**

Same as VRS Plan 2.

### **Defined Contribution Component**

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

## **Earliest Unreduced Retirement Eligibility**

### **Defined Benefit Component**

Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

### **Defined Contribution Component**

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

## **Earliest Reduced Retirement Eligibility**

### **Defined Benefit Component**

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

### **Defined Contribution Component**

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

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

### **Defined Benefit Component**

Same as VRS Plan 2.

### **Defined Contribution Component**

Not applicable.

### **Eligibility**

Same as VRS Plan 1 and VRS Plan 2.

### **Exceptions to COLA Effective Dates**

Same as VRS Plan 1 and VRS Plan 2.

## **Disability Coverage**

Eligible political subdivision and school division (including VRS Plan 1 and VRS Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.

State employees (including VRS Plan 1 and VRS Plan2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

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

## **Purchase of Prior Service**

### **Defined Benefit Component**

Same as VRS Plan 1.

### **Defined Contribution Component:**

Not applicable.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS website at <http://www.varetire.org/pdf/Publications/2013-annual-report.pdf> or by writing to the Chief Financial Officer at Post Office Box 2500, Richmond, Virginia 23218-2500.

## B. Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% 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 and School Board are required to contribute the remaining amounts necessary to fund their 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 and School's nonprofessional employee contribution rates for the fiscal year ended 2014 were 13.49% and 8.92% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$2,273,604, \$2,246,305, and \$2,461,056 to the teacher cost-sharing pool for the fiscal years ended June 30, 2014, 2013, and 2012, respectively and these contributions represented 11.66%, 11.66%, and 11.33%, respectively, of current covered payroll.

## C. Annual Pension Cost

For fiscal year 2014, the County's annual pension cost of \$895,831 was equal to the County's required and actual contributions.

For fiscal year 2014, the County School Board's annual pension cost for the Board's nonprofessional employees was \$144,494 and was equal to the Board's required and actual contributions.

### Three-Year Trend Information for the County and School Board

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)(1)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2014	\$ 895,831	100%	\$ -
June 30, 2013	\$ 837,162	100%	\$ -
June 30, 2012	\$ 1,128,899	100%	\$ -
School Board Nonprofessional:			
June 30, 2014	\$ 144,494	100%	\$ -
June 30, 2013	\$ 150,783	100%	\$ -
June 30, 2012	\$ 252,251	100%	\$ -

(1) Includes Employer and Employee portion for fiscal years ending June 30, 2013, and June 30, 2012, only.

The fiscal year 2014 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.5% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters and sheriffs, and (c) a cost-of-living adjustment of 2.5% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.5%. The actuarial value of the County's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

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

As of June 30, 2013, the most recent actuarial valuation date, the Primary Government plan was 72.23% funded. The actuarial accrued liability for benefits was \$15,081,422, and the actuarial value of assets was \$10,893,572, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,187,850. The covered payroll (annual payroll, of active employees covered by the plan) was \$6,268,559, and ratio of the UAAL to the covered payroll was 66.81%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board's Non-Professional plan was 89.34% funded. The actuarial accrued liability for benefits was \$7,130,633, and the actuarial value of assets was \$6,370,311 resulting in an unfunded actuarial accrued Liability (UAAL) of \$760,322. The covered payroll (annual payroll of active employees covered by the plan) was \$1,842,414, and ratio of the UAAL to the covered payroll was 41.27%.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### **15. Postemployment Benefits Other Than Pensions**

The County and School Board adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for reporting the liability for nonpension postemployment benefits.

##### **Plan Provisions and Benefits**

In addition to providing the pension benefits described in Note 14, the County and School Board provide other postemployment benefits (OPEB) for qualifying retired employees and their spouses and dependents. The plan's benefit levels and employer contributions are governed by the County and School Board and can be amended by the County and School Board. The Plan provides for healthcare insurance coverage for eligible retirees and their spouses and dependents.

##### **Plan Description**

Covered full-time active employees who retire directly from the County with at least 5 years of service and attain the age of 50 prior to retirement are eligible to receive postretirement health care benefits. Retirees not eligible for Medicare may elect one of the following medical options which include medical, dental, and vision coverage: Key Advantage Expanded (PPO), Key Advantage 500 (PPO), or TLC High Deductible (PPO). Retirees who are eligible for Medicare may only elect the Medicare supplement provided by Key Advantage 65 which does not include dental or vision coverage. Retirees may elect to cover a spouse and dependents.

County retirees who have at least 15 years of service with the County receive a health insurance credit with the County. Retirees receive \$4 per year of County service per month, up to a maximum of \$120 per month for their elected medical coverage from the County. The retiree must pay the remainder of the premium. County retirees who have less than 15 years of service with the County must pay 100% of the premium cost; therefore, have no GASB 45 liability. County membership in the plan at the time of the actuarial study consisted of 137 active members with total active covered payroll of \$6,589,888 and 6 retirees.

The Powhatan County Schools retirees who attain the age of 50 with at least 5 years of service are eligible to participate in the retiree medical plan. The School Board pays 100% of the premium cost for retirees' single coverage. Retirees pay 100% of any additional premium for spouse and dependent coverage. Schools membership in the plan at the time of the actuarial study consisted of 594 active members with total active covered payroll of \$24,429,531 and 49 retirees and 13 spouses.

##### **Funding Policy**

The County and School Board do not intend to establish a trust to fund this liability. The anticipated growth in the net OPEB obligation is based on contributions to the benefit plan on a pay-as-you-go cost basis. The data has been projected into the future based on the assumption that the current active population remains constant. Also, the estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy payments made during the year by the retirees.

## Annual OPEB Cost and Net OPEB Obligation

The County and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The County and School Board have elected to calculate the ARC as the normal cost plus amortization of the unfunded portion of actuarial accrued liability in compliance with the parameters of GASB 45. The ARC represents a Level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County and School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County and School Board's net OPEB obligation to the Retiree Health Plan:

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	School Board
Annual required contribution	\$ 130,471	\$ 4,629	\$ 135,100	\$ 1,354,500
Interest on net OPEB obligation	25,688	912	26,600	265,600
Adjustment to annual required contribution	(22,212)	(788)	(23,000)	(229,100)
<b>Annual OPEB cost (expense)</b>	<b>\$ 133,947</b>	<b>\$ 4,753</b>	<b>\$ 138,700</b>	<b>\$ 1,391,000</b>
Estimated contributions made	(25,785)	(915)	(26,700)	(506,300)
<b>Increase in net OPEB obligation</b>	<b>\$ 108,162</b>	<b>\$ 3,838</b>	<b>\$ 112,000</b>	<b>\$ 884,700</b>
Net OPEB obligation – beginning of year	644,316	20,784	665,100	6,639,600
<b>Net OPEB obligation – end of year</b>	<b>\$ 752,478</b>	<b>\$ 24,622</b>	<b>\$ 777,100</b>	<b>\$ 7,524,300</b>

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2013 and 2014 were as follows:

<u>Fiscal Year Ended June 30, 2014</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
County:			
6/30/2014	\$ 138,700	19.25%	\$ 777,100
6/30/2013	114,822	16.55%	665,100
Schools:			
6/30/2014	\$ 1,391,000	36.40%	\$ 7,524,300
6/30/2013	1,389,652	32.96%	6,639,600

## Funded Status and Funding Progress

As of June 30, 2014, the most recent actuarial valuation date, the County's actuarial accrued liability for benefits was \$1,483,300, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,589,888, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 22.51 percent.

As of June 30, 2014, the most recent actuarial valuation date, the School Board's actuarial accrued liability for benefits was \$14,529,800, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$24,429,531, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 59.48 percent.

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 included assumptions about future employment, mortality, and 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 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 actuarial accrued liabilities for benefits.

## Actuarial Methods and Assumptions

The projected unit credit actuarial cost method was used to calculate all of the expense amounts and the funded status of the plan. The calculations were performed in accordance with the methodologies set forth in GASB Statement No. 45. Under this method, projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. 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.

The following simplifying assumptions were made:

*Retirement age for active employees* - Retirement age was estimated based on tables used for the VRS pension valuation and assumed that participants begin to retire when they become eligible to receive healthcare benefits.  
*Mortality* - Life expectancies were based on mortality tables from the RP-2000 Combined Healthy mortality tables for males and females projected to 2010 using Scale AA.  
*Coverage elections* - The actuarial assumed that 70% of eligible County retirees and 80% of School retirees will elect coverage.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount of 4.0% was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014 was thirty years.

## 16. Other Post-Employment Benefits - Health Insurance Credit Program - Schools

### Plan Description

The School Board participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the *Code of Virginia*. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to 951.1 -145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 14.

### Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended Year Ended June 30, 2014 and 2013 were \$216,441 and \$213,842, respectively, which equaled the required contributions for the year.

## 17. Subsequent Event

On November 19, 2014, the County issued two Series 2014 Water and Sewer Revenue refunding bonds. The first was \$775,000 in Series 2014 bonds at an interest rate of 2.08% and a maturity date of October 1, 2019. The second was \$5,300,000 in Series 2014 bonds at an interest rate of 3.52% and a maturity date of October 1, 2036. These bonds refunded the Series 1999 \$950,352 Water and Sewer bonds and a portion of the Series 2006 \$5,840,000 Water and Sewer bonds, respectively (see Footnote 8 above).

\* \* \* \* \*

***County of Powhatan, Virginia***

***Required Supplementary Information***

***Year Ended June 30, 2014***

***Note to Required Supplementary Information:***

***Presented Budgets were Prepared in Accordance with  
Accounting Principles Generally Accepted in the United States of America.***

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

**Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>Revenues</b>				
General property taxes	\$ 33,116,300	\$ 33,116,300	\$ 34,940,715	\$ 1,824,415
Other local taxes	4,102,700	4,102,700	4,250,661	147,961
Permits, privilege fees, and regulatory licenses	383,780	383,780	544,125	160,345
Fines and forfeitures	164,700	164,700	111,173	(53,527)
Revenue from use of money and property	220,000	220,000	282,526	62,526
Charges for services	767,325	181,700	183,370	1,670
Miscellaneous	79,650	187,528	218,465	30,937
Intergovernmental revenues:				
Commonwealth	7,267,014	7,347,325	7,381,148	33,823
Federal	610,313	712,547	729,546	16,999
<b>Total revenues</b>	<b>\$ 46,711,782</b>	<b>\$ 46,416,580</b>	<b>\$ 48,641,729</b>	<b>\$ 2,225,149</b>
<b>Expenditures</b>				
General government administration	\$ 2,774,900	\$ 2,784,710	\$ 2,706,558	\$ 78,152
Judicial administration	884,531	884,531	842,973	41,558
Public safety	6,414,812	6,388,884	6,353,339	35,545
Public works	1,684,220	1,855,206	1,646,877	208,329
Health and welfare	3,825,751	4,114,130	4,064,527	49,603
Education	20,482,427	20,733,427	20,708,851	24,576
Parks, recreation, and cultural	633,300	633,300	621,516	11,784
Community development	839,747	754,665	748,864	5,801
Debt service	-	-	13,163	(13,163)
Capital outlays and projects	-	25,000	20,357	4,643
<b>Total expenditures</b>	<b>\$ 37,539,688</b>	<b>\$ 38,173,853</b>	<b>\$ 37,727,025</b>	<b>\$ 446,828</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 9,172,094</b>	<b>\$ 8,242,727</b>	<b>\$ 10,914,704</b>	<b>\$ 2,671,977</b>
<b>Other financing sources (uses)</b>				
Transfers out, net	\$ (9,182,094)	\$ (9,523,927)	\$ (9,513,849)	\$ 10,078
<b>Net change in fund balances</b>	<b>\$ (10,000)</b>	<b>\$ (1,281,200)</b>	<b>\$ 1,400,855</b>	<b>\$ 2,682,055</b>
<b>Fund balance at beginning of year</b>	<b>10,000</b>	<b>1,281,200</b>	<b>12,480,839</b>	<b>11,199,639</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,881,694</b>	<b>\$ 13,881,694</b>

See report of independent auditor.

**County of Powhatan, Virginia**  
**Schedule of Funding Progress**

**Exhibit 12**

**Primary Government - County Retirement Plan**

Valuation Date*	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Actuarial Accrued Liability (3) / (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2013	\$ 10,893,572	\$ 15,081,422	\$ 4,187,850	72.23%	\$ 6,268,559	66.81%
6/30/2012	9,586,595	14,313,995	4,727,400	66.97%	6,270,897	75.39%
6/30/2011	8,459,738	13,006,690	4,546,952	65.04%	6,570,436	69.20%
6/30/2010	7,104,106	11,799,304	4,695,198	60.21%	6,342,496	74.03%
6/30/2009	5,953,462	9,713,480	3,760,018	61.29%	6,018,212	62.48%
6/30/2008	4,592,846	8,374,470	3,781,624	54.84%	5,545,279	68.20%
6/30/2007	3,418,825	5,563,701	2,144,876	61.45%	4,887,084	43.89%
6/30/2006	2,514,500	4,671,803	2,157,303	53.82%	4,534,335	47.58%

\* County has only participated for eight years and therefore there is only actuarial information for eight years.

**Discretely Presented Component Unit - School Board Non-Professionals Retirement Plan**

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Actuarial Accrued Liability (3) / (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2013	\$ 6,370,311	\$ 7,130,633	\$ 760,322	89.34%	\$ 1,842,414	41.27%
6/30/2012	6,200,454	7,509,303	1,308,849	82.57%	2,259,206	57.93%
6/30/2011	6,151,216	7,156,416	1,005,200	85.95%	2,279,990	44.09%
6/30/2010	5,996,927	6,721,331	724,404	89.22%	2,571,364	28.17%
6/30/2009	5,749,500	6,127,314	377,814	93.83%	2,617,627	14.43%
6/30/2008	5,579,785	6,051,378	471,593	92.21%	2,516,343	18.74%
6/30/2007	4,903,775	5,561,824	658,049	88.17%	2,386,640	27.57%
6/30/2006	4,209,144	4,746,117	536,973	88.69%	2,284,819	23.50%
6/30/2005	3,790,936	4,354,668	563,732	87.05%	2,202,026	25.60%
6/30/2004	3,509,858	3,735,886	226,028	93.95%	1,785,072	12.66%

**Retiree Healthcare Plan**

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Actuarial Accrued Liability (3) / (2)	Funded Ratio (2) / (3)	Annual Covered Payroll	UAAL as % of Payroll (4) / (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>County</b>						
6/30/2014	\$ -	\$ 1,483,300	\$ 1,483,300	0.00%	\$ 6,589,888	22.51%
6/30/2012	-	931,300	931,300	0.00%	6,197,808	15.03%
6/30/2010	-	743,000	743,000	0.00%	7,190,400	10.33%
<b>School Board</b>						
6/30/2014	\$ -	\$ 14,529,800	\$ 14,529,800	0.00%	\$ 24,429,531	59.48%
6/30/2012	-	13,268,500	13,268,500	0.00%	22,896,775	57.95%
6/30/2010	-	10,801,900	10,801,900	0.00%	24,375,100	44.32%

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

*County of Powhatan, Virginia*  
*Other Supplementary Information*  
*Year Ended June 30, 2014*

***County of Powhatan, Virginia***  
***Combining and Individual Fund Statements and Schedules***  
***Year Ended June 30, 2014***

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

**Year Ended June 30, 2014**

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>Revenues</b>				
Revenue from use of money and property	\$ -	\$ -	\$ 6	\$ 6
<b>Expenditures</b>				
Debt service				
Principal retirement	\$ 3,962,883	\$ 3,962,883	\$ 3,849,239	\$ 113,644
Interest and other fiscal charges	3,096,383	3,096,383	3,024,247	72,136
<b>Total expenditures</b>	<b>\$ 7,059,266</b>	<b>\$ 7,059,266</b>	<b>\$ 6,873,486</b>	<b>\$ 185,780</b>
<b>Deficiency of revenues under expenditures</b>	<b>\$ (7,059,266)</b>	<b>\$ (7,059,266)</b>	<b>\$ (6,873,480)</b>	<b>\$ 185,786</b>
<b>Other financing sources</b>				
Transfers in	\$ 7,059,266	\$ 7,227,266	\$ 6,864,588	\$ (362,678)
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 168,000</b>	<b>\$ (8,892)</b>	<b>\$ (176,892)</b>
<b>Fund balance at beginning of year</b>	<b>-</b>	<b>-</b>	<b>8,892</b>	<b>8,892</b>
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ 168,000</b>	<b>\$ -</b>	<b>\$ (168,000)</b>

See report of independent auditor.

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

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**Year Ended June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>Revenues</b>				
Revenue from use of money and property	\$ -	\$ 468	\$ 468	\$ -
Miscellaneous	-	152,105	127,104	(25,001)
Total revenues	\$ -	\$ 152,573	\$ 127,572	\$ (25,001)
<b>Expenditures</b>				
Capital outlays and projects	\$ 76,000	\$ 1,356,680	\$ 900,265	\$ 456,415
<b>Deficiency of revenues under expenditures</b>	\$ (76,000)	\$ (1,204,107)	\$ (772,693)	\$ 431,414
<b>Other financing sources (uses)</b>				
Transfers in (out)	\$ 76,000	\$ (260,841)	\$ (260,841)	\$ -
Proceeds from capital lease	-	-	481,210	481,210
Total other financing sources (uses)	\$ 76,000	\$ (260,841)	\$ 220,369	\$ 481,210
<b>Net change in fund balances</b>	\$ -	\$ (1,464,948)	\$ (552,324)	\$ 912,624
<b>Fund balance at beginning of year</b>	-	1,464,948	1,464,948	-
<b>Fund balance at end of year</b>	\$ -	\$ -	\$ 912,624	\$ 912,624

See report of independent auditor.

*County of Powhatan, Virginia*  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*

*Exhibit 15*

**June 30, 2014**

	Cash Proffers Fund	Drug Taskforce Fund	Asset Forfeiture Fund	Grants Fund	EMS Revenue Fund	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 1,374,820	\$ 15,878	\$ 98,803	\$ (9,172)	\$ 239,747	\$ 1,720,076
Accounts receivable	-	-	-	144	86,743	86,887
Due from other governmental units	-	-	-	44,492	13,317	57,809
	<u>\$ 1,374,820</u>	<u>\$ 15,878</u>	<u>\$ 98,803</u>	<u>\$ 35,464</u>	<u>\$ 339,807</u>	<u>\$ 1,864,772</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 3,298	4,885	\$ 8,183
<b>Fund balances</b>						
Restricted	<u>1,374,820</u>	<u>15,878</u>	<u>98,803</u>	<u>32,166</u>	<u>334,922</u>	<u>1,856,589</u>
	<u>\$ 1,374,820</u>	<u>\$ 15,878</u>	<u>\$ 98,803</u>	<u>\$ 35,464</u>	<u>\$ 339,807</u>	<u>\$ 1,864,772</u>

*See report of independent auditor.*

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Special Revenue Funds**

**Year Ended June 30, 2014**

	Cash Proffers Fund	Drug Taskforce Fund	Asset Forfeiture Fund	Grants Fund	Fire and Rescue Fund	Total
<b>Revenues</b>						
Permits, privilege fees, and regulatory licenses	\$ 298,349	\$ -	\$ -	\$ -	\$ -	\$ 298,349
Revenue from use of money and property	-	16	297	-	-	313
Charges for services	-	-	-	143	485,008	485,151
Miscellaneous revenues	-	-	-	10,579	-	10,579
Intergovernmental revenues:						
Commonwealth	-	5,059	-	26,670	84,230	115,959
Federal government	-	-	230,788	64,357	-	295,145
<b>Total revenues</b>	<b>\$ 298,349</b>	<b>\$ 5,075</b>	<b>\$ 231,085</b>	<b>\$ 101,749</b>	<b>\$ 569,238</b>	<b>\$ 1,205,496</b>
<b>Expenditures</b>						
Public safety	\$ -	\$ 10,529	\$ 147,850	\$ 43,836	\$ 379,135	\$ 581,350
Health and welfare	-	-	-	4,873	-	4,873
Parks, recreation, and cultural	-	-	-	38,188	-	38,188
Community development	-	-	-	18,811	-	18,811
<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ 10,529</b>	<b>\$ 147,850</b>	<b>\$ 105,708</b>	<b>\$ 379,135</b>	<b>\$ 643,222</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 298,349</b>	<b>\$ (5,454)</b>	<b>\$ 83,235</b>	<b>\$ (3,959)</b>	<b>\$ 190,103</b>	<b>\$ 562,274</b>
<b>Other financing sources (uses)</b>						
Transfers in	\$ 621,889	\$ -	\$ -	\$ 15,714	\$ 40,191	\$ 677,794
Transfers out	-	-	-	(40,191)	(48,679)	(88,870)
<b>Total other financing sources (uses)</b>	<b>\$ 621,889</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (24,477)</b>	<b>\$ (8,488)</b>	<b>\$ 588,924</b>
<b>Net change in fund balances</b>	<b>\$ 920,238</b>	<b>\$ (5,454)</b>	<b>\$ 83,235</b>	<b>\$ (28,436)</b>	<b>\$ 181,615</b>	<b>\$ 1,151,198</b>
<b>Fund balance at beginning of year</b>	<b>454,582</b>	<b>21,332</b>	<b>15,568</b>	<b>60,602</b>	<b>153,307</b>	<b>705,391</b>
<b>Fund balance at end of year</b>	<b>\$ 1,374,820</b>	<b>\$ 15,878</b>	<b>\$ 98,803</b>	<b>\$ 32,166</b>	<b>\$ 334,922</b>	<b>\$ 1,856,589</b>

See report of independent auditor.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Special Revenue Funds

Year Ended June 30, 2014

	Cash Proffers Fund			Grants Fund		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final	
<b>Revenues</b>						
Permits, privilege fees, and regulatory licenses	\$ -	\$ -	\$ 298,349	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	143
Miscellaneous revenues	-	-	-	-	9,396	10,579
Intergovernmental revenues:						1,183
Commonwealth	-	-	-	-	114,359	26,670
Federal government	-	-	-	-	79,693	64,357
<b>Total revenues</b>	\$ -	\$ -	\$ 298,349	\$ -	\$ 203,448	\$ 101,749
						\$ (101,699)
<b>Expenditures</b>						
General government administration	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	150,223	43,836
Public works	-	8,748	-	-	-	106,387
Health and Welfare	-	-	-	-	6,333	1,460
Education	-	558,100	-	-	-	-
Parks, recreation, and cultural	-	35,041	-	-	62,863	38,188
Community development	-	-	-	-	31,061	18,811
<b>Total expenditures</b>	\$ -	\$ 621,889	\$ -	\$ -	\$ 250,480	\$ 105,708
						\$ 144,772
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ -	\$ (621,889)	\$ 298,349	\$ -	\$ (47,032)	\$ 43,073
<b>Other financing sources (uses)</b>						
Transfers in	\$ -	\$ 621,889	\$ 621,889	\$ -	\$ 25,792	\$ 15,714
Transfers out	-	-	-	-	(40,191)	(40,191)
<b>Total other financing sources (uses)</b>	\$ -	\$ 621,889	\$ 621,889	\$ -	\$ (14,399)	\$ (24,477)
						\$ (10,078)
<b>Net change in fund balances</b>	\$ -	\$ -	\$ 920,238	\$ -	\$ (61,431)	\$ (28,436)
						\$ 32,995
<b>Fund balance at beginning of year</b>	-	-	454,582	-	60,602	60,602
						-
<b>Fund balance at end of year</b>	\$ -	\$ -	\$ 1,374,820	\$ -	\$ (829)	\$ 32,166
						\$ 32,995

See report of independent auditor.

Combining Statement of Fiduciary Net Position  
Agency Funds

June 30, 2014

	Agency Funds		
	Special Welfare	Bond Escrow	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 35,471	\$ 93,101	\$ 128,572
<b>Liabilities</b>			
Amounts held for social services clients	\$ 35,471	\$ -	\$ 35,471
Amounts held for others	-	93,101	93,101
	\$ 35,471	\$ 93,101	\$ 128,572

See report of independent auditor.

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds**

**June 30, 2014**

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<b>Special Welfare Fund</b>				
Assets:				
Cash and cash equivalents	\$ 41,712	\$ 38,806	\$ (45,047)	\$ 35,471
Liabilities:				
Amounts held for social services clients	\$ 41,712	\$ 38,806	\$ (45,047)	\$ 35,471
<b>Bond Escrow</b>				
Assets:				
Cash and cash equivalents	\$ 98,231	\$ 14,370	\$ (19,500)	\$ 93,101
Liabilities:				
Amounts held for others	\$ 98,231	\$ 14,370	\$ (19,500)	\$ 93,101
<b>Totals - All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 139,943	\$ 53,176	\$ (64,547)	\$ 128,572
Liabilities:				
Amounts held for social services clients	\$ 41,712	\$ 38,806	\$ (45,047)	\$ 35,471
Amounts held for others	98,231	14,370	(19,500)	93,101
	\$ 139,943	\$ 53,176	\$ (64,547)	\$ 128,572

See report of independent auditor.



***County of Powhatan, Virginia***

***Discretely Presented Component Unit School Board***

***Year Ended June 30, 2014***

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

June 30, 2014

	School Operating Fund	School Retirement Fund	School Cafeteria Fund	Total Component Unit
<b>Assets</b>				
Cash and cash equivalents	\$ 3,049,752	\$ -	\$ 53,074	\$ 3,102,826
Due from other governmental units	1,370,918	-	-	1,370,918
Inventories	-	-	8,262	8,262
Temporarily restricted (in custody of others)				
Cash and cash equivalents	-	280,950	-	280,950
Investments	-	526,621	-	526,621
	<u>\$ 4,420,670</u>	<u>\$ 807,571</u>	<u>\$ 61,336</u>	<u>\$ 5,289,577</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 335,270	\$ -	\$ -	\$ 335,270
Accrued liabilities	4,085,400	-	68,669	4,154,069
<b>Long-term liabilities payable from restricted assets</b>				
Due in more than one year	-	1,113,451	-	1,113,451
<b>Total liabilities</b>	<u>\$ 4,420,670</u>	<u>\$ 1,113,451</u>	<u>\$ 68,669</u>	<u>\$ 5,602,790</u>
<b>Fund Balances</b>				
<b>Nonspendable</b>				
Inventories	\$ -	\$ -	\$ 8,262	\$ 8,262
<b>Unassigned</b>				
	-	(305,880)	(15,595)	(321,475)
<b>Total fund balances (deficit)</b>	<u>\$ -</u>	<u>\$ (305,880)</u>	<u>\$ (7,333)</u>	<u>\$ (313,213)</u>
	<u>\$ 4,420,670</u>	<u>\$ 807,571</u>	<u>\$ 61,336</u>	<u>\$ 5,289,577</u>

**Amounts reported for the School Board in the statement of net position (Exhibit 1) are different because:**

Total fund balance (deficit) per above \$ (313,213)

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 11,813,138

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds (9,907,196)

**Net position of governmental activities** \$ 1,592,729

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

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

**Year Ended June 30, 2014**

	School Operating Fund	School Retirement Fund	School Cafeteria Fund	Total Component Unit
<b>Revenues</b>				
Revenue from use of money and property	\$ 25,370	\$ 47,612	\$ 944	\$ 73,926
Charges for services	29,745	-	632,506	662,251
Miscellaneous revenues	270,580	-	-	270,580
Intergovernmental revenues				
Local government	20,708,851	-	-	20,708,851
Commonwealth	19,400,915	-	17,627	19,418,542
Federal government	1,302,800	-	430,392	1,733,192
<b>Total revenues</b>	<b>\$41,738,261</b>	<b>\$ 47,612</b>	<b>\$ 1,081,469</b>	<b>\$42,867,342</b>
<b>Expenditures</b>				
Education	\$41,357,311	\$ 273,173	\$ 1,272,365	\$42,902,849
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 380,950</b>	<b>\$ (225,561)</b>	<b>\$ (190,896)</b>	<b>\$ (35,507)</b>
<b>Other financing sources (uses)</b>				
Transfers in (out)	\$ (380,950)	\$ 280,950	\$ 100,000	\$ -
<b>Changes in fund balances</b>	<b>\$ -</b>	<b>\$ 55,389</b>	<b>\$ (90,896)</b>	<b>\$ (35,507)</b>
<b>Fund balances (deficit) - beginning of year</b>	<b>-</b>	<b>(361,269)</b>	<b>83,563</b>	<b>(277,706)</b>
<b>Fund balances (deficit) - end of year</b>	<b>\$ -</b>	<b>\$ (305,880)</b>	<b>\$ (7,333)</b>	<b>\$ (313,213)</b>

**Amounts reported for the School Board in the statement of net position (Exhibit 2) are different because**

Net change in fund balances - total governmental funds - per above \$ (35,507)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 21,142
Depreciation expense	(457,175)
Allocation of jointly owned assets	1,301,857
	<u>\$ 865,824</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	\$ (347,813)
Change in OPEB liability	(884,700)
	<u>\$ (1,232,513)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ (402,196)</u></b>

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

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

**Year Ended June 30, 2014**

	School Operating Fund				School Cafeteria Fund			
	Original Budget	Budget As Amended	Actual	Variance From Final Budget Positive (Negative)	Original Budget	Budget As Amended	Actual	Variance From Final Budget Positive (Negative)
<b>Revenues</b>								
Revenue from use of money and property	\$ -	\$ -	\$ 25,370	\$ 25,370	\$ 600	\$ 600	\$ 944	\$ 344
Charges for services	-	-	29,745	29,745	833,568	833,568	632,506	(201,062)
Miscellaneous revenues	318,500	318,500	270,580	(47,920)	-	-	-	-
Intergovernmental revenues								
Local government	20,482,427	20,733,427	20,708,851	(24,576)	-	-	-	-
Commonwealth	19,666,594	19,666,594	19,400,915	(265,679)	22,096	22,096	17,627	(4,469)
Federal government	1,606,809	1,606,809	1,302,800	(304,009)	436,297	436,297	430,392	(5,905)
<b>Total revenues</b>	<b>\$42,074,330</b>	<b>\$42,325,330</b>	<b>\$41,738,261</b>	<b>\$ (587,069)</b>	<b>\$ 1,292,561</b>	<b>\$ 1,292,561</b>	<b>\$ 1,081,469</b>	<b>\$ (211,092)</b>
<b>Expenditures</b>								
Education	\$41,974,330	\$42,225,330	\$41,357,311	\$ 868,019	\$ 1,392,561	\$ 1,392,561	\$ 1,272,365	\$ 120,196
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 380,950</b>	<b>\$ 280,950</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ (190,896)</b>	<b>\$ (90,896)</b>
<b>Other financing sources (uses)</b>								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Transfers out	(100,000)	(100,000)	(380,950)	(280,950)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ (380,950)</b>	<b>\$ (280,950)</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>
<b>Changes in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (90,896)</b>	<b>\$ (90,896)</b>
<b>Fund balances at beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,563</b>	<b>83,563</b>
<b>Fund balances (deficit) at end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,333)</b>	<b>\$ (7,333)</b>

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



***County of Powhatan, Virginia***

***Supporting Schedules***

***Year Ended June 30, 2014***

## Governmental Funds

## Schedule of Revenues - Budget and Actual

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT</b>				
<b>GENERAL FUND</b>				
<b>Revenue from local sources</b>				
General property taxes				
Real property tax	\$26,820,600	\$26,820,600	\$27,316,862	\$ 496,262
Real and personal PSC tax	695,000	695,000	803,610	108,610
Personal property tax	4,776,100	4,776,100	5,883,910	1,107,810
Mobile home tax	5,600	5,600	6,573	973
Machinery and tools tax	343,000	343,000	356,379	13,379
Penalties	281,000	281,000	323,736	42,736
Interest	195,000	195,000	249,645	54,645
<b>Total general property taxes</b>	<b>\$33,116,300</b>	<b>\$33,116,300</b>	<b>\$34,940,715</b>	<b>\$ 1,824,415</b>
Other local taxes				
Local sales and use tax	\$ 2,098,800	\$ 2,098,800	\$ 1,953,664	\$ (145,136)
Consumption tax	87,100	87,100	96,919	9,819
Consumer utility tax	561,000	561,000	602,360	41,360
Business license tax	106,200	106,200	102,179	(4,021)
Cable TV franchise tax	95,000	95,000	167,166	72,166
Motor vehicle licenses	849,000	849,000	985,351	136,351
Taxes on recordation and wills	300,100	300,100	337,493	37,393
Short term rental tax	5,500	5,500	5,529	29
<b>Total other local taxes</b>	<b>\$ 4,102,700</b>	<b>\$ 4,102,700</b>	<b>\$ 4,250,661</b>	<b>\$ 147,961</b>
Permits, privilege fees, and regulatory licenses				
Animal licenses	\$ 15,200	\$ 15,200	\$ 14,547	\$ (653)
Transfer fees	1,000	1,000	1,008	8
Other permits and licenses	367,580	367,580	528,570	160,990
<b>Total permits, privilege fees, and regulatory licenses</b>	<b>\$ 383,780</b>	<b>\$ 383,780</b>	<b>\$ 544,125</b>	<b>\$ 160,345</b>
Fines and forfeitures				
Court fines and forfeitures	\$ 164,700	\$ 164,700	\$ 111,173	\$ (53,527)
Revenue from use of money and property				
Revenue from use of money	\$ 10,100	\$ 10,100	\$ 73,920	\$ 63,820
Revenue from use of property	209,900	209,900	208,606	(1,294)
<b>Total revenue from use of money and property</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>\$ 282,526</b>	<b>\$ 62,526</b>

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Revenue from local sources (continued)</b>				
Charges for services				
Library	\$ 13,500	\$ 13,500	\$ 15,002	\$ 1,502
Law enforcement and traffic control	11,000	11,000	16,681	5,681
Excess fees of clerk	5,000	5,000	-	(5,000)
Courthouse security	53,000	53,000	43,303	(9,697)
Circuit court	21,700	21,700	28,513	6,813
Commonwealth's Attorney	2,000	2,000	2,232	232
Law library	3,000	3,000	3,302	302
Other protection	5,200	5,200	3,393	(1,807)
Sale of publications and maps	1,100	1,100	1,506	406
Sanitation and waste removal	51,200	51,200	54,264	3,064
Parks and recreation	15,000	15,000	15,174	174
Emergency transport services *	585,625	-	-	-
<b>Total charges for services</b>	<b>\$ 767,325</b>	<b>\$ 181,700</b>	<b>\$ 183,370</b>	<b>\$ 1,670</b>
Miscellaneous				
Miscellaneous revenues	\$ 79,650	\$ 187,528	\$ 218,465	\$ 30,937
<b>Total revenue from local sources</b>	<b>\$38,834,455</b>	<b>\$38,356,708</b>	<b>\$40,531,035</b>	<b>\$ 2,174,327</b>
<b>Revenue from the Commonwealth</b>				
Noncategorical aid				
Rolling stock tax	\$ 9,000	\$ 9,000	\$ 11,543	\$ 2,543
Mobile home titling tax	2,000	2,000	11,041	9,041
Motor vehicle rental tax	17,000	17,000	19,508	2,508
State recordation tax	177,000	177,000	216,430	39,430
Communications tax	893,700	893,700	866,237	(27,463)
Personal property tax relief funds	3,022,472	3,022,472	3,022,472	-
<b>Total noncategorical aid</b>	<b>\$ 4,121,172</b>	<b>\$ 4,121,172</b>	<b>\$ 4,147,231</b>	<b>\$ 26,059</b>
Categorical aid				
Shared expenses				
Commonwealth's Attorney	\$ 177,616	\$ 177,616	\$ 178,933	\$ 1,317
Sheriff	1,164,441	1,164,441	1,149,996	(14,445)
Commissioner of revenue	106,160	106,160	106,626	466
Treasurer	109,329	109,329	108,797	(532)
Registrar/electoral board	43,900	43,900	41,036	(2,864)
Clerk of the Circuit Court	227,536	227,536	234,748	7,212
<b>Total shared expenses</b>	<b>\$ 1,828,982</b>	<b>\$ 1,828,982</b>	<b>\$ 1,820,136</b>	<b>\$ (8,846)</b>

\* Note Actual revenue for emergency transport services is reflected in the Special Fire and Rescue Fund under Ambulance and EMS services

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Revenue from the Commonwealth (continued)</b>				
Categorical aid (continued)				
Other categorical aid				
Public assistance and welfare administration	\$ 324,387	\$ 324,387	\$ 356,039	\$ 31,652
Two for life grant	-	-	29,896	29,896
Comprehensive services act	784,141	864,452	818,039	(46,413)
Spay/neuter funds	-	-	334	334
Library grants	99,172	99,172	99,172	-
Victim witness assistance grant	49,000	49,000	49,804	804
VJCCA	5,700	5,700	8,468	2,768
Other state funds	4,060	4,060	939	(3,121)
Abandoned vehicles	-	-	250	250
E-911 wireless	49,400	49,400	50,108	708
DMV animal friendly plates	1,000	1,000	732	(268)
<b>Total other categorical aid</b>	<b>\$ 1,316,860</b>	<b>\$ 1,397,171</b>	<b>\$ 1,413,781</b>	<b>\$ 16,610</b>
<b>Total categorical aid</b>	<b>\$ 3,145,842</b>	<b>\$ 3,226,153</b>	<b>\$ 3,233,917</b>	<b>\$ 7,764</b>
<b>Total revenue from the Commonwealth</b>	<b>\$ 7,267,014</b>	<b>\$ 7,347,325</b>	<b>\$ 7,381,148</b>	<b>\$ 33,823</b>
<b>Revenue from the federal government</b>				
Categorical aid				
Public assistance and welfare administration	\$ 535,357	\$ 637,591	\$ 669,263	\$ 31,672
CSBG (PCCAA)	74,956	74,956	57,103	(17,853)
Comprehensive services act	-	-	3,180	3,180
<b>Total revenue from the federal government</b>	<b>\$ 610,313</b>	<b>\$ 712,547</b>	<b>\$ 729,546</b>	<b>\$ 16,999</b>
<b>Total General Fund</b>	<b>\$46,711,782</b>	<b>\$46,416,580</b>	<b>\$48,641,729</b>	<b>\$ 2,225,149</b>
<b>SPECIAL REVENUE FUNDS</b>				
<b>Cash Proffers Fund</b>				
Permits, privilege fees and regulatory licenses				
Cash proffers	\$ -	\$ -	\$ 298,349	\$ 298,349
<b>Fire and Rescue Fund</b>				
Charges for services				
Ambulance and EMS services *	\$ -	\$ 585,625	\$ 485,008	\$ (100,617)
<b>Revenue from the Commonwealth</b>				
Categorical aid				
Four for life	\$ -	\$ 29,896	\$ -	\$ (29,896)
Fire programs funds	-	70,913	84,230	13,317
<b>Total revenue from the Commonwealth</b>	<b>\$ -</b>	<b>\$ 100,809</b>	<b>\$ 84,230</b>	<b>\$ (16,579)</b>
<b>Total Fire and Rescue Fund</b>	<b>\$ -</b>	<b>\$ 686,434</b>	<b>\$ 569,238</b>	<b>\$ (117,196)</b>

\* Note: Budgeted revenue for emergency transport services is reflected in the General Fund under Emergency Transport Services.

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>SPECIAL REVENUE FUNDS (continued)</b>				
<b>Drug Taskforce Fund</b>				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 16	\$ 16
Revenue from the Commonwealth				
Categorical aid				
Forfeited assets	-	-	5,059	5,059
<b>Total Drug Taskforce Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,075</b>	<b>\$ 5,075</b>
<b>Asset Forfeiture Fund</b>				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 297	\$ 297
Revenue from the federal government				
Asset forfeitures	-	230,788	230,788	-
<b>Total Asset Forfeiture Fund</b>	<b>\$ -</b>	<b>\$ 230,788</b>	<b>\$ 231,085</b>	<b>\$ 297</b>
<b>Grants Fund</b>				
Revenue from local sources				
Charges for services				
Law library	\$ -	\$ -	\$ 143	\$ 143
Miscellaneous revenues				
Miscellaneous revenues	-	9,396	10,579	1,183
<b>Total revenue from local sources</b>	<b>\$ -</b>	<b>\$ 9,396</b>	<b>\$ 10,722</b>	<b>\$ 1,326</b>
Revenue from the Commonwealth				
Categorical aid				
Litter control	\$ -	\$ 6,760	\$ 6,760	\$ -
Fire programs	-	2,000	1,933	(67)
Other state funds	-	18,979	17,977	(1,002)
E-911 grant	-	62,050	-	(62,050)
RSAF grant	-	24,570	-	(24,570)
<b>Total categorical aid</b>	<b>\$ -</b>	<b>\$ 114,359</b>	<b>\$ 26,670</b>	<b>\$ (87,689)</b>
Revenue from the federal government				
Categorical aid				
Sheriff grants	\$ -	\$ 530	\$ 530	\$ -
Recreational trails program	-	47,663	39,217	(8,446)
DMV grant	-	31,500	24,610	(6,890)
<b>Total categorical aid</b>	<b>\$ -</b>	<b>\$ 79,693</b>	<b>\$ 64,357</b>	<b>\$ (15,336)</b>
<b>Total Grants Fund</b>	<b>\$ -</b>	<b>\$ 203,448</b>	<b>\$ 101,749</b>	<b>\$ (101,699)</b>
<b>Total Special Revenue Funds</b>	<b>\$ -</b>	<b>\$ 1,120,670</b>	<b>\$ 1,205,496</b>	<b>\$ 84,826</b>

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>DEBT SERVICE FUND</b>				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 6	\$ 6
<b>Total Debt Service Funds</b>	\$ -	\$ -	\$ 6	\$ 6
<b>COUNTY CAPITAL PROJECTS FUND</b>				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ 468	\$ 468	\$ -
Miscellaneous				
Forfeited bonds	\$ -	\$ 127,105	\$ 127,104	\$ (1)
Developer contributions	-	25,000	-	(25,000)
<b>Total Miscellaneous</b>	\$ -	\$ 152,105	\$ 127,104	\$ (25,001)
<b>Total County Capital Projects Fund</b>	\$ -	\$ 152,573	\$ 127,572	\$ (25,001)
<b>TOTAL PRIMARY GOVERNMENT</b>	\$46,711,782	\$47,689,823	\$49,974,803	\$ 2,284,980
<b>DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</b>				
<b>School Operating Fund</b>				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of property	\$ -	\$ -	\$ 25,370	\$ 25,370
Charges for services				
Other charges for services	-	-	29,745	29,745
Miscellaneous revenues				
Miscellaneous revenues	318,500	318,500	270,580	(47,920)
<b>Total revenue from local sources</b>	\$ 318,500	\$ 318,500	\$ 325,695	\$ 7,195
Intergovernmental revenues				
Revenue from local governments				
Contributions from County of Powhatan, VA	\$20,482,427	\$20,733,427	\$20,708,851	\$ (24,576)
Revenue from the Commonwealth				
Categorical aid				
Share of state sales tax	\$ 4,711,740	\$ 4,711,740	\$ 4,559,984	\$ (151,756)
Basic school aid	10,201,725	10,201,725	10,142,272	(59,453)
ISAP	15,717	15,717	15,717	-
Remedial summer education	55,130	55,130	74,235	19,105
Regular foster care	-	-	4,676	4,676
Gifted and talented	112,671	112,671	111,441	(1,230)
Remedial education	100,424	100,424	99,328	(1,096)
English as a second language	7,569	7,569	8,945	1,376
Special education	1,219,784	1,219,784	1,206,468	(13,316)
Vocational education	284,424	284,424	249,765	(34,659)

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (continued)</b>				
<b>School Operating Fund (continued)</b>				
Revenue from the Commonwealth (continued)				
Categorical aid (continued)				
Social security fringe benefits	\$ 614,791	\$ 614,791	\$ 608,079	\$ (6,712)
Retirement fringe benefits	1,028,733	1,028,733	1,017,503	(11,230)
Group life insurance fringe benefits	39,190	39,190	38,762	(428)
Early reading intervention	30,625	30,625	45,036	14,411
Homebound education	47,467	47,467	40,997	(6,470)
Other state funds	439,478	439,478	435,798	(3,680)
Project graduation	-	-	21,508	21,508
Textbook payments	219,782	219,782	217,382	(2,400)
At risk payments	42,885	42,885	42,452	(433)
At risk four year olds	76,164	76,164	-	(76,164)
Technology	232,000	232,000	271,772	39,772
Standards of Learning algebra readiness	18,443	18,443	18,443	-
Alternative education	167,852	167,852	167,852	-
Certified teachers	-	-	2,500	2,500
<b>Total categorical aid</b>	<b>\$ 19,666,594</b>	<b>\$ 19,666,594</b>	<b>\$ 19,400,915</b>	<b>\$ (265,679)</b>
Revenue from the federal government				
Categorical aid				
Title I	\$ 278,735	\$ 278,735	\$ 283,628	\$ 4,893
Title VI-B, special education flow-through	1,031,215	1,031,215	840,176	(191,039)
Vocational education	-	-	44,036	44,036
Title VI-B, special education preschool	21,174	21,174	19,369	(1,805)
Title II, Part A	123,304	123,304	48,904	(74,400)
Language acquisition	9,000	9,000	-	(9,000)
ROTC	76,574	76,574	62,152	(14,422)
Other revenues from the federal government	22,096	22,096	1,440	(20,656)
High schools that work	44,711	44,711	3,095	(41,616)
<b>Total categorical aid</b>	<b>\$ 1,606,809</b>	<b>\$ 1,606,809</b>	<b>\$ 1,302,800</b>	<b>\$ (304,009)</b>
<b>Total School Board operating fund</b>	<b>\$ 42,074,330</b>	<b>\$ 42,325,330</b>	<b>\$ 41,738,261</b>	<b>\$ (587,069)</b>

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (continued)</b>				
<b>School Cafeteria Fund</b>				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ 600	\$ 600	\$ 944	\$ 344
Charges for services				
Cafeteria sales	833,568	833,568	632,506	(201,062)
<b>Total revenue from local sources</b>	<b>\$ 834,168</b>	<b>\$ 834,168</b>	<b>\$ 633,450</b>	<b>\$ (200,718)</b>
Revenue from the Commonwealth				
Categorical aid				
School food program grant	\$ 22,096	\$ 22,096	\$ 17,627	\$ (4,469)
Revenue from the federal government				
Categorical aid				
School food program grant	\$ 376,297	\$ 376,297	\$ 357,152	\$ (19,145)
Commodities	60,000	60,000	73,240	13,240
<b>Total categorical aid</b>	<b>\$ 436,297</b>	<b>\$ 436,297</b>	<b>\$ 430,392</b>	<b>\$ (5,905)</b>
<b>Total School Cafeteria Fund</b>	<b>\$ 1,292,561</b>	<b>\$ 1,292,561</b>	<b>\$ 1,081,469</b>	<b>\$ (211,092)</b>
<b>School Retirement Fund</b>				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 47,612	\$ 47,612
<b>TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</b>	<b>\$43,366,891</b>	<b>\$43,617,891</b>	<b>\$42,867,342</b>	<b>\$ (750,549)</b>

## Governmental Funds

## Schedule of Expenditures - Budget and Actual

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT</b>				
<b>GENERAL FUND</b>				
<b>General government administration</b>				
Legislative				
Board of supervisors	\$ 108,605	\$ 109,793	\$ 109,794	\$ (1)
General and financial administration				
County administrator	\$ 291,076	\$ 357,536	\$ 357,539	\$ (3)
Legal services	228,812	227,624	289,436	(61,812)
GIS coordinator	105,598	105,598	103,257	2,341
Commissioner of revenue	473,311	473,312	463,524	9,788
Reassessment	205,450	152,810	116,104	36,706
Treasurer	530,249	530,249	522,083	8,166
Finance	465,189	385,369	341,478	43,891
Information technology	230,629	265,803	264,178	1,625
Personnel	12,450	37,450	-	37,450
<b>Total general and financial administration</b>	<b>\$ 2,542,764</b>	<b>\$ 2,535,751</b>	<b>\$ 2,457,599</b>	<b>\$ 78,152</b>
Board of elections				
Registrar	\$ 123,531	\$ 139,166	\$ 139,165	\$ 1
<b>Total general governmental administration</b>	<b>\$ 2,774,900</b>	<b>\$ 2,784,710</b>	<b>\$ 2,706,558</b>	<b>\$ 78,152</b>
<b>Judicial administration</b>				
Courts				
Circuit court	\$ 16,344	\$ 16,344	\$ 15,419	\$ 925
General district court	17,293	17,293	9,182	8,111
Juvenile court service unit	19,729	19,729	14,474	5,255
Clerk of the circuit court	361,786	361,786	341,812	19,974
Victim and witness assistance	73,370	73,370	68,190	5,180
<b>Total courts</b>	<b>\$ 488,522</b>	<b>\$ 488,522</b>	<b>\$ 449,077</b>	<b>\$ 39,445</b>
Commonwealth's attorney				
Commonwealth's attorney	\$ 396,009	\$ 396,009	\$ 393,896	\$ 2,113
<b>Total judicial administration</b>	<b>\$ 884,531</b>	<b>\$ 884,531</b>	<b>\$ 842,973</b>	<b>\$ 41,558</b>
<b>Public safety</b>				
Law enforcement and traffic control				
Sheriff	\$ 3,941,122	\$ 3,531,794	\$ 3,501,933	\$ 29,861
Fire and rescue services				
Volunteer fire department	\$ 493,190	\$ 525,296	\$ 531,423	\$ (6,127)
Ambulance and rescue services*	496,740	166,115	162,950	3,165
<b>Total fire and rescue services</b>	<b>\$ 989,930</b>	<b>\$ 691,411</b>	<b>\$ 694,373</b>	<b>\$ (2,962)</b>
Correction and detention				
Confinement and care of adult and juvenile prisoners	\$ 598,000	\$ 796,300	\$ 784,674	\$ 11,626

\* Note: Additional actual expenditures for emergency transport services are reflected in the Special EMS Revenue Fund under Ambulance and rescue services.

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Public safety (continued)</b>				
Inspections				
Building inspections	\$ 322,741	\$ 287,721	\$ 287,642	\$ 79
Other protection				
Animal control	\$ 264,505	\$ 264,505	\$ 273,658	\$ (9,153)
Emergency communication center	63,597	582,236	588,440	(6,204)
Emergency services	232,817	232,817	219,631	13,186
Medical examiner	2,100	2,100	2,988	(888)
<b>Total other protection</b>	<b>\$ 563,019</b>	<b>\$ 1,081,658</b>	<b>\$ 1,084,717</b>	<b>\$ (3,059)</b>
<b>Total public safety</b>	<b>\$ 6,414,812</b>	<b>\$ 6,388,884</b>	<b>\$ 6,353,339</b>	<b>\$ 35,545</b>
<b>Public works</b>				
Sanitation and waste removal				
Refuse collection and disposal	\$ 775,541	\$ 609,125	\$ 460,797	\$ 148,328
Maintenance of general buildings and grounds				
General properties	908,679	1,246,081	1,186,080	60,001
<b>Total public works</b>	<b>\$ 1,684,220</b>	<b>\$ 1,855,206</b>	<b>\$ 1,646,877</b>	<b>\$ 208,329</b>
<b>Health and welfare</b>				
Health				
Supplement of local health department	\$ 196,072	\$ 196,072	\$ 195,924	\$ 148
Mental health and mental retardation				
Community services board	\$ 255,960	\$ 255,960	\$ 254,991	\$ 969
Welfare				
Public assistance and welfare administration	\$ 1,354,062	\$ 1,456,296	\$ 1,459,377	\$ (3,081)
Free clinic	-	-	817	(817)
Comprehensive services act	1,554,641	1,740,786	1,700,773	40,013
Powhatan community action agency	90,016	90,016	61,584	28,432
Tax relief for the elderly	375,000	375,000	391,061	(16,061)
<b>Total welfare</b>	<b>\$ 3,373,719</b>	<b>\$ 3,662,098</b>	<b>\$ 3,613,612</b>	<b>\$ 48,486</b>
<b>Total health and welfare</b>	<b>\$ 3,825,751</b>	<b>\$ 4,114,130</b>	<b>\$ 4,064,527</b>	<b>\$ 49,603</b>
<b>Education</b>				
Other instructional costs				
Contribution to component unit school board	\$20,482,427	\$20,733,427	\$20,708,851	\$ 24,576
<b>Parks, recreation, and cultural</b>				
Parks and recreation				
Recreation centers and playgrounds	\$ 271,744	\$ 271,744	\$ 263,208	\$ 8,536
Library				
Contribution to County library	361,556	361,556	358,308	3,248
<b>Total parks, recreation and cultural</b>	<b>\$ 633,300</b>	<b>\$ 633,300</b>	<b>\$ 621,516</b>	<b>\$ 11,784</b>

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>GENERAL FUND (continued)</b>				
<b>Community development</b>				
Planning and community development				
Planning and zoning	\$ 535,857	\$ 570,877	\$ 570,878	\$ (1)
Planning commission	1,550	1,550	517	1,033
Miscellaneous contributions	258,209	126,632	121,846	4,786
Economic development	-	11,475	11,474	1
<b>Total planning and community development</b>	<b>\$ 795,616</b>	<b>\$ 710,534</b>	<b>\$ 704,715</b>	<b>\$ 5,819</b>
Cooperative extension program				
Extension office	\$ 44,131	\$ 44,131	\$ 44,149	\$ (18)
<b>Total community development</b>	<b>\$ 839,747</b>	<b>\$ 754,665</b>	<b>\$ 748,864</b>	<b>\$ 5,801</b>
<b>Debt service</b>				
Debt service				
Principal retirement	\$ -	\$ -	\$ 11,925	\$ (11,925)
Interest and other fiscal charges	-	-	1,238	(1,238)
<b>Total debt service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,163</b>	<b>\$ (13,163)</b>
<b>Capital outlays and projects</b>				
Capital outlays and projects				
County capital projects	\$ -	\$ 25,000	\$ 20,357	\$ 4,643
<b>Total General Fund</b>	<b>\$37,539,688</b>	<b>\$38,173,853</b>	<b>\$37,727,025</b>	<b>\$ 446,828</b>
<b>SPECIAL REVENUE FUNDS</b>				
<b>Fire and Rescue Fund</b>				
Public Safety				
Ambulance and rescue services*	\$ -	\$ 471,625	\$ 379,135	\$ 92,490
<b>Drug Taskforce</b>				
Public Safety				
Law enforcement and traffic control				
Sheriff	\$ 5,000	\$ 5,000	\$ 10,529	\$ (5,529)
<b>Asset Forfeiture Fund</b>				
Public Safety				
Law enforcement and traffic control				
Sheriff	\$ 5,000	\$ 235,788	\$ 147,850	\$ 87,938
<b>Cash Proffers Fund</b>				
Projects				
General government administration	\$ -	\$ 20,000	\$ -	\$ 20,000
Public works	-	8,748	-	8,748
Education	-	558,100	-	558,100
Parks, recreation, and cultural	-	35,041	-	35,041
<b>Total projects</b>	<b>\$ -</b>	<b>\$ 621,889</b>	<b>\$ -</b>	<b>\$ 621,889</b>

\* Note: Budgeted expenditures for emergency transport services are reflected in the General Fund under Ambulance and rescue services

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>PRIMARY GOVERNMENT (continued)</b>				
<b>SPECIAL REVENUE FUNDS (continued)</b>				
<b>Grants Fund</b>				
Public safety				
Law enforcement and traffic control				
Sheriff	\$ -	\$ 69,005	\$ 26,485	\$ 42,520
Fire and rescue services				
Volunteer fire department	-	6,292	5,725	567
Other protection				
Animal control	-	3,376	3,128	248
Emergency services	-	71,550	8,498	63,052
<b>Total public safety</b>	<b>\$ -</b>	<b>\$ 150,223</b>	<b>\$ 43,836</b>	<b>\$ 106,387</b>
Health and welfare				
Comprehensive services act	\$ -	\$ 6,333	\$ 4,873	\$ 1,460
Parks, recreation, and cultural				
Recreation centers and playgrounds	\$ -	\$ 54,114	\$ 38,188	\$ 15,926
Contribution to county library	-	8,749	-	8,749
<b>Total parks, recreation, and cultural</b>	<b>\$ -</b>	<b>\$ 62,863</b>	<b>\$ 38,188</b>	<b>\$ 24,675</b>
Community development				
Planning and community development				
Planning and zoning	\$ -	\$ 22,434	\$ 11,524	\$ 10,910
Environmental management				
Litter control	-	8,627	7,287	1,340
<b>Total community development</b>	<b>\$ -</b>	<b>\$ 31,061</b>	<b>\$ 18,811</b>	<b>\$ 12,250</b>
<b>Total Grants Fund</b>	<b>\$ -</b>	<b>\$ 250,480</b>	<b>\$ 105,708</b>	<b>\$ 144,772</b>
<b>Total Special Revenue Funds</b>	<b>\$ 10,000</b>	<b>\$ 1,584,782</b>	<b>\$ 643,222</b>	<b>\$ 941,560</b>
<b>DEBT SERVICE FUND</b>				
Debt service				
Principal retirement	\$ 3,962,883	\$ 3,962,883	\$ 3,849,239	\$ 113,644
Interest and other fiscal charges	3,096,383	3,096,383	3,024,247	72,136
<b>Total Debt Service Fund</b>	<b>\$ 7,059,266</b>	<b>\$ 7,059,266</b>	<b>\$ 6,873,486</b>	<b>\$ 185,780</b>
<b>COUNTY CAPITAL PROJECTS FUND</b>				
Capital outlays and projects				
County capital projects	\$ -	\$ 1,263,531	\$ 807,116	\$ 456,415
Fire and rescue	76,000	93,149	93,149	-
<b>Total County Capital Projects Fund</b>	<b>\$ 76,000</b>	<b>\$ 1,356,680</b>	<b>\$ 900,265</b>	<b>\$ 456,415</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$44,684,954</b>	<b>\$48,174,581</b>	<b>\$46,143,998</b>	<b>\$ 2,030,583</b>

## Governmental Funds

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

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
<b>DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</b>				
<b>School Operating Fund</b>				
Education				
Administration of schools				
Administration, health, and attendance	\$ 1,996,158	\$ 1,996,158	\$ 1,889,792	\$ 106,366
Instruction costs				
Elementary and secondary schools	\$32,730,487	\$32,864,987	\$32,162,893	\$ 702,094
Operating costs				
Pupil transportation	\$ 3,391,671	\$ 3,586,671	\$ 3,569,884	\$ 16,787
Operation and maintenance of school plant	3,715,076	3,561,576	3,515,546	46,030
Facilities	140,938	215,938	219,196	(3,258)
<b>Total operating costs</b>	<b>\$ 7,247,685</b>	<b>\$ 7,364,185</b>	<b>\$ 7,304,626</b>	<b>\$ 59,559</b>
<b>Total school operating fund</b>	<b>\$41,974,330</b>	<b>\$42,225,330</b>	<b>\$41,357,311</b>	<b>\$ 868,019</b>
<b>School Cafeteria Fund</b>				
Education				
School food services				
Administration of school food program	\$ 1,332,561	\$ 1,332,561	\$ 1,199,125	\$ 133,436
Commodities	60,000	60,000	73,240	(13,240)
<b>Total cafeteria fund</b>	<b>\$ 1,392,561</b>	<b>\$ 1,392,561</b>	<b>\$ 1,272,365</b>	<b>\$ 120,196</b>
<b>School Retirement Fund</b>				
Education				
Instruction costs				
Elementary and secondary schools	\$ -	\$ -	\$ 273,173	\$ (273,173)
<b>TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD</b>	<b>\$43,366,891</b>	<b>\$43,617,891</b>	<b>\$42,902,849</b>	<b>\$ 715,042</b>

*County of Powhatan, Virginia*

*Statistical Section (unaudited)*

*Year Ended June 30, 2014*

**County of Powhatan, Virginia**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ (312,802)	\$ (433,831)	\$ (2,077,532)	\$ 6,800,978	\$ 5,822,208	\$ 3,108,524	\$ 1,062,579	\$ 1,028,903	\$ (1,962,152)	\$ (2,085,394)
Restricted	175,600	183,375	703,270	-	2,872,925	2,247,827	2,903,209	920,754	321,995	29,239
Unrestricted	2,471,548	4,930,463	6,503,770	8,130,076	11,923,982	12,504,235	11,487,954	9,697,400	14,037,219	16,540,825
<b>Total governmental activities net position</b>	<b>\$ 2,334,346</b>	<b>\$ 4,680,007</b>	<b>\$ 5,129,508</b>	<b>\$ 14,931,054</b>	<b>\$ 20,619,115</b>	<b>\$ 17,860,586</b>	<b>\$ 15,453,742</b>	<b>\$ 11,647,057</b>	<b>\$ 12,397,062</b>	<b>\$ 14,484,670</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 489,281	\$ 466,750	\$ 740,893	\$ 988,765	\$ 8,280	\$ (3,521,073)	\$ 393,277	\$ (341,364)	\$ 786,715	\$ 1,044,804
Restricted	-	-	-	-	659,417	3,955,505	361,781	124,789	72,357	-
Unrestricted	(50,411)	12,223	584,047	(357,101)	(315,163)	(364,821)	(704,170)	781,779	(109,529)	(324,475)
<b>Total business-type activities net position</b>	<b>\$ 438,870</b>	<b>\$ 478,973</b>	<b>\$ 1,324,940</b>	<b>\$ 631,664</b>	<b>\$ 352,534</b>	<b>\$ 69,611</b>	<b>\$ 50,888</b>	<b>\$ 565,204</b>	<b>\$ 749,543</b>	<b>\$ 720,329</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 176,479	\$ 32,919	\$ (1,336,639)	\$ 7,789,743	\$ 5,830,488	\$ (412,549)	\$ 1,455,856	\$ 687,539	\$ (1,175,437)	\$ (1,040,590)
Restricted	175,600	183,375	703,270	-	3,532,342	6,203,332	3,264,990	1,045,543	394,352	29,239
Unrestricted	2,421,137	4,942,686	7,087,812	7,772,975	11,608,819	12,139,414	10,783,784	10,479,179	13,927,690	16,216,350
<b>Total primary government net position</b>	<b>\$ 2,773,216</b>	<b>\$ 5,158,980</b>	<b>\$ 6,454,443</b>	<b>\$ 15,562,718</b>	<b>\$ 20,971,649</b>	<b>\$ 17,930,197</b>	<b>\$ 15,504,630</b>	<b>\$ 12,212,261</b>	<b>\$ 13,146,605</b>	<b>\$ 15,204,999</b>

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."

**County of Powhatan, Virginia**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

Expenses	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities:</b>										
General government administration	\$ 1,984,827	\$ 2,025,903	\$ 2,833,694	\$ 2,775,228	\$ 2,638,534	\$ 3,037,073	\$ 2,866,159	\$ 3,490,938	\$ 2,693,439	\$ 2,913,719
Judicial administration	756,467	848,456	825,264	899,447	927,087	918,457	986,603	928,312	924,281	915,308
Public safety	5,315,849	5,471,018	6,879,758	6,183,603	6,447,677	8,279,412	7,511,077	7,245,597	7,198,186	7,386,351
Public works	1,269,780	1,269,089	1,369,439	1,483,256	1,810,485	1,667,630	969,165	1,547,932	1,716,111	1,715,947
Health and welfare	2,980,608	2,636,097	2,874,055	3,595,287	3,877,527	3,987,693	3,778,834	3,491,003	3,859,387	4,079,149
Community development	665,529	990,416	1,308,891	1,062,187	1,150,019	1,105,611	1,270,360	1,119,888	599,847	784,157
Parks, recreation, and cultural	509,133	442,389	620,523	669,198	685,229	1,285,484	1,026,006	990,848	932,155	881,707
Education	17,837,779	18,563,308	20,994,467	15,291,269	22,231,269	21,349,126	23,713,559	26,839,832	23,514,070	24,091,342
Interest and other fiscal charges	2,951,337	2,527,013	3,544,707	4,042,302	3,812,451	5,137,838	3,011,465	3,539,775	2,841,131	2,664,241
<b>Total governmental activities expenses</b>	<b>\$ 34,271,309</b>	<b>\$ 34,773,689</b>	<b>\$ 41,250,798</b>	<b>\$ 36,001,777</b>	<b>\$ 43,580,278</b>	<b>\$ 46,768,324</b>	<b>\$ 45,133,228</b>	<b>\$ 49,214,125</b>	<b>\$ 44,278,607</b>	<b>\$ 45,431,921</b>
<b>Business-type activities</b>										
Water and sewer	\$ 1,380,081	\$ 1,302,336	\$ 1,448,355	\$ 1,754,087	\$ 2,069,053	\$ 2,118,030	\$ 2,293,964	\$ 2,165,702	\$ 2,562,295	\$ 2,439,900
<b>Total primary government expenses</b>	<b>\$ 35,651,390</b>	<b>\$ 36,076,025</b>	<b>\$ 42,699,153</b>	<b>\$ 37,755,864</b>	<b>\$ 45,649,331</b>	<b>\$ 48,886,354</b>	<b>\$ 47,427,192</b>	<b>\$ 51,379,827</b>	<b>\$ 46,840,902</b>	<b>\$ 47,871,821</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Judicial administration	\$ 91,626	\$ 16,432	\$ 17,235	\$ 234,921	\$ 193,521	\$ 160,112	\$ 227,867	\$ 242,548	\$ 227,140	\$ 188,666
Public safety	1,975,238	1,957,822	1,488,691	1,175,168	432,876	381,483	342,087	395,652	511,473	520,637
Public works	39,357	32,194	34,808	34,833	35,317	41,969	43,043	56,252	38,953	54,264
Parks, recreation, and cultural	-	-	-	10,454	15,032	22,811	30,017	35,226	29,175	30,176
Community development	4,265	2,550	1,559	988	108,330	114,312	45,777	343,493	607,558	828,425
Operating grants and contributions	3,490,004	3,754,909	3,841,054	4,035,013	5,243,531	4,592,614	4,330,772	3,899,879	3,969,854	4,374,567
<b>Total governmental activities</b>	<b>\$ 5,600,490</b>	<b>\$ 5,763,907</b>	<b>\$ 5,383,347</b>	<b>\$ 5,491,377</b>	<b>\$ 6,028,607</b>	<b>\$ 5,313,301</b>	<b>\$ 5,019,563</b>	<b>\$ 4,973,050</b>	<b>\$ 5,384,153</b>	<b>\$ 5,996,735</b>
<b>Business-type activities</b>										
Water and sewer	\$ 284,229	\$ 271,762	\$ 180,470	\$ 356,611	\$ 220,726	\$ 243,081	\$ 191,349	\$ 531,205	\$ 388,990	\$ 272,633
<b>Total primary government program revenues</b>	<b>\$ 5,884,719</b>	<b>\$ 6,035,669</b>	<b>\$ 5,563,817</b>	<b>\$ 5,847,988</b>	<b>\$ 6,249,333</b>	<b>\$ 5,556,382</b>	<b>\$ 5,210,912</b>	<b>\$ 5,504,255</b>	<b>\$ 5,773,143</b>	<b>\$ 6,269,368</b>
<b>Total governmental activities</b>	<b>\$ (28,670,819)</b>	<b>\$ (29,009,782)</b>	<b>\$ (35,867,451)</b>	<b>\$ (30,510,400)</b>	<b>\$ (37,551,671)</b>	<b>\$ (41,455,023)</b>	<b>\$ (40,113,665)</b>	<b>\$ (44,241,075)</b>	<b>\$ (38,894,454)</b>	<b>\$ (39,435,186)</b>
<b>Total business-type activities</b>	<b>\$ (1,095,852)</b>	<b>\$ (1,030,574)</b>	<b>\$ (1,267,885)</b>	<b>\$ (1,397,476)</b>	<b>\$ (1,848,327)</b>	<b>\$ (1,874,949)</b>	<b>\$ (2,102,615)</b>	<b>\$ (1,634,497)</b>	<b>\$ (2,173,305)</b>	<b>\$ (2,167,267)</b>
<b>Total primary government net expense</b>	<b>\$ (29,766,671)</b>	<b>\$ (30,040,356)</b>	<b>\$ (37,135,336)</b>	<b>\$ (31,907,876)</b>	<b>\$ (39,399,998)</b>	<b>\$ (43,329,972)</b>	<b>\$ (42,216,280)</b>	<b>\$ (45,875,572)</b>	<b>\$ (41,067,759)</b>	<b>\$ (41,602,453)</b>

County of Powhatan, Virginia

Table 2

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 19,256,954	\$ 23,740,100	\$ 28,285,549	\$ 30,584,211	\$ 33,161,709	\$ 32,536,675	\$ 32,420,090	\$ 34,499,496	\$ 33,447,832	\$ 35,253,633
Other local taxes	4,200,539	4,626,430	4,611,442	4,722,351	4,568,552	4,723,134	3,529,326	4,200,076	4,960,172	4,250,661
Investment earnings	336,543	465,542	1,122,911	1,584,750	511,317	295,346	251,370	427,933	239,006	283,313
Miscellaneous	229,927	63,101	152,012	150,910	155,546	289,958	467,943	171,550	182,694	356,148
Non-categorical aid from the govt	3,107,374	3,509,778	3,400,784	3,227,880	3,159,907	3,128,833	3,095,939	3,226,864	3,178,838	4,147,231
Payment from Powhatan County School	-	-	-	-	1,000,000	-	-	-	-	-
Gain/loss on disposal of capital assets	-	-	-	-	-	-	-	-	(6,854)	(390,698)
Transfers	(1,441,894)	(1,049,508)	(1,860,452)	(1,156,403)	(1,533,352)	(1,582,488)	(2,057,847)	(2,091,529)	(2,357,229)	(2,321,178)
Total governmental activities	\$ 25,689,443	\$ 31,355,443	\$ 35,712,246	\$ 39,113,699	\$ 41,023,679	\$ 39,391,458	\$ 37,706,821	\$ 40,434,390	\$ 39,644,459	\$ 41,579,110
Business-type activities:										
Investment earnings	\$ -	\$ -	\$ -	\$ 116,752	\$ 35,845	\$ 9,538	\$ 26,045	\$ 57,284	\$ 415	\$ 51
Miscellaneous	-	21,169	253,399	-	-	-	-	-	-	-
Transfers	1,441,894	1,049,508	1,860,452	1,156,403	1,533,352	1,582,488	2,057,847	2,091,529	2,357,229	2,321,178
Total business-type activities	\$ 1,441,894	\$ 1,070,677	\$ 2,113,851	\$ 1,273,155	\$ 1,569,197	\$ 1,592,026	\$ 2,083,892	\$ 2,148,813	\$ 2,357,644	\$ 2,321,229
Total primary government	\$ 27,131,337	\$ 32,426,120	\$ 37,826,097	\$ 40,386,854	\$ 42,592,876	\$ 40,983,484	\$ 39,790,713	\$ 42,583,203	\$ 42,002,103	\$ 43,900,339
<b>Change in net position</b>										
Governmental activities	\$ (2,981,376)	\$ 2,345,661	\$ (155,205)	\$ 8,603,299	\$ 3,472,008	\$ (2,063,565)	\$ (2,406,844)	\$ (3,806,685)	\$ 750,005	\$ 2,143,924
Business-type activities	346,042	40,103	845,966	(124,321)	(279,130)	(282,923)	(18,723)	514,316	184,339	153,962
Total primary government	\$ (2,635,334)	\$ 2,385,764	\$ 690,761	\$ 8,478,978	\$ 3,192,878	\$ (2,346,488)	\$ (2,425,567)	\$ (3,292,369)	\$ 934,344	\$ 2,297,886

County of Powhatan, Virginia

Table 3

Fund Balances - Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 <sup>(1)</sup>	2012	2013	2014
<b>General fund</b>										
Reserved	\$ 175,600	\$ 183,375	\$ 191,616	\$ 228,964	\$ 228,964	\$ 917,357	\$ -	\$ -	\$ -	\$ -
Unreserved	3,473,747	5,441,807	7,736,649	9,957,288	11,571,639	10,662,980	-	-	-	-
Nonspendable for prepaids	-	-	-	-	-	-	-	-	34,892	4,048
Restricted	-	-	-	-	-	-	372	-	-	-
Unassigned	-	-	-	-	-	-	10,759,275	13,177,977	12,445,947	13,877,646
<b>Total general fund</b>	<b>\$ 3,649,347</b>	<b>\$ 5,625,182</b>	<b>\$ 7,928,265</b>	<b>\$ 10,186,252</b>	<b>\$ 11,800,603</b>	<b>\$ 11,580,337</b>	<b>\$ 10,759,647</b>	<b>\$ 13,177,977</b>	<b>\$ 12,480,839</b>	<b>\$ 13,881,694</b>
<b>All other governmental funds</b>										
Unreserved, reported in:										
Special revenue funds	\$ 36,180	\$ 40,070	\$ 21,391	\$ 360,819	\$ 466,256	\$ 631,950	\$ -	\$ -	\$ -	\$ -
Capital projects funds	1,730,453	516,363	28,825,353	11,656,846	2,872,925	2,247,827	-	-	-	-
Debt service funds	-	64,514	67,546	326,024	418,269	371,697	-	-	-	-
Restricted, reported in:										
Debt service fund	-	-	-	-	-	-	-	-	8,892	-
Capital projects funds	-	-	-	-	-	-	2,903,209	911,927	313,103	29,239
Special revenue funds	-	-	-	-	-	-	682,123	423,141	705,391	1,856,589
Assigned for:										
Debt service	-	-	-	-	-	-	378,763	8,827	-	-
Capital projects	-	-	-	-	-	-	-	-	1,151,845	883,385
Unassigned, reported in:										
Capital projects funds	-	-	-	-	-	-	(385,739)	(207,318)	-	-
<b>Total all other governmental funds</b>	<b>\$ 1,766,633</b>	<b>\$ 620,947</b>	<b>\$ 28,914,290</b>	<b>\$ 12,343,689</b>	<b>\$ 3,757,450</b>	<b>\$ 3,251,474</b>	<b>\$ 3,578,356</b>	<b>\$ 1,136,577</b>	<b>\$ 2,179,231</b>	<b>\$ 2,769,213</b>
<b>Total fund balances</b>	<b>\$ 5,415,980</b>	<b>\$ 6,246,129</b>	<b>\$ 36,842,555</b>	<b>\$ 22,529,941</b>	<b>\$ 15,558,053</b>	<b>\$ 14,831,811</b>	<b>\$ 14,338,003</b>	<b>\$ 14,314,554</b>	<b>\$ 14,660,070</b>	<b>\$ 16,650,907</b>

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

County of Powhatan, Virginia

Table 4

Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
General property taxes	\$ 19,697,524	\$ 23,596,072	\$ 27,648,550	\$ 30,214,857	\$ 32,997,434	\$ 31,900,172	\$ 32,420,262	\$ 34,583,227	\$ 33,503,021	\$ 34,940,715
Other local taxes	4,200,539	4,626,430	4,611,442	4,722,351	4,568,552	4,723,134	3,529,326	4,200,076	4,960,172	4,250,661
Permits, privilege fees, and regulatory licenses	1,850,553	1,792,094	1,349,708	1,168,129	534,581	427,993	359,429	706,921	620,832	842,474
Fines and forfeitures	88,926	126,579	109,296	104,046	102,855	127,062	152,525	162,505	137,224	111,173
Revenue from use of money and property	336,543	465,542	1,122,917	1,584,750	511,317	295,346	251,370	239,587	239,007	283,313
Charges for services	171,007	90,325	83,289	184,189	147,640	165,632	176,837	203,745	656,243	668,521
Miscellaneous	229,927	62,323	170,012	150,910	155,546	289,958	467,943	171,550	182,694	356,148
Recovered costs	7,166	4,444	-	-	-	-	-	-	-	-
Intergovernmental:										
Powhatan County School Board	-	-	-	1,000,000	1,000,000	-	-	-	-	-
Commonwealth	5,716,609	6,336,911	6,395,488	6,588,235	7,650,636	6,670,752	6,391,383	6,270,174	6,417,248	7,497,107
Federal	873,603	924,110	846,350	674,658	752,802	1,050,695	1,035,328	856,569	731,443	1,024,691
<b>Total revenues</b>	\$ 33,172,397	\$ 38,024,830	\$ 42,337,052	\$ 46,392,125	\$ 48,421,363	\$ 45,650,744	\$ 44,784,403	\$ 47,394,354	\$ 47,447,884	\$ 49,974,803
<b>Expenditures</b>										
Current:										
General government administration	\$ 1,786,534	\$ 1,828,705	\$ 2,147,176	\$ 2,505,817	\$ 2,584,545	\$ 2,748,207	\$ 2,557,186	\$ 3,027,100	\$ 2,833,088	\$ 2,706,558
Judicial administration	657,547	675,549	731,599	818,151	825,856	827,533	831,185	840,115	848,203	842,973
Public safety	4,829,784	5,122,228	5,633,996	5,804,861	6,265,502	7,438,936	6,850,801	6,784,063	6,767,013	6,934,689
Public works	1,212,560	1,237,194	1,342,691	1,463,242	1,615,155	1,654,195	1,591,299	1,552,826	1,606,243	1,646,877
Health and welfare	2,951,067	2,627,419	2,865,377	3,588,097	3,833,172	3,968,635	3,762,329	3,482,258	3,771,576	4,069,400
Education	14,384,260	16,596,361	18,054,171	19,726,481	20,285,490	18,858,660	19,778,712	19,097,840	19,990,590	20,708,851
Community development	651,142	981,493	1,297,844	1,082,283	1,129,156	1,120,923	775,816	770,541	565,729	767,675
Parks, recreation, and cultural	423,294	348,495	524,268	612,523	501,285	705,973	1,243,726	1,092,280	709,339	659,704
Capital projects	1,421,839	2,064,983	2,894,148	18,126,989	9,280,459	1,301,670	4,342,579	1,816,496	769,227	920,622
Debt service:										
Principal	3,507,537	2,705,381	3,989,966	2,660,157	3,817,452	2,991,861	3,366,335	3,520,544	3,742,429	3,861,164
Interest and other fiscal charges	2,865,852	2,743,365	2,689,419	3,680,641	3,871,483	5,464,072	3,344,051	3,350,976	3,177,702	3,025,485
<b>Total expenditures</b>	\$ 34,691,416	\$ 36,931,173	\$ 42,170,655	\$ 60,069,242	\$ 54,009,555	\$ 47,080,665	\$ 48,464,019	\$ 45,335,039	\$ 44,781,139	\$ 46,143,998
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (1,519,019)	\$ 1,093,657	\$ 166,397	\$ (13,677,117)	\$ (5,588,192)	\$ (1,429,921)	\$ (3,679,616)	\$ 2,059,315	\$ 2,666,745	\$ 3,830,805

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Other financing sources (uses)</b>										
Operating transfers in	\$ 6,304,694	\$ 5,866,664	\$ 6,974,552	\$ 4,945,322	\$ 5,972,955	\$ 7,337,019	\$ -	\$ -	\$ 8,414,123	\$ 7,616,992
Operating transfers out	(7,746,588)	(6,916,172)	(8,835,004)	(6,101,725)	(7,506,307)	(8,919,507)	(2,057,847)	(2,091,529)	(10,771,352)	(9,938,170)
Proceeds from capital lease	-	-	-	-	-	-	-	-	36,000	481,210
Issuance of bonds	1,421,250	786,000	32,090,483	-	6,350,705	29,985,623	5,290,000	2,920,000	-	-
Bond issuance premium	-	-	-	-	149,656	1,503,439	-	369,490	-	-
Redemption of refunded bonds	-	-	-	-	(6,350,705)	(29,202,895)	-	(4,905,315)	-	-
Bond issuance costs	-	-	-	-	-	-	(46,345)	(63,011)	-	-
Deferred amounts on refunding	-	-	-	-	-	-	-	1,687,601	-	-
<b>Total other financing sources (uses)</b>	\$ (20,644)	\$ (263,508)	\$ 30,230,031	\$ (1,156,403)	\$ (1,383,696)	\$ 703,679	\$ 3,185,808	\$ (2,082,764)	\$ (2,321,229)	\$ (1,839,968)
<b>Net change in fund balances</b>	\$ (1,539,663)	\$ 830,149	\$ 30,396,428	\$ (14,833,520)	\$ (6,971,888)	\$ (726,242)	\$ (493,808)	\$ (23,449)	\$ 345,516	\$ 1,990,837
<b>Debit service as a percentage of noncapital expenditures</b>	19.16%	15.63%	17.01%	15.12%	17.19%	18.47%	15.21%	15.79%	15.72%	15.23%

**County of Powhatan, Virginia**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Prior**

**Table 5**

Taxpayer	Fiscal Year 2014			Fiscal Year 2005		
	Percentage of		Rank	Percentage of		Rank
	Taxable Assessed Value	Taxable Assessed Value		Taxable Assessed Value	Taxable Assessed Value	
American Timberlands	\$ 5,594,700	0.17%	10			
Anderson, Tamara & Delores Ranson	7,094,900	0.21%	3			
Carnes, W.S. et al	10,446,800	0.31%	1	\$ 3,266,500	0.17%	7
Central Virginia Bank	6,029,600	0.18%	7	5,316,200	0.28%	3
Foundry at Fine Creek Corp.				2,845,300	0.15%	9
Milhaus Corporation	6,070,000	0.18%	6			
Oakbridge Corp.	5,689,200	0.17%	9			
Patterson, S.H., Jr. et al				2,859,500	0.15%	8
Phillips, Terry				2,601,300	0.13%	10
Powhatan Properties Land & Lumber				3,429,900	0.18%	6
Powhatan Shoppes at South Creek	6,625,600	0.20%	5	4,376,500	0.23%	5
Ranson, R.F. et al	7,640,300	0.23%	2	8,950,300	0.46%	1
Reeds Landing Corp.	5,776,200	0.17%	8	4,478,500	0.23%	4
South Creek Properties	6,960,600	0.21%	4			
VSGA Foundation, Inc.				7,390,100	0.38%	2
	\$ 67,927,900	2.01%		\$ 45,514,100	2.36%	

Source: Powhatan County Commissioner of Revenue Department

*County of Powhatan, Virginia*

*Property Tax Levies and Collections  
Last Ten Fiscal Years*

*Table 6*

Fiscal Year	Taxes levied for the fiscal year (original levy)	Adjustments	Total adjusted levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2005	\$ 22,268,830	\$ (175,481)	\$ 22,093,349	\$ 21,850,974	98.12%	\$ 243,498	\$ 22,094,472	100.01%
2006	28,983,617	(426,816)	28,556,801	26,098,410	90.05%	2,448,739	28,547,149	99.97%
2007	30,643,358	(716,147)	29,927,211	22,172,530	72.36%	7,743,310	29,915,840	99.96%
2008	31,586,113	(617,878)	30,968,235	26,895,079	85.15%	3,988,111	30,883,190	99.73%
2009	35,489,429	(735,984)	34,753,445	28,215,893	79.51%	6,404,324	34,620,217	99.62%
2010	35,111,856	(593,793)	34,518,063	27,972,433	79.67%	6,339,669	34,312,102	99.40%
2011	35,131,551	(1,793,194)	33,338,357	27,395,034	77.98%	5,671,294	33,066,328	99.18%
2012 (1)	39,309,998	(5,066,541)	34,243,457	32,421,232	82.48%	1,338,701	33,759,933	98.59%
2013	35,684,848	(3,352,048)	32,332,800	30,590,404	85.72%	1,049,780	31,640,184	97.86%
2014 (2)	20,705,693	(489,997)	20,215,696	18,887,100	91.22%	-	18,887,100	93.43%

Source: Treasurer's Office and Commissioner of the Revenue

(1) In FY 2012, the County implemented twice a year collections for personal property taxes. This resulted in an additional levy and collection of one half of the annual personal property tax in FY 2012.

(2) In FY 2014, the County assessed a short year for real estate taxes in order for the real estate levies to agree to the budget cycle; therefore, the real estate levy for FY 2014 was approximately half of real estate levies in prior years.

*County of Powhatan, Virginia*

*Table 7*

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

Fiscal Year	Less:				Total Taxable Assessed Value	Direct Tax Rate	Personal Property and Mobile Homes			Machinery and Tools	Public Service	Total	
	Real Estate	Tax-Exempt Property	Real Estate	Value			Tax Rate	Homes	Tools				Service
(1)													
(2)													
2005	\$ 1,802,205,800	\$ 107,452,000	\$ 1,694,753,800	0.94%	\$ 163,925,399	\$ 6,742,835	\$ 62,731,911	\$ 1,928,153,945					
2006	3,175,599,603	94,650,003	3,080,949,600	0.74%	189,217,425	6,413,240	53,726,749	3,330,307,014					
2007	3,336,617,700	264,199,500	3,072,418,200	0.74%	205,593,900	6,846,780	77,407,080	3,362,265,960					
2008	4,039,940,795	303,703,000	3,736,237,795	0.71%	221,817,492	12,881,925	85,387,310	4,056,324,522					
2009	4,094,870,500	305,328,100	3,789,542,400	0.71%	200,805,327	12,038,975	79,349,688	4,081,736,390					
2010	3,760,019,650	303,159,400	3,456,860,250	0.77%	209,704,422	11,481,930	90,368,639	3,768,415,241					
2011	3,790,383,750	324,370,500	3,466,013,250	0.77%	213,076,137	9,388,255	90,184,332	3,778,661,974					
2012	3,324,413,600	313,414,300	3,010,999,300	0.90%	220,342,803	9,330,975	87,019,206	3,327,692,284					
2013	3,353,544,725	313,600,100	3,039,944,625	0.90%	236,952,333	9,885,765	88,634,309	3,375,417,032					
2014	3,337,208,023	309,617,800	3,027,590,223	0.90%	248,273,253	10,543,520	93,715,317	3,380,122,313					

Source: Commissioner of Revenue Department

Notes:

Real property is the County's primary local source revenue. Assessment information also included above for other property taxes.

(1) Tax rate per \$100 of assessed value of real property. See Table 6 for other tax rates.

(2) Source, Real Estate Assessments from Commissioner of Revenue

(3) Public Service Corporation property assessments performed by the State Corporation Commission

**Direct Property Tax Rates  
Last Ten Fiscal Years**

Fiscal Year	Public Service		Machinery & Tools	Personal Property
	Real Estate	Personal Property		
2005	\$ 0.94	\$ 3.60	\$ 3.60	\$ 3.60
2006	0.74	3.60	3.60	3.60
2007	0.74	3.60	3.60	3.60
2008	0.74	3.60	3.60	3.60
2009	0.71	3.60	3.60	3.60
2010	0.77	3.60	3.60	3.60
2011	0.77	3.60	3.60	3.60
2012	0.77/0.90	3.60	3.60	3.60
2013	0.90	3.60	3.60	3.60
2014	0.90	3.60	3.60	3.60

Notes: Per \$100 assessed value. There are no overlapping property tax rates with other governments.

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	State Literary Loans	Capital Leases	Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
2005	\$ 43,745,776	\$ 3,800,000	\$ 20,377,109	\$ 1,077,715	\$ 69,000,600	0.042%	\$ 2,674
2006	48,486,201	3,450,000	20,099,639	1,055,500	73,091,340	0.047%	2,644
2007	46,633,870	10,600,000	42,305,093	856,720	100,395,683	0.035%	3,631
2008	44,858,237	10,250,000	41,590,388	653,611	97,352,236	0.037%	3,444
2009	49,399,293	2,500,000	40,792,193	443,340	93,134,826	0.044%	3,263
2010	47,771,891	2,250,000	44,165,599	225,618	94,413,108	0.044%	3,304
2011	45,358,200	2,000,000	-	48,571,100	95,929,300	0.046%	3,402
2012	43,004,836	1,750,000	-	46,846,100	91,600,936	0.041%	3,259
2013	40,622,645	1,500,000	25,689	45,199,997	87,348,331	0.048%	3,076
2014	38,215,462	1,250,000	397,123	43,534,996	83,397,581	0.054%	2,931

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

**Ratio of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

Fiscal Year	Population	General Bonded Debt Outstanding Governmental Activities		Net Bonded Debt to Assessed Value	Per Capita
		Assessed Taxable Value	Gross Bonded Debt		
		(1)	(2)		
2005	26,258	\$ 1,928,153,945	\$ 47,545,776	2.36%	\$ 1,765
2006	27,282	3,330,307,014	43,341,201	1.30%	1,631
2007	27,494	3,362,265,960	48,743,561	1.45%	1,763
2008	27,674	4,056,324,522	46,831,807	1.15%	1,644
2009	27,964	4,081,736,390	43,846,097	1.07%	1,536
2010	28,046	3,768,415,241	42,196,458	1.04%	1,477
2011	28,198	3,778,661,974	39,775,241	1.05%	1,384
2012	28,110	3,327,692,284	35,674,250	1.07%	1,269
2013	28,394	3,375,417,032	42,122,645	1.25%	1,484
2014	28,451	3,380,122,313	39,465,462	1.17%	1,387

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

(1) Assessed taxable value is combination of real and other personal property per Table 7.

(2) Includes all long-term general obligation debt, bonded anticipation notes and literary fund loans.  
Excludes revenue bonds, capital leases and compensated absences.

\*See Demographic Statistics Table 11

**Demographic and Economic Statistics  
Last Ten Years**

Fiscal Year	Population	Registered Voters	Per Capita Personal Income	Median Household Income	School Enrollment	Unemployment Rate %
2005	26,258	15,305	\$ 28,934	\$ 60,810	4,272	2.70%
2006	27,282	15,953	34,262	62,634	4,396	2.70%
2007	27,494	16,606	35,153	66,039	4,434	2.40%
2008	27,674	17,806	36,067	67,756	4,418	3.20%
2009	27,964	17,789	40,592	73,940	4,510	6.20%
2010	28,046	17,842	41,361	73,593	4,253	6.60%
2011	28,198	17,993	43,860	71,176	4,436	6.00%
2012	28,110	18,772	37,320	73,593	4,786	5.40%
2013	28,394	18,950	42,016	76,495	4,222	5.30%
2014	28,451	19,341	45,446	n/a	4,205	4.60%

n/a - information is not yet available

Source: Bureau of Economic Analysis, Department of Labor Statistics, Weldon Cooper Center

**Principal Employers****Current Year and Nine Years Prior**

Employer	Fiscal Year 2014*		Fiscal Year 2005	
	Employees	% of Total Employment**	Employees	% of Total Employment**
Powhatan County School Board	500-999	N/A	500-999	N/A
Virginia Department of Juvenile Justice	250-499	N/A	250-499	N/A
Powhatan Correctional Center	250-499	N/A	250-499	N/A
Deep Meadow Correctional Center	250-499	N/A	250-499	N/A
Walmart	100-249	N/A	N/A	N/A
County of Powhatan	100-249	N/A	100-249	N/A
Food Lion	100-249	N/A	100-249	N/A
Virginia Department of Correctional Education	N/A	N/A	100-249	N/A
Anderson Merchandisers, LLC	50-99	N/A	N/A	N/A
Layman & Son Enterprises, Inc	50-99	N/A	N/A	N/A
Moslow Wood Products	50-99	N/A	N/A	N/A
Central Virginia Bank	N/A	N/A	50-99	N/A
M.P. Barden & Sons, Inc	N/A	N/A	50-99	N/A
Alliance Masonry, Inc	N/A	N/A	50-99	N/A

Source: Virginia Employment Commission

\* Quarterly Census of Employment and Wages (QCEW)

N/A - Information not available

\*\*The Virginia Employment Commission is precluded from disclosing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act - Title V of Public Law 107-347.

**Full-Time County Employees by Position  
Last Ten Fiscal Years**

Department	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>County Administration</b>										
County Administrator	1	1	1	1	1	1	1	1	1	1
Sr. Executive Assistant	-	-	-	-	-	1	1	1	1	-
Executive Associate	-	-	-	-	-	-	-	-	-	1
Executive Secretary	1	1	1	1	1	1	1	1	-	-
Total County Administrator	2	2	2	2	2	3	3	3	2	2
<b>Grants Administration</b>										
Grants Coordinator	1	1	-	-	-	1	1	1	-	-
<b>Finance</b>										
Finance Director	1	1	1	1	1	1	1	1	1	1
HR Benefits and Training Coordinator	1	1	1	1	1	1	1	1	1	-
HR/Finance Specialist	-	-	-	-	-	-	-	-	-	1
Accounting Supervisor	-	-	-	-	-	-	-	-	1	1
Accountant	-	-	-	-	-	-	1	1	1	1
Total Finance	2	2	2	2	2	2	3	3	4	4
<b>Human Resources</b>										
HR Manager	-	-	-	-	-	-	-	-	-	1
<b>Information Technology</b>										
IT Specialist	-	-	-	-	-	-	-	-	2	2
<b>County Attorney</b>										
County Attorney	1	1	-	-	-	-	1	1	1	1
Paralegal	-	-	-	-	-	-	1	1	1	1
Total County Attorney	1	1	-	-	-	-	2	2	2	2
<b>Facilities Management</b>										
Facilities Assistant	1	1	1	1	1	1	1	1	1	-
Facilities/Groundskeeper	-	-	-	-	-	1	1	1	1	-
General Services Supervisor	1	1	1	1	1	1	1	1	1	-
Maintenance Worker	1	1	2	2	2	2	2	2	2	-
Total Facilities Management	3	3	4	4	4	5	5	5	5	-

**Full-Time County Employees by Position (Continued)**  
**Last Ten Fiscal Years**

Department	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Works</b>										
Director of Public Works	-	-	-	-	-	-	-	-	-	1
Administrative Associate Public Works	-	-	-	-	-	-	-	-	-	1
Facilities Manager	-	-	-	-	-	-	-	-	-	1
Administrative Assistant Facilities	-	-	-	-	-	-	-	-	-	1
Building Supervisor - HVAC	-	-	-	-	-	-	-	-	-	1
Grounds Supervisor	-	-	-	-	-	-	-	-	-	1
Maintenance Worker III	-	-	-	-	-	-	-	-	-	2
Maintenance Worker II	-	-	-	-	-	-	-	-	-	3
Maintenance Worker I	-	-	-	-	-	-	-	-	-	1
Utilities Manager	-	-	-	-	-	-	-	-	-	1
Utilities Operations Supervisor	-	-	-	-	-	-	-	-	-	1
Utilities Operator	-	-	-	-	-	-	-	-	-	1
Convenience Center Supervisor	-	-	-	-	-	-	-	-	-	1
Convenience Center Operator III	-	-	-	-	-	-	-	-	-	1
Convenience Center Operator II	-	-	-	-	-	-	-	-	-	1
Convenience Center Operator I	-	-	-	-	-	-	-	-	-	1
Total Public Works	-	-	-	-	-	-	-	-	-	19
<b>Building Inspections</b>										
Building Official	1	1	1	1	1	1	1	1	1	-
Building Inspector	3	4	3	3	3	2	2	4	1	-
Secretary	1	1	1	1	1	1	1	1	1	-
Plans Reviewer	1	1	2	2	2	2	2	2	1	-
Total Building Inspections	6	7	7	7	7	6	6	8	4	-
<b>Commonwealth's Attorney</b>										
Commonwealth's Attorney	1	1	1	1	1	1	1	1	1	1
Deputy Commonwealth's Attorney	1	1	1	1	1	1	1	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Total Commonwealth's Attorney	3	3	3	3	3	3	3	3	3	3
<b>Commissioner of the Revenue</b>										
Commissioner of the Revenue	1	1	1	1	1	1	1	1	1	1
Chief Deputy Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy COR II	2	2	2	2	2	2	2	2	2	2
Deputy COR III	3	3	3	3	3	3	3	3	3	3
Total Commissioner of Revenue	7	7	7	7	7	7	7	7	7	7
<b>Economic Development</b>										
Economic Development Director	1	1	1	1	1	1	1	1	-	-
<b>Fire Administration</b>										
Chief of Fire and Emergency Medical Services	-	-	-	-	1	1	1	1	-	1
Administrative Associate	-	-	-	-	-	-	-	-	-	1
Administrative Assistant	1	1	1	1	1	1	1	1	1	-
Total Fire Administration	1	1	1	1	2	2	2	2	1	2

**Full-Time County Employees by Position (Continued)**  
**Last Ten Fiscal Years**

Department	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Library</b>										
Library Director	1	1	1	1	1	1	1	1	1	1
Library Clerk II	-	-	-	-	-	-	-	-	-	1
Library Assistant	1	1	1	1	1	1	1	1	1	1
Total Library	2	2	2	2	2	2	2	2	2	3
<b>Planning</b>										
Planning Director	1	1	1	1	1	1	1	1	-	-
Planner II	1	1	2	2	2	2	2	2	2	-
Planner I	1	1	-	1	1	1	1	1	1	-
Administrative Assistant	1	1	-	-	-	-	-	-	-	-
Office Manager	-	-	1	1	1	1	1	1	1	-
Zoning Administrator	1	1	1	1	1	1	1	1	1	-
GIS Coordinator	-	-	-	1	1	1	1	1	1	-
Erosion and Sediment Control Inspector	-	-	-	1	1	1	1	1	1	-
Total Planning	5	5	5	8	8	8	8	8	7	-
<b>Planning and Community Development</b>										
Director of Community Development	-	-	-	-	-	-	-	-	-	1
Administrative Associate Community Dev.	-	-	-	-	-	-	-	-	-	1
Planning Manager	-	-	-	-	-	-	-	-	-	1
Environmental Coordinator	-	-	-	-	-	-	-	-	-	1
Zoning Administrator	-	-	-	-	-	-	-	-	-	1
Planner I	-	-	-	-	-	-	-	-	-	1
Erosion and Sediment Technician	-	-	-	-	-	-	-	-	-	1
Planning/Zoning Specialist	-	-	-	-	-	-	-	-	-	1
GIS Coordinator	-	-	-	-	-	-	-	-	-	1
Building Official	-	-	-	-	-	-	-	-	-	1
Building Inspector	-	-	-	-	-	-	-	-	-	1
Plans Reviewer	-	-	-	-	-	-	-	-	-	1
Building Inspections Permit Specialist	-	-	-	-	-	-	-	-	-	1
Total Planning and Community Development	-	-	-	-	-	-	-	-	-	13
<b>GIS</b>										
GIS Coordinator	-	-	-	1	1	1	1	1	1	-
<b>Registrar</b>										
Registrar	1	1	1	1	1	1	1	1	1	1
<b>Treasurer</b>										
Treasurer	1	1	1	1	1	1	1	1	1	1
Deputy Treasurer II	2	2	3	3	3	3	3	3	3	3
Deputy Treasurer III	2	2	2	2	2	2	2	2	2	2
Chief Deputy Treasurer	1	1	1	1	1	1	1	1	1	1
Total Treasurer	6	6	7	7	7	7	7	7	7	7
<b>Comprehensive Services</b>										
Coordinator	1	1	1	1	1	1	1	1	-	1

**Full-Time County Employees by Position (Continued)**  
**Last Ten Fiscal Years**

Department	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Clerk of the Circuit Court</b>										
Clerk of the Circuit Court	1	1	1	1	1	1	1	1	1	1
Deputy Clerk IV	1	1	1	1	1	1	1	1	1	1
Deputy Clerk	2	2	2	2	2	2	2	1	1	2
Total Clerk of the Circuit Court	4	4	4	4	4	4	4	3	3	4
<b>Utilities</b>										
Utilities/General Services Director	-	1	1	1	1	1	1	1	1	-
Manager, WWTP	1	1	1	1	1	1	1	1	-	-
Utilities Engineer	-	-	-	1	1	1	1	1	1	-
WWTP Operator	2	2	3	3	3	3	3	3	3	-
Total Utilities	3	4	5	6	6	6	6	6	5	-
<b>Parks and Recreation</b>										
Parks and Recreation Director	-	-	-	-	1	1	1	1	1	1
<b>Sheriff</b>										
Office Manager	1	1	1	1	1	1	1	1	1	1
Administrative Assistant Court Services	1	1	1	1	1	1	1	1	1	1
Sergeant	1	4	4	4	4	3	4	5	5	4
Lieutenant	1	1	1	1	1	2	2	2	2	2
Deputy (one vacant)	12	18	18	20	23	25	22	21	19	20
Corporal	4	4	4	4	4	3	4	5	5	6
Victim Witness	1	1	1	1	1	1	1	1	1	-
Chief Deputy	-	-	-	-	-	1	1	1	1	1
Undersheriff	1	1	1	1	1	1	1	1	1	1
IT Technician	-	-	1	1	1	1	1	1	1	1
Crime Analyst	4	1	1	1	1	1	1	1	1	1
Detective	2	2	2	2	2	2	2	2	2	2
Sheriff	1	1	1	1	1	1	1	1	1	1
Dispatcher	-	8	8	8	8	10	10	10	8	8
Dispatch Manager	-	1	1	1	1	1	1	1	1	1
Dispatch Supervisor	-	1	1	1	1	1	1	1	1	1
Total Sheriff	29	45	46	48	51	55	54	55	51	51
<b>Victim Witness</b>										
Victim Witness Coordinator	-	-	-	-	-	-	-	-	-	1
<b>Convenience Center</b>										
Supervisor	1	1	1	1	1	1	1	1	1	-
Attendant	2	2	2	2	2	2	2	2	2	-
Total Convenience Center	3	3	3	3	3	3	3	3	3	-
<b>Animal Control</b>										
Sergeant-Animal Control	1	1	1	1	1	1	1	1	1	1
Deputy-Animal Control	2	2	2	2	2	2	2	2	2	2
Secretary	-	-	-	-	-	-	-	1	1	1
Total Animal Control	3	3	3	3	3	3	3	4	4	4
Total full-time positions	84	102	104	110	115	121	123	126	112	128
Per 1,000 population	3.43	4.16	3.99	4.21	4.39	4.62	4.69	4.69	4.69	4.50

Source: Powhatan County Human Resources Department

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

**Table 14**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public safety - number of fire stations</b>	5	5	5	5	5	5	5	5	5	5
<b>Refuse Collection</b>										
Refuse collected (tons per year)	7,041	7,266	7,329	7,156	6,830	6,773	6,736	6,112	6,395	6,514
Number of refuse sites	1	1	1	1	1	1	1	1	1	1
Recyclables Collected (tons per year)	402.16	489.62	501.77	636.46	691.88	769.40	688.73	703.40	772.39	1,077.52
<b>Parks, recreation and cultural</b>										
Park facilities	1	1	1	1	1	1	1	1	1	1
Land acres	212	212	212	212	212	212	212	212	212	212
Trails (miles)	0.44	0.50	0.50	0.50	1.0	1.0	1.0	1.37	1.37	1.8
Number of visitors	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Library</b>										
Facilities	1	1	1	1	1	1	1	1	1	1
Materials circulated	83,842	88,459	99,717	116,036	113,884	103,730	101,952	106,801	99,479	101,264
Library patrons - registered borrowers	10,477	12,037	12,023	14,086	15,365	16,356	17,369	18,243	19,203	19,710
<b>Education - number of schools</b>	5	5	5	5	6	6	6	6	6	6
<b>Number of county government positions</b>	84	102	104	110	115	121	123	126	112	128

***County of Powhatan, Virginia***

***Compliance Section***

***Year Ended June 30, 2014***



**DIXON HUGHES GOODMAN** <sup>LLP</sup>  
Certified Public Accountants and Advisors

***Independent Auditors' 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 Board of Supervisors  
*County of Powhatan, Virginia*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Powhatan, Virginia*, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the *County of Powhatan, Virginia's* basic financial statements, and have issued our report thereon dated November 25, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the *County of Powhatan, Virginia'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 of Powhatan, Virginia's* internal control. Accordingly, we do not express an opinion on the effectiveness of the *County of Powhatan, Virginia'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 entity'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.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the *County of Powhatan, Virginia'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*.

We noted certain other matters that we reported to the management of the *County of Powhatan, Virginia* in a separate letter dated November 25, 2014.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Dixon Hughes Goodman LLP*

Chester, Virginia  
November 25, 2014



**DIXON HUGHES GOODMAN** <sup>LLP</sup>  
Certified Public Accountants and Advisors

***Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133***

To The Honorable Members of Board of Supervisors  
*County of Powhatan, Virginia*

**Report on Compliance for Each Major Federal Program**

We have audited the *County of Powhatan, Virginia's* 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 of Powhatan, Virginia's* major federal programs for the year ended June 30, 2014. The *County of Powhatan, Virginia'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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the *County of Powhatan, Virginia'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 *County of Powhatan, Virginia'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 of Powhatan, Virginia's* compliance.

***Opinion on Each Major Federal Program***

In our opinion, the *County of Powhatan, Virginia* 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, 2014.

**Report on Internal Control Over Compliance**

Management of the *County of Powhatan, Virginia* 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 of Powhatan, Virginia'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 of Powhatan, Virginia's* internal control over compliance.

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

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

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.

*Dixon Hughes Goodman LLP*

Chester, Virginia  
November 25, 2014



**DIXON HUGHES GOODMAN** LLP  
Certified Public Accountants and Advisors

***Independent Auditors' Report on Compliance with  
Commonwealth of Virginia Laws, Regulations, Contracts and Grants***

To The Honorable Members of Board of Supervisors  
*County of Powhatan, Virginia*

We have audited the financial statements of the *County of Powhatan, Virginia*, as of and for the year ended June 30, 2014, and have issued our report thereon dated November 25, 2014.

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

Compliance with Commonwealth of Virginia laws, regulations, contracts and grants applicable to the *County of Powhatan, Virginia*, is the responsibility of the *County of Powhatan, Virginia's* management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the *County of Powhatan, Virginia's* compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Following is a summary of the Commonwealth of Virginia's laws, regulations, contracts and grants for which we performed tests of compliance:

Code of Virginia

- Budget and Appropriation Laws
- Cash and Investments
- Conflicts of Interest
- Debt Provisions
- Retirement Systems
- Procurement
- Unclaimed Property

State Agency Requirements

- Education
- Comprehensive Services Act Funds
- Social Services

The results of our tests disclosed one instance of noncompliance with the provisions referred to in the preceding paragraph. This instance is discussed in the Schedule of Findings and Responses as Finding 14-01. With respect to items not tested, nothing came to our attention that caused us to believe that the *County of Powhatan, Virginia* had not complied, in all material respects, with those provisions.

This report is intended solely for the information and use of the *County of Powhatan, Virginia's* Board of Supervisors, management, and the Auditor of Public Accounts and all applicable state agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

*Dixon Hughes Goodman LLP*

Chester, Virginia  
November 25, 2014

**County of Powhatan, Virginia**

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

**Year Ended June 30, 2014**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Expenditures</b>
<b>Primary Government:</b>		
<b>Department of Agriculture pass-through programs:</b>		
<b>Virginia Department of Social Services:</b>		
State administrative matching grants for the supplemental nutrition assistance program	10.561	\$ 159,377
<b>Department of Health and Human Services:</b>		
<b>Direct programs:</b>		
Community services block grant	93.569	\$ 49,603
<b>Pass-through programs:</b>		
<b>Virginia Department of Social Services:</b>		
Promoting safe and stable families	93.556	\$ 13,227
Temporary assistance for needy families	93.558	101,507
Refugee and entrant assistance - state administered programs	93.566	1,013
Low-income home energy assistance	93.568	7,991
Child care mandatory and matching funds of the child care development fund	93.596	16,834
Chafee education and training vouchers program	93.599	1,113
Child welfare services - state grants	96.645	718
Foster care - Title IV-E	93.658	122,565
Adoption assistance	93.659	41,453
Social services block grant	93.667	71,149
Chafee foster care independence program	93.674	402
Children's health insurance program	93.767	4,558
Medical assistance program	93.778	138,036
Total Department of Social Services		\$ 520,566
Total Department of Health and Human Services		\$ 570,169
<b>Department of Transportation pass-through programs:</b>		
<b>Virginia Department of Rail and Transportation:</b>		
Recreational trails program	20.216	\$ 39,217
<b>Virginia Department of Motor Vehicles:</b>		
State and community highway safety	20.600	\$ 8,790
Occupant protection incentive grants	20.602	4,290
Alcohol open container requirements	20.607	11,530
Total Department of Motor Vehicles		\$ 24,610
Total Department of Transportation		\$ 63,827
<b>Department of Justice:</b>		
<b>Direct programs:</b>		
Edward Byrne memorial justice assistance grant program	16.738	\$ 530
Equitable sharing program	16.922	147,850
Total Department of Justice		\$ 148,380
<b>Total Primary Government</b>		\$ 941,753

**County of Powhatan, Virginia**

**Schedule of Expenditures of Federal Awards - Primary Government and  
Discretely Presented Component Unit (continued)**

**Year Ended June 30, 2014**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Expenditures</b>
<b>Component Unit - School Board:</b>		
<b>Department of Agriculture pass-through programs:</b>		
Child Nutrition Cluster:		
Virginia Department of Agriculture and Consumer Services:		
Food distribution - noncash assistance	10.555	\$ 73,240
Virginia Department of Education:		
National school breakfast program	10.553	\$ 46,266
National school lunch program	10.555	310,886
Total Child Nutrition Cluster		<u>\$ 430,392</u>
<b>Department of Defense direct programs:</b>		
ROTC Instruction	12.000	<u>\$ 62,152</u>
<b>Department of Education pass-through programs:</b>		
Virginia Department of Education:		
Special Education Cluster (IDEA):		
Special education - grants to states	84.027	\$ 813,503
Special education - preschool grants	84.173	19,369
Total Special Education Cluster (IDEA)		<u>\$ 832,872</u>
Title I grants to local educational agencies	84.010	\$ 283,628
Career and technical education - basic grants to states	84.048	44,036
Improving teacher quality state grants	84.367	48,904
High schools that work grant	84.048	3,095
AP test fees	84.330	1,440
		<u>\$ 381,103</u>
Total Department of Education		<u>\$ 1,213,975</u>
Total Component Unit School Board		<u>\$ 1,706,519</u>
Total Reporting Entity		<u>\$ 2,648,272</u>

## County of Powhatan, Virginia

### Notes to Schedule of Expenditures of Federal Awards

June 30, 2014

#### 1. Summary of Significant Accounting Policies

##### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented on an accrual basis of accounting consistent with the basis of accounting used by County of Powhatan, Virginia. The schedule includes all known federal funds expended by the County for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit 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 presentation of the basic financial statements.

#### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

#### 3. Relationship to Financial Statements

Federal expenditures, revenues, and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 729,546
Special Revenue Funds:	
Grants fund	295,145
Total primary government	<u>\$ 1,024,691</u>

Component Unit Public Schools:	
School Operating Fund	\$ 1,302,800
School Cafeteria Fund	430,392
Total component unit public schools	<u>\$ 1,733,192</u>

Total federal expenditures per basic financial statements	<u>\$ 2,757,883</u>
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Less:	
Title VI - B revenue for FY13 expenditures	\$ (26,673)
Unspent forfeited assets revenue	<u>(82,938)</u>

Total federal expenditures per basic financial statements, as adjusted	<u>\$ 2,648,272</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 2,648,272</u>
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*County of Powhatan, Virginia*

*Schedule of Findings and Responses*

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**Year Ended June 30, 2014**

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**1. Summary of Auditors' Results**

- A. An unmodified opinion was issued on the financial statements.
- B. There were no significant deficiencies in internal control over financial reporting disclosed by the audit of the financial statements.
- C. The audit did not disclose any instances of noncompliance material to the financial statements.
- D. There were no significant deficiencies in internal control over major federal programs disclosed by the audit.
- E. An unmodified opinion was issued on compliance for the major programs.
- F. The audit disclosed no compliance findings required to be reported under Section 510(a) of OMB Circular A-133.
- G. The major programs were:
  - Special Education Cluster (IDEA) – CFDA Numbers 84.027 and 84.173
- H. The dollar threshold used to distinguish between Type A and Type B programs is \$300,000.
- I. The auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133.

**2. Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS**

None noted

**3. Findings and Questioned Costs for Federal Awards**

None noted

**4. Findings and Questioned Costs for Commonwealth of Virginia Laws, Regulations, Contracts, and Grants**

**Finding 14-01**

**Condition:** The State and Local Government Conflict of Interests Act contained in Chapter 31 of Title 2.2 of the Code of Virginia requires local government officials to file a statement of economic interests with the clerk of the governing body by January 15 of each year.

**Criteria:** Four forms out of 31 forms tested for the County – Two forms were not filed timely, one form was not signed or dated, and one form was not filed with the clerk of the governing body.

**Effect:** The County is not in compliance with the State and Local Government Conflict of Interest Act.

**Cause:** Unknown.

**Recommendation:** The County should take steps to ensure that each local official files the statement of economic interests in a timely manner.

**Management's Response:** The County agrees with the finding and will take steps to ensure that all required forms are filed by the deadline.

**5. Results of Prior Year Findings and Questioned Costs for Federal Awards**

None.