

COUNTY OF RICHMOND, VIRGINIA



ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

COUNTY OF RICHMOND, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

THIS PAGE LEFT BLANK INTENTIONALLY

COUNTY OF RICHMOND, VIRGINIA

BOARD OF SUPERVISORS

F. Lee Sanders, Chairperson

Jean C. Harper
John L. Haynes, Jr.

Courtney M. Sisson
Richard E. Thomas, Sr.

COUNTY SCHOOL BOARD

John A. Brown, Chairperson

Boyd K. Blackley, II
Vivian G. Wood

Brenda H. Pemberton
Patricia P. Pugh

SOCIAL SERVICES BOARD

Verlane H. Mack, Chairperson

Jean C. Harper
Walter S. Ball

W. Sue France
Cheryl B. Pierson

OTHER OFFICIALS

Judge of the Circuit Court..... Harry T. Taliaferro, III
Clerk of the Circuit Court Rosa S. Forrester
Judge of the General District Court Ricardo Rigual
Judge of the Juvenile and Domestic Relations Court..... R. Michael McKenney
Commonwealth's Attorney Wayne L. Emery
Commissioner of the Revenue Jennifer W. Delano
Treasurer Edith A. Sanders
Sheriff..... Douglas A. Bryant
Superintendent of Schools James G. Smith
Director of Social Services Claudette Henderson
County Administrator R. Morgan Quicke

THIS PAGE LEFT BLANK INTENTIONALLY

COUNTY OF RICHMOND, VIRGINIA
 ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-10
 Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	1	11
Statement of Activities	2	12
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6	16
Statement of Fiduciary Net Position - Fiduciary Funds	7	17
Notes to Financial Statements		18-48
 Required Supplementary Information:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
General Fund	8	49
Sheriff's Fund	9	50
Schedule of Pension Funding Progress	10	51
Schedule of OPEB Funding Progress - Retiree Health Insurance Plan	11	52
 Other Supplementary Information:		
Combining and Individual Fund Statements and Schedules:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:		
Capital Projects Fund	12	53
Combining Statement of Fiduciary Net Position	13	54
Combining Statement of Changes in Assets and Liabilities - Fiduciary Funds	14	55-56
Discretely Presented Component Unit - School Board:		
Combining Balance Sheet	15	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	16	58

COUNTY OF RICHMOND, VIRGINIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Other Supplementary Information: (Continued)		
Discretely Presented Component Unit - School Board: (Continued)		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
School Operating Fund, Title I Fund, and School Cafeteria Fund	17	59-60
Discretely Presented Component Unit - Industrial Development Authority:		
Statement of Net Position	18	61
Statement of Revenues, Expenses, and Changes in Net Position	19	62
Statement of Cash Flows	20	63
Supporting Schedules:		
Schedule of Revenues - Budget and Actual - Governmental Funds	1	64-69
Schedule of Expenditures - Budget and Actual - Governmental Funds	2	70-74
Statistical Information:		
Government-Wide information:		
Government-Wide Expenses by Function	1	75
Government-Wide Revenues	2	76
Fund information:		
General Governmental Expenditures by Function	3	77
General Governmental Revenues by Source	4	78
Property Tax Levies and Collections	5	79
Assessed Value of Taxable Property	6	80
Property Tax Rates	7	81
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	8	82
Compliance:		
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 <i>Government Auditing Standards</i>		83-84
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133		85-86
Schedule of Expenditures of Federal Awards		87-88
Notes to Schedule of Expenditures of Federal Awards		89
Schedule of Findings and Questioned Costs		90
Schedule of Prior Year Findings		91

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To The Honorable Members of the Board of Supervisors
County of Richmond
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Richmond, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards 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 auditor considers 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Richmond, Virginia, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, budgetary comparison information, and schedules of pension and OPEB funding progress 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

Other Information (continued)

The other supplementary information, and supporting schedules, 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 supporting schedules, 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 statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2014, on our consideration of the County of Richmond, 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 Richmond, Virginia's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "R. F. Clark", followed by a horizontal line extending to the right.

Richmond, Virginia
January 22, 2014

THIS PAGE LEFT BLANK INTENTIONALLY

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors To the Citizens of Richmond County County of Richmond, Virginia

As management of the County of Richmond, Virginia, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013. Please read it in conjunction with the County's basic financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- < The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$5,483,449 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other financing uses of \$14,052,426 (Exhibit 5) after making contributions totaling \$5,039,769 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$16,656,803, an increase of \$14,052,456 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$130,137, or 1% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$14,753,752 during the current fiscal year.

Overview of the Financial Statements

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

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

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Richmond, Virginia itself (known as the primary government), but also a legally separate school district, and industrial development authority and for which the County of Richmond, Virginia is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

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

Overview of the Financial Statements (Continued)

Governmental funds - *Governmental funds* are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has three major governmental funds – the General Fund, the Capital Projects Fund and the Sheriff’s Fund.

Fiduciary funds - The County is the trustee, or fiduciary, for the County’s agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County’s government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

Notes to 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 statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units - School Board, and Industrial Development Authority. The Component Units do not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$5,843,449 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net position:

County of Richmond, Virginia's Net Position

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 17,399,923	\$ 3,214,028
Capital assets	<u>9,608,436</u>	<u>9,395,434</u>
Total assets	\$ <u>27,008,359</u>	\$ <u>12,609,462</u>
Current liabilities	\$ 599,657	\$ 265,198
Long-term liabilities outstanding	<u>20,892,605</u>	<u>6,138,853</u>
Total liabilities	\$ <u>21,492,262</u>	\$ <u>6,404,051</u>
Deferred inflow of resources	\$ <u>32,648</u>	\$ <u>-</u>
Net position:		
Net investment in capital assets	\$ 3,931,810	\$ 3,420,528
Unrestricted	<u>1,551,639</u>	<u>2,784,883</u>
Total net assets	\$ <u><u>5,483,449</u></u>	\$ <u><u>6,205,411</u></u>

Government-wide Financial Analysis (Continued)

The County's net position decreased by \$721,962 during the current fiscal year. The following table summarizes the County's Statement of Activities

		Governmental Activities	
		2013	2012
Charges for services	\$	434,520	\$ 475,971
Operating grants and contributions		2,237,106	1,977,184
Capital grants and contributions		25,000	-
General property taxes		7,171,701	7,099,394
Other local taxes		1,368,449	1,274,484
Payment from Richmond County School Board		116,211	-
Grants and other contributions not restricted		1,126,877	1,156,517
Other general revenues		121,745	115,714
Total revenues	\$	<u>12,601,609</u>	\$ <u>12,099,264</u>
General government administration	\$	1,073,266	\$ 1,157,245
Judicial administration		685,595	701,428
Public safety		2,363,407	2,205,361
Public works		862,389	968,585
Health and welfare		1,444,859	1,480,014
Education		5,316,656	4,888,913
Parks, recreation, and cultural		614,679	385,484
Community development		296,212	210,363
Interest and other fiscal charges		666,508	306,399
Total expenses	\$	<u>13,323,571</u>	\$ <u>12,303,792</u>
Change in net position	\$	(721,962)	\$ (204,528)
Net position, beginning of year		6,205,411	6,409,939
Net position, end of year	\$	<u>5,483,449</u>	\$ <u>6,205,411</u>

Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$16,656,803, an increase of \$14,052,426 in comparison with the prior year. Approximately 1% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, budgetary estimates exceeded revenues and other sources by \$29,559. Budgetary estimates exceeded expenditures and other uses by \$730 resulting in a negative variance of \$30,289 for net change in fund balance.

Capital Asset and Debt Administration

< **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2013 amounts to \$9,608,435 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, and machinery and equipment.

Additional information on the County's capital assets can be found in the notes of this report.

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$20,094,476. Of this amount, \$17,564,950 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds and notes).

The County's total debt increased by \$14,427,909 during the current fiscal year.

Additional information on the County of Richmond, Virginia's long-term debt can be found in the notes of this report.

Economic Factors and Next Year's Budgets and Rates

- < The unemployment rate for the County of 8.7 percent compares to the state's average unemployment rate of 5.5 percent.
- < Inflationary trends in the region compare to national indexes.

All of these factors were considered in preparing the County's budget for the 2014 fiscal year.

The fiscal year 2014 budget increased by approximately 3% and all tax rates remained the same.

Requests for Information

This financial report is designed to provide a general overview of the County of Richmond, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 1000, Warsaw, Virginia 22572.

THIS PAGE LEFT BLANK INTENTIONALLY

BASIC FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

GOVERNMENT-WIDE FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Statement of Net Position
June 30, 2013

	Primary Government		
	<u>Governmental Activities</u>	<u>Component Units</u>	
		<u>School Board</u>	<u>IDA</u>
ASSETS			
Cash and cash equivalents	\$ 809,773	\$ 224,683	\$ 116,587
Receivables (net of allowance for uncollectibles):			
Taxes receivable	419,595	-	-
Accounts receivable	164,962	141,172	-
Restricted investments	15,030,420	-	-
Due from other governmental units	975,173	316,115	-
Inventories	-	20,832	-
Capital assets (net of accumulated depreciation):			
Land	409,475	64,085	56,739
Buildings and improvements	8,077,493	2,140,667	-
Machinery, equipment and vehicles	551,599	654,483	-
Construction in progress	569,869	-	-
Total assets	<u>\$ 27,008,359</u>	<u>\$ 3,562,037</u>	<u>\$ 173,326</u>
LIABILITIES			
Accounts payable	\$ 252,099	\$ 62,865	\$ -
Accrued interest payable	255,706	-	-
Due to other governmental units	91,852	380,687	-
Long-term liabilities:			
Due within one year	800,883	21,205	-
Due in more than one year	20,091,722	258,579	-
Total liabilities	<u>\$ 21,492,262</u>	<u>\$ 723,336</u>	<u>\$ -</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - property taxes	\$ 32,648	\$ -	\$ -
Total deferred inflow of resources	<u>\$ 32,648</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 3,931,810	\$ 2,859,235	\$ 56,739
Unrestricted (deficit)	1,551,639	(20,534)	116,587
Total net position	<u>\$ 5,483,449</u>	<u>\$ 2,838,701</u>	<u>\$ 173,326</u>

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

County of Richmond, Virginia
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units School Board IDA
PRIMARY GOVERNMENT:						
Governmental activities:						
General government administration	\$ 1,073,266	\$ -	\$ 149,229	\$ -	\$ (924,037)	
Judicial administration	685,595	45,823	306,953	-	(332,819)	
Public safety	2,363,407	388,697	756,015	-	(1,218,695)	
Public works	862,389	-	-	-	(862,389)	
Health and welfare	1,444,859	-	819,214	-	(625,645)	
Education	5,316,656	-	80,653	-	(5,236,003)	
Parks, recreation, and cultural	614,679	-	-	-	(614,679)	
Community development	296,212	-	-	-	(296,212)	
Interest on long-term debt	666,508	-	125,042	-	(541,466)	
Total governmental activities	\$ 13,323,571	\$ 434,520	\$ 2,237,106	\$ -	\$ (10,651,945)	
Total primary government	\$ 13,323,571	\$ 434,520	\$ 2,237,106	\$ -		
COMPONENT UNITS:						
School Board	\$ 13,134,093	\$ 125,138	\$ 7,670,644	\$ -	\$ (5,338,311)	\$ -
IDA	42,588	109,158	-	-	-	66,570
Total component units	\$ 13,176,681	\$ 234,296	\$ 7,670,644	\$ -	\$ (5,338,311)	\$ 66,570
General revenues:						
General property taxes					\$ 7,171,701	\$ -
Other local taxes:						
Local sales and use taxes					1,171,856	-
Other local taxes					196,593	-
Unrestricted revenues from use of money and property					62,614	115
Miscellaneous					59,131	147,225
Grants and contributions not restricted to specific programs					1,151,877	-
Payments from Richmond County					-	5,143,243
Payments from Richmond County School Board					116,211	-
Total general revenues					\$ 9,929,983	\$ 5,290,583
Change in net position					\$ (721,962)	\$ (47,728)
Net position - beginning					6,205,411	2,886,429
Net position - ending					\$ 5,483,449	\$ 2,838,701
						\$ 173,326

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

FUND FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sheriff's Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 255,076	\$ 552,351	\$ 2,346	\$ 809,773
Receivables (net of allowance for uncollectibles):				
Taxes receivable	419,595	-	-	419,595
Accounts receivable	164,796	166	-	164,962
Restricted investment		15,030,420		15,030,420
Due from other governmental units	975,173	-	-	975,173
Total assets	<u>\$ 1,814,640</u>	<u>\$ 15,582,937</u>	<u>\$ 2,346</u>	<u>\$ 17,399,923</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 252,099	\$ -	\$ -	\$ 252,099
Due to other governmental units	91,852	-	-	91,852
Total liabilities	<u>\$ 343,951</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,951</u>
Deferred inflows of resources:				
Unavailable revenue	\$ 399,169	\$ -	\$ -	\$ 399,169
Total deferred inflow of resources	<u>\$ 399,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399,169</u>
Fund balances:				
Restricted	\$ -	\$ 15,030,420	\$ 2,346	\$ 15,032,766
Committed	282,224	552,517	-	834,741
Assigned	659,159	-	-	659,159
Unassigned	130,137	-	-	130,137
Total fund balances	<u>\$ 1,071,520</u>	<u>\$ 15,582,937</u>	<u>\$ 2,346</u>	<u>\$ 16,656,803</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,814,640</u>	<u>\$ 15,582,937</u>	<u>\$ 2,346</u>	<u>\$ 17,399,923</u>

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

County of Richmond, Virginia
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Position
 June 30, 2013

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	16,656,803
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		9,608,436
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		366,521
Long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Lease revenue bonds	\$ (2,681,152)	
General obligations bonds	(17,913,229)	
Note payable	(112,665)	
Compensated absences	(161,601)	
Net OPEB obligation	(23,958)	
Accrued interest payable	(255,706)	(21,148,311)
Net position of governmental activities	\$	5,483,449

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

County of Richmond, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sheriff's Fund</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 7,184,262	\$ -	\$ -	\$ 7,184,262
Other local taxes	1,368,449	-	-	1,368,449
Permits, privilege fees, and regulatory licenses	55,131	-	-	55,131
Fines and forfeitures	26,108	-	-	26,108
Revenue from the use of money and property	28,497	34,117	-	62,614
Charges for services	353,281	-	-	353,281
Miscellaneous	58,765	-	366	59,131
Recovered costs	965,759	-	-	965,759
Intergovernmental revenues:				
Local government	116,211	-	-	116,211
Commonwealth	2,773,261	-	-	2,773,261
Federal	615,722	-	-	615,722
Total revenues	<u>\$ 13,545,446</u>	<u>\$ 34,117</u>	<u>\$ 366</u>	<u>\$ 13,579,929</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,020,637	\$ -	\$ -	\$ 1,020,637
Judicial administration	606,017	-	-	606,017
Public safety	2,540,282	-	-	2,540,282
Public works	864,220	-	-	864,220
Health and welfare	2,060,587	-	-	2,060,587
Education	5,048,659	-	-	5,048,659
Parks, recreation, and cultural	140,886	-	-	140,886
Community development	267,170	-	-	267,170
Nondepartmental	168,483	-	-	168,483
Capital projects	1,097,271	-	-	1,097,271
Debt service:				
Principal retirement	567,606	-	-	567,606
Interest and other fiscal charges	294,753	194,726	-	489,479
Total expenditures	<u>\$ 14,676,571</u>	<u>\$ 194,726</u>	<u>\$ -</u>	<u>\$ 14,871,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,131,125)</u>	<u>\$ (160,609)</u>	<u>\$ 366</u>	<u>\$ (1,291,368)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation bonds	\$ -	\$ 14,855,183	\$ -	\$ 14,855,183
Bond premium issuance	-	348,279	-	348,279
Issuance of note payable	140,332	-	-	140,332
Total other financing sources (uses)	<u>\$ 140,332</u>	<u>\$ 15,203,462</u>	<u>\$ -</u>	<u>\$ 15,343,794</u>
Net change in fund balances	\$ (990,793)	\$ 15,042,853	\$ 366	\$ 14,052,426
Fund balances - beginning	2,062,313	540,084	1,980	2,604,377
Fund balances - ending	<u>\$ 1,071,520</u>	<u>\$ 15,582,937</u>	<u>\$ 2,346</u>	<u>\$ 16,656,803</u>

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

County of Richmond, Virginia
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 14,052,426

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. The following is a summary of items supporting this adjustment:

Capital outlay	\$ 797,596	
Depreciation expense	(467,328)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government	(103,474)	226,794

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. (13,792)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (12,561)

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect differences in the treatment of long-term obligations and related items. The following is a summary of items supporting this adjustment:

Principal retirement on lease revenue bonds	\$ 290,490	
Principal retirement on general obligation bonds	249,449	
Principal retirement on note payable	27,667	
Amortization of bond premium	44,048	
Issuance of note payable	(140,332)	
Issuance of bond premium	(348,279)	
Issuance of general obligation bonds	(14,855,183)	(14,732,140)

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:

(Increase) decrease in compensated absences	\$ (18,954)	
(Increase) decrease in net OPEB obligation	(2,658)	
(Increase) decrease in accrued interest payable	(221,077)	(242,689)

Change in net position of governmental activities \$ (721,962)

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

County of Richmond, Virginia
 Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 616,864
Receivables:	
Interest and dividends	40
Total assets	\$ 616,904
 LIABILITIES	
Accounts payable	\$ 31,633
Amounts held for social services clients	24,634
Amounts held for Northern Neck Regional Vocational Center	560,637
Total liabilities	\$ 616,904

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

THIS PAGE LEFT BLANK INTENTIONALLY

NOTES TO THE FINANCIAL STATEMENTS

THIS PAGE LEFT BLANK INTENTIONALLY

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies:

The County of Richmond, Virginia (the "County") is governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police, refuse disposal, recreational activities, cultural events, education, and social services.

The financial statements of the County of Richmond, 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.

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 and Fund Financial Statements

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 units. 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 units. 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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies: (Continued)

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

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 reporting model, governments provide budgetary comparison information in their annual reports including a requirement to report the government's original budget with the 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 the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Richmond (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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies: (Continued)

B. Individual Component Unit Disclosures

Blended Component Unit.

The County has no blended component units at June 30, 2013.

Discretely Presented Component Units.

The Richmond County School Board members are appointed by the Richmond County School Board Selection Commission. 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 Board 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, 2013.

The Richmond County Industrial Development Authority is responsible for industrial and commercial development in the County. The Board of Supervisors appoints the Authority board members. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2013. The Authority does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

The remainder of this page left blank intentionally

Note 1—Summary of Significant Accounting Policies: (Continued)

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, 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.) or a business-type activity.

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 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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all 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 unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables 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 the 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 following governmental funds.

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report 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.

b. Special Revenue Funds

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only special revenue fund the is the Sheriff's Fund, which is considered a major fund.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies: (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

c. Capital Projects Fund

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund is considered a major fund.

2. Fiduciary Funds - (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. The County's Agency Funds include Library, Special Welfare and Northern Neck Regional Vocational Center. 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.

F. Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

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

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 portions of the 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 approximately \$45,104 at June 30, 2013 and is comprised solely of property taxes.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies: (Continued)

G. Receivables and payables (Continued)

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	December 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 as 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 the asset's life 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 units, are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	50
Vehicles	5
Buses	10
Equipment	10

Note 1—Summary of Significant Accounting Policies: (Continued)

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 is estimated will be taken as "terminal leave" prior to retirement.

J. Retirement Plan

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

K. 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.

L. Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. 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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies: (Continued)

M. Long-term Obligations

In the government-wide financial statements, 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 during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Fund Equity

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 1—Summary of Significant Accounting Policies: (Continued)

N. Fund Equity (Continued)

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

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Sheriff's Fund</u>	<u>Total</u>
Fund balances:				
Restricted:				
Drug seizure	\$ -	\$ -	\$ 2,346	\$ 2,346
School construction	-	15,030,420	-	15,030,420
Total restricted fund balance	<u>\$ -</u>	<u>\$ 15,030,420</u>	<u>\$ 2,346</u>	<u>\$ 15,032,766</u>
Committed:				
Courthouse maintenance	\$ 35,211	\$ -	\$ -	\$ 35,211
E-911 wireless funds	247,013	-	-	247,013
Capital projects	-	552,517	-	552,517
Total committed fund balance	<u>\$ 282,224</u>	<u>\$ 552,517</u>	<u>\$ -</u>	<u>\$ 834,741</u>
Assigned:				
School construction	\$ 578,962	\$ -	\$ -	\$ 578,962
Electric service backbone for community park	20,197	-	-	20,197
Reassessment fund	60,000	-	-	60,000
Total assigned fund balance	<u>\$ 659,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,159</u>
Unassigned	\$ 130,137	\$ -	\$ -	\$ 130,137
Total fund balances	<u>\$ 1,071,520</u>	<u>\$ 15,582,937</u>	<u>\$ 2,346</u>	<u>\$ 16,656,803</u>

Note 1—Summary of Significant Accounting Policies: (Continued)

O. Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board

The County has implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. The Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position." The net equity reported in the financial statements has not changed as a result of implementing this Statement and no restatement of prior balances is required.

P. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The County does not have any deferred outflows of resources as of June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reported a deferred inflows of resources for property taxes unavailable at June 30, 2013. The County has one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the government funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30 and amounts prepaid and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on are reported as deferred inflows of resources.

Q. Items Previously Reported as Assets and Liabilities, Statement No. 65 of Governmental Accounting Standards Board

The County early implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

R. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED) AS OF JUNE 30, 2013

Note 2—Stewardship, Compliance, and Accounting:

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

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

Expenditures and Appropriations

Expenditures exceeded appropriations in the General Fund at June 30, 2013.

Note 3—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of 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

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

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 3—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2013 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

<u>County's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Rating</u>
	<u>AAAm</u>
Virginia State Non-Arbitrage Program	<u>\$ 15,030,420</u>

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 SNAP and Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As these pools are not SEC registered, regulatory oversight of the pools rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

The remainder of this page left blank intentionally

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 4—Due from/to Other Governments:

At June 30, 2013, amounts due from other governments are as follows:

	Primary Government	Component Unit School Board
	<u> </u>	<u> </u>
Other Local Governments:		
Richmond County School Board	\$ 380,687	\$ -
Commonwealth of Virginia:		
Mobile home titling tax	2,237	-
Recordation tax	3,134	-
Rolling stock tax	2,402	-
Welfare	21,549	-
State sales Tax	-	184,711
Local sales tax	205,175	-
PSAP technology grant	1,140	-
Constitutional officer reimbursements	91,494	-
Comprehensive services act	118,668	-
Communications tax	49,751	-
Wireless grant	3,516	-
Other state funds	1,771	3,361
Federal Government:		
School fund grants	-	114,308
School food	-	13,735
USDA equipment grant	25,000	-
Ground transportation safety grant	1,499	-
Payment in lieu of taxes	7,635	-
Welfare	33,647	-
Byrne grant	25,868	-
	<u> </u>	<u> </u>
Total due from other governments	<u>\$ 975,173</u>	<u>\$ 316,115</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 4—Due from/to Other Governments: (Continued)

At June 30, 2013, amounts due to other local governments are as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
County of Richmond	\$ -	\$ 380,687
Commonwealth of Virginia	91,852	-
	<u>\$ 91,852</u>	<u>\$ 380,687</u>

Note 5—Interfund Obligations:

Details of the School Board’s interfund receivables and payables as of June 30, 2013, are as follows:

	Interfund Receivable	Interfund Payable
School Board		
School Operating Fund	\$ -	\$ 13,735
School Cafeteria Fund	13,735	-
Total School Board Funds	<u>\$ 13,735</u>	<u>\$ 13,735</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The remainder of this page left blank intentionally

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 6—Capital Assets:

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

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<i>Primary Government:</i>				
Capital assets not subject to depreciation:				
Land	\$ 409,475	\$ -	\$ -	\$ 409,475
Construction in Progress	-	655,612	85,743	569,869
Total capital assets not subject to depreciation	\$ 409,475	\$ 655,612	\$ 85,743	\$ 979,344
Capital assets subject to depreciation:				
Buildings and improvements	\$ 7,039,576	\$ -	\$ -	\$ 7,039,576
Machinery, equipment, & vehicles	1,402,301	227,727	92,214	1,537,814
Jointly owned assets	6,260,377	-	230,262	6,030,115
Total capital assets subject to depreciation	\$ 14,702,254	\$ 227,727	\$ 322,476	\$ 14,607,505
Accumulated depreciation:				
Buildings and improvements	\$ 1,510,889	\$ 160,961	\$ -	\$ 1,671,850
Machinery, equipment, & vehicles	904,244	160,393	78,422	986,215
Jointly owned assets	3,301,162	145,974	126,788	3,320,348
Total accumulated depreciation	\$ 5,716,295	\$ 467,328	\$ 205,210	\$ 5,978,413
Total capital assets subject to depreciation, net	\$ 8,985,959	\$ (239,601)	\$ 117,266	\$ 8,629,092
Governmental activities capital assets, net	\$ 9,395,434	\$ 416,011	\$ 203,009	\$ 9,608,436

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 6—Capital Assets: (Continued)

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<i>Component Unit-School Board:</i>				
Capital assets not subject to depreciation:				
Land	\$ 64,085	\$ -	\$ -	\$ 64,085
Total capital assets not subject to depreciation	<u>\$ 64,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,085</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ -	\$ 85,743	\$ -	\$ 85,743
Machinery, equipment, & vehicles	2,275,860	160,711	42,745	2,393,826
Jointly owned assets	4,346,430	-	(230,262)	4,576,692
Total capital assets subject to depreciation	<u>\$ 6,622,290</u>	<u>\$ 246,454</u>	<u>\$ (187,517)</u>	<u>\$ 7,056,261</u>
Accumulated depreciation:				
Buildings and improvements	\$ -	\$ 1,715	\$ -	\$ 1,715
Machinery, equipment, & vehicles	1,593,031	189,057	42,745	1,739,343
Jointly owned assets	2,291,918	101,347	(126,788)	2,520,053
Total accumulated depreciation	<u>\$ 3,884,949</u>	<u>\$ 292,119</u>	<u>\$ (84,043)</u>	<u>\$ 4,261,111</u>
Total capital assets subject to depreciation, net	<u>\$ 2,737,341</u>	<u>\$ (45,665)</u>	<u>\$ (103,474)</u>	<u>\$ 2,795,150</u>
Governmental activities capital assets, net	<u>\$ 2,801,426</u>	<u>\$ (45,665)</u>	<u>\$ (103,474)</u>	<u>\$ 2,859,235</u>

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

Governmental activities:	
General government administration	\$ 11,187
Judicial administration	138,584
Public safety	147,447
Health and welfare	3,196
Education	145,974
Community development	20,940
Total Governmental activities	<u>\$ 467,328</u>
Component Unit School Board	<u>\$ 292,119</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 7—Long-Term Obligations:

Primary Government:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2013:

	<u>Balance at July 1, 2012</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance at June 30, 2013</u>	<u>Amounts Due Within One Year</u>
Governmental Obligations:					
Incurred by County:					
Compensated absences	\$ 142,647	\$ 33,219	\$ 14,265	\$ 161,601	\$ 16,160
Lease revenue bonds	2,707,351	-	290,490	2,416,861	300,714
Note payable	-	140,332	27,667	112,665	26,990
Add deferred amounts:					
Issuance premium	308,339	-	44,048	264,291	-
Net OPEB obligation	21,300	10,658	8,000	23,958	-
Total incurred by County	\$ 3,179,637	\$ 184,209	\$ 384,470	\$ 2,979,376	\$ 343,864
Incurred by School Board:					
General obligation bonds	\$ 2,959,216	\$ 14,855,183	\$ 249,449	\$ 17,564,950	\$ 457,019
Add deferred amounts:					
Issuance premium	-	348,279	-	348,279	-
Total incurred by School Board	\$ 2,959,216	\$ 15,203,462	\$ 249,449	\$ 17,913,229	\$ 457,019
Total Governmental Obligations	\$ 6,138,853	\$ 15,387,671	\$ 633,919	\$ 20,892,605	\$ 800,883

The remainder of this page left blank intentionally

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30	County Obligations			
	Lease Revenue Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2014	\$ 300,714	\$ 96,655	\$ 26,990	\$ 2,697
2015	315,946	83,994	28,045	1,642
2016	331,189	70,630	28,582	1,105
2017	346,441	55,537	29,048	557
2018	356,703	39,818	-	-
2019	376,976	24,220	-	-
2020	388,892	8,564	-	-
Total	<u>\$ 2,416,861</u>	<u>\$ 379,418</u>	<u>\$ 112,665</u>	<u>\$ 6,001</u>

Year Ending June 30	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2014	\$ 457,019	\$ 602,149
2015	519,489	542,545
2016	526,459	531,191
2017	533,748	519,860
2018	540,930	508,546
2019	553,438	497,669
2020	561,317	490,311
2021	854,559	479,877
2022	869,559	463,086
2023	884,559	447,312
2024	899,559	434,481
2025	900,526	424,226
2026	910,526	414,324
2027	920,526	403,629
2028	883,467	386,479
2029	903,467	365,584
2030	923,467	346,979
2031	943,467	327,764
2032	963,467	307,939
2033	983,467	287,504
2034	1,003,467	266,459
2035	1,028,469	127,892
Total	<u>\$ 17,564,950</u>	<u>\$ 9,175,801</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations:

	<u>Total Amount</u>
<i><u>Incurred by County:</u></i>	
<i><u>Lease Revenue Bonds:</u></i>	
\$2,660,000 VRA refunding bonds issued November 17, 2011, due in annual principal installments through November 1, 2019, interest payable semi-annually at various rates. Face amount of bonds outstanding, \$2,660,000 plus unamortized issuance premium of \$308,339	\$ 2,375,000
\$59,800 USDA revenue bonds issued January 29, 2010, due in monthly principal installments through December 19, 2019, interest payable monthly at 4%.	41,861
Total Lease Revenue Bonds	<u>\$ 2,416,861</u>
<i><u>Note Payable:</u></i>	
\$140,332 note payable to Peoples Community Bank issued September 12, 2012, due in annual principal installments through September 12, 2017, interest payable annually at 1.9%.	<u>\$ 112,665</u>
Issuance premium	<u>\$ 264,291</u>
Compensated absences (payable by General Fund)	<u>\$ 161,601</u>
Net OPEB obligation (payable by General Fund)	<u>\$ 23,958</u>
Total incurred by County	<u>\$ 2,979,376</u>
<i><u>Incurred by School Board:</u></i>	
<i><u>General Obligation Bonds:</u></i>	
\$1,999,022 School bonds issued November 19, 1998, due in varying annual installments of principal and interest through January 15, 2019, interest payable semi-annually ranges from 3.6% to 5.1%.	\$ 650,944
\$2,500,000 School bonds issued September 1, 2010, due in annual principal installments of \$147,059 through September 1, 2026. This bond is interest-free.	2,058,823
\$6,085,183 School bonds issued October 31, 2012, due in varying annual installments of principal and interest through December 1, 2034, interest payable semi-annually at the rate of 3.84% per annum.	6,085,183
\$8,770,000 School bonds issued November 15, 2012, due in varying annual installments of principal and interest through July 15, 2034, interest payable semi-annually ranges from 2.05% to 5.05%.	8,770,000
Total General Obligation Bonds	<u>\$ 17,564,950</u>
Bond issuance premium	<u>\$ 348,279</u>
Total incurred by School Board	<u>\$ 17,913,229</u>
Total Long-Term Obligations, Primary Government	<u>\$ 20,892,605</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 7—Long-Term Obligations: (Continued)

Component Unit-School Board:

The following is a summary of long-term obligation transactions for the fiscal year ended June 30, 2013:

	Balance at July 1, 2012	Increases	Decreases	Balance at June 30, 2013	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 205,285	\$ 27,298	\$ 20,529	\$ 212,054	\$ 21,205
Net OPEB obligation	35,200	60,330	27,800	67,730	-
Total Component Unit-School Board	<u>\$ 240,485</u>	<u>\$ 87,628</u>	<u>\$ 48,329</u>	<u>\$ 279,784</u>	<u>\$ 21,205</u>

Note 8—Northern Neck Regional Jail Lease Agreement:

On June 29, 2000, Richmond County, along with Westmoreland County signed a financing lease agreement with the County of Northumberland for lease of Northern Neck Regional Jail. Presently, Richmond County owns 32% and Westmoreland County owns 68% of the jail. The lease term expires on December 15, 2015. At the end of this term, the ownership in the jail will be reallocated as follows: 25% to Richmond County, 25% to Northumberland County, and 50% to Westmoreland County.

Future minimum lease payments to be received as of June 30, 2013 are as follows:

Year Ending June 30	
2014	\$ 124,800
2015	124,800
2016	<u>124,800</u>
Total minimum future lease payments	<u>\$ 374,400</u>

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 9—Unearned and Unavailable Revenue:

Unavailable 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. Unavailable revenue totaling \$399,169 is comprised of the following:

Unavailable Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$366,521 at June 30, 2013.

Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2013 but paid in advance by the taxpayers totaled \$32,648 at June 30, 2013.

Note 10—Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of the 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.

Note 11—Litigation:

At June 30, 2013, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 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 VACO Self Insurance Association for workers' compensation. 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 VACO 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 loss. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 13—Defined Benefit Pension Plan:

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)
Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit 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. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

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

- Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least ten years of service credit.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 13—Defined Benefit Pension Plan: (Continued)

A. Plan Description (Continued)

- Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with a least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the members plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

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

The System issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the report may be obtained from the VRS website at: <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 13—Defined Benefit Pension Plan: (Continued)

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County 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 and School Board non-professional's contribution rate for the fiscal year ended 2013 were 11.39% and 8.88% of annual covered payroll, respectively.

The Richmond County School Board professional employees' contribution rates are 11.66%, 6.33% and 3.93% of annual covered payroll for fiscal years ended 2013, 2012, and 2011, respectively. The contribution requirements of plan members and Richmond County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ended June 30, 2013, 2012, and 2011 were \$706,155, \$383,385 and \$238,581, respectively, and equal to the required contributions for each year.

C. Annual Pension Cost

For fiscal year 2013, the County's annual pension cost of \$407,928 (which includes the employee share which was \$124,444 with \$40,206 being paid by the employee) was equal to the County's required and actual contributions.

The remainder of this page left blank intentionally

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 13—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost (Continued)

For fiscal year 2013, the School Board’s annual pension cost for the School Board’s non-professional employees was \$33,129 (which includes the employee share which was \$11,934) which was equal to the School Board’s required and actual contributions.

Three Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation
County:			
June 30, 2013	\$ 283,484	100%	\$ -
June 30, 2012	225,169	100%	-
June 30, 2011	223,295	100%	-
School Board:			
Non-Professional:			
June 30, 2013	\$ 21,195	100%	\$ -
June 30, 2012	20,084	100%	-
June 30, 2011	21,468	100%	-

(1) Employer portion only

The fiscal year 2013 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 7.00%, (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 3.50% 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 2.50% 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 2.50%. The actuarial value of the County and School Board’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 and School Board’s 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, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 13—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the County’s plan was 78.18% funded. The actuarial accrued liability for benefits was \$11,721,351, and the actuarial value of assets was \$9,163,354, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,557,947. The covered payroll (annual payroll of active employees covered by the plan) was \$2,552,820, and ratio of the UAAL to the covered payroll was 100.20%.

As of June 30, 2012, the most recent actuarial valuation date, the School Board’s Non-Professional plan was 109.75% funded. The actuarial accrued liability for benefits was \$560,630, and the actuarial value of assets was \$615,276, resulting in an unfunded actuarial accrued liability (UAAL) of (\$54,646). The covered payroll (annual payroll of active employees covered by the plan) was \$239,128, and ratio of the UAAL to the covered payroll was (22.85%).

The schedule of funding progress, presented as Required Supplementary Information (RSI) 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 (AAL) for benefits.

Note 14—Surety Bonds:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety:	
Rosa S. Forrester, Clerk of Circuit Court	\$ 103,000
Edith Anne Sanders, Treasurer	300,000
Jennifer W. Delano, Commissioner of the Revenue	3,000
Douglas A. Bryant, Sheriff	30,000
The above constitutional officer's employee - blanket bond	50,000
The Cincinnati Insurance Company - Surety:	
Jean C. Harper, Supervisor	2,000
John L. Haynes, Jr., Supervisor	2,000
Richard E. Thomas, Sr., Supervisor	2,000
Courtney M. Sisson, Supervisor	2,000
F. Lee Sanders, Supervisor	2,000
James C. Smith, Superintendent of Schools	10,000
Susan Johns, Director of Finance, School Board	10,000
Janet B. Rice, Assistant Director of Finance, School Board	10,000
All Department of Social Services Employees-blanket bond	100,000

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 15–Other Postemployment Benefits - Health Insurance:

A. Plan Description

The County allows retirees that retire at the age of 55 with at least 30 years of service with the County or 65 with at least 5 years of service with the County to remain on their health insurance plan. Health benefits include medical and dental. The retiree is responsible for 100% of the premium which is paid directly to Anthem. Benefits are offered to the retiree and spouse for the lifetime of the retiree.

The School Board allows retirees that retire at the age of 50 with a least 12 consecutive years of service to remain on their health insurance plan until the age of 65. This coverage is at the retiree's own expense. Health benefits include medical only.

The School Board allows retirees that retire at the age of 55 with at least 12 consecutive years of service to remain on their health insurance plan until the age of 65. The School Board pays a portion of each retiree's premium at a rate to be determined annually by the School Board. Health benefits include medical only.

B. Funding Policy

The funding policies of both groups of retirees are described above. The Schools currently have 5 retirees and 0 spouses on their plan. The County has 2 retirees with 0 spouses.

C. 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 GASB parameters. 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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 15–Other Postemployment Benefits - Health Insurance: (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retired employees by the County and School Board.

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:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Annual required contribution	\$ 10,700	\$ 60,400
Interest on net OPEB obligation	746	1,232
Adjustment to annual required contribution	(788)	(1,302)
Annual OPEB cost (expense)	<u>\$ 10,658</u>	<u>\$ 60,330</u>
Contributions made	<u>(8,000)</u>	<u>(27,800)</u>
Increase in net OPEB obligation	2,658	32,530
Net OPEB obligation-beginning of year	21,300	35,200
Net OPEB obligation-end of year	<u><u>\$ 23,958</u></u>	<u><u>\$ 67,730</u></u>

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 year 2013 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
6/30/2013	\$ 10,658	75.06%	\$ 23,958
6/30/2012	12,406	48.36%	21,300
6/30/2011	12,394	37.92%	14,894
Schools:			
6/30/2013	\$ 60,330	46.08%	\$ 67,730
6/30/2012	55,810	88.32%	35,200
6/30/2011	55,790	75.10%	25,890

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County’s actuarial accrued liability for benefits was \$101,600, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,861,900, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 3.55 percent.

Note 15–Other Postemployment Benefits - Health Insurance: (Continued)

D. Funded Status and Funding Progress (Continued)

As of June 30, 2013, the most recent actuarial valuation date, the School Board’s actuarial accrued liability for benefits was \$606,600, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,351,400, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 9.55 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.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 2013 using Scale AA.

Coverage elections -The actuary assumed that 30% of eligible retirees will elect coverage and that 30% of retirees who elect coverage will cover a spouse.

Based on the historical and expected returns of the County’s short-term investment portfolio, a discount of 4.0% was used. In addition, the projected unit credit actuarial cost method 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, 2013 was thirty years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2013

Note 16-Other Postemployment Benefits - Health Insurance Credit:

A. 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 §51.1-145, 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 13.

B. 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 June 30, 2013, 2012, and 2011 were \$67,224, \$36,340 and \$36,425, respectively and equaled the required contributions for each year.

Note 17-Upcoming Pronouncements:

The GASB has issued Statement No. 60, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014 (fiscal year ended June 30, 2015). The County has not determined the impact of this pronouncement on its financial statements

THIS PAGE LEFT BLANK INTENTIONALLY

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 6,976,320	\$ 6,999,912	\$ 7,184,262	\$ 184,350
Other local taxes	1,426,725	1,426,725	1,368,449	(58,276)
Permits, privilege fees, and regulatory licenses	52,350	52,350	55,131	2,781
Fines and forfeitures	35,000	35,000	26,108	(8,892)
Revenue from the use of money and property	55,000	55,000	28,497	(26,503)
Charges for services	390,350	390,350	353,281	(37,069)
Miscellaneous	25,000	25,000	58,765	33,765
Recovered costs	1,154,037	1,154,037	965,759	(188,278)
Intergovernmental revenues:				
Local government	70,000	70,000	116,211	46,211
Commonwealth	2,910,111	2,910,111	2,773,261	(136,850)
Federal	456,520	456,520	615,722	159,202
Total revenues	<u>\$ 13,551,413</u>	<u>\$ 13,575,005</u>	<u>\$ 13,545,446</u>	<u>\$ (29,559)</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,184,996	\$ 2,418,149	\$ 1,020,637	\$ 1,397,512
Judicial administration	650,908	661,752	606,017	55,735
Public safety	2,444,974	2,616,738	2,540,282	76,456
Public works	887,661	893,075	864,220	28,855
Health and welfare	2,161,394	2,193,259	2,060,587	132,672
Education	5,131,695	5,131,295	5,048,659	82,636
Parks, recreation, and cultural	139,789	140,886	140,886	-
Community development	310,908	310,908	267,170	43,738
Nondepartmental	94,315	171,954	168,483	3,471
Capital projects	-	-	1,097,271	(1,097,271)
Debt service:				
Principal retirement	102,390	102,390	567,606	(465,216)
Interest and other fiscal charges	35,035	35,435	294,753	(259,318)
Total expenditures	<u>\$ 14,144,065</u>	<u>\$ 14,675,841</u>	<u>\$ 14,676,571</u>	<u>\$ (730)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (592,652)</u>	<u>\$ (1,100,836)</u>	<u>\$ (1,131,125)</u>	<u>\$ (30,289)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of note payable	\$ -	\$ 140,332	\$ 140,332	\$ -
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 140,332</u>	<u>\$ 140,332</u>	<u>\$ -</u>
Net change in fund balances	\$ (592,652)	\$ (960,504)	\$ (990,793)	\$ (30,289)
Fund balances - beginning	592,652	960,504	2,062,313	1,101,809
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,071,520</u>	<u>\$ 1,071,520</u>

County of Richmond, Virginia
 Sheriff's Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 366	\$ 366
Total revenues	\$ -	\$ -	\$ 366	\$ 366
 Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 366	\$ 366
 Net change in fund balances	\$ -	\$ -	\$ 366	\$ 366
Fund balances - beginning	-	-	1,980	1,980
Fund balances - ending	\$ -	\$ -	\$ 2,346	\$ 2,346

County of Richmond, Virginia
 Schedule of Pension Funding Progress
 For the Year Ended June 30, 2013

County:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UUAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
6/30/2012	\$ 9,163,354	\$ 11,721,351	\$ 2,557,997	78.18%	\$ 2,552,820	100.20%
6/30/2011	9,170,390	11,401,969	2,231,579	80.43%	2,516,912	88.66%
6/30/2010	8,874,429	11,026,948	2,152,519	80.48%	2,518,538	85.47%
6/30/2009	8,734,052	9,863,000	1,128,948	88.55%	2,456,244	45.96%
6/30/2008	8,532,233	9,262,933	730,700	92.11%	2,127,903	34.34%
6/30/2007	7,740,387	8,633,854	893,467	89.65%	1,956,094	45.68%
6/30/2006	6,931,706	7,163,713	232,007	96.76%	1,773,061	13.09%
6/30/2005	6,525,512	7,225,709	700,197	90.31%	1,724,502	40.60%
6/30/2004	6,343,256	6,606,913	263,657	96.01%	1,514,724	17.41%
6/30/2003	6,269,649	6,110,986	(158,663)	102.60%	1,539,826	-10.30%

School Board Non-Professionals:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UUAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
6/30/2012	\$ 615,276	\$ 560,630	\$ (54,646)	109.75%	\$ 239,128	-22.85%
6/30/2011	613,740	616,028	2,288	99.63%	249,045	0.92%
6/30/2010	572,383	517,949	(54,434)	110.51%	249,045	-21.86%
6/30/2009	540,474	655,263	114,789	82.48%	228,945	50.14%
6/30/2008	504,673	627,708	123,035	80.40%	182,475	67.43%
6/30/2007	442,549	550,270	107,721	80.42%	181,725	59.28%
6/30/2006	380,275	502,018	121,743	75.75%	170,735	71.31%
6/30/2005	356,679	478,564	121,885	74.53%	159,005	76.65%
6/30/2004	348,153	354,219	6,066	98.29%	155,185	3.91%
6/30/2003	331,588	291,440	(40,148)	113.78%	126,473	-31.74%

County of Richmond, Virginia

Schedule of OPEB Funding Progress - Retiree Health Insurance Plan

For the Year Ended June 30, 2013

Actuarial Valuation Date*	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UUAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
Primary Government:						
6/30/2010	\$ -	\$ 94,400	94,400	0.00%	\$ 2,615,600	3.61%
6/30/2013	-	101,600	101,600	0.00%	2,861,900	3.55%
Discretely Presented Component Unit:						
6/30/2010	\$ -	\$ 594,800	594,800	0.00%	\$ 6,648,200	8.95%
6/30/2013		606,600	606,600	0.00%	6,351,400	9.55%

* Only two actuarial valuations available

OTHER SUPPLEMENTARY INFORMATION

THIS PAGE LEFT BLANK INTENTIONALLY

*COMBINING AND INDIVIDUAL FUNDS STATEMENTS AND
SCHEDULES*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
 Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 34,117	\$ 34,117
Total revenues	\$ -	\$ -	\$ 34,117	\$ 34,117
EXPENDITURES				
Debt service:				
Bond issuance costs	\$ -	\$ 194,726	\$ 194,726	\$ -
Total expenditures	\$ -	\$ 194,726	\$ 194,726	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (194,726)	\$ (160,609)	\$ 34,117
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation bonds	\$ -	\$ 194,726	\$ 14,855,183	\$ 14,660,457
Bond premium issuance	-	-	348,279	348,279
Total other financing sources (uses)	\$ -	\$ 194,726	\$ 15,203,462	\$ 15,008,736
Net change in fund balances	\$ -	\$ -	\$ 15,042,853	\$ 15,042,853
Fund balances - beginning	-	-	540,084	540,084
Fund balances - ending	\$ -	\$ -	\$ 15,582,937	\$ 15,582,937

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>			<u>Total</u>
	<u>Library</u>	<u>Special Welfare</u>	<u>Northern Neck Regional Vocational Center</u>	
ASSETS				
Cash and cash equivalents	\$ 31,593	\$ 24,634	\$ 560,637	\$ 616,864
Receivables:				
Interest and dividends	40	-	6	46
Total assets	<u>\$ 31,633</u>	<u>\$ 24,634</u>	<u>\$ 560,643</u>	<u>\$ 616,910</u>
LIABILITIES				
Accounts payable	\$ 31,633	\$ -	\$ -	\$ 31,633
Amounts held for social services clients	-	24,634	-	24,634
Amounts held for Northern Neck Regional Vocational Center	-	-	560,643	560,643
Total liabilities	<u>\$ 31,633</u>	<u>\$ 24,634</u>	<u>\$ 560,643</u>	<u>\$ 616,910</u>

County of Richmond, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Library:				
ASSETS				
Cash and cash equivalents	\$ 29,275	\$ 123,429	\$ 121,111	\$ 31,593
Receivables:				
Interest and dividends	49	-	9	40
Total assets	<u>\$ 29,324</u>	<u>\$ 123,429</u>	<u>\$ 121,120</u>	<u>\$ 31,633</u>
LIABILITIES				
Accounts payable	<u>\$ 29,324</u>	<u>\$ 123,429</u>	<u>\$ 121,120</u>	<u>\$ 31,633</u>
Special Welfare:				
ASSETS				
Cash and cash equivalents	<u>\$ 27,391</u>	<u>\$ 2,955</u>	<u>\$ 5,712</u>	<u>\$ 24,634</u>
LIABILITIES				
Amounts held for social services clients	<u>\$ 27,391</u>	<u>\$ 2,955</u>	<u>\$ 5,712</u>	<u>\$ 24,634</u>
Northern Neck Regional Vocational Center:				
ASSETS				
Cash and cash equivalents	\$ 447,072	\$ 1,755,900	\$ 1,642,335	\$ 560,637
Receivables:				
Interest and dividends	-	6	-	6
Total assets	<u>\$ 447,072</u>	<u>\$ 1,755,906</u>	<u>\$ 1,642,335</u>	<u>\$ 560,643</u>
LIABILITIES				
Amounts held for Northern Neck Regional Vocational Center	<u>\$ 447,072</u>	<u>\$ 1,755,906</u>	<u>\$ 1,642,335</u>	<u>\$ 560,643</u>

County of Richmond, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2013

	Balance Beginning <u>of Year</u>	<u>Additions</u>	<u>Deletions</u>	Balance End <u>of Year</u>
<u>Local Sales Tax Fund:</u>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,208,616	\$ 1,208,616	\$ -
LIABILITIES				
Amounts held for others	\$ -	\$ 1,208,616	\$ 1,208,616	\$ -
<u>Total - All Agency Funds:</u>				
ASSETS				
Cash and cash equivalents	\$ 503,738	\$ 3,090,900	\$ 2,977,774	\$ 616,864
Receivables:				
Interest and dividends	49	6	9	46
Total assets	\$ 503,787	\$ 3,090,906	\$ 2,977,783	\$ 616,910
LIABILITIES				
Accounts payable	\$ 29,324	\$ 123,429	\$ 121,120	\$ 31,633
Amounts held for social services clients	27,391	2,955	5,712	24,634
Amounts held for Northern Neck Regional Vocational Center	447,072	1,755,906	1,642,335	560,643
Amounts held for others	-	1,208,616	1,208,616	-
Total liabilities	\$ 503,787	\$ 3,090,906	\$ 2,977,783	\$ 616,910

THIS PAGE LEFT BLANK INTENTIONALLY

*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2013

	School Operating <u>Fund</u>	School Cafeteria <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 224,683	\$ 224,683
Receivables (net of allowance for uncollectibles):			
Accounts receivable	141,172	-	141,172
Due from other funds	-	13,735	13,735
Due from other governmental units	316,115	-	316,115
Inventories	-	20,832	20,832
Total assets	<u>\$ 457,287</u>	<u>\$ 259,250</u>	<u>\$ 716,537</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 62,865	\$ -	\$ 62,865
Due to other funds	13,735	-	13,735
Due to other governmental units	380,687	-	380,687
Total liabilities	<u>\$ 457,287</u>	<u>\$ -</u>	<u>\$ 457,287</u>
Fund balances:			
Committed:			
School Cafeteria Fund	\$ -	\$ 259,250	\$ 259,250
Total fund balances	<u>\$ -</u>	<u>\$ 259,250</u>	<u>\$ 259,250</u>
Total liabilities and fund balances	<u>\$ 457,287</u>	<u>\$ 259,250</u>	<u>\$ 716,537</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances per above	\$ 259,250
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,859,235
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(279,784)
Net position of governmental activities	<u>\$ 2,838,701</u>

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2013

	School Operating Fund	School Cafeteria Fund	Title I Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ 110	\$ 5	\$ 115
Charges for services	-	125,138	-	125,138
Miscellaneous	133,128	14,097	-	147,225
Recovered costs	221,110	-	-	221,110
Intergovernmental revenues:				
Local government	5,039,769	-	-	5,039,769
Commonwealth	6,612,429	-	-	6,612,429
Federal	957,603	35,065	65,547	1,058,215
Total revenues	<u>\$ 12,964,039</u>	<u>\$ 174,410</u>	<u>\$ 65,552</u>	<u>\$ 13,204,001</u>
EXPENDITURES				
Current:				
Education	\$ 12,617,819	\$ 505,026	\$ 147,394	\$ 13,270,239
Total expenditures	<u>\$ 12,617,819</u>	<u>\$ 505,026</u>	<u>\$ 147,394</u>	<u>\$ 13,270,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 346,220</u>	<u>\$ (330,616)</u>	<u>\$ (81,842)</u>	<u>\$ (66,238)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 346,220	\$ -	\$ 346,220
Transfers out	(346,220)	-	-	(346,220)
Total other financing sources (uses)	<u>\$ (346,220)</u>	<u>\$ 346,220</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 15,604	\$ (81,842)	\$ (66,238)
Fund balances - beginning	-	243,646	81,842	325,488
Fund balances - ending	<u>\$ -</u>	<u>\$ 259,250</u>	<u>\$ -</u>	<u>\$ 259,250</u>

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

Net change in fund balances - total governmental funds - per above \$ (66,238)

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. The following is a summary of items supporting this adjustment:

Capital outlay	\$ 246,454	
Depreciation expense	(292,119)	
Transfer of joint tenancy assets to Component Unit School Board from Primary Government	<u>103,474</u>	57,809

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

Decrease (increase) in compensated absences	\$ (6,769)	
Decrease (increase) in Net OPEB obligation	<u>(32,530)</u>	(39,299)

Change in net position of governmental activities \$ (47,728)

County of Richmond, Virginia
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2013

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	8,000	68,000	133,128	65,128
Recovered costs	264,287	264,287	221,110	(43,177)
Intergovernmental revenues:				
Local government	5,122,805	5,122,405	5,039,769	(82,636)
Commonwealth	6,587,514	6,592,514	6,612,429	19,915
Federal	250,838	675,577	957,603	282,026
Total revenues	<u>\$ 12,233,444</u>	<u>\$ 12,722,783</u>	<u>\$ 12,964,039</u>	<u>\$ 241,256</u>
EXPENDITURES				
Current:				
Education	\$ 12,233,444	\$ 12,722,783	\$ 12,617,819	\$ 104,964
Excess (deficiency) of revenues over (under) expenditures				
	\$ -	\$ -	\$ 346,220	\$ 346,220
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(346,220)	(346,220)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (346,220)</u>	<u>\$ (346,220)</u>
Net change in fund balances				
	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title I Fund				School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ 5	\$ 5	\$ -	\$ -	\$ 110	\$ 110
-	-	-	-	-	-	125,138	125,138
-	-	-	-	-	-	14,097	14,097
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	147,394	65,547	(81,847)	-	35,065	35,065	-
\$ -	\$ 147,394	\$ 65,552	\$ (81,842)	\$ -	\$ 35,065	\$ 174,410	\$ 139,345
\$ -	\$ 147,394	\$ 147,394	\$ -	\$ -	\$ 35,065	\$ 505,026	\$ (469,961)
\$ -	\$ -	\$ (81,842)	\$ (81,842)	\$ -	\$ -	\$ (330,616)	\$ (330,616)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,220	\$ 346,220
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,220	\$ 346,220
\$ -	\$ -	\$ (81,842)	\$ (81,842)	\$ -	\$ -	\$ 15,604	\$ 15,604
-	-	81,842	81,842	-	-	243,646	243,646
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,250	\$ 259,250

THIS PAGE LEFT BLANK INTENTIONALLY

*DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY*

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2013

		Industrial Development <u>Authority</u>
ASSETS		
Cash and cash equivalents	\$	116,587
Capital assets:		
Land		56,739
Total assets	\$	<u>173,326</u>
NET POSITION		
Investment in capital assets	\$	56,739
Unrestricted		116,587
Total net position	\$	<u>173,326</u>

County of Richmond, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2013

	Industrial Development Authority
OPERATING REVENUES	
Charges for services:	
Rents	\$ 72,247
Miscellaneous	4,893
Recovered costs	36,911
Total operating revenues	\$ 114,051
OPERATING EXPENSES	
Other charges	\$ 42,588
Total operating expenses	\$ 42,588
Operating income (loss)	\$ 71,463
NONOPERATING REVENUES (EXPENSES)	
Interest income	\$ 37
Total nonoperating revenues (expenses)	\$ 37
Changes in net position	\$ 71,500
Net position - beginning	101,826
Net position - ending	\$ 173,326

County of Richmond, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$	114,051
Other receipts (payments)		(42,588)
Net cash provided by (used for) operating activities	\$	<u>71,463</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$	37
Net cash provided by (used for) investing activities	\$	<u>37</u>

Net increase (decrease) in cash and cash equivalents	\$	71,500
Cash and cash equivalents - beginning		<u>45,087</u>
Cash and cash equivalents - ending	\$	<u><u>116,587</u></u>

**Reconciliation of operating income (loss) to net cash
provided by (used for) operating activities:**

Operating income (loss)	\$	71,463
Net cash provided by (used for) operating activities	\$	<u><u>71,463</u></u>

THIS PAGE LEFT BLANK INTENTIONALLY

SUPPORTING SCHEDULES

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,092,000	\$ 5,115,592	\$ 5,252,632	\$ 137,040
Real and personal public service corporation taxes	310,000	310,000	419,600	109,600
Personal property taxes	1,410,000	1,410,000	1,326,983	(83,017)
Mobile home taxes	16,000	16,000	11,658	(4,342)
Merchant's capital taxes	53,000	53,000	54,533	1,533
Machinery and tools taxes	320	320	1,243	923
Penalties	65,000	65,000	73,487	8,487
Interest	30,000	30,000	44,126	14,126
Total general property taxes	<u>\$ 6,976,320</u>	<u>\$ 6,999,912</u>	<u>\$ 7,184,262</u>	<u>\$ 184,350</u>
Other local taxes:				
Local sales and use taxes	\$ 1,236,775	\$ 1,236,775	\$ 1,171,856	\$ (64,919)
Consumers' utility taxes	125,000	125,000	121,692	(3,308)
Consumption tax	23,950	23,950	21,049	(2,901)
Taxes on recordation and wills	41,000	41,000	53,852	12,852
Total other local taxes	<u>\$ 1,426,725</u>	<u>\$ 1,426,725</u>	<u>\$ 1,368,449</u>	<u>\$ (58,276)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 10,000	\$ 10,000	\$ 6,437	\$ (3,563)
Transfer fees	350	350	265	(85)
Permits and other licenses	42,000	42,000	48,429	6,429
Total permits, privilege fees, and regulatory licenses	<u>\$ 52,350</u>	<u>\$ 52,350</u>	<u>\$ 55,131</u>	<u>\$ 2,781</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 35,000	\$ 35,000	\$ 26,108	\$ (8,892)
Revenue from use of money and property:				
Revenue from use of money	\$ 37,000	\$ 37,000	\$ 13,805	\$ (23,195)
Revenue from use of property	18,000	18,000	14,692	(3,308)
Total revenue from use of money and property	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 28,497</u>	<u>\$ (26,503)</u>
Charges for services:				
Sheriff's fees	\$ 1,000	\$ 1,000	\$ 1,117	\$ 117
Charges for courthouse maintenance	4,000	4,000	2,722	(1,278)
Charges for courthouse security	15,000	15,000	13,842	(1,158)
Charges for other court costs	350	350	2,403	2,053
Charges for Commonwealth's Attorney	500	500	748	248
Charges for EMS billings	369,000	369,000	319,972	(49,028)
Charges for correction and detention	-	-	1,011	1,011
Charges for other protection	-	-	6,081	6,081
Charges for sales of publications	500	500	270	(230)
Charges for DMV fees	-	-	5,115	5,115
Total charges for services	<u>\$ 390,350</u>	<u>\$ 390,350</u>	<u>\$ 353,281</u>	<u>\$ (37,069)</u>

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2013

Schedule 1
 Page 2 of 6

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 25,000	\$ 25,000	\$ 58,765	\$ 33,765
Recovered costs:				
Northern Neck regional jail payment	\$ 124,800	\$ 124,800	\$ 124,800	\$ -
Streetlights	2,900	2,900	1,866	(1,034)
Court services unit	15,750	15,750	2,025	(13,725)
Other recovered costs	1,010,587	1,010,587	837,068	(173,519)
Total recovered costs	<u>\$ 1,154,037</u>	<u>\$ 1,154,037</u>	<u>\$ 965,759</u>	<u>\$ (188,278)</u>
Total revenue from local sources	<u>\$ 10,114,782</u>	<u>\$ 10,138,374</u>	<u>\$ 10,040,252</u>	<u>\$ (98,122)</u>
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from Richmond County School Board	\$ -	\$ -	\$ 116,211	\$ 116,211
Contribution from Industrial Development Authority	70,000	70,000	-	(70,000)
Total revenue from local governments	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 116,211</u>	<u>\$ 46,211</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 1,000	\$ 1,000	\$ 2,402	\$ 1,402
Mobile home titling tax	17,500	17,500	10,605	(6,895)
Motor vehicle rental tax	-	-	40	40
State recordation tax	17,210	17,210	12,567	(4,643)
Communications tax	320,000	320,000	314,673	(5,327)
Personal property tax relief funds	803,954	803,954	803,955	1
Total noncategorical aid	<u>\$ 1,159,664</u>	<u>\$ 1,159,664</u>	<u>\$ 1,144,242</u>	<u>\$ (15,422)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 160,923	\$ 160,923	\$ 158,871	\$ (2,052)
Sheriff	619,011	619,011	595,377	(23,634)
Commissioner of revenue	57,448	57,448	54,649	(2,799)

County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Shared expenses: (Continued)				
Treasurer	\$ 68,265	\$ 68,265	\$ 68,008	\$ (257)
Medical examiner	90	90	-	(90)
Registrar/electoral board	28,000	28,000	25,262	(2,738)
Clerk of the Circuit Court	137,460	137,460	148,082	10,622
Total shared expenses	<u>\$ 1,071,197</u>	<u>\$ 1,071,197</u>	<u>\$ 1,050,249</u>	<u>\$ (20,948)</u>
Other categorical aid:				
Four for life grant	\$ 7,850	\$ 7,850	\$ 9,908	\$ 2,058
Fire program funds	19,500	19,500	-	(19,500)
Comprehensive services act program	235,000	235,000	227,217	(7,783)
Public assistance and welfare administration	235,000	235,000	197,648	(37,352)
E911 wireless grant	-	-	39,933	39,933
Litter control grant	6,300	6,300	-	(6,300)
Domestic violence grant	40,000	40,000	20,001	(19,999)
Wireless grant	41,000	41,000	-	(41,000)
Preschool initiative program	67,000	67,000	80,653	13,653
Court security grant	22,000	22,000	-	(22,000)
Emergency preparedness	-	-	2,100	2,100
Other state grants	5,600	5,600	1,310	(4,290)
Total other categorical aid	<u>\$ 679,250</u>	<u>\$ 679,250</u>	<u>\$ 578,770</u>	<u>\$ (100,480)</u>
Total categorical aid	<u>\$ 1,750,447</u>	<u>\$ 1,750,447</u>	<u>\$ 1,629,019</u>	<u>\$ (121,428)</u>
Total revenue from the Commonwealth	<u>\$ 2,910,111</u>	<u>\$ 2,910,111</u>	<u>\$ 2,773,261</u>	<u>\$ (136,850)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 8,000	\$ 8,000	\$ 7,635	\$ (365)
Categorical aid:				
Law enforcement grant	\$ 22,400	\$ 22,400	\$ 26,660	\$ 4,260
State and community highway safety	25,500	25,500	12,997	(12,503)
Public assistance and welfare administration	390,000	390,000	394,349	4,349
QSCB interest rate subsidy	-	-	125,042	125,042
Byrne justice assistance grant program	10,620	10,620	49,039	38,419
Total categorical aid	<u>\$ 448,520</u>	<u>\$ 448,520</u>	<u>\$ 608,087</u>	<u>\$ 159,567</u>
Total revenue from the federal government	<u>\$ 456,520</u>	<u>\$ 456,520</u>	<u>\$ 615,722</u>	<u>\$ 159,202</u>
Total General Fund	<u>\$ 13,551,413</u>	<u>\$ 13,575,005</u>	<u>\$ 13,545,446</u>	<u>\$ (29,559)</u>

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2013

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund:				
Sheriff's Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 366	\$ 366
Total Drug Seizure Fund	\$ -	\$ -	\$ 366	\$ 366
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:	\$ -	\$ -	\$ 34,117	\$ 34,117
Total Primary Government	\$ 13,551,413	\$ 13,575,005	\$ 13,579,929	\$ 4,924
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Miscellaneous	\$ 8,000	\$ 68,000	\$ 133,128	\$ 65,128
Total miscellaneous revenue	\$ 8,000	\$ 68,000	\$ 133,128	\$ 65,128
Recovered costs:				
Cafeteria funds	\$ 244,287	\$ 244,287	\$ 212,742	\$ (31,545)
Other recovered costs	20,000	20,000	8,368	(11,632)
Total recovered costs	\$ 264,287	\$ 264,287	\$ 221,110	\$ (43,177)
Total revenue from local sources	\$ 272,287	\$ 332,287	\$ 354,238	\$ 21,951
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Richmond, Virginia	\$ 5,122,805	\$ 5,122,405	\$ 5,039,769	\$ (82,636)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,108,123	\$ 1,108,123	\$ 1,103,597	\$ (4,526)
Basic school aid	3,322,900	3,322,900	3,323,450	550
At risk payments	133,323	133,323	133,559	236
Early reading intervention	27,978	27,978	19,985	(7,993)
English as a second language	37,784	37,784	34,349	(3,435)
Fringe benefits	588,123	588,123	589,142	1,019
GED preparation assistance	7,859	7,859	7,859	-
Gifted and talented	34,159	34,159	34,218	59
Industry certification	-	-	6,265	6,265
Mentor teacher program	539	539	245	(294)
Primary class size	166,788	166,788	171,064	4,276
Project graduation	-	5,000	6,459	1,459
Regular foster care	-	-	3,289	3,289
Remedial education	111,387	111,387	111,580	193

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2013

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Remedial summer education	\$ 32,699	\$ 32,699	\$ 41,782	\$ 9,083
School food	-	-	12,820	12,820
Special education	565,846	565,846	566,826	980
Special education - foster children	30,198	30,198	20,223	(9,975)
Special education - homebound	1,359	1,359	1,168	(191)
Special education - jails	10,752	10,752	5,862	(4,890)
SOL algebra readiness	16,367	16,367	16,367	-
Technology	128,000	128,000	128,000	-
Textbook payment	66,632	66,632	66,747	115
Vocational education	100,991	100,991	101,166	175
Vocational education - equipment	-	-	2,962	2,962
Vocational education - occupational preparedness	55,686	55,686	47,564	(8,122)
Vocational education - adult	-	-	416	416
Vocational education - regional	-	-	12,617	12,617
Other state funds	40,021	40,021	42,848	2,827
Total categorical aid	<u>\$ 6,587,514</u>	<u>\$ 6,592,514</u>	<u>\$ 6,612,429</u>	<u>\$ 19,915</u>
Total revenue from the Commonwealth	<u>\$ 6,587,514</u>	<u>\$ 6,592,514</u>	<u>\$ 6,612,429</u>	<u>\$ 19,915</u>
Revenue from the federal government:				
Categorical aid:				
Title VI-B, special education flow-through	\$ 225,000	\$ 225,000	\$ 229,078	\$ 4,078
Title VI-B, rural and low income	25,838	28,370	23,315	(5,055)
Vocational education	-	21,000	22,133	1,133
Title I	-	275,321	289,900	14,579
Title II, Part A	-	92,501	30,847	(61,654)
Title II, Part D	-	-	2,037	2,037
Language acquisition	-	33,385	26,893	(6,492)
School lunch and breakfast programs	-	-	333,400	333,400
Total categorical aid	<u>\$ 250,838</u>	<u>\$ 675,577</u>	<u>\$ 957,603</u>	<u>\$ 282,026</u>
Total revenue from the federal government	<u>\$ 250,838</u>	<u>\$ 675,577</u>	<u>\$ 957,603</u>	<u>\$ 282,026</u>
Total School Operating Fund	<u>\$ 12,233,444</u>	<u>\$ 12,722,783</u>	<u>\$ 12,964,039</u>	<u>\$ 241,256</u>

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2013

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 110	\$ 110
Charges for services:				
Cafeteria sales	\$ -	\$ -	\$ 125,138	\$ 125,138
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 14,097	\$ 14,097
Total revenue from local sources	\$ -	\$ -	\$ 139,345	\$ 139,345
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Commodities	\$ -	\$ 35,065	\$ 35,065	\$ -
Total School Cafeteria Fund	\$ -	\$ 35,065	\$ 174,410	\$ 139,345
PL 89-10 (Title I) Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 5	\$ 5
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ -	\$ 147,394	\$ 65,547	\$ (81,847)
Total categorical aid	\$ -	\$ 147,394	\$ 65,547	\$ (81,847)
Total revenue from the federal government	\$ -	\$ 147,394	\$ 65,547	\$ (81,847)
Total PL 89-10 (Title I) Fund	\$ -	\$ 147,394	\$ 65,552	\$ (81,842)
Total Discretely Presented Component Unit - School Board	\$ 12,233,444	\$ 12,905,242	\$ 13,204,001	\$ 298,759

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
Page 1 of 5

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of Supervisors	\$ 1,331,702	\$ 1,530,309	\$ 159,588	\$ 1,370,721
General and financial administration:				
County administrator	\$ 182,565	\$ 182,565	\$ 180,577	\$ 1,988
Information technology	198,266	223,239	229,756	(6,517)
Commissioner of revenue	166,562	166,562	164,932	1,630
Assessor	30,000	30,000	-	30,000
Treasurer	204,567	208,532	210,759	(2,227)
Total general and financial administration	\$ 781,960	\$ 810,898	\$ 786,024	\$ 24,874
Board of elections:				
Electoral board and officials	\$ 17,961	\$ 17,961	\$ 16,519	\$ 1,442
Registrar	53,373	58,981	58,506	475
Total board of elections	\$ 71,334	\$ 76,942	\$ 75,025	\$ 1,917
Total general government administration	\$ 2,184,996	\$ 2,418,149	\$ 1,020,637	\$ 1,397,512
Judicial administration:				
Courts:				
Circuit court	\$ 57,937	\$ 68,781	\$ 68,782	\$ (1)
General district court	11,810	11,810	3,810	8,000
Magistrate	100	100	-	100
Court services unit	45,948	45,948	34,170	11,778
Clerk of the circuit court	221,015	221,015	210,567	10,448
Total courts	\$ 336,810	\$ 347,654	\$ 317,329	\$ 30,325
Commonwealth's attorney:				
Commonwealth's attorney	\$ 314,098	\$ 314,098	\$ 288,688	\$ 25,410
Total judicial administration	\$ 650,908	\$ 661,752	\$ 606,017	\$ 55,735
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,347,441	\$ 1,378,873	\$ 1,383,078	\$ (4,205)
Fire and rescue services:				
Volunteer fire department	\$ 147,000	\$ 147,000	\$ 146,031	\$ 969
Volunteer rescue squad	625,987	766,319	713,109	53,210
Total fire and rescue services	\$ 772,987	\$ 913,319	\$ 859,140	\$ 54,179
Correction and detention:				
Juvenile group home	\$ 11,698	\$ 11,698	\$ 11,698	\$ -

County of Richmond, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2013

Schedule 2
 Page 2 of 5

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Inspections:				
Building	\$ 108,316	\$ 108,316	\$ 102,714	\$ 5,602
Other protection:				
Animal control	\$ 57,671	\$ 57,671	\$ 54,405	\$ 3,266
Civil defense	74,461	74,461	73,535	926
Medical examiner	400	400	20	380
E-911 system	72,000	72,000	55,692	16,308
Total other protection	\$ 204,532	\$ 204,532	\$ 183,652	\$ 20,880
Total public safety	\$ 2,444,974	\$ 2,616,738	\$ 2,540,282	\$ 76,456
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,150	\$ 4,374	\$ 4,372	\$ 2
Sanitation and waste removal:				
Refuse collection and disposal	\$ 586,600	\$ 586,600	\$ 544,928	\$ 41,672
Maintenance of general buildings and grounds:				
General properties	\$ 296,911	\$ 302,101	\$ 314,920	\$ (12,819)
Total public works	\$ 887,661	\$ 893,075	\$ 864,220	\$ 28,855
Health and welfare:				
Health:				
Supplement of local health department	\$ 129,081	\$ 129,081	\$ 128,531	\$ 550
Mental health and mental retardation:				
Community services board	\$ 23,000	\$ 23,000	\$ 23,000	\$ -
Welfare:				
Family development center	\$ 114,000	\$ 122,273	\$ 122,334	\$ (61)
Area agency on aging	7,650	7,650	7,650	-
Virginia public assistance	1,537,663	1,537,663	1,457,965	79,698
Tax relief for the elderly	-	23,592	23,592	-
Comprehensive services	350,000	350,000	297,515	52,485
Total welfare	\$ 2,009,313	\$ 2,041,178	\$ 1,909,056	\$ 132,122
Total health and welfare	\$ 2,161,394	\$ 2,193,259	\$ 2,060,587	\$ 132,672
Education:				
Other instructional costs:				
Contributions to Rappahannock Community College	\$ 8,890	\$ 8,890	\$ 8,890	\$ -
Contribution to County School Board	5,122,805	5,122,405	5,039,769	82,636
Total education	\$ 5,131,695	\$ 5,131,295	\$ 5,048,659	\$ 82,636

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2013

Schedule 2
Page 3 of 5

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Parks, recreation, and cultural:				
Parks and recreation:				
Recreational programs	\$ 42,500	\$ 42,500	\$ 42,500	\$ -
Cultural enrichment:				
Richmond County museum	\$ 18,129	\$ 19,226	\$ 19,226	\$ -
Library:				
Contribution to county library	\$ 79,160	\$ 79,160	\$ 79,160	\$ -
Total parks, recreation, and cultural	\$ 139,789	\$ 140,886	\$ 140,886	\$ -
Community development:				
Planning and community development:				
Planning	\$ 182,586	\$ 182,586	\$ 146,312	\$ 36,274
Economic development	32,938	32,938	27,837	5,101
Northern Neck planning district commission	9,500	9,500	9,500	-
Total planning and community development	\$ 225,024	\$ 225,024	\$ 183,649	\$ 41,375
Environmental management:				
Contribution to soil and water conservation district	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Wetlands board	4,030	4,030	2,658	1,372
Litter and recycling program	5,000	5,000	5,000	-
Total environmental management	\$ 24,030	\$ 24,030	\$ 22,658	\$ 1,372
Cooperative extension program:				
Extension office	\$ 61,854	\$ 61,854	\$ 60,863	\$ 991
Total community development	\$ 310,908	\$ 310,908	\$ 267,170	\$ 43,738
Nondepartmental:				
Other nondepartmental	\$ 94,315	\$ 171,954	\$ 168,483	\$ 3,471
Capital projects:				
School construction	\$ -	\$ -	\$ 644,418	\$ (644,418)
County park development	-	-	452,853	(452,853)
Total capital projects	\$ -	\$ -	\$ 1,097,271	\$ (1,097,271)
Debt service:				
Principal retirement	\$ 102,390	\$ 102,390	\$ 567,606	\$ (465,216)
Interest and other fiscal charges	35,035	35,435	294,753	(259,318)
Total debt service	\$ 137,425	\$ 137,825	\$ 862,359	\$ (724,534)
Total General Fund	\$ 14,144,065	\$ 14,675,841	\$ 14,676,571	\$ (730)

County of Richmond, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2013

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Capital Projects Fund:				
Debt service:				
Bond issuance costs	\$ -	\$ 194,726	\$ 194,726	\$ -
Total Capital Projects Fund	\$ -	\$ 194,726	\$ 194,726	\$ -
Total Primary Government	\$ 14,144,065	\$ 14,870,567	\$ 14,871,297	\$ (730)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Instructional costs	\$ 9,474,459	\$ 9,671,442	\$ 9,619,883	\$ 51,559
Operating costs:				
Administration, attendance and health services	\$ 646,475	\$ 716,935	\$ 708,022	\$ 8,913
Pupil transportation	744,688	818,588	768,660	49,928
Operation and maintenance of school plant	1,123,943	1,270,438	1,266,316	4,122
Facilities	-	1,500	-	1,500
Total operating costs	\$ 2,515,106	\$ 2,807,461	\$ 2,742,998	\$ 64,463
School food services:				
Administration of school food program	\$ 243,879	\$ 243,880	\$ 254,938	\$ (11,058)
Total education	\$ 12,233,444	\$ 12,722,783	\$ 12,617,819	\$ 104,964
Total School Operating Fund	\$ 12,233,444	\$ 12,722,783	\$ 12,617,819	\$ 104,964
Special Revenue Funds:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ -	\$ -	\$ 469,961	\$ (469,961)
Commodities	-	35,065	35,065	-
Total school food services	\$ -	\$ 35,065	\$ 505,026	\$ (469,961)
Total education	\$ -	\$ 35,065	\$ 505,026	\$ (469,961)
Total School Cafeteria Fund	\$ -	\$ 35,065	\$ 505,026	\$ (469,961)

County of Richmond, Virginia
 Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2013

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds: (Continued)				
PL 89-10 (Title I) Fund:				
Education:				
Instruction costs:				
Instructional costs	\$ -	\$ 31,183	\$ 31,183	\$ -
Contribution to County of Richmond	-	116,211	116,211	-
Total PL 89-10 (Title I) Fund	<u>\$ -</u>	<u>\$ 147,394</u>	<u>\$ 147,394</u>	<u>\$ -</u>
 Total Discretely Presented Component Unit - School Board	 <u>\$ 12,233,444</u>	 <u>\$ 12,905,242</u>	 <u>\$ 13,270,239</u>	 <u>\$ (364,997)</u>

THIS PAGE LEFT BLANK INTENTIONALLY

STATISTICAL INFORMATION

THIS PAGE LEFT BLANK INTENTIONALLY

County of Richmond, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years (1)

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2013	\$ 1,073,266	\$ 685,595	\$ 2,363,407	\$ 862,389	\$ 1,444,859	\$ 5,316,656	\$ 614,679	\$ 296,212	\$ 666,508	\$ 13,323,571
2012	1,157,245	701,428	2,205,361	968,585	1,480,014	4,888,913	385,484	210,363	306,399	12,303,792
2011	1,189,224	696,062	2,308,389	818,640	1,521,335	5,390,116	120,655	217,423	185,898	12,447,742
2010	1,247,741	707,540	1,967,062	826,963	1,504,350	4,819,073	165,934	165,662	470,384	11,874,709
2009	887,637	738,746	2,124,489	904,776	1,493,767	4,482,010	124,819	294,235	378,731	11,429,210
2008	864,726	1,233,067	1,585,738	900,170	1,866,168	4,443,785	139,272	311,368	234,691	11,578,985
2007	730,497	648,463	1,418,622	771,453	1,432,078	4,171,087	118,814	177,170	247,003	9,715,187
2006	697,272	406,443	1,242,662	1,067,093	1,543,325	3,752,680	95,294	139,381	262,193	9,206,343

(1) Information has only been available for eight years.

County of Richmond, Virginia
Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain on Sale of Capital Assets		
2013	\$ 434,520	\$ 2,353,317	\$ -	\$ 7,171,701	\$ 1,368,449	\$ 62,614	\$ 59,131	\$ 1,151,877	\$ -	\$ 12,601,609	
2012	475,971	1,977,184	-	7,099,394	1,274,484	37,213	78,501	1,156,517	-	12,099,264	
2011	499,826	2,200,305	-	5,812,489	1,306,532	64,972	58,253	1,210,495	-	11,152,872	
2010	321,894	2,457,852	-	5,503,475	1,209,769	88,122	78,697	1,171,538	-	10,831,347	
2009	390,629	2,133,243	-	5,484,432	1,605,267	273,471	62,299	844,261	-	10,793,602	
2008	158,352	2,447,905	-	5,291,354	1,890,206	249,852	143,575	883,429	75,854	11,140,527	
2007	126,029	2,201,339	-	4,965,281	1,941,182	335,739	171,022	916,138	154,704	10,811,434	
2006	125,082	2,398,709	-	4,580,282	1,969,243	282,547	49,371	921,932	-	10,327,166	

(1) Information has only been available for eight years.

County of Richmond, Virginia
General Governmental Expenditures by Function (1) (2)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (4)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service	Total
2013	\$ 1,020,637	\$ 606,017	\$ 2,540,282	\$ 864,220	\$ 2,060,587	\$ 13,279,129	\$ 140,886	\$ 267,170	\$ 168,483	\$ 1,057,085	\$ 22,004,496
2012	1,108,803	634,017	2,351,954	902,538	1,897,136	12,603,436	141,132	238,211	124,402	3,686,465	23,688,094
2011	1,164,161	608,545	2,279,225	832,318	1,847,211	12,441,861	137,909	274,025	140,371	724,236	20,449,862
2010	1,190,412	662,736	2,488,050	882,014	1,509,373	13,019,411	144,436	275,542	150,988	846,569	21,169,531
2009	945,269	672,311	2,225,390	923,742	1,490,733	12,929,843	138,294	311,486	122,877	740,525	20,500,470
2008	850,599	675,746	1,661,920	912,019	1,863,998	12,179,225	129,529	292,957	85,043	601,335	19,252,371
2007	713,750	615,881	1,526,306	780,781	1,427,785	11,673,412	118,814	244,181	77,908	602,693	17,781,511
2006	668,888	546,957	1,626,249	827,527	1,555,509	10,935,534	112,811	314,837	64,756	610,290	17,263,358
2005 (3)	715,943	531,476	1,619,931	658,064	1,269,078	13,796,849	433,620	171,087	-	375,043	19,571,091
2004	620,476	509,165	1,108,521	695,648	1,185,624	13,032,121	461,433	164,771	-	229,619	18,007,378

(1) Includes general and special revenue funds of the Primary Government, and its Discretely Presented Component Unit-School Board; excludes capital projects expenditures.

(2) For 2005 and 2004 \$52,866 and \$38,583 respectively, of miscellaneous expenditures are included in general administration.

(3) Education expenditures include \$3,415,513 of operating funds from the County to the Component Unit-School Board.

(4) Beginning in FY2006, excludes contribution from Primary Government to Component Unit - School Board.

County of Richmond, Virginia
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2013	\$ 7,184,262	\$ 1,368,449	\$ 55,131	\$ 26,108	\$ 28,612	\$ 478,419	\$ 206,356	\$ 1,186,869	\$ 11,059,627	\$ 21,593,833
2012	6,972,485	1,274,484	48,535	21,860	25,029	577,097	235,248	904,951	10,752,740	20,812,429
2011	5,955,280	1,306,532	53,247	26,086	65,099	575,620	141,161	738,210	11,003,032	19,864,267
2010	5,324,410	1,209,769	53,083	31,958	88,280	439,430	115,188	629,433	11,760,077	19,651,628
2009	5,427,144	1,605,267	63,041	39,536	188,999	514,400	93,032	423,577	11,322,727	19,677,723
2008	5,271,537	1,890,206	67,647	50,216	146,054	288,076	216,495	354,020	10,975,894	19,260,145
2007	4,956,725	1,941,203	62,798	39,383	336,316	266,775	204,572	286,488	10,509,405	18,603,665
2006 (3)	4,527,993	1,969,243	66,472	35,228	349,388	273,144	76,922	518,818	10,566,898	18,384,106
2005 (2)	3,950,046	1,737,192	44,724	26,076	337,803	377,908	485,098	-	13,545,578	20,504,425
2004	3,957,050	1,547,386	63,103	15,520	241,767	366,346	366,676	-	12,302,081	18,859,929

(1) Includes general and special revenue funds of the Primary Government and its Discretely Presented Component Unit-School Board; excludes capital projects funds.

(2) Intergovernmental revenue includes \$3,415,513 of operating funds from the County to the Component Unit-School Board.

(3) Beginning in FY2006, excludes contribution from Primary Government to Component Unit - School Board.

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1,2)	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1, 2)	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1, 2)		
2013	\$ 7,850,271	\$ 7,630,099	97.20%	\$ 240,504	\$ 7,870,603	100.26%	\$ 362,749	4.62%	
2012	7,811,023	7,485,794	95.84%	186,686	7,672,480	98.23%	379,082	4.85%	
2011	6,670,585	6,363,482	95.40%	283,844	6,647,326	99.65%	252,172	3.78%	
2010	6,025,304	5,878,951	97.57%	169,423	6,048,374	100.38%	323,834	5.37%	
2009	6,268,800	6,001,076	95.73%	139,341	6,140,417	97.95%	277,366	4.42%	
2008	5,935,338	5,893,054	99.29%	100,343	5,993,397	100.98%	261,891	4.41%	
2007	5,651,753	5,550,726	98.21%	130,459	5,681,185	100.52%	257,444	4.56%	
2006 (4)	5,307,595	5,156,333	97.15%	111,949	5,268,282	99.26%	225,374	4.25%	
2005 (3)	3,857,690	3,770,503	97.74%	101,852	3,872,355	100.38%	147,994	3.84%	
2004 (3)	3,816,618	3,709,307	97.19%	145,866	3,855,173	101.01%	168,728	4.42%	

(1) Exclusive of penalties and interest.

(2) Delinquent tax collections are exclusive of land redemptions.

(3) Tax levy net of personal property tax relief act (PPTRA) reduction of \$744,066 and \$780,452 for the years ended June 30, 2005 and 2004 respectively.

(4) Beginning in FY 2006, PPTRA is included with Tax Levy and Current Tax Collections.

County of Richmond, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
					Real Estate	Real Estate	Personal Property	
2013	\$ 783,877,464	\$ 56,013,615	\$ 3,316,309	\$ 1,626,543	\$ 54,904,120	\$ 1,478,343	\$ 901,216,394	
2012	784,113,367	56,928,760	2,419,874	1,645,530	45,720,172	1,157,333	891,985,036	
2011	535,213,370	55,959,138	2,926,283	1,647,700	27,847,132	861,618	624,455,241	
2010	531,312,380	53,760,890	3,079,608	1,690,180	37,964,495	1,206,024	629,013,577	
2009	527,089,300	63,387,130	3,265,563	1,665,480	19,514,656	439,498	615,361,627	
2008	519,347,200	59,893,830	3,585,620	1,511,680	22,174,210	480,370	606,992,910	
2007	508,564,720	59,112,310	3,797,920	1,569,400	25,194,248	529,373	598,767,971	
2006	498,595,965	56,476,220	4,345,030	1,513,460	28,427,984	740,165	590,098,824	
2005	488,968,435	50,489,420	4,595,610	1,576,270	37,778,201	853,727	584,261,663	
2004	483,153,190	46,314,460	4,720,080	1,425,890	44,763,253	851,319	581,228,192	

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Table 7

County of Richmond, Virginia
Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Merchant's Capital	Public Utility	
					Real Estate	Personal Property
2013	\$ 0.67	\$ 3.50	\$ 0.01	\$ 3.50	\$ 0.67	\$ 3.50
2012	0.67	3.50	0.01	3.50	0.67	3.50
2011	0.79	3.50	0.01	3.50	0.79	3.50
2010	0.70	3.50	0.50	3.50	0.70	3.50
2009	0.70	3.50	0.50	3.50	0.70	3.50
2008	0.67	3.50	0.50	3.50	0.67	3.50
2007	0.67	3.50	0.50	3.50	0.67	3.50
2006	0.63	3.50	0.50	3.50	0.63	3.50
2005	0.54	3.50	0.50	3.50	0.54	3.50
2004	0.54	3.50	0.50	3.50	0.54	3.50

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands)(2)	Gross and Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2013	9,253	\$ 901,216	\$ 17,564,950	1.95%	\$ 1,898
2012	9,254	891,985	2,959,216	0.33%	320
2011	9,254	624,455	3,207,433	0.51%	347
2010	9,254	629,014	3,458,563	0.55%	374
2009	8,809	615,362	1,061,722	0.17%	121
2008	8,809	606,993	1,163,928	0.19%	132
2007	8,809	598,768	1,281,842	0.21%	146
2006	8,809	590,099	1,398,998	0.24%	159
2005	8,809	584,262	1,517,736	0.26%	172
2004	8,809	581,228	1,635,779	0.28%	186

(1) Center for Weldon Cooper Public Service at the University of Virginia from 2000 and 2010 census.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and literary fund loans.

Excludes revenue bonds, landfill closure/post-closure care liability, capital leases,
and compensated absences.

COMPLIANCE

THIS PAGE LEFT BLANK INTENTIONALLY

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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 the Board of Supervisors
County of Richmond
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Richmond Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County of Richmond, Virginia's basic financial statements, and have issued our report thereon dated January 22, 2014.

Internal Control Over Financial Reporting

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

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.

A handwritten signature in black ink, appearing to read "D. F. Cox", followed by a horizontal line extending to the right.

Richmond, Virginia
January 22, 2014

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To The Honorable Members of the Board of Supervisors
County of Richmond
Richmond, Virginia

Report on Compliance for Each Major Federal Program

We have audited County of Richmond, 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 County of Richmond, Virginia's major federal programs for the year ended June 30, 2013. County of Richmond, Virginia's major federal programs are identified in the summary of auditors' 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 County of Richmond, 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 Richmond, 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 County of Richmond, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, County of Richmond, 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, 2013.

Report on Internal Control Over Compliance

Management of County of Richmond, 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 County of Richmond, 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 County of Richmond, 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.



Richmond, Virginia
January 22, 2014

County of Richmond, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
<i>Department of Social Services:</i>			
Promoting Safe and Stable Families	93.556	0950112/0950113	\$ 13,770
Temporary Assistance for Needy Families	93.558	0400112/0400113	79,701
Refugee and Entrant Assistance - State Administered Programs	93.566	0500112/0500113	358
Low-Income Home Energy Assistance	93.568	0600410/00600413	7,388
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760112/0760113	14,719
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900112/090113	380
Foster Care - Title IV-E	93.658	1100112/1100113	30,998
Adoption Assistance	93.659	1120112/1120113	6,257
Social Services Block Grant	93.667	1000112/1000113	44,827
Chafee Foster Care Independence Program	93.674	9150112/9150113	372
Children's Health Insurance Program	93.767	0540112/0540113	2,993
Medical Assistance Program	93.778	1200112/1200113	<u>72,095</u>
Total Department of Health and Human Services			<u>\$ 273,858</u>
Department of Agriculture:			
Direct Payments:			
Community facilities program	10.780	Unavailable	<u>\$ 25,000</u>
Pass Through Payments:			
Child Nutrition Cluster:			
<i>Department of Agriculture:</i>			
Food Distribution	10.555	17901-45707	\$ 35,065
<i>Department of Education:</i>			
National School Lunch Program	10.555	17901-40623	<u>240,868</u>
School Breakfast Program	10.553	17901-40591	\$ 275,933
			<u>92,532</u>
<i>Department of Social Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010109/0010110	<u>120,491</u>
Total Department of Agriculture			<u>\$ 488,956</u>
Department of Transportation:			
Pass Through Payments:			
<i>Department of Motor Vehicles:</i>			
State and Community Highway Safety	20.600	60507-52033/53066/53071	<u>\$ 12,997</u>
Department of Justice:			
Pass Through Payments:			
<i>Compensation Board:</i>			
Local Law Enforcement Block Grant	16.592	39001-41000	\$ 23,171
Edward Byrne Memorial Justice Assistance Grant Program	16.738	39001-71100/71200	<u>27,528</u>
Total Department of Justice			<u>\$ 50,699</u>

County of Richmond, Virginia
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2013

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Education:			
Pass Through Payments:			
<i>Department of Education:</i>			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	17901-42901	\$ 355,447
ARRA - Title I Grants to Local Educational Agencies	84.389	17901-42913	
Special Education - Grants to States	84.027	17901-43071	229,078
Career and Technical Education - Basic Grants to States	84.048	17901-61095	22,133
English Language Acquisition Grants	84.365	17901-60512	26,893
Education Technology State Grants	84.318	17901-61600	2,037
Rural Education	84.358	17901-43481	23,315
Improving Teacher Quality State Grants	84.367	17901-61480	<u>30,847</u>
Total Department of Education			<u>\$ 689,750</u>
Total Expenditures of Federal Awards			<u>\$ 1,541,260</u>

See accompanying notes to schedule of expenditures of federal awards.

County of Richmond, Virginia
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2013

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Richmond, Virginia under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Richmond, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Richmond, Virginia.

Note B - Summary of Significant Accounting Policies

(1) 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.

(2) Pass-through entity identifying numbers are presented where available.

Note C - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note D - 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	\$ 615,722
Total primary government	\$ 615,722

Component Unit School Board:

School Operating Fund	\$ 957,603
School Cafeteria Fund	35,065
Title I Fund	65,547
Total Component Unit School Board	\$ 1,058,215

Total federal expenditures per basic financial statements	\$ 1,673,937
---	--------------

Less: Federal interest subsidy	(125,042)
Less: Payment in Lieu of Taxes	\$ (7,635)

Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 1,541,260
---	--------------

County of Richmond, Virginia
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2013

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified
 Internal control over financial reporting:
 Material weakness(es) identified? _____ yes ✓ no
 Significant deficiency(ies) identified? _____ yes ✓ none reported
 Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? _____ yes ✓ no
 Significant deficiency(ies) identified? _____ yes ✓ none reported
 Type of auditors' report issued on compliance
 for major programs: unmodified
 Any findings disclosed that are required to be
 reported in accordance with section 510(a) of
 OMB Circular A-133? _____ yes ✓ no

Identification of major programs:

CFDA Number(s)
 10.553/10.555

10.561

Name of Federal Program or Cluster
 Child Nutrition Cluster

State Administrative Grants for the Supplemental Nutrition
 Assistance Program

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

Auditee qualified as low-risk auditee? ✓ yes _____ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

County of Richmond, Virginia
Schedule of Prior Year Findings
For the Year Ended June 30, 2013

There were no prior year findings.

THIS PAGE LEFT BLANK INTENTIONALLY