

COUNTY OF RICHMOND, VIRGINIA



ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

COUNTY OF RICHMOND, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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COUNTY OF RICHMOND, VIRGINIA

BOARD OF SUPERVISORS

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Jean C. Harper
John L. Haynes, Jr.

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OTHER OFFICIALS

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Clerk of the Circuit Court Rosa S. Forrester
Judge of the General District Court Gordon A. Wilkins
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 Marilyn Barr
Director of Social Services Claudette Henderson
County Administrator William E. Duncanson

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COUNTY OF RICHMOND, VIRGINIA
 ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

INDEPENDENT AUDITORS' REPORT

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

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 the County of Richmond, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Richmond, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2013, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 management discussion and analysis and schedules of funding progress 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 management's discussion and analysis and schedules of funding progress 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Richmond, Virginia's financial statements as a whole. The other supplementary information, supporting schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards 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. The other supplementary information, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.



Richmond, Virginia
January 18, 2013

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, 2012. 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 \$6,205,411 (net assets).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses in excess of revenues and other financing sources of \$179,821 (Exhibit 5) after making contributions totaling \$4,631,351 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$2,604,377, a decrease of \$179,821 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$930,101, or 6% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$384,464 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 assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The 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 Funds.

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

Notes to 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 assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$6,205,411 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Assets:

| | | <u>Governmental Activities</u> | |
|--|----|--------------------------------|----------------------|
| | | <u>2012</u> | <u>2011</u> |
| Current and other assets | \$ | 3,214,028 | \$ 3,194,409 |
| Capital assets | | <u>9,395,434</u> | <u>9,972,088</u> |
| Total assets | \$ | <u>12,609,462</u> | <u>\$ 13,166,497</u> |
| Current liabilities | \$ | 265,198 | \$ 233,241 |
| Long-term liabilities outstanding | | <u>6,138,853</u> | <u>6,523,317</u> |
| Total liabilities | \$ | <u>6,404,051</u> | <u>\$ 6,756,558</u> |
| Net assets: | | | |
| Invested in capital assets, net of related debt | \$ | 3,420,528 | \$ 3,626,029 |
| Unrestricted | | <u>2,784,883</u> | <u>2,783,910</u> |
| Total net assets | \$ | <u>6,205,411</u> | <u>\$ 6,409,939</u> |

Government-wide Financial Analysis (Continued)

The County's net assets decreased by \$204,528 during the current fiscal year. The following table summarizes the County's Statement of Activities

| <u>County of Richmond, Virginia's Changes in Net Assets</u> | | |
|---|--------------------------------|--------------------|
| | <u>Governmental Activities</u> | |
| | <u>2012</u> | <u>2011</u> |
| Charges for services | \$ 475,971 | \$ 499,826 |
| Operating grants and contributions | 1,977,184 | 2,200,305 |
| General property taxes | 7,099,394 | 5,812,489 |
| Other local taxes | 1,274,484 | 1,306,532 |
| Grants and other contributions not restricted | 1,156,517 | 1,210,495 |
| Other general revenues | 115,714 | 123,225 |
| Total revenues | \$ 12,099,264 | \$ 11,152,872 |
| General government administration | \$ 1,157,245 | \$ 1,189,224 |
| Judicial administration | 701,428 | 696,062 |
| Public safety | 2,205,361 | 2,308,389 |
| Public works | 968,585 | 818,640 |
| Health and welfare | 1,480,014 | 1,521,335 |
| Education | 4,888,913 | 5,390,116 |
| Parks, recreation, and cultural | 385,484 | 120,655 |
| Community development | 210,363 | 217,423 |
| Interest and other fiscal charges | 306,399 | 185,898 |
| Total expenses | \$ 12,303,792 | \$ 12,447,742 |
| Change in net assets | \$ (204,528) | \$ (1,294,870) |
| Net assets, beginning of year | 6,409,939 | 7,704,809 |
| Net assets, end of year | <u>6,205,411</u> | <u>6,409,939</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 \$2,604,377, a decrease of \$179,821 in comparison with the prior year. Approximately 36% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were increases of \$3,696,023 and can be briefly summarized as follows:

- < \$ 41,193 increase in public safety expenditures
- < \$ 413,047 increase in health and welfare expenditures
- < \$ 170,423 increase in general government administration expenditures
- < \$ 142,376 decrease in education expenditures
- < \$3,110,715 increase in debt service expenditures
- < \$ 103,021 increase in various other expenditures

During the year, budgetary estimates exceeded revenues and other sources by \$11,470,213. Budgetary estimates exceeded expenditures and other uses by \$12,316,307 resulting in a positive variance of \$846,094.

Capital Asset and Debt Administration

- < **Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2012 amounts to \$9,395,434 (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 \$5,666,567. Of this amount, \$2,959,216 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).

The County's total debt decreased by \$679,492 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 7.5 percent compares to the state's average unemployment rate of 5.7 percent.
- < Inflationary trends in the region compare to national indexes.

All of these factors were considered in preparing the County's budget for the 2013 fiscal year.

The fiscal year 2013 budget increased by approximately 6% 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.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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County of Richmond, Virginia
Statement of Net Assets
June 30, 2012

| | Primary Government | | |
|--|------------------------------------|------------------------|-------------------|
| | <u>Governmental Activities</u> | <u>Component Units</u> | |
| | | <u>School Board</u> | <u>IDA</u> |
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,978,233 | \$ 267,737 | \$ 45,087 |
| Receivables (net of allowance for uncollectibles): | | | |
| Taxes receivable | 422,225 | - | - |
| Accounts receivable | 144,185 | 14,480 | - |
| Due from other governmental units | 669,385 | 244,966 | - |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 409,475 | 64,085 | 56,739 |
| Buildings and improvements | 8,487,902 | 2,054,512 | - |
| Machinery, equipment and vehicles | 498,057 | 682,829 | - |
| Total assets | <u>\$ 12,609,462</u> | <u>\$ 3,328,609</u> | <u>\$ 101,826</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 129,953 | \$ 6,834 | \$ - |
| Contracts payable | 74,782 | - | - |
| Retainage payable | 6,747 | - | - |
| Accrued interest payable | 34,629 | - | - |
| Due to other governmental units | - | 194,861 | - |
| Unearned revenue | 19,087 | - | - |
| Long-term liabilities: | | | |
| Due within one year | 554,204 | 20,529 | - |
| Due in more than one year | 5,584,649 | 219,956 | - |
| Total liabilities | <u>\$ 6,404,051</u> | <u>\$ 442,180</u> | <u>\$ -</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | \$ 3,420,528 | \$ 2,801,426 | \$ 56,739 |
| Unrestricted (deficit) | 2,784,883 | 85,003 | 45,087 |
| Total net assets | <u>\$ 6,205,411</u> | <u>\$ 2,886,429</u> | <u>\$ 101,826</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, 2012

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | |
|-----------------------------------|----------------------|-----------------------------|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> |
| PRIMARY GOVERNMENT: | | | |
| Governmental activities: | | | |
| General government administration | \$ 1,157,245 | \$ - | \$ 167,770 |
| Judicial administration | 701,428 | 38,901 | 307,005 |
| Public safety | 2,205,361 | 437,070 | 747,391 |
| Public works | 968,585 | - | - |
| Health and welfare | 1,480,014 | - | 624,508 |
| Education | 4,888,913 | - | 73,693 |
| Parks, recreation, and cultural | 385,484 | - | - |
| Community development | 210,363 | - | 56,817 |
| Interest on long-term debt | 306,399 | - | - |
| Total governmental activities | <u>\$ 12,303,792</u> | <u>\$ 475,971</u> | <u>\$ 1,977,184</u> |
| Total primary government | <u>\$ 12,303,792</u> | <u>\$ 475,971</u> | <u>\$ 1,977,184</u> |
| COMPONENT UNITS: | | | |
| School Board | \$ 13,365,574 | \$ 171,521 | \$ 7,619,039 |
| IDA | 108,427 | 82,506 | - |
| Total component units | <u>\$ 13,474,001</u> | <u>\$ 254,027</u> | <u>\$ 7,619,039</u> |

General revenues:
General property taxes
Other local taxes:
Local sales and use taxes
Other local taxes
Unrestricted revenues from use of money and property
Miscellaneous
Grants and contributions not restricted to specific programs
Payments from Richmond County
Total general revenues
Change in net assets
Net assets - beginning
Net assets - ending

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

Net (Expense) Revenue and
Changes in Net Assets

| Primary Government | Component Units | |
|----------------------------|-----------------------|--------------------|
| Governmental Activities | School Board | IDA |
| \$ (989,475) | | |
| (355,522) | | |
| (1,020,900) | | |
| (968,585) | | |
| (855,506) | | |
| (4,815,220) | | |
| (385,484) | | |
| (153,546) | | |
| (306,399) | | |
| <u>\$ (9,850,637)</u> | | |
| | \$ (5,575,014) | \$ - |
| | - | (25,921) |
| | <u>\$ (5,575,014)</u> | <u>\$ (25,921)</u> |
| \$ 7,099,394 | \$ - | \$ - |
| 1,093,671 | - | - |
| 180,813 | - | - |
| 37,213 | 125 | 44 |
| 78,501 | 156,747 | - |
| 1,156,517 | - | - |
| - | 4,817,331 | - |
| <u>\$ 9,646,109</u> | <u>\$ 4,974,203</u> | <u>\$ 44</u> |
| \$ (204,528) | \$ (600,811) | \$ (25,877) |
| 6,409,939 | 3,487,240 | 127,703 |
| <u>\$ 6,205,411</u> | <u>\$ 2,886,429</u> | <u>\$ 101,826</u> |

County of Richmond, Virginia
Balance Sheet
Governmental Funds
June 30, 2012

| | <u>General</u> | <u>Capital Projects Fund</u> | <u>Sheriff's Fund</u> | <u>Total</u> |
|--|---------------------|--------------------------------------|---------------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,436,351 | \$ 539,902 | \$ 1,980 | \$ 1,978,233 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Taxes receivable | 422,225 | - | - | 422,225 |
| Accounts receivable | 144,003 | 182 | - | 144,185 |
| Due from other governmental units | 669,385 | - | - | 669,385 |
| Total assets | <u>\$ 2,671,964</u> | <u>\$ 540,084</u> | <u>\$ 1,980</u> | <u>\$ 3,214,028</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 211,482 | \$ - | \$ - | \$ 211,482 |
| Deferred revenue | 398,169 | - | - | 398,169 |
| Total liabilities | <u>\$ 609,651</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 609,651</u> |
| Fund balances: | | | | |
| Restricted | \$ - | \$ - | \$ 1,980 | \$ 1,980 |
| Committed | 279,312 | 540,084 | - | 819,396 |
| Assigned | 852,900 | - | - | 852,900 |
| Unassigned | 930,101 | - | - | 930,101 |
| Total fund balances | <u>\$ 2,062,313</u> | <u>\$ 540,084</u> | <u>\$ 1,980</u> | <u>\$ 2,604,377</u> |
| Total liabilities and fund balances | <u>\$ 2,671,964</u> | <u>\$ 540,084</u> | <u>\$ 1,980</u> | <u>\$ 3,214,028</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 Assets
 June 30, 2012

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

| | | |
|--|----------------|-------------|
| Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds | \$ | 2,604,377 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 9,395,434 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 379,082 |
| 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 | \$ (3,015,690) | |
| General obligations bonds | (2,959,216) | |
| Compensated absences | (142,647) | |
| OPEB liability | (21,300) | |
| Accrued interest payable | (34,629) | (6,173,482) |
| | | |
| Net assets of governmental activities | \$ | 6,205,411 |

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, 2012

| | <u>General</u> | <u>Capital Projects Fund</u> | <u>Sheriff's Fund</u> | <u>Total</u> |
|--|-----------------------|--------------------------------------|---------------------------|-----------------------|
| REVENUES | | | | |
| General property taxes | \$ 6,972,485 | \$ - | \$ - | \$ 6,972,485 |
| Other local taxes | 1,274,484 | - | - | 1,274,484 |
| Permits, privilege fees, and regulatory licenses | 48,535 | - | - | 48,535 |
| Fines and forfeitures | 21,860 | - | - | 21,860 |
| Revenue from the use of money and property | 24,904 | 12,309 | - | 37,213 |
| Charges for services | 405,576 | - | - | 405,576 |
| Miscellaneous | 78,501 | - | - | 78,501 |
| Recovered costs | 904,951 | - | - | 904,951 |
| Intergovernmental revenues: | | | | |
| Commonwealth | 2,662,181 | - | - | 2,662,181 |
| Federal | 471,520 | - | - | 471,520 |
| Total revenues | <u>\$ 12,864,997</u> | <u>\$ 12,309</u> | <u>\$ -</u> | <u>\$ 12,877,306</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | \$ 1,108,803 | \$ - | \$ - | \$ 1,108,803 |
| Judicial administration | 634,017 | - | - | 634,017 |
| Public safety | 2,351,954 | - | - | 2,351,954 |
| Public works | 902,538 | - | - | 902,538 |
| Health and welfare | 1,897,136 | - | - | 1,897,136 |
| Education | 4,640,241 | - | - | 4,640,241 |
| Parks, recreation, and cultural | 141,132 | - | - | 141,132 |
| Community development | 238,211 | - | - | 238,211 |
| Nondepartmental | 124,402 | - | - | 124,402 |
| Capital projects | 300,567 | - | - | 300,567 |
| Debt service: | | | | |
| Principal retirement | 3,339,492 | - | - | 3,339,492 |
| Interest and other fiscal charges | 346,973 | - | - | 346,973 |
| Total expenditures | <u>\$ 16,025,466</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 16,025,466</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (3,160,469)</u> | <u>\$ 12,309</u> | <u>\$ -</u> | <u>\$ (3,148,160)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond issuance premium | \$ 308,339 | \$ - | \$ - | \$ 308,339 |
| Issuance of refunding bonds | 2,660,000 | - | - | 2,660,000 |
| Total other financing sources (uses) | <u>\$ 2,968,339</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,968,339</u> |
| Net change in fund balances | \$ (192,130) | \$ 12,309 | \$ - | \$ (179,821) |
| Fund balances - beginning | 2,254,443 | 527,775 | 1,980 | 2,784,198 |
| Fund balances - ending | <u>\$ 2,062,313</u> | <u>\$ 540,084</u> | <u>\$ 1,980</u> | <u>\$ 2,604,377</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, 2012

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

Net change in fund balances - total governmental funds \$ (179,821)

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 | \$ 78,556 | |
| Depreciation expense | (469,230) | |
| Transfer of joint tenancy assets to Component Unit School Board from Primary Government | (185,980) | (576,654) |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 126,909

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 assets. Also, governmental funds report the effect of issuance costs, 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 of these 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 | \$ 3,091,275 | |
| Principal retirement on general obligation bonds | 248,217 | |
| Issuance of lease revenue bonds | (2,968,339) | |
| Decrease in landfill postclosure liability | 15,207 | 386,360 |

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 | \$ 4,510 | |
| (Increase) decrease in OPEB liability | (6,406) | |
| (Increase) decrease in accrued interest | 40,574 | 38,678 |

Change in net assets of governmental activities \$ (204,528)

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

County of Richmond, Virginia
 Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2012

| | Agency Funds |
|---|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 503,728 |
| Receivables: | |
| Interest and dividends | 49 |
| Total assets | \$ 503,777 |
| LIABILITIES | |
| Accounts payable | \$ 29,324 |
| Amounts held for social services clients | 27,391 |
| Amounts held for Northern Neck Regional Vocational Center | 447,062 |
| Total liabilities | \$ 503,777 |

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

NOTES TO THE FINANCIAL STATEMENTS

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2012

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 Assets 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 Assets - The Statement of Net Assets 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 Assets and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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, 2012

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, 2012.

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, 2012.

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, 2012. The Authority does not issue a separate financial report.

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

None

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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 County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

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, 2012

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 deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of 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, 2012

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

E. Cash and Cash Equivalents

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

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 \$29,402 at June 30, 2012 and is comprised solely of property taxes.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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 Assets. 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 Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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 assets. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

Beginning with fiscal year 2011, the County implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. 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, 2012

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 for: | | | | |
| Drug seizure | \$ - | \$ - | \$ 1,980 | \$ 1,980 |
| Total restricted fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,980</u> | <u>\$ 1,980</u> |
| Committed to: | | | | |
| Courthouse maintenance | \$ 32,299 | \$ - | \$ - | \$ 32,299 |
| E-911 wireless funds | 247,013 | - | - | 247,013 |
| Capital projects | - | 540,084 | - | 540,084 |
| Total committed fund balance | <u>\$ 279,312</u> | <u>\$ 540,084</u> | <u>\$ -</u> | <u>\$ 819,396</u> |
| Assigned to: | | | | |
| School construction | \$ 647,900 | \$ - | \$ - | \$ 647,900 |
| Electric service backbone for community park | 80,000 | - | - | 80,000 |
| Community park access road construction | 125,000 | - | - | 125,000 |
| Total assigned fund balance | <u>\$ 852,900</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 852,900</u> |
| Unassigned fund balance | \$ 930,101 | \$ - | \$ - | \$ 930,101 |
| Total fund balances | <u>\$ 2,062,313</u> | <u>\$ 540,084</u> | <u>\$ 1,980</u> | <u>\$ 2,604,377</u> |

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.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 2—Stewardship, Compliance, and Accounting:

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 School Cafeteria and PL 89-10 (Title I) funds.

Note 3—Cash and Cash Equivalents:

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).

The County had no investments at June 30, 2012.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 4—Due from/to Other Governments:

At June 30, 2012, amounts due from other governments are as follows:

| | Primary Government | Component Unit School Board |
|---------------------------------------|-----------------------|-----------------------------------|
| Other Local Governments: | | |
| Richmond County School Board | \$ 194,861 | \$ - |
| Commonwealth of Virginia: | | |
| Mobile home titling tax | 6,753 | - |
| Recordation tax | 3,454 | - |
| Rolling stock tax | 1,993 | - |
| Welfare | 22,534 | - |
| State sales Tax | - | 185,692 |
| Local sales tax | 176,064 | - |
| PSAP technology grant | 3,333 | - |
| Constitutional officer reimbursements | 88,080 | - |
| Fire program funds | 2,924 | - |
| Comprehensive services act | 39,024 | - |
| Communications tax | 53,599 | - |
| Wireless grant | 1,080 | - |
| Department of emergency services | 13,636 | - |
| Other state funds | 3,295 | - |
| Virginia domestic violence grant | 10,000 | - |
| Federal Government: | | |
| School fund grants | - | 47,059 |
| School food | - | 12,215 |
| Ground transportation safety grant | 7,092 | - |
| Payment in lieu of taxes | 8,125 | - |
| Welfare | 33,538 | - |
| Total due from other governments | <u>\$ 669,385</u> | <u>\$ 244,966</u> |

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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

At June 30, 2012, amounts due to other local governments are as follows:

| | Primary Government | Component Unit School Board |
|--------------------------|-----------------------|-----------------------------------|
| Other Local Governments: | | |
| County of Richmond | \$ - | \$ 194,861 |

Note 5—Interfund Obligations:

Details of the School Board’s interfund receivables and payables as of June 30, 2012, are as follows:

| | Interfund Receivable | Interfund Payable |
|--------------------------|-------------------------|----------------------|
| School Board | | |
| School Operating Fund | \$ - | \$ 12,215 |
| School Cafeteria Fund | 12,215 | - |
| Total School Board Funds | \$ 12,215 | \$ 12,215 |

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.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 6—Capital Assets:

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

| | Balance July 1, 2011 | Additions | Deletions | Balance June 30, 2012 |
|---|----------------------------|----------------------------|--------------------------|----------------------------|
| <i>Primary Government:</i> | | | | |
| Capital assets not subject to depreciation: | | | | |
| Land | \$ 409,475 | \$ - | \$ - | \$ 409,475 |
| Total capital assets not subject to depreciation | <u>\$ 409,475</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 409,475</u> |
| Capital assets subject to depreciation: | | | | |
| Buildings and improvements | \$ 7,039,576 | \$ - | \$ - | \$ 7,039,576 |
| Machinery, equipment, & vehicles | 1,344,725 | 78,556 | 20,980 | 1,402,301 |
| Jointly owned assets | 6,653,828 | - | 393,451 | 6,260,377 |
| Total capital assets subject to depreciation | <u>\$ 15,038,129</u> | <u>\$ 78,556</u> | <u>\$ 414,431</u> | <u>\$ 14,702,254</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 1,349,928 | \$ 160,961 | \$ - | \$ 1,510,889 |
| Machinery, equipment, & vehicles | 783,534 | 141,690 | 20,980 | 904,244 |
| Jointly owned assets | 3,342,054 | 166,579 | 207,471 | 3,301,162 |
| Total accumulated depreciation | <u>\$ 5,475,516</u> | <u>\$ 469,230</u> | <u>\$ 228,451</u> | <u>\$ 5,716,295</u> |
| Total capital assets subject to depreciation, net | <u>\$ 9,562,613</u> | <u>\$ (390,674)</u> | <u>\$ 185,980</u> | <u>\$ 8,985,959</u> |
| Governmental activities capital assets, net | <u><u>\$ 9,972,088</u></u> | <u><u>\$ (390,674)</u></u> | <u><u>\$ 185,980</u></u> | <u><u>\$ 9,395,434</u></u> |

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 6—Capital Assets: (Continued)

| | Balance July 1, 2011 | Additions | Deletions | Balance June 30, 2012 |
|---|-------------------------|---------------------|---------------------|--------------------------|
| <i>Component Unit-School Board:</i> | | | | |
| Capital assets not subject to depreciation: | | | | |
| Land | \$ 64,085 | \$ - | \$ - | \$ 64,085 |
| Construction in progress | 504,922 | - | 504,922 | - |
| Total capital assets not subject to depreciation | <u>\$ 569,007</u> | <u>\$ -</u> | <u>\$ 504,922</u> | <u>\$ 64,085</u> |
| Capital assets subject to depreciation: | | | | |
| Machinery, equipment, & vehicles | \$ 2,286,341 | \$ 32,502 | \$ 42,983 | \$ 2,275,860 |
| Jointly owned assets | 3,952,979 | - | (393,451) | 4,346,430 |
| Total capital assets subject to depreciation | <u>\$ 6,239,320</u> | <u>\$ 32,502</u> | <u>\$ (350,468)</u> | <u>\$ 6,622,290</u> |
| Less accumulated depreciation for: | | | | |
| Machinery, equipment, & vehicles | \$ 1,444,074 | \$ 191,940 | \$ 42,983 | \$ 1,593,031 |
| Jointly owned assets | 1,985,484 | 98,963 | (207,471) | 2,291,918 |
| Total accumulated depreciation | <u>\$ 3,429,558</u> | <u>\$ 290,903</u> | <u>\$ (164,488)</u> | <u>\$ 3,884,949</u> |
| Total capital assets subject to depreciation, net | <u>\$ 2,985,637</u> | <u>\$ (258,401)</u> | <u>\$ (185,980)</u> | <u>\$ 2,737,341</u> |
| Governmental activities capital assets, net | <u>\$ 3,378,769</u> | <u>\$ (258,401)</u> | <u>\$ 318,942</u> | <u>\$ 2,801,426</u> |

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

| | |
|-----------------------------------|-------------------|
| Governmental activities: | |
| General government administration | \$ 4,667 |
| Judicial administration | 138,584 |
| Public safety | 55,061 |
| Public works | 82,343 |
| Education | 173,529 |
| Community development | 15,046 |
| Total Governmental activities | <u>\$ 469,230</u> |
| Component Unit School Board | <u>\$ 290,903</u> |

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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, 2012:

| | <u>Balance at July 1, 2011</u> | <u>Issuances/ Increases</u> | <u>Retirements/ Decreases</u> | <u>Balance at June 30, 2012</u> | <u>Amounts Due Within One Year</u> |
|---------------------------------------|------------------------------------|---------------------------------|-----------------------------------|-------------------------------------|--|
| Governmental Obligations: | | | | | |
| Incurred by County: | | | | | |
| Compensated absences | \$ 147,157 | \$ 10,206 | \$ 14,716 | \$ 142,647 | \$ 14,265 |
| Lease revenue bonds | 3,138,626 | 2,660,000 | 3,091,275 | 2,707,351 | 290,490 |
| Add deferred amounts: | | | | | |
| Issuance premium | - | 308,339 | - | 308,339 | |
| OPEB liability | 14,894 | 12,406 | 6,000 | 21,300 | - |
| Landfill postclosure care | 15,207 | - | 15,207 | - | - |
| Total incurred by County | \$ 3,315,884 | \$ 2,990,951 | \$ 3,127,198 | \$ 3,179,637 | \$ 304,755 |
| Incurred by School Board: | | | | | |
| General obligation bonds | \$ 3,207,433 | \$ - | \$ 248,217 | \$ 2,959,216 | \$ 249,449 |
| Total incurred by School Board | \$ 3,207,433 | \$ - | \$ 248,217 | \$ 2,959,216 | \$ 249,449 |
| Total Governmental Obligations | \$ 6,523,317 | \$ 2,990,951 | \$ 3,375,415 | \$ 6,138,853 | \$ 554,204 |

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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 | |
| | Principal | Interest |
| 2013 | \$ 290,490 | \$ 107,041 |
| 2014 | 300,714 | 96,655 |
| 2015 | 315,946 | 83,994 |
| 2016 | 331,189 | 70,630 |
| 2017 | 346,441 | 55,537 |
| 2018 | 356,703 | 39,818 |
| 2019 | 376,976 | 24,220 |
| 2020 | 388,892 | 8,564 |
| Total | <u>\$ 2,707,351</u> | <u>\$ 486,459</u> |

| Year Ending June 30 | School Obligations | |
|------------------------|--------------------------|-------------------|
| | General Obligation Bonds | |
| | Principal | Interest |
| 2013 | \$ 249,449 | \$ 35,035 |
| 2014 | 250,739 | 30,295 |
| 2015 | 252,359 | 25,225 |
| 2016 | 254,329 | 19,805 |
| 2017 | 256,403 | 14,281 |
| 2018 | 258,585 | 8,648 |
| 2019 | 260,882 | 2,902 |
| 2020 | 147,059 | - |
| 2021 | 147,059 | - |
| 2022 | 147,058 | - |
| 2023 | 147,059 | - |
| 2024 | 147,059 | - |
| 2025 | 147,059 | - |
| 2026 | 147,059 | - |
| 2027 | 147,058 | - |
| Total | <u>\$ 2,959,216</u> | <u>\$ 136,191</u> |

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations:

| | <u>Total Amount</u> |
|--|----------------------------|
| <i>Incurring by County:</i> | |
| <u>Lease Revenue Bonds:</u> | |
| \$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 | \$ 2,660,000 |
| \$59,800 USDA revenue bonds issued January 29, 2010, due in monthly principal installments through December 19, 2019, interest payable monthly at 4%. | <u>47,351</u> |
| Total Lease Revenue Bonds | <u>\$ 2,707,351</u> |
| Issuance premium | <u>\$ 308,339</u> |
| Compensated absences (payable by General Fund) | <u>\$ 142,647</u> |
| OPEB liability (payable by General Fund) | <u>\$ 21,300</u> |
| Total incurred by County | <u>\$ 3,179,637</u> |
| <i>Incurring by School Board:</i> | |
| <u>General Obligation Bonds:</u> | |
| \$1,999,022 School bonds issued November 19, 1998, due in annual principal installments through January 15, 2019, interest payable semi-annually ranges from 3.6% to 5.1%. | \$ 753,333 |
| \$2,500,000 School bonds issued September 1, 2010, due in annual principal installments through September 1, 2026. This bond is interest-free. | <u>2,205,883</u> |
| Total General Obligation Bonds | <u>\$ 2,959,216</u> |
| Total incurred by School Board | <u>\$ 2,959,216</u> |
| Total Long-Term Obligations, Primary Government | <u><u>\$ 6,138,853</u></u> |

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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, 2012:

| | Balance at July 1, 2011 | Increases | Decreases | Balance at June 30, 2012 | Amounts Due Within One Year |
|-----------------------------------|----------------------------|------------------|------------------|-----------------------------|-----------------------------------|
| Component Unit-School Board: | | | | | |
| Compensated absences | \$ 206,890 | \$ 19,084 | \$ 20,689 | \$ 205,285 | \$ 20,529 |
| OPEB liability | 25,890 | 55,810 | 46,500 | 35,200 | - |
| Total Component Unit-School Board | <u>\$ 232,780</u> | <u>\$ 74,894</u> | <u>\$ 67,189</u> | <u>\$ 240,485</u> | <u>\$ 20,529</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, 2012 are as follows:

| Year Ending June 30 | |
|-------------------------------------|-------------------|
| 2013 | \$ 124,800 |
| 2014 | 124,800 |
| 2015 | 124,800 |
| 2016 | <u>124,800</u> |
| Total minimum future lease payments | <u>\$ 499,200</u> |

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 9—Deferred/Unearned Revenue:

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$398,169 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$379,082 at June 30, 2012.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2012 but paid in advance by the taxpayers totaled \$19,087 at June 30, 2012.

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, 2012, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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 credit in their plan.

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

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit 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, 2012

Note 13—Defined Benefit Pension Plan: (Continued)

A. Plan Description (Continued)

- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with 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. 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://varetire.org/Pdf/Publications/2011-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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. In addition, the County is required to contribute the remaining amounts necessary to fund its 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 rates for the fiscal year ended 2012 was 9.18% and 8.62% of annual covered payroll, respectively.

The Richmond County School Board professional employees' contribution rates are 6.33%, 3.93% and 8.81% of annual covered payroll for fiscal years ended 2012, 2011, and 2010, 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, 2012, 2011, and 2010 were \$383,385, \$238,581 and \$531,769, respectively, and equal to the required contributions for each year.

C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$347,810 (which includes the portion of the employee share assumed by the employer which was \$114,009 and the amount paid by the employee which was \$8,632) was equal to the County's required and actual contributions.

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COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 13—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost (Continued)

For fiscal year 2012, the School Board’s annual pension cost for the School Board’s non-professional employees was \$31,733 (which includes the portion of the employees share assumed by the School Board which was \$11,649) 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, 2012 | \$ 225,169 | 100% | \$ - |
| June 30, 2011 | 223,295 | 100% | - |
| June 30, 2010 | 210,841 | 100% | - |
| School Board: | | | |
| Non-Professional: | | | |
| June 30, 2012 | \$ 20,084 | 100% | \$ - |
| June 30, 2011 | 21,468 | 100% | - |
| June 30, 2010 | 24,767 | 100% | - |

(1) Employer portion only

The fiscal year 2012 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees 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. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County’s assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 13—Defined Benefit Pension Plan: (Continued)

D. Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the County’s plan was 80.43% funded. The actuarial accrued liability for benefits was \$11,401,969, and the actuarial value of assets was \$9,170,390, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,231,579. The covered payroll (annual payroll of active employees covered by the plan) was \$2,516,912, and ratio of the UAAL to the covered payroll was 88.66%.

As of June 30, 2011, the most recent actuarial valuation date, the School Board’s Non-Professional plan was 99.63% funded. The actuarial accrued liability for benefits was \$616,028, and the actuarial value of assets was \$613,740, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,288. The covered payroll (annual payroll of active employees covered by the plan) was \$249,045, and ratio of the UAAL to the covered payroll was .92%.

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 |
| Marilyn Barr, 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, 2012

Note 15–Other Postemployment Benefits - Health Insurance:

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.

Funding Policy

The funding policies of both groups of retirees are described above. The Schools currently have 8 retirees and 3 spouses on their plan. The County has 1 retiree with 0 spouses.

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, 2012

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

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 | \$ 12,400 | \$ 55,800 |
| Interest on net OPEB obligation | 596 | 1,036 |
| Adjustment to annual required contribution | (590) | (1,026) |
| Annual OPEB cost (expense) | <u>\$ 12,406</u> | <u>\$ 55,810</u> |
| Contributions made | <u>(6,000)</u> | <u>(46,500)</u> |
| Increase in net OPEB obligation | 6,406 | 9,310 |
| Net OPEB obligation-beginning of year | 14,894 | 25,890 |
| Net OPEB obligation-end of year | <u><u>\$ 21,300</u></u> | <u><u>\$ 35,200</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 2012 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: | | | |
| 6/30/2012 | \$ 12,406 | 48.36% | \$ 21,300 |
| 6/30/2011 | 12,394 | 37.92% | 14,894 |
| 6/30/2010 | 11,900 | 39.50% | 7,200 |
| Schools: | | | |
| 6/30/2012 | \$ 55,810 | 88.32% | \$ 35,200 |
| 6/30/2011 | 55,790 | 75.10% | 25,890 |
| 6/30/2010 | 53,900 | 77.74% | 12,000 |

Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the County’s actuarial accrued liability for benefits was \$94,400, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,615,600, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 3.61 percent.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

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

Funded Status and Funding Progress (Continued)

As of June 30, 2010, the most recent actuarial valuation date, the School Board’s actuarial accrued liability for benefits was \$594,800, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$6,648,200, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.95 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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 2012 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, 2010 was thirty years.

COUNTY OF RICHMOND, VIRGINIA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF JUNE 30, 2012

Note 16-Other Postemployment Benefits (OPEB) - 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 .60% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2012, 2011, and 2010 were \$36,340, \$36,425 and \$44,884, respectively and equaled the required contributions for each year.

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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.

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County of Richmond, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget - |
|---|-------------------------|------------------------|---------------------------|---------------------------------|
| | <u>Original</u> | <u>Final</u> | | Positive <u>(Negative)</u> |
| REVENUES | | | | |
| General property taxes | \$ 6,872,320 | \$ 6,872,320 | \$ 6,972,485 | \$ 100,165 |
| Other local taxes | 1,367,291 | 1,367,291 | 1,274,484 | (92,807) |
| Permits, privilege fees, and regulatory licenses | 47,350 | 47,350 | 48,535 | 1,185 |
| Fines and forfeitures | 35,000 | 35,000 | 21,860 | (13,140) |
| Revenue from the use of money and property | 55,000 | 55,000 | 24,904 | (30,096) |
| Charges for services | 377,950 | 377,950 | 405,576 | 27,626 |
| Miscellaneous | 171,000 | 171,000 | 78,501 | (92,499) |
| Recovered costs | 555,550 | 555,550 | 904,951 | 349,401 |
| Intergovernmental revenues: | | | | |
| Commonwealth | 2,974,688 | 2,974,688 | 2,662,181 | (312,507) |
| Federal | 437,400 | 437,400 | 471,520 | 34,120 |
| Total revenues | <u>\$ 12,893,549</u> | <u>\$ 12,893,549</u> | <u>\$ 12,864,997</u> | <u>\$ (28,552)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government administration | \$ 942,950 | \$ 1,113,373 | \$ 1,108,803 | \$ 4,570 |
| Judicial administration | 654,929 | 667,745 | 634,017 | 33,728 |
| Public safety | 2,361,631 | 2,402,824 | 2,351,954 | 50,870 |
| Public works | 922,587 | 981,396 | 902,538 | 78,858 |
| Health and welfare | 1,549,006 | 1,962,053 | 1,897,136 | 64,917 |
| Education | 4,936,318 | 4,793,942 | 4,640,241 | 153,701 |
| Parks, recreation, and cultural | 139,888 | 141,132 | 141,132 | - |
| Community development | 301,217 | 301,217 | 238,211 | 63,006 |
| Nondepartmental | 90,972 | 121,124 | 124,402 | (3,278) |
| Capital projects | 11,750,000 | 11,750,000 | 300,567 | 11,449,433 |
| Debt service: | | | | |
| Principal retirement | 1,305,191 | 4,067,832 | 3,339,492 | 728,340 |
| Interest and other fiscal charges | - | 348,074 | 346,973 | 1,101 |
| Total expenditures | <u>\$ 24,954,689</u> | <u>\$ 28,650,712</u> | <u>\$ 16,025,466</u> | <u>\$ 12,625,246</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (12,061,140)</u> | <u>\$ (15,757,163)</u> | <u>\$ (3,160,469)</u> | <u>\$ 12,596,694</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Issuance of general obligation bonds | \$ 11,750,000 | \$ 11,750,000 | \$ - | \$ (11,750,000) |
| Bond issuance premium | - | - | 308,339 | 308,339 |
| Issuance of refunding bonds | - | 2,968,939 | 2,660,000 | (308,939) |
| Total other financing sources (uses) | <u>\$ 11,750,000</u> | <u>\$ 14,718,939</u> | <u>\$ 2,968,339</u> | <u>\$ (11,750,600)</u> |
| Net change in fund balances | \$ (311,140) | \$ (1,038,224) | \$ (192,130) | \$ 846,094 |
| Fund balances - beginning | 311,140 | 1,038,224 | 2,254,443 | 1,216,219 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,062,313</u> | <u>\$ 2,062,313</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, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ - | \$ - | \$ - | \$ - |
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | \$ - | \$ - | \$ - | \$ - |
| Total other financing sources (uses) | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances - beginning | - | - | 1,980 | 1,980 |
| Fund balances - ending | \$ - | \$ - | \$ 1,980 | \$ 1,980 |

County of Richmond, Virginia
 Schedule of Pension Funding Progress
 For the Year Ended June 30, 2012

County:

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

| Valuation as of (1) | Actuarial Value of Assets (AVA) (2) | Actuarial Accrued Liability (AAL) (3) | Unfunded AAL (UAAL) (3) - (2) (4) | Funded Ratio Assets at % of AAL (2) (3) (5) | Annual Covered Payroll (6) | UAAL as % of Covered Payroll (4)/(6) (7) |
|---------------------------|---|---|---|---|-------------------------------------|--|
| 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, 2012

| Valuation Date* | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded (Excess Funded) | | Funded Ratio (2)/(3) | Annual Covered Payroll | UAAL as % of Payroll (4)/(6) |
|--------------------------------------|---------------------------------|-----------------------------------|--|--|----------------------|------------------------|------------------------------|
| | | | Actuarial Accrued Liability (UAAL) (3-2) | | | | |
| (1) | (2) | (3) | (4) | | (5) | (6) | (7) |
| Primary Government: | | | | | | | |
| 6/30/2010 \$ | - \$ | 94,400 \$ | 94,400 | | 0.00% \$ | 2,615,600 | 3.61% |
| Discretely Presented Component Unit: | | | | | | | |
| 6/30/2010 \$ | - \$ | 594,800 \$ | 594,800 | | 0.00% \$ | 6,648,200 | 8.95% |

* Only actuarial valuations available

OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUNDS STATEMENTS AND
SCHEDULES*

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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, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|------------------|-------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ - | \$ - | \$ 12,309 | \$ 12,309 |
| Total revenues | \$ - | \$ - | \$ 12,309 | \$ 12,309 |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ 12,309 | \$ 12,309 |
| Net change in fund balances | \$ - | \$ - | \$ 12,309 | \$ 12,309 |
| Fund balances - beginning | - | - | 527,775 | 527,775 |
| Fund balances - ending | \$ - | \$ - | \$ 540,084 | \$ 540,084 |

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County of Richmond, Virginia
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

| | Agency Funds | | | | <u>Total</u> |
|--|------------------|----------------------------|---|-------------------------------------|-------------------|
| | <u>Library</u> | <u>Special Welfare</u> | <u>Northern Neck Regional Vocational Center</u> | <u>Local Sales Tax Fund</u> | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 29,275 | \$ 27,391 | \$ 447,062 | \$ - | \$ 503,728 |
| Receivables: | | | | | |
| Interest and dividends | 49 | - | - | - | 49 |
| Total assets | <u>\$ 29,324</u> | <u>\$ 27,391</u> | <u>\$ 447,062</u> | <u>\$ -</u> | <u>\$ 503,777</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 29,324 | \$ - | \$ - | \$ - | \$ 29,324 |
| Amounts held for social services clients | - | 27,391 | - | - | 27,391 |
| Amounts held for Northern Neck Regional Vocational Center | - | - | 447,062 | - | 447,062 |
| Total liabilities | <u>\$ 29,324</u> | <u>\$ 27,391</u> | <u>\$ 447,062</u> | <u>\$ -</u> | <u>\$ 503,777</u> |

County of Richmond, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2012

| | <u>Balance Beginning of Year</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance End of Year</u> |
|---|--|---------------------|---------------------|------------------------------------|
| <u>Library:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 28,762 | \$ 119,919 | \$ 119,406 | \$ 29,275 |
| Receivables: | | | | |
| Interest and dividends | - | 49 | - | 49 |
| Total assets | <u>\$ 28,762</u> | <u>\$ 119,968</u> | <u>\$ 119,406</u> | <u>\$ 29,324</u> |
| LIABILITIES | | | | |
| Accounts payable | <u>\$ 28,762</u> | <u>\$ 119,968</u> | <u>\$ 119,406</u> | <u>\$ 29,324</u> |
| <u>Special Welfare:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | <u>\$ 32,360</u> | <u>\$ 2,352</u> | <u>\$ 7,321</u> | <u>\$ 27,391</u> |
| LIABILITIES | | | | |
| Amounts held for social services clients | <u>\$ 32,360</u> | <u>\$ 2,352</u> | <u>\$ 7,321</u> | <u>\$ 27,391</u> |
| <u>Northern Neck Regional Vocational Center:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | <u>\$ 393,132</u> | <u>\$ 1,723,187</u> | <u>\$ 1,669,247</u> | <u>\$ 447,072</u> |
| LIABILITIES | | | | |
| Amounts held for Northern Neck Regional Vocational Center | <u>\$ 393,132</u> | <u>\$ 1,723,187</u> | <u>\$ 1,669,247</u> | <u>\$ 447,072</u> |

County of Richmond, Virginia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2012

| | 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 | \$ - | \$ 1,178,998 | \$ 1,178,998 | \$ - |
| LIABILITIES | | | | |
| Amounts held for others | \$ - | \$ 1,178,998 | \$ 1,178,998 | \$ - |
| <u>Total - All Agency Funds:</u> | | | | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 454,254 | \$ 3,024,456 | \$ 2,974,972 | \$ 503,738 |
| Receivables: | | | | |
| Interest and dividends | - | 49 | - | 49 |
| Total assets | \$ 454,254 | \$ 3,024,505 | \$ 2,974,972 | \$ 503,787 |
| LIABILITIES | | | | |
| Accounts payable | \$ 28,762 | \$ 119,968 | \$ 119,406 | \$ 29,324 |
| Amounts held for social services clients | 32,360 | 2,352 | 7,321 | 27,391 |
| Amounts held for Northern Neck Regional Vocational Center | 393,132 | 1,723,187 | 1,669,247 | 447,072 |
| Amounts held for others | - | 1,178,998 | 1,178,998 | - |
| Total liabilities | \$ 454,254 | \$ 3,024,505 | \$ 2,974,972 | \$ 503,787 |

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*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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County of Richmond, Virginia
 Combining Balance Sheet
 Discretely Presented Component Unit - School Board
 June 30, 2012

| | School Operating <u>Fund</u> | School Cafeteria <u>Fund</u> | Title I <u>Fund</u> | Total Governmental <u>Funds</u> |
|---|------------------------------------|------------------------------------|------------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ - | \$ 231,431 | \$ 36,306 | \$ 267,737 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Accounts receivable | 14,480 | - | - | 14,480 |
| Due from other funds | - | 12,215 | - | 12,215 |
| Due from other governmental units | 198,803 | - | 46,163 | 244,966 |
| Total assets | <u>\$ 213,283</u> | <u>\$ 243,646</u> | <u>\$ 82,469</u> | <u>\$ 539,398</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 6,207 | \$ - | \$ 627 | \$ 6,834 |
| Due to other funds | 12,215 | - | - | 12,215 |
| Due to other governmental units | 194,861 | - | - | 194,861 |
| Total liabilities | <u>\$ 213,283</u> | <u>\$ -</u> | <u>\$ 627</u> | <u>\$ 213,910</u> |
| Fund balances: | | | | |
| Committed: | | | | |
| School Operating Fund | \$ - | \$ - | \$ - | - |
| School Cafeteria Fund | - | 243,646 | - | 243,646 |
| Title I Fund | - | - | 81,842 | 81,842 |
| Total fund balances | <u>\$ -</u> | <u>\$ 243,646</u> | <u>\$ 81,842</u> | <u>\$ 325,488</u> |
| Total liabilities and fund balances | <u>\$ 213,283</u> | <u>\$ 243,646</u> | <u>\$ 82,469</u> | <u>\$ 539,398</u> |

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

| | |
|--|---------------------|
| Total fund balances per above | \$ 325,488 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 2,801,426 |
| Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. | (240,485) |
| Net assets of governmental activities | <u>\$ 2,886,429</u> |

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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, 2012

| | School Operating Fund | School Cafeteria Fund | Title I Fund | Total Governmental Funds |
|---|-----------------------------|-----------------------------|-------------------|--------------------------------|
| REVENUES | | | | |
| Revenue from the use of money and property | \$ - | \$ 102 | \$ 23 | \$ 125 |
| Charges for services | - | 171,521 | - | 171,521 |
| Miscellaneous | 149,776 | 6,971 | - | 156,747 |
| Intergovernmental revenues: | | | | |
| Local government | 4,631,351 | - | - | 4,631,351 |
| Commonwealth | 6,100,731 | 11,742 | - | 6,112,473 |
| Federal | 712,915 | 368,841 | 424,810 | 1,506,566 |
| Total revenues | <u>\$ 11,594,773</u> | <u>\$ 559,177</u> | <u>\$ 424,833</u> | <u>\$ 12,578,783</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | \$ 11,594,773 | \$ 568,361 | \$ 431,412 | \$ 12,594,546 |
| Total expenditures | <u>\$ 11,594,773</u> | <u>\$ 568,361</u> | <u>\$ 431,412</u> | <u>\$ 12,594,546</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ -</u> | <u>\$ (9,184)</u> | <u>\$ (6,579)</u> | <u>\$ (15,763)</u> |
| Net change in fund balances | \$ - | \$ (9,184) | \$ (6,579) | \$ (15,763) |
| Fund balances - beginning | - | 252,830 | 88,421 | 341,251 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 243,646</u> | <u>\$ 81,842</u> | <u>\$ 325,488</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 | | | | \$ (15,763) |
| 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 | | | \$ 32,502 | |
| Depreciation expense | | | (795,825) | |
| Transfer of joint tenancy assets to Component Unit School Board from Primary Government | | | <u>185,980</u> | (577,343) |
| 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 | | | \$ 1,605 | |
| Decrease (increase) in OPEB liability | | | <u>(9,310)</u> | (7,705) |
| Change in net assets of governmental activities | | | | <u>\$ (600,811)</u> |

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, 2012

| | School Operating Fund | | | |
|---|-----------------------|----------------------|----------------------|---|
| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
| | Original | Final | | |
| REVENUES | | | | |
| Revenue from the use of money and property | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - |
| Miscellaneous | 8,000 | 134,515 | 149,776 | 15,261 |
| Intergovernmental revenues: | | | | |
| Local government | 4,927,428 | 4,785,052 | 4,631,351 | (153,701) |
| Commonwealth | 6,176,706 | 6,246,482 | 6,100,731 | (145,751) |
| Federal | 612,825 | 666,351 | 712,915 | 46,564 |
| Total revenues | <u>\$ 11,724,959</u> | <u>\$ 11,832,400</u> | <u>\$ 11,594,773</u> | <u>\$ (237,627)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Education | \$ 11,582,583 | \$ 11,832,400 | \$ 11,594,773 | \$ 237,627 |
| Debt service: | | | | |
| Principal retirement | 102,660 | - | - | - |
| Interest and other fiscal charges | 39,716 | - | - | - |
| Total expenditures | <u>\$ 11,724,959</u> | <u>\$ 11,832,400</u> | <u>\$ 11,594,773</u> | <u>\$ 237,627</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances - beginning | 32,000 | | - | - |
| Fund balances - ending | <u>\$ 32,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| Title I Fund | | | | School Cafeteria Fund | | | |
|------------------|------------|------------|----------------------------|-----------------------|------------|------------|----------------------------|
| Budgeted Amounts | | Actual | Variance with Final Budget | Budgeted Amounts | | Actual | Variance with Final Budget |
| Original | Final | | Positive (Negative) | Original | Final | | Positive (Negative) |
| \$ - | \$ - | \$ 23 | \$ 23 | \$ - | \$ - | \$ 102 | \$ 102 |
| - | - | - | - | - | - | 171,521 | 171,521 |
| - | - | - | - | - | - | 6,971 | 6,971 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 8,867 | 8,867 | 11,742 | 2,875 |
| - | 396,020 | 424,810 | 28,790 | 280,000 | 355,000 | 368,841 | 13,841 |
| \$ - | \$ 396,020 | \$ 424,833 | \$ 28,813 | \$ 288,867 | \$ 363,867 | \$ 559,177 | \$ 195,310 |
| \$ - | \$ 396,020 | \$ 431,412 | \$ (35,392) | \$ 288,867 | \$ 363,867 | \$ 568,361 | \$ (204,494) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| \$ - | \$ 396,020 | \$ 431,412 | \$ (35,392) | \$ 288,867 | \$ 363,867 | \$ 568,361 | \$ (204,494) |
| \$ - | \$ - | \$ (6,579) | \$ (6,579) | \$ - | \$ - | \$ (9,184) | \$ (9,184) |
| \$ - | \$ - | \$ (6,579) | \$ (6,579) | \$ - | \$ - | \$ (9,184) | \$ (9,184) |
| - | - | 88,421 | 88,421 | - | - | 252,830 | 252,830 |
| \$ - | \$ - | \$ 81,842 | \$ 81,842 | \$ - | \$ - | \$ 243,646 | \$ 243,646 |

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*DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY*

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County of Richmond, Virginia
 Balance Sheet
 Discretely Presented Component Unit - Industrial Development Authority
 June 30, 2012

| | | Industrial Development <u>Authority</u> |
|---|----|--|
| ASSETS | | |
| Cash and cash equivalents | \$ | 45,087 |
| Capital assets: | | |
| Land | | 56,739 |
| Total assets | \$ | <u>101,826</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | \$ | 56,739 |
| Unrestricted | | 45,087 |
| Total net assets | \$ | <u>101,826</u> |

County of Richmond, Virginia
Statement of Revenues, Expenditures, and Changes in Net Assets
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2012

| | Industrial Development Authority |
|---|---|
| OPERATING REVENUES | |
| Charges for services: | |
| Rents | \$ 82,506 |
| Total operating revenues | \$ 82,506 |
| OPERATING EXPENSES | |
| Other charges | \$ 108,427 |
| Total operating expenses | \$ 108,427 |
| Operating income (loss) | \$ (25,921) |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest income | \$ 44 |
| Total nonoperating revenues (expenses) | \$ 44 |
| Changes in net assets | \$ (25,877) |
| Net assets - beginning | 127,703 |
| Net assets - ending | \$ 101,826 |

County of Richmond, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-------------|
| Receipts from customers and users | \$ 82,506 |
| Other receipts (payments) | (108,427) |
| Net cash provided by (used for) operating activities | \$ (25,921) |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|-------|
| Interest and dividends received | \$ 44 |
| Net cash provided by (used for) investing activities | \$ 44 |

| | |
|--|-------------|
| Net increase (decrease) in cash and cash equivalents | \$ (25,877) |
|--|-------------|

| | |
|---------------------------------------|-----------|
| Cash and cash equivalents - beginning | 70,964 |
| Cash and cash equivalents - ending | \$ 45,087 |

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

| | |
|--|-------------|
| Operating income (loss) | \$ (25,921) |
| Net cash provided by (used for) operating activities | \$ (25,921) |

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SUPPORTING SCHEDULES

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County of Richmond, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Schedule 1
Page 1 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: | | | | |
| Revenue from local sources: | | | | |
| General property taxes: | | | | |
| Real property taxes | \$ 5,092,000 | \$ 5,092,000 | \$ 5,189,741 | \$ 97,741 |
| Real and personal public service corporation taxes | 220,000 | 220,000 | 344,462 | 124,462 |
| Personal property taxes | 1,410,000 | 1,410,000 | 1,269,252 | (140,748) |
| Mobile home taxes | 16,000 | 16,000 | 13,242 | (2,758) |
| Merchant's capital taxes | 50,000 | 50,000 | 48,874 | (1,126) |
| Machinery and tools taxes | 320 | 320 | 2,954 | 2,634 |
| Penalties | 54,000 | 54,000 | 68,915 | 14,915 |
| Interest | 30,000 | 30,000 | 35,045 | 5,045 |
| Total general property taxes | <u>\$ 6,872,320</u> | <u>\$ 6,872,320</u> | <u>\$ 6,972,485</u> | <u>\$ 100,165</u> |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 1,200,000 | \$ 1,200,000 | \$ 1,093,671 | \$ (106,329) |
| Consumers' utility taxes | 125,000 | 125,000 | 120,852 | (4,148) |
| Consumption tax | 20,000 | 20,000 | 19,472 | (528) |
| Taxes on recordation and wills | 22,291 | 22,291 | 40,489 | 18,198 |
| Total other local taxes | <u>\$ 1,367,291</u> | <u>\$ 1,367,291</u> | <u>\$ 1,274,484</u> | <u>\$ (92,807)</u> |
| Permits, privilege fees, and regulatory licenses: | | | | |
| Animal licenses | \$ 10,000 | \$ 10,000 | \$ 7,262 | \$ (2,738) |
| Transfer fees | 350 | 350 | 309 | (41) |
| Permits and other licenses | 37,000 | 37,000 | 40,964 | 3,964 |
| Total permits, privilege fees, and regulatory licenses | <u>\$ 47,350</u> | <u>\$ 47,350</u> | <u>\$ 48,535</u> | <u>\$ 1,185</u> |
| Fines and forfeitures: | | | | |
| Court fines and forfeitures | \$ 35,000 | \$ 35,000 | \$ 21,860 | \$ (13,140) |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 37,000 | \$ 37,000 | \$ 16,958 | \$ (20,042) |
| Revenue from use of property | 18,000 | 18,000 | 7,946 | (10,054) |
| Total revenue from use of money and property | <u>\$ 55,000</u> | <u>\$ 55,000</u> | <u>\$ 24,904</u> | <u>\$ (30,096)</u> |
| Charges for services: | | | | |
| Sheriff's fees | \$ 1,000 | \$ 1,000 | \$ 1,082 | \$ 82 |
| Charges for courthouse maintenance | 7,700 | 7,700 | 3,076 | (4,624) |
| Charges for courthouse security | 25,000 | 25,000 | 11,398 | (13,602) |
| Charges for other court costs | 350 | 350 | 1,739 | 1,389 |
| Charges for Commonwealth's Attorney | 500 | 500 | 828 | 328 |

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012

| <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) | | | | |
| Charges for services: (Continued) | | | | |
| Charges for EMS billings | \$ 340,000 | \$ 340,000 | \$ 378,568 | \$ 38,568 |
| Charges for correction and detention | - | - | 1,381 | 1,381 |
| Charges for other protection | - | - | 2,594 | 2,594 |
| Charges for streetlights | 2,900 | 2,900 | - | (2,900) |
| Charges for sales of publications | 500 | 500 | - | (500) |
| Charges for DMV fees | - | - | 4,910 | 4,910 |
| Total charges for services | <u>\$ 377,950</u> | <u>\$ 377,950</u> | <u>\$ 405,576</u> | <u>\$ 27,626</u> |
| Miscellaneous revenue: | | | | |
| Miscellaneous | \$ 171,000 | \$ 171,000 | \$ 78,501 | \$ (92,499) |
| Recovered costs: | | | | |
| Northern Neck regional jail payment | \$ 124,800 | \$ 124,800 | \$ 134,800 | \$ 10,000 |
| Industrial Development Authority | 70,000 | 70,000 | 70,000 | - |
| Circuit Court payroll | - | - | 57,533 | 57,533 |
| Social services payroll | 320,000 | 320,000 | 582,860 | 262,860 |
| Museum payroll | - | - | 15,519 | 15,519 |
| Streetlights | - | - | 1,793 | 1,793 |
| Court services unit | 15,750 | 15,750 | 18,184 | 2,434 |
| Other recovered costs | 25,000 | 25,000 | 24,262 | (738) |
| Total recovered costs | <u>\$ 555,550</u> | <u>\$ 555,550</u> | <u>\$ 904,951</u> | <u>\$ 349,401</u> |
| Total revenue from local sources | <u>\$ 9,481,461</u> | <u>\$ 9,481,461</u> | <u>\$ 9,731,296</u> | <u>\$ 249,835</u> |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Motor vehicle carriers' tax | \$ 1,000 | \$ 1,000 | \$ 1,993 | \$ 993 |
| Mobile home titling tax | 17,500 | 17,500 | 12,010 | (5,490) |
| Motor vehicle rental tax | - | - | 433 | 433 |
| State recordation tax | 23,500 | 23,500 | 24,286 | 786 |
| Communications tax | 320,000 | 320,000 | 313,840 | (6,160) |
| Personal property tax relief funds | 803,954 | 803,954 | 803,955 | 1 |
| Total noncategorical aid | <u>\$ 1,165,954</u> | <u>\$ 1,165,954</u> | <u>\$ 1,156,517</u> | <u>\$ (9,437)</u> |

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012

Schedule 1
 Page 3 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) | | | | |
| Intergovernmental revenues: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | \$ 160,893 | \$ 160,893 | \$ 158,242 | \$ (2,651) |
| Sheriff | 615,180 | 615,180 | 585,802 | (29,378) |
| Commissioner of revenue | 57,429 | 57,429 | 57,334 | (95) |
| Treasurer | 68,236 | 68,236 | 67,476 | (760) |
| Medical examiner | 90 | 90 | - | (90) |
| Registrar/electoral board | 35,786 | 35,786 | 34,835 | (951) |
| Clerk of the Circuit Court | 159,000 | 159,000 | 148,763 | (10,237) |
| Total shared expenses | <u>\$ 1,096,614</u> | <u>\$ 1,096,614</u> | <u>\$ 1,052,452</u> | <u>\$ (44,162)</u> |
| Other categorical aid: | | | | |
| Four for life grant | \$ 9,600 | \$ 9,600 | \$ 9,387 | \$ (213) |
| Fire program funds | 19,500 | 19,500 | 20,696 | 1,196 |
| Comprehensive services act program | 230,000 | 230,000 | 56,422 | (173,578) |
| Public assistance and welfare administration | 235,000 | 235,000 | 193,677 | (41,323) |
| Local law enforcement block grant | 10,620 | 10,620 | 1,925 | (8,695) |
| Litter control grant | 6,300 | 6,300 | - | (6,300) |
| At risk four year olds | 67,000 | 67,000 | 73,693 | 6,693 |
| Domestic violence grant | 40,000 | 40,000 | 40,000 | - |
| DMV selective enforcement | 25,500 | 25,500 | - | (25,500) |
| Wireless grant | 41,000 | 41,000 | 41,080 | 80 |
| Byrne grant | - | - | 2,696 | 2,696 |
| Court security grant | 22,000 | 22,000 | - | (22,000) |
| Emergency services grant | - | - | 13,636 | 13,636 |
| Other state grants | 5,600 | 5,600 | - | (5,600) |
| Total other categorical aid | <u>\$ 712,120</u> | <u>\$ 712,120</u> | <u>\$ 453,212</u> | <u>\$ (258,908)</u> |
| Total categorical aid | <u>\$ 1,808,734</u> | <u>\$ 1,808,734</u> | <u>\$ 1,505,664</u> | <u>\$ (303,070)</u> |
| Total revenue from the Commonwealth | <u>\$ 2,974,688</u> | <u>\$ 2,974,688</u> | <u>\$ 2,662,181</u> | <u>\$ (312,507)</u> |
| Revenue from the federal government: | | | | |
| Noncategorical aid: | | | | |
| Payments in lieu of taxes | \$ 25,000 | \$ 25,000 | \$ 8,125 | \$ (16,875) |

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012

| <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 federal government: (Continued) | | | | |
| Categorical aid: | | | | |
| Emergency management plan grant | \$ - | \$ - | \$ 6,000 | \$ 6,000 |
| Disaster recovery | - | - | 56,817 | 56,817 |
| Law enforcement grant | 22,400 | 22,400 | - | (22,400) |
| State and community highway safety | - | - | 26,169 | 26,169 |
| Public assistance and welfare administration | 390,000 | 390,000 | 374,409 | (15,591) |
| Total categorical aid | \$ 412,400 | \$ 412,400 | \$ 463,395 | \$ 50,995 |
| Total revenue from the federal government | \$ 437,400 | \$ 437,400 | \$ 471,520 | \$ 34,120 |
| Total General Fund | \$ 12,893,549 | \$ 12,893,549 | \$ 12,864,997 | \$ (28,552) |
| Capital Projects Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | \$ - | \$ - | \$ 12,309 | \$ 12,309 |
| Total Primary Government | \$ 12,893,549 | \$ 12,893,549 | \$ 12,877,306 | \$ (16,243) |
| Discretely Presented Component Unit - School Board: | | | | |
| School Operating Fund: | | | | |
| Revenue from local sources: | | | | |
| Miscellaneous revenue: | | | | |
| Other miscellaneous | \$ 8,000 | \$ 134,515 | \$ 149,776 | \$ 15,261 |
| Intergovernmental revenues: | | | | |
| Revenues from local governments: | | | | |
| Contribution from County of Richmond, Virginia | \$ 4,927,428 | \$ 4,785,052 | \$ 4,631,351 | \$ (153,701) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 1,079,561 | \$ 1,079,561 | \$ 1,088,206 | \$ 8,645 |
| Basic school aid | 3,408,817 | 3,408,817 | 3,290,033 | (118,784) |
| At risk payments | 92,832 | 92,832 | 90,383 | (2,449) |
| Early reading intervention | 23,473 | 23,473 | 25,430 | 1,957 |
| English as a second language | 51,398 | 51,398 | 33,320 | (18,078) |
| Fringe benefits | 399,414 | 399,414 | 388,166 | (11,248) |
| GED preparation assistance | - | - | 7,859 | 7,859 |
| Gifted and talented | 34,765 | 34,765 | 33,786 | (979) |
| Industry certification | - | - | 8,228 | 8,228 |
| Mentor teacher program | - | 3,096 | 3,096 | - |
| Primary class size | 131,781 | 131,781 | 125,016 | (6,765) |
| Project graduation | - | 6,459 | 2,153 | (4,306) |
| Regular foster care | 10,000 | 10,000 | 5,467 | (4,533) |
| Remedial education | 87,299 | 87,299 | 84,841 | (2,458) |
| Remedial summer education | 46,293 | 46,293 | 31,550 | (14,743) |

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012

| <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) | | | | |
| Special education | \$ 466,626 | \$ 466,626 | \$ 453,487 | \$ (13,139) |
| Special education - foster children | - | - | 24,843 | 24,843 |
| Special education - homebound | - | - | 1,320 | 1,320 |
| Special education - jails | - | - | 4,585 | 4,585 |
| Standards of Learning algebra readiness | - | - | 12,029 | 12,029 |
| Supplemental support - construction | - | - | 97,319 | 97,319 |
| Technology | 128,000 | 128,000 | 128,000 | - |
| Textbook payment | 31,335 | 31,335 | 30,453 | (882) |
| Vocational education | 74,938 | 74,938 | 72,828 | (2,110) |
| Vocational education - career and tech | - | 12,578 | 15,954 | 3,376 |
| Vocational education - equipment | 1,000 | 1,000 | - | (1,000) |
| Vocational education - occupational preparedness | - | 42,422 | 41,905 | (517) |
| Other state funds | 109,174 | 114,395 | 474 | (113,921) |
| Total categorical aid | <u>\$ 6,176,706</u> | <u>\$ 6,246,482</u> | <u>\$ 6,100,731</u> | <u>\$ (145,751)</u> |
| Total revenue from the Commonwealth | <u>\$ 6,176,706</u> | <u>\$ 6,246,482</u> | <u>\$ 6,100,731</u> | <u>\$ (145,751)</u> |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Education jobs fund - ARRA | \$ 287,369 | \$ 291,643 | \$ 291,643 | \$ - |
| Title VI-B, special education flow-through | 227,456 | 227,456 | 230,456 | 3,000 |
| Title VI-B, special education flow-through - ARRA | 39,000 | 39,000 | 39,000 | - |
| Title VI-B, special education pre-school - ARRA | - | - | 5,147 | 5,147 |
| Vocational education | - | - | 21,965 | 21,965 |
| Title II, Part A | - | 44,689 | 60,246 | 15,557 |
| Language acquisition | - | - | 895 | 895 |
| Safe and drug-free schools and communities | - | 4,563 | 4,563 | - |
| State fiscal stabilization funds - ARRA | 59,000 | 59,000 | 59,000 | - |
| Total categorical aid | <u>\$ 612,825</u> | <u>\$ 666,351</u> | <u>\$ 712,915</u> | <u>\$ 46,564</u> |
| Total revenue from the federal government | <u>\$ 612,825</u> | <u>\$ 666,351</u> | <u>\$ 712,915</u> | <u>\$ 46,564</u> |
| Total School Operating Fund | <u>\$ 11,724,959</u> | <u>\$ 11,832,400</u> | <u>\$ 11,594,773</u> | <u>\$ (237,627)</u> |

County of Richmond, Virginia
 Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2012

| <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 | \$ - | \$ - | \$ 102 | \$ 102 |
| Charges for services: | | | | |
| Cafeteria sales | \$ - | \$ - | \$ 171,521 | \$ 171,521 |
| Miscellaneous revenue: | | | | |
| Other miscellaneous | \$ - | \$ - | \$ 6,971 | \$ 6,971 |
| Total revenue from local sources | \$ - | \$ - | \$ 178,594 | \$ 178,594 |
| Intergovernmental revenues: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| School food program | \$ 8,867 | \$ 8,867 | \$ 11,742 | \$ 2,875 |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| School lunch and breakfast programs | \$ 280,000 | \$ 355,000 | \$ 330,283 | \$ (24,717) |
| Commodities | - | - | 26,787 | 26,787 |
| Other categorical aid | - | - | 11,771 | 11,771 |
| Total categorical aid | \$ 280,000 | \$ 355,000 | \$ 368,841 | \$ 13,841 |
| Total School Cafeteria Fund | \$ 288,867 | \$ 363,867 | \$ 559,177 | \$ 195,310 |
| PL 89-10 (Title I) Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from the use of money | \$ - | \$ - | \$ 23 | \$ 23 |
| Intergovernmental revenues: | | | | |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Title I | \$ - | \$ 396,020 | \$ 391,960 | \$ (4,060) |
| Title I - ARRA | - | - | 32,850 | 32,850 |
| Total categorical aid | \$ - | \$ 396,020 | \$ 424,810 | \$ 28,790 |
| Total revenue from the federal government | \$ - | \$ 396,020 | \$ 424,810 | \$ 28,790 |
| Total PL 89-10 (Title I) Fund | \$ - | \$ 396,020 | \$ 424,833 | \$ 28,813 |
| Total Discretely Presented Component Unit - School Board | \$ 12,013,826 | \$ 12,592,287 | \$ 12,578,783 | \$ (13,504) |

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Schedule 2
Page 1 of 4

| <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 | \$ 97,728 | \$ 199,437 | \$ 226,354 | \$ (26,917) |
| General and financial administration: | | | | |
| County administrator | \$ 178,188 | \$ 178,188 | \$ 180,553 | \$ (2,365) |
| Information technology | 197,007 | 247,587 | 247,234 | 353 |
| Commissioner of revenue | 165,934 | 165,934 | 160,675 | 5,259 |
| Assessor | 30,000 | 30,000 | 12,265 | 17,735 |
| Treasurer | 203,685 | 203,685 | 194,134 | 9,551 |
| Total general and financial administration | <u>\$ 774,814</u> | <u>\$ 825,394</u> | <u>\$ 794,861</u> | <u>\$ 30,533</u> |
| Board of elections: | | | | |
| Electoral board and officials | \$ 17,962 | \$ 24,175 | \$ 22,916 | \$ 1,259 |
| Registrar | 52,446 | 64,367 | 64,672 | (305) |
| Total board of elections | <u>\$ 70,408</u> | <u>\$ 88,542</u> | <u>\$ 87,588</u> | <u>\$ 954</u> |
| Total general government administration | <u>\$ 942,950</u> | <u>\$ 1,113,373</u> | <u>\$ 1,108,803</u> | <u>\$ 4,570</u> |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | \$ 57,284 | \$ 66,634 | \$ 66,634 | \$ - |
| General district court | 11,810 | 11,810 | 3,712 | 8,098 |
| Magistrate | 100 | 100 | 25 | 75 |
| Court services unit | 57,548 | 57,548 | 42,788 | 14,760 |
| Clerk of the circuit court | 216,651 | 216,651 | 208,117 | 8,534 |
| Total courts | <u>\$ 343,393</u> | <u>\$ 352,743</u> | <u>\$ 321,276</u> | <u>\$ 31,467</u> |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 311,536 | \$ 315,002 | \$ 312,741 | \$ 2,261 |
| Total judicial administration | <u>\$ 654,929</u> | <u>\$ 667,745</u> | <u>\$ 634,017</u> | <u>\$ 33,728</u> |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | \$ 1,300,753 | \$ 1,341,946 | \$ 1,345,888 | \$ (3,942) |
| Fire and rescue services: | | | | |
| Volunteer fire department | \$ 147,000 | \$ 147,000 | \$ 152,715 | \$ (5,715) |
| Volunteer rescue squad | 586,797 | 586,797 | 547,012 | 39,785 |
| Total fire and rescue services | <u>\$ 733,797</u> | <u>\$ 733,797</u> | <u>\$ 699,727</u> | <u>\$ 34,070</u> |
| Correction and detention: | | | | |
| Juvenile group home | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ - |

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Schedule 2
Page 2 of 4

| <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 | \$ 111,448 | \$ 111,448 | \$ 97,259 | \$ 14,189 |
| Other protection: | | | | |
| Animal control | \$ 56,804 | \$ 56,804 | \$ 54,355 | \$ 2,449 |
| Civil defense | 71,429 | 71,429 | 72,545 | (1,116) |
| Medical examiner | 400 | 400 | 40 | 360 |
| E-911 system | 72,000 | 72,000 | 67,140 | 4,860 |
| Total other protection | \$ 200,633 | \$ 200,633 | \$ 194,080 | \$ 6,553 |
| Total public safety | \$ 2,361,631 | \$ 2,402,824 | \$ 2,351,954 | \$ 50,870 |
| Public works: | | | | |
| Maintenance of highways, streets, bridges and sidewalks: | | | | |
| Streetlights | \$ 4,150 | \$ 4,150 | \$ 4,032 | \$ 118 |
| Sanitation and waste removal: | | | | |
| Refuse collection and disposal | \$ 636,600 | \$ 636,600 | \$ 566,837 | \$ 69,763 |
| Maintenance of general buildings and grounds: | | | | |
| General properties | \$ 281,837 | \$ 340,646 | \$ 331,669 | \$ 8,977 |
| Total public works | \$ 922,587 | \$ 981,396 | \$ 902,538 | \$ 78,858 |
| Health and welfare: | | | | |
| Health: | | | | |
| Supplement of local health department | \$ 129,081 | \$ 129,081 | \$ 127,374 | \$ 1,707 |
| Mental health and mental retardation: | | | | |
| Community services board | \$ 23,000 | \$ 23,000 | \$ 23,000 | - |
| Welfare: | | | | |
| Family development center | \$ 110,000 | \$ 110,759 | \$ 110,776 | \$ (17) |
| Area agency on aging | 7,650 | 7,650 | 7,650 | - |
| Virginia public assistance | 929,275 | 1,341,563 | 1,382,381 | (40,818) |
| Tax relief for the elderly | - | - | 18,634 | (18,634) |
| Comprehensive services | 350,000 | 350,000 | 227,321 | 122,679 |
| Total welfare | \$ 1,396,925 | \$ 1,809,972 | \$ 1,746,762 | \$ 63,210 |
| Total health and welfare | \$ 1,549,006 | \$ 1,962,053 | \$ 1,897,136 | \$ 64,917 |
| Education: | | | | |
| Other instructional costs: | | | | |
| Contributions to Rappahannock Community College | \$ 8,890 | \$ 8,890 | \$ 8,890 | - |
| Contribution to County School Board | 4,927,428 | 4,785,052 | 4,631,351 | 153,701 |
| Total education | \$ 4,936,318 | \$ 4,793,942 | \$ 4,640,241 | \$ 153,701 |

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Schedule 2
Page 3 of 4

| <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 | \$ 42,600 | \$ 42,600 | \$ 42,600 | \$ - |
| Cultural enrichment: | | | | |
| Richmond County museum | \$ 18,128 | \$ 19,372 | \$ 19,372 | \$ - |
| Library: | | | | |
| Contribution to county library | \$ 79,160 | \$ 79,160 | \$ 79,160 | \$ - |
| Total parks, recreation, and cultural | \$ 139,888 | \$ 141,132 | \$ 141,132 | \$ - |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | \$ 174,682 | \$ 174,682 | \$ 152,521 | \$ 22,161 |
| Economic development | 32,938 | 32,938 | 18,278 | 14,660 |
| Northern Neck planning district commission | 9,500 | 9,500 | 9,500 | - |
| Total planning and community development | \$ 217,120 | \$ 217,120 | \$ 180,299 | \$ 36,821 |
| Environmental management: | | | | |
| Contribution to soil and water conservation district | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ - |
| Wetlands board | 4,030 | 4,030 | 1,831 | 2,199 |
| Litter and recycling program | 9,000 | 9,000 | 4,000 | 5,000 |
| Total environmental management | \$ 23,030 | \$ 23,030 | \$ 15,831 | \$ 7,199 |
| Cooperative extension program: | | | | |
| Extension office | \$ 61,067 | \$ 61,067 | \$ 42,081 | \$ 18,986 |
| Total community development | \$ 301,217 | \$ 301,217 | \$ 238,211 | \$ 63,006 |
| Nondepartmental: | | | | |
| Other nondepartmental | \$ 90,972 | \$ 121,124 | \$ 124,402 | \$ (3,278) |
| Capital projects: | | | | |
| School construction | \$ 11,000,000 | \$ 11,000,000 | \$ 55,742 | \$ 10,944,258 |
| County park development | 750,000 | 750,000 | 244,825 | 505,175 |
| Total capital projects | \$ 11,750,000 | \$ 11,750,000 | \$ 300,567 | \$ 11,449,433 |
| Debt service: | | | | |
| Principal retirement | \$ 1,305,191 | \$ 4,067,832 | \$ 3,339,492 | \$ 728,340 |
| Interest and other fiscal charges | - | 348,074 | 346,973 | 1,101 |
| Total debt service | \$ 1,305,191 | \$ 4,415,906 | \$ 3,686,465 | \$ 729,441 |
| Total General Fund | \$ 24,954,689 | \$ 28,650,712 | \$ 16,025,466 | \$ 12,625,246 |
| Total Primary Government | \$ 24,954,689 | \$ 28,650,712 | \$ 16,025,466 | \$ 12,625,246 |

County of Richmond, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Schedule 2
Page 4 of 4

| <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: | | | | |
| School Operating Fund: | | | | |
| Education: | | | | |
| Instruction costs: | | | | |
| Instructional costs | \$ 9,109,653 | \$ 9,296,073 | \$ 9,069,412 | \$ 226,661 |
| | | | | |
| Operating costs: | | | | |
| Administration, attendance and health services | \$ 578,035 | \$ 599,960 | \$ 664,851 | \$ (64,891) |
| Pupil transportation | 683,815 | 683,815 | 693,378 | (9,563) |
| Operation and maintenance of school plant | 1,109,550 | 1,151,022 | 1,127,208 | 23,814 |
| Facilities | 60,500 | 60,500 | | 60,500 |
| Total operating costs | <u>\$ 2,431,900</u> | <u>\$ 2,495,297</u> | <u>\$ 2,485,437</u> | <u>\$ 9,860</u> |
| | | | | |
| School food services: | | | | |
| Administration of school food program | \$ 41,030 | \$ 41,030 | \$ 39,924 | \$ 1,106 |
| Total education | <u>\$ 11,582,583</u> | <u>\$ 11,832,400</u> | <u>\$ 11,594,773</u> | <u>\$ 237,627</u> |
| | | | | |
| Debt service: | | | | |
| Principal retirement | \$ 102,660 | \$ - | \$ - | \$ - |
| Interest and other fiscal charges | 39,716 | - | - | - |
| Total debt service | <u>\$ 142,376</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total School Operating Fund | <u>\$ 11,724,959</u> | <u>\$ 11,832,400</u> | <u>\$ 11,594,773</u> | <u>\$ 237,627</u> |
| | | | | |
| Special Revenue Funds: | | | | |
| School Cafeteria Fund: | | | | |
| Education: | | | | |
| School food services: | | | | |
| Administration of school food program | \$ 288,867 | \$ 363,867 | \$ 541,574 | \$ (177,707) |
| Commodities | - | - | 26,787 | (26,787) |
| Total school food services | <u>\$ 288,867</u> | <u>\$ 363,867</u> | <u>\$ 568,361</u> | <u>\$ (204,494)</u> |
| Total education | <u>\$ 288,867</u> | <u>\$ 363,867</u> | <u>\$ 568,361</u> | <u>\$ (204,494)</u> |
| Total School Cafeteria Fund | <u>\$ 288,867</u> | <u>\$ 363,867</u> | <u>\$ 568,361</u> | <u>\$ (204,494)</u> |
| | | | | |
| PL 89-10 (Title I) Fund: | | | | |
| Education: | | | | |
| Instruction costs: | | | | |
| Instructional costs | \$ - | \$ 396,020 | \$ 431,412 | \$ (35,392) |
| Total PL 89-10 (Title I) Fund | <u>\$ -</u> | <u>\$ 396,020</u> | <u>\$ 431,412</u> | <u>\$ (35,392)</u> |
| | | | | |
| Total Discretely Presented Component Unit - School Board | <u>\$ 12,013,826</u> | <u>\$ 12,592,287</u> | <u>\$ 12,594,546</u> | <u>\$ (2,259)</u> |

STATISTICAL INFORMATION

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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 |
|-------------|-----------------------------------|-------------------------|---------------|--------------|--------------------|--------------|---------------------------------|-----------------------|----------------------------|---------------|
| 2011-12 | \$ 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 |
| 2010-11 | 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 |
| 2009-10 | 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 |
| 2008-09 | 887,637 | 738,746 | 2,124,489 | 904,776 | 1,493,767 | 4,482,010 | 124,819 | 294,235 | 378,731 | 11,429,210 |
| 2007-08 | 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 |
| 2006-07 | 730,497 | 648,463 | 1,418,622 | 771,453 | 1,432,078 | 4,171,087 | 118,814 | 177,170 | 247,003 | 9,715,187 |
| 2005-06 | 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 seven years.

Table 2

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 | | |
| 2011-12 | \$ 475,971 | \$ 1,977,184 | \$ - | \$ 7,099,394 | \$ 1,274,484 | \$ 37,213 | \$ 78,501 | \$ 1,156,517 | \$ - | \$ 12,099,264 | |
| 2010-11 | 499,826 | 2,200,305 | - | 5,812,489 | 1,306,532 | 64,972 | 58,253 | 1,210,495 | - | 11,152,872 | |
| 2009-10 | 321,894 | 2,457,852 | - | 5,503,475 | 1,209,769 | 88,122 | 78,697 | 1,171,538 | - | 10,831,347 | |
| 2008-09 | 390,629 | 2,133,243 | - | 5,484,432 | 1,605,267 | 273,471 | 62,299 | 844,261 | - | 10,793,602 | |
| 2007-08 | 158,352 | 2,447,905 | - | 5,291,354 | 1,890,206 | 249,852 | 143,575 | 883,429 | 75,854 | 11,140,527 | |
| 2006-07 | 126,029 | 2,201,339 | - | 4,965,281 | 1,941,182 | 335,739 | 171,022 | 916,138 | 154,704 | 10,811,434 | |
| 2005-06 | 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 seven 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 |
|-------------|-----------------------------------|-------------------------|---------------|--------------|--------------------|---------------|---------------------------------|-----------------------|------------------|--------------|---------------|
| 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 |
| 2003 | 672,264 | 543,198 | 1,170,973 | 571,701 | 1,203,655 | 9,079,206 | 258,111 | 148,553 | - | 265,857 | 13,913,518 |

(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, 2004, and 2003 \$52,866, \$38,583 and \$47,561 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 |
|-------------|------------------------|-------------------|--|-----------------------|--|----------------------|---------------|-----------------|------------------------|---------------|
| 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 |
| 2003 | 3,394,968 | 1,443,311 | 49,044 | 17,967 | 256,321 | 223,219 | 307,777 | - | 8,230,299 | 13,922,906 |

(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 | |
|-------------|--------------------|-----------------------------|---------------------------|----------------------------------|-----------------------|-----------------------------------|---|
| | | | | | | Total Tax Collections to Tax Levy | Outstanding Delinquent Taxes (1, 2) |
| | | | | | | | Percent of Delinquent Taxes to Tax Levy |
| 2012 | \$ 7,811,023 | \$ 7,485,794 | 95.84% | \$ 186,686 | \$ 7,672,480 | 98.23% | 4.85% |
| 2011 | 6,670,585 | 6,363,482 | 95.40% | 283,844 | 6,647,326 | 99.65% | 3.78% |
| 2010 | 6,025,304 | 5,878,951 | 97.57% | 169,423 | 6,048,374 | 100.38% | 5.37% |
| 2009 | 6,268,800 | 6,001,076 | 95.73% | 139,341 | 6,140,417 | 97.95% | 4.42% |
| 2008 | 5,935,338 | 5,893,054 | 99.29% | 100,343 | 5,993,397 | 100.98% | 4.41% |
| 2007 | 5,651,753 | 5,550,726 | 98.21% | 130,459 | 5,681,185 | 100.52% | 4.56% |
| 2006 (4) | 5,307,595 | 5,156,333 | 97.15% | 111,949 | 5,268,282 | 99.26% | 4.25% |
| 2005 (3) | 3,857,690 | 3,770,503 | 97.74% | 101,852 | 3,872,355 | 100.38% | 3.84% |
| 2004 (3) | 3,816,618 | 3,709,307 | 97.19% | 145,866 | 3,855,173 | 101.01% | 4.42% |
| 2003 (3) | 3,375,832 | 3,235,113 | 95.83% | 99,567 | 3,334,680 | 98.78% | 6.53% |

(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, \$780,452 and \$742,119 for the years ended June 30, 2005, 2004 and 2003 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 | Personal Property | |
| 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 |
| 2003 | 401,346,300 | 43,814,780 | 4,588,770 | 1,513,210 | 37,783,289 | 720,909 | 489,767,258 |

(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 |
| 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 |
| 2003 | 0.56 | 3.50 | 0.50 | 3.50 | 0.56 | 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 |
|----------------|----------------|--|-------------------------------------|--|-------------------------------------|
| 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 |
| 2003 | 8,809 | 489,767 | 1,753,156 | 0.36% | 199 |

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

(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

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

*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 the financial statements 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 and for the year ended June 30, 2012, which collectively comprise the County of Richmond, Virginia's basic financial statements and have issued our report thereon dated January 18, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

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

Richmond, Virginia
January 18, 2013

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

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, 2012. The County of Richmond, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Richmond, Virginia's management. Our responsibility is to express an opinion on the County of Richmond, Virginia's compliance based on our audit.

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

In our opinion, the County of Richmond, Virginia complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Richmond, Virginia
January 18, 2013

County of Richmond, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

| 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 | 0950109/0950110 | \$ 14,090 |
| Temporary Assistance for Needy Families | 93.558 | 0400109/0400110 | 74,492 |
| Refugee and Entrant Assistance - State Administered Programs | 93.566 | 0500109/0500110 | 161 |
| Low-Income Home Energy Assistance | 93.568 | 0600409/00600410 | 8,604 |
| Child Care and Development Fund Cluster: | | | |
| Child Care and Development Block Grant | 93.575 | 0770109/0770110 | 2,198 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760109/0760110 | 18,490 |
| Stephanie Tubbs Jones Child Welfare Services Program | 93.645 | 0900109/090110 | 201 |
| Foster Care - Title IV-E | 93.658 | 1100109/1100110 | 31,527 |
| Adoption Assistance | 93.659 | 1120109/11201110 | 5,814 |
| Social Services Block Grant | 93.667 | 1000109/1000110 | 46,693 |
| Chafee Foster Care Independence Program | 93.674 | 9150109/9150110 | 588 |
| Children's Health Insurance Program | 93.767 | 0540109/0540110 | 3,082 |
| Medical Assistance Program | 93.778 | 1200109/1200110 | 63,528 |
| | | | <u>\$ 269,468</u> |
| Total Department of Health and Human Services | | | |
| U. S. Department of Homeland Security: | | | |
| Pass Through Payments: | | | |
| <i>Department of Emergency Management:</i> | | | |
| Disaster Grants Public Assistance (Presidentially Declared Disasters) | 97.036 | 7760200-155 | \$ 56,817 |
| Emergency Management | 97.042 | 7750100-52740 | 6,000 |
| | | | <u>\$ 62,817</u> |
| Department of Agriculture: | | | |
| Pass Through Payments: | | | |
| Child Nutrition Cluster: | | | |
| <i>Department of Agriculture:</i> | | | |
| Food Distribution | 10.555 | 17901-45707 | \$ 26,787 |
| <i>Department of Education:</i> | | | |
| Child Nutrition Cluster: | | | |
| National School Lunch Program | 10.555 | 17901-40623 | <u>271,698</u> |
| School Breakfast Program | 10.553 | 17901-40591 | \$ 58,585 |
| <i>Department of Social Services:</i> | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | | | |
| | 10.561 | 0010109/0010110 | 104,941 |
| Child Nutrition Discretionary Grants Limited Availability | 10.579 | 17901-40593 | 11,771 |
| | | | <u>\$ 473,782</u> |
| Total Department of Agriculture | | | |
| Department of Transportation: | | | |
| Pass Through Payments: | | | |
| <i>Department of Motor Vehicles:</i> | | | |
| State and Community Highway Safety | 20.600 | 60507-5015 | \$ 26,169 |

County of Richmond, Virginia
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2012

| 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 | \$ 391,960 |
| ARRA - Title I Grants to Local Educational Agencies | 84.389 | 17901-42913 | 32,850 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | 17901-43071 | 230,456 |
| ARRA - Special Education - Grants to States | 84.391 | 17901-61245 | 39,000 |
| ARRA - Special Education - Preschool Grants | 84.392 | 17901-61247 | 5,147 |
| Career and Technical Education - Basic Grants to States | 84.048 | 17901-61095 | 21,965 |
| Safe and Drug-Free Schools and Communities - State Grants | 84.186 | 18204-86871 | 4,563 |
| English Language Acquisition Grants | 84.365 | 17901-60512 | 895 |
| ARRA - State Fiscal Stabilization Fund - Education state grants | 84.394 | 17901-62532 | 59,000 |
| Improving Teacher Quality State Grants | 84.367 | 17901-61480 | 60,246 |
| ARRA - Education Jobs Fund | 84.410 | 17901-62700 | 291,643 |
| | | | <u>1,137,725</u> |
| Total Department of Education | | | \$ 1,137,725 |
| Total Expenditures of Federal Awards | | | <u>\$ 1,969,961</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, 2012

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, 2012. 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 assets, 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 | \$ 471,520 |
| Total primary government | \$ 471,520 |

Component Unit Public Schools:

| | |
|-------------------------------------|--------------|
| School Operating Fund | \$ 712,915 |
| School Cafeteria Fund | 368,841 |
| PL 89-10 (Title I) Fund | 424,810 |
| Total component unit public schools | \$ 1,506,566 |

| | |
|---|--------------|
| Total federal expenditures per basic financial statements | \$ 1,978,086 |
|---|--------------|

| | |
|--------------------------------|------------|
| Less: Payment in Lieu of Taxes | \$ (8,125) |
|--------------------------------|------------|

| | |
|---|--------------|
| Total federal expenditures per the Schedule of Expenditures of Federal Awards | \$ 1,969,961 |
|---|--------------|

County of Richmond, Virginia
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2012

Section I-Summary of Auditors' Results

Financial Statements

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

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|---|
| 84.027 / 84.391/84.392 | Special Education Cluster |
| 84.410 | ARRA - Education Jobs |

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 and Questioned Costs
For the Year Ended June 30, 2012

There were no prior year findings or questioned costs.

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