

# COUNTY OF APPOMATTOX, VIRGINIA



## ANNUAL FINANCIAL REPORT

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FOR FISCAL YEAR ENDED JUNE 30, 2014



COUNTY OF APPOMATTOX, VIRGINIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

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# COUNTY OF APPOMATTOX, VIRGINIA

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## Board of Supervisors

Ronald C. Spiggle, Chairperson

Samuel E. Carter  
Sara E. Carter

William H. Craft  
Gary W. Tanner

## School Board

Bobby K. Waddell, Chairperson

Rev. Al L. Jones III  
Gregory A. Smith

Wyatt Torrence  
Rev. J. Wesley Williams

## Board of Social Services

Nelson Mann, Chairperson

Sammy Carter

Rowena Ferguson Robinson

## Other Officials

Judge of the Circuit Court ..... Kimberly S. White  
Clerk of the Circuit Court ..... Janet A. Hix  
Judge of the General District Court ..... Robert Woodson, Jr.  
Judge of the Juvenile and Domestic Relations Court ..... Marvin Dunkam  
Commonwealth's Attorney ..... Darrel W. Puckett  
Commissioner of the Revenue ..... Sara R. Henderson  
Treasurer ..... Alice F. Gillette  
Sheriff ..... Barry E. Letterman  
Superintendent of Schools ..... Dorinda G. Grasty  
Director of Social Services ..... Brad Burdette  
County Administrator ..... Aileen T. Ferguson

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox, Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox, Virginia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress on pages 4-10, 64, and 65-66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

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

*Other Information (continued)*

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2015, on our consideration of County of Appomattox, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Appomattox, Virginia's internal control over financial reporting and compliance.

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

Richmond, Virginia  
January 13, 2015

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **To the Honorable Members of the Board of Supervisors To the Citizens of Appomattox County County of Appomattox, Virginia**

As management of the County of Appomattox, 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, 2014. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

### **Financial Highlights**

#### Government-wide Financial Statements

- < The assets of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,363,846 (net position).

#### 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 \$172,213 (Exhibit 5) after making contributions totaling \$4,580,985 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$11,505,866, a decrease of \$172,213 in comparison with the prior year, due primarily to the completion of prior year construction projects.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,227,841, or 36.2% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$1,976,775 during the current fiscal year.

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## Overview of the Financial Statements

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

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

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

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

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

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

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

The Government-wide financial statements include not only the County of Appomattox, Virginia itself (known as the primary government), but also a legally separate school district and industrial development authority for which the County of Appomattox, 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 Appomattox, 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 three categories: governmental funds, business-type 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 two major governmental funds – the General Fund, and the County Capital Projects Fund and one non-major governmental fund - the County Special Revenue Fund.

Proprietary funds – Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting similar to private sector business.

The Utility Fund provides a centralized source for water services to County residents.

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

Notes to 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 unit - School Board and the component unit – Economic Development Authority. Neither the School Board nor the Economic Development Authority issues separate financial statements.

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## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$9,363,846 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Appomattox, Virginia's Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 16,664,981	\$ 19,955,629	\$ 33,037	\$ 25,776	\$ 16,698,018	\$ 19,981,405
Capital assets	<u>24,791,789</u>	<u>26,517,674</u>	<u>5,483,790</u>	<u>5,598,035</u>	<u>30,275,579</u>	<u>32,115,709</u>
Total assets	<u>\$ 41,456,770</u>	<u>\$ 46,473,303</u>	<u>\$ 5,516,827</u>	<u>\$ 5,623,811</u>	<u>\$ 46,973,597</u>	<u>\$ 52,097,114</u>
Current liabilities	\$ 497,520	\$ 3,005,068	\$ 31,669	\$ 12,280	\$ 529,189	\$ 3,017,348
Long-term liabilities outstanding	<u>30,688,749</u>	<u>32,547,225</u>	<u>2,630,883</u>	<u>2,749,182</u>	<u>33,319,632</u>	<u>35,296,407</u>
Total liabilities	<u>\$ 31,186,269</u>	<u>\$ 35,552,293</u>	<u>\$ 2,662,552</u>	<u>\$ 2,761,462</u>	<u>\$ 33,848,821</u>	<u>\$ 38,313,755</u>
Deferred inflows of resources						
Unavailable revenue - property taxes	<u>\$ 3,760,930</u>	<u>\$ 3,755,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,760,930</u>	<u>\$ 3,755,086</u>
Net investment in capital assets	\$ (2,805,824)	\$ (2,904,026)	\$ 2,852,907	\$ 2,848,853	\$ 47,083	\$ (55,173)
Restricted for:						
Veterans wall of honor	3,038	3,038	-	-	3,038	3,038
Comprehensive services	30,309	30,309	-	-	30,309	30,309
Asset forfeiture	230,515	201,518	-	-	230,515	201,518
Courthouse maintenance	15,028	9,617	-	-	15,028	9,617
Courthouse security fund	112,855	94,689	-	-	112,855	94,689
Law library	16,185	20,586	-	-	16,185	20,586
Unrestricted	<u>8,907,465</u>	<u>9,710,193</u>	<u>1,368</u>	<u>13,496</u>	<u>8,908,833</u>	<u>9,723,689</u>
Total net position	<u>\$ 6,509,571</u>	<u>\$ 7,165,924</u>	<u>\$ 2,854,275</u>	<u>\$ 2,862,349</u>	<u>\$ 9,363,846</u>	<u>\$ 10,028,273</u>

**Government-wide Financial Analysis (Continued)**

The County's net position decreased by \$664,427 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Appomattox, Virginia's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Charges for services	\$ 285,999	\$ 298,464	\$ 141,219	\$ 95,276	\$ 427,218	\$ 393,740
Operating grants and contributions	4,235,120	4,069,886	-	-	4,235,120	4,069,886
Capital grants and contributions	-	-	-	38,903	-	38,903
General property taxes	10,267,361	10,628,797	-	-	10,267,361	10,628,797
Other local taxes	2,091,268	1,960,774	-	-	2,091,268	1,960,774
Grants and other contributions not restricted	1,908,765	1,916,356	-	-	1,908,765	1,916,356
Other general revenues	357,592	306,420	-	-	357,592	306,420
Transfers	(294,460)	(241,433)	294,460	241,433	-	-
<b>Total revenues</b>	<b>\$ 18,851,645</b>	<b>\$ 18,939,264</b>	<b>\$ 435,679</b>	<b>\$ 375,612</b>	<b>\$ 19,287,324</b>	<b>\$ 19,314,876</b>
General government administration	\$ 1,648,763	\$ 1,747,040	\$ -	\$ -	\$ 1,648,763	\$ 1,747,040
Judicial administration	1,159,754	1,209,655	-	-	1,159,754	1,209,655
Public safety	3,796,131	3,736,293	-	-	3,796,131	3,736,293
Public works	1,708,292	2,186,994	443,753	379,480	2,152,045	2,566,474
Health and welfare	2,880,736	2,533,327	-	-	2,880,736	2,533,327
Education	5,717,485	6,312,633	-	-	5,717,485	6,312,633
Parks, recreation, and cultural	948,775	494,248	-	-	948,775	494,248
Community development	420,103	389,577	-	-	420,103	389,577
Interest and other fiscal charges	1,227,959	1,281,307	-	-	1,227,959	1,281,307
<b>Total expenses</b>	<b>\$ 19,507,998</b>	<b>\$ 19,891,074</b>	<b>\$ 443,753</b>	<b>\$ 379,480</b>	<b>\$ 19,951,751</b>	<b>\$ 20,270,554</b>
Change in net position	\$ (656,353)	\$ (951,810)	\$ (8,074)	\$ (3,868)	\$ (664,427)	\$ (955,678)
Net position, beginning of year	7,165,924	8,117,734	2,862,349	2,866,217	10,028,273	10,983,951
Net position, end of year	<u>\$ 6,509,571</u>	<u>\$ 7,165,924</u>	<u>\$ 2,854,275</u>	<u>\$ 2,862,349</u>	<u>\$ 9,363,846</u>	<u>\$ 10,028,273</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, unassigned 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 \$11,505,866, a decrease of \$172,213 in comparison with the prior year. Approximately 62.8% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion. The decrease was primarily due to completion of both the renovations to the Appomattox Primary School and construction of the Concord Waterline.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$3,544,433, all of which was committed for current or future capital projects.

**Proprietary Funds** – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to \$1,368. The total decrease in net position was \$8,074. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities

## **General Fund Budgetary Highlights**

During the year, budgetary estimates exceeded revenues and other sources by \$627,487. Budgetary estimates exceeded expenditures and other uses by \$1,297,695 resulting in a positive variance of \$670,208.

## **Capital Asset and Debt Administration**

**Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2014 amounts to \$24,791,789 (net of accumulated depreciation). The County's investment in capital assets for its proprietary fund as of June 30, 2014 amounted to \$5,483,790. 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 \$29,960,185. Of this amount, \$14,157,128 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds and capital leases).

The County's total debt decreased by \$1,924,498 during the current fiscal year.

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

## **Economic Factors and Next Year's Budgets and Rates**

< Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2015 fiscal year.

The fiscal year 2015 budget decreased by 0.4% and the tax rates remained the same as in 2014, with the exception of real estate increasing from \$0.57 per \$100 of assessed value to \$0.635 per \$100 of assessed value.

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Appomattox, 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 863, Appomattox, Virginia 24522.

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*BASIC FINANCIAL STATEMENTS*

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*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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County of Appomattox, Virginia  
Statement of Net Position  
June 30, 2014

	Primary Government			Component Units	
	Governmental	Business-type	Total	School Board	EDA
	Activities	Activities		School Board	EDA
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,936,945	\$ -	\$ 9,936,945	\$ 2,579,467	\$ 102,671
Cash in custody of others	-	-	-	4,000	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	4,961,962	-	4,961,962	-	-
Accounts receivable	90,593	33,037	123,630	18,140	-
Due from other governmental units	1,675,481	-	1,675,481	643,096	-
Capital assets (net of accumulated depreciation):					
Land	1,316,010	-	1,316,010	211,370	1,386,773
Buildings and improvements	21,731,176	-	21,731,176	10,128,658	-
Utility plant in service	-	5,483,790	5,483,790	-	-
Equipment	1,276,877	-	1,276,877	617,191	-
Infrastructure	23,658	-	23,658	-	1,309,415
Intangibles	444,068	-	444,068	-	-
Total assets	<u>\$ 41,456,770</u>	<u>\$ 5,516,827</u>	<u>\$ 46,973,597</u>	<u>\$ 14,201,922</u>	<u>\$ 2,798,859</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 295,675	\$ 20,368	\$ 316,043	\$ 34,896	\$ -
Accrued liabilities	-	-	-	1,643,799	-
Accrued interest payable	201,845	11,301	213,146	-	-
Due to other governmental units	-	-	-	683,384	-
Long-term liabilities:					
Due within one year	1,914,819	119,194	2,034,013	28,950	-
Due in more than one year	28,773,930	2,511,689	31,285,619	569,834	-
Total liabilities	<u>\$ 31,186,269</u>	<u>\$ 2,662,552</u>	<u>\$ 33,848,821</u>	<u>\$ 2,960,863</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred revenue - property taxes	\$ 3,760,930	\$ -	\$ 3,760,930	\$ -	\$ -
Total deferred inflows of resources	<u>\$ 3,760,930</u>	<u>\$ -</u>	<u>\$ 3,760,930</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>					
Net investment in capital assets	\$ (2,805,824)	\$ 2,852,907	\$ 47,083	\$ 10,957,219	\$ 2,696,188
Restricted:					
Veterans wall of honor	3,038	-	3,038	-	-
Comprehensive services	30,309	-	30,309	-	-
Asset forfeiture	230,515	-	230,515	-	-
Courthouse maintenance	15,028	-	15,028	-	-
Courthouse security fund	112,855	-	112,855	-	-
Law library	16,185	-	16,185	-	-
Unrestricted	8,907,465	1,368	8,908,833	283,840	102,671
Total net position	<u>\$ 6,509,571</u>	<u>\$ 2,854,275</u>	<u>\$ 9,363,846</u>	<u>\$ 11,241,059</u>	<u>\$ 2,798,859</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 41,456,770</u>	<u>\$ 5,516,827</u>	<u>\$ 46,973,597</u>	<u>\$ 14,201,922</u>	<u>\$ 2,798,859</u>

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

County of Appomattox, Virginia  
Statement of Activities  
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
					Governmental Activities	Business-type Activities	Total	School Board	EDA
<b>PRIMARY GOVERNMENT:</b>									
Governmental activities:									
General government administration	\$ 1,648,763	\$ 330	\$ 208,002	\$ -	\$ (1,440,431)	\$ -	\$ (1,440,431)	\$ -	\$ -
Judicial administration	1,159,754	66,061	538,558	-	(555,135)	-	(555,135)	-	-
Public safety	3,796,131	85,891	974,577	-	(2,735,663)	-	(2,735,663)	-	-
Public works	1,708,292	83,917	8,540	-	(1,615,835)	-	(1,615,835)	-	-
Health and welfare	2,880,736	-	2,031,468	-	(849,268)	-	(849,268)	-	-
Education	5,717,485	-	-	-	(5,717,485)	-	(5,717,485)	-	-
Parks, recreation, and cultural	948,775	49,800	56,375	-	(842,600)	-	(842,600)	-	-
Community development	420,103	-	-	-	(420,103)	-	(420,103)	-	-
Interest on long-term debt	1,227,959	-	417,600	-	(810,359)	-	(810,359)	-	-
Total governmental activities	\$ 19,507,998	\$ 285,999	\$ 4,235,120	\$ -	\$ (14,986,879)	\$ -	\$ (14,986,879)	\$ -	\$ -
Business-type activities:									
Sanitary District	\$ 443,753	\$ 141,219	\$ -	\$ -	\$ -	\$ (302,534)	\$ (302,534)	\$ -	\$ -
Total business-type activities	443,753	141,219	-	-	-	(302,534)	(302,534)	-	-
Total primary government	\$ 19,951,751	\$ 427,218	\$ 4,235,120	\$ -	\$ (14,986,879)	\$ (302,534)	\$ (15,289,413)	\$ -	\$ -
<b>COMPONENT UNITS:</b>									
School Board	\$ 20,980,058	\$ 533,825	\$ 15,122,728	\$ -	\$ -	\$ -	\$ (5,323,505)	\$ -	\$ (49,346)
Economic Development Authority	52,786	3,440	-	-	-	-	-	-	(49,346)
Total component units	\$ 21,032,844	\$ 537,265	\$ 15,122,728	\$ -	\$ -	\$ -	\$ (5,323,505)	\$ -	\$ (49,346)
General revenues:									
General property taxes		\$ 10,267,361	\$ -	\$ -	\$ 10,267,361	\$ -	\$ -	\$ -	\$ -
Local sales and use taxes		1,228,372	-	-	1,228,372	-	-	-	-
Consumer utility taxes		367,655	-	-	367,655	-	-	-	-
Motor vehicle taxes		331,062	-	-	331,062	-	-	-	-
Other local taxes		164,179	-	-	164,179	-	-	-	-
Unrestricted revenues from use of money and property		86,314	-	-	86,314	8,361	8,361	333	333
Miscellaneous		271,278	-	-	271,278	131,800	131,800	13,940	13,940
Grants and contributions not restricted to specific programs		1,798,765	-	-	1,798,765	-	-	-	-
Payment from Appomattox County School Board		110,000	-	-	110,000	-	-	-	-
Payment from Appomattox County Transfers		(294,460)	294,460	-	-	4,823,552	4,823,552	-	-
Total general revenues and transfers		\$ 14,330,526	\$ 294,460	\$ 14,624,986	\$ 14,624,986	\$ 4,963,713	\$ 14,273	\$ 14,273	\$ 14,273
Change in net position		\$ (656,353)	\$ (8,074)	\$ (664,427)	\$ (664,427)	\$ (359,792)	\$ (359,792)	\$ (35,073)	\$ (35,073)
Net position - beginning		7,165,924	2,862,349	10,028,273	11,600,851	2,833,932	2,833,932	2,833,932	2,833,932
Net position - ending		\$ 6,509,571	\$ 2,854,275	\$ 9,363,846	\$ 11,241,059	\$ 2,798,859	\$ 2,798,859	\$ 2,798,859	\$ 2,798,859

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

*FUND FINANCIAL STATEMENTS*

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County of Appomattox, Virginia  
Balance Sheet  
Governmental Funds  
June 30, 2014

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,694,630	\$ 3,544,433	\$ 697,882	\$ 9,936,945
Receivables (net of allowance for uncollectibles):				
Taxes receivable	4,961,962	-	-	4,961,962
Accounts receivable	90,561	-	32	90,593
Due from other governmental units	1,667,119	-	8,362	1,675,481
Total assets	<u>\$ 12,414,272</u>	<u>\$ 3,544,433</u>	<u>\$ 706,276</u>	<u>\$ 16,664,981</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 295,675	\$ -	\$ -	\$ 295,675
Total liabilities	<u>\$ 295,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,675</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	\$ 4,863,440	\$ -	\$ -	\$ 4,863,440
Total deferred inflows of resources	<u>\$ 4,863,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,863,440</u>
Fund balances:				
Restricted	\$ 3,038	\$ -	\$ 404,892	\$ 407,930
Committed	24,278	3,544,433	301,384	3,870,095
Unassigned	7,227,841	-	-	7,227,841
Total fund balances	<u>\$ 7,255,157</u>	<u>\$ 3,544,433</u>	<u>\$ 706,276</u>	<u>\$ 11,505,866</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,414,272</u>	<u>\$ 3,544,433</u>	<u>\$ 706,276</u>	<u>\$ 16,664,981</u>

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

County of Appomattox, Virginia  
 Reconciliation of the Balance Sheet of Governmental Funds  
 to the Statement of Net Position  
 June 30, 2014

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$ 11,505,866
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	\$ 44,185,715	
Accumulated depreciation	<u>(19,393,926)</u>	24,791,789
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
		1,102,510
Long-term liabilities, including bonds payable and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	\$ (27,345,439)	
Capital lease	(252,174)	
Compensated absences	(317,341)	
Net OPEB obligation	(50,600)	
Landfill postclosure care liability	(2,723,195)	
Accrued interest payable	<u>(201,845)</u>	(30,890,594)
Net position of governmental activities		<u><u>\$ 6,509,571</u></u>

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

County of Appomattox, Virginia  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES</b>				
General property taxes	\$ 10,905,971	\$ -	\$ -	\$ 10,905,971
Other local taxes	2,091,268	-	-	2,091,268
Permits, privilege fees, and regulatory licenses	81,824	-	-	81,824
Fines and forfeitures	30,464	-	-	30,464
Revenue from the use of money and property	86,314	-	-	86,314
Charges for services	139,119	-	34,592	173,711
Miscellaneous	270,849	-	429	271,278
Recovered costs	47,444	-	-	47,444
Intergovernmental:				
Appomattox School Board	-	110,000	-	110,000
Commonwealth	4,679,750	-	61,014	4,740,764
Federal	1,269,898	-	23,223	1,293,121
Total revenues	<u>\$ 19,602,901</u>	<u>\$ 110,000</u>	<u>\$ 119,258</u>	<u>\$ 19,832,159</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,533,880	\$ -	\$ -	\$ 1,533,880
Judicial administration	1,019,883	-	-	1,019,883
Public safety	3,679,004	-	19,690	3,698,694
Public works	1,486,906	-	-	1,486,906
Health and welfare	2,871,715	-	-	2,871,715
Education	4,581,360	-	-	4,581,360
Parks, recreation, and cultural	464,918	-	-	464,918
Community development	369,281	-	-	369,281
Capital projects	587,668	21,682	-	609,350
Debt service:				
Principal retirement	1,806,199	-	-	1,806,199
Interest and other fiscal charges	1,267,726	-	-	1,267,726
Total expenditures	<u>\$ 19,668,540</u>	<u>\$ 21,682</u>	<u>\$ 19,690</u>	<u>\$ 19,709,912</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (65,639)</u>	<u>\$ 88,318</u>	<u>\$ 99,568</u>	<u>\$ 122,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 17,847	\$ -	\$ 19,117	\$ 36,964
Transfers out	(313,577)	-	(17,847)	(331,424)
Total other financing sources (uses)	<u>\$ (295,730)</u>	<u>\$ -</u>	<u>\$ 1,270</u>	<u>\$ (294,460)</u>
Net change in fund balances	\$ (361,369)	\$ 88,318	\$ 100,838	\$ (172,213)
Fund balances - beginning	7,616,526	3,456,115	605,438	11,678,079
Fund balances - ending	<u>\$ 7,255,157</u>	<u>\$ 3,544,433</u>	<u>\$ 706,276</u>	<u>\$ 11,505,866</u>

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

County of Appomattox, Virginia  
 Reconciliation of Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds	\$	(172,213)
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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 depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$ 324,901	
Jointly owned asset allocation	(242,567)	
Depreciation expense	<u>(1,808,219)</u>	(1,725,885)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(638,610)
--	--	-----------

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

Principal payments	\$ 1,806,199	
Amortization of bond premium	17,888	
(Increase) decrease in landfill closure liability	<u>23,591</u>	1,847,678

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.

(Increase) decrease in compensated absences	\$ 18,498	
(Increase) decrease in net OPEB obligation	(7,700)	
(Increase) decrease in accrued interest payable	<u>21,879</u>	32,677

Change in net position of governmental activities	\$	<u><u>(656,353)</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia  
Statement of Net Position  
Proprietary Funds  
June 30, 2014

	Enterprise Fund
	Sanitary District
<b>ASSETS</b>	
Current assets:	
Accounts receivable, net of allowances for uncollectibles	\$ 33,037
Total current assets	\$ 33,037
Noncurrent assets:	
Capital assets:	
Utility plant in service	\$ 5,712,281
accumulated depreciation	(228,491)
Total capital assets	\$ 5,483,790
Total noncurrent assets	\$ 5,483,790
Total assets	\$ 5,516,827
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 20,368
Accrued interest payable	11,301
Bonds payable - current portion	119,194
Total current liabilities	\$ 150,863
Noncurrent liabilities:	
Bonds payable - net of current portion	\$ 2,511,689
Total noncurrent liabilities	\$ 2,511,689
Total liabilities	\$ 2,662,552
<b>NET POSITION</b>	
Net investment in capital assets	\$ 2,852,907
Unrestricted	1,368
Total net position	\$ 2,854,275

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

County of Appomattox, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2014

	Enterprise Fund
	Sanitary District
<b>OPERATING REVENUES</b>	
Miscellaneous	\$ 141,219
Total operating revenues	\$ 141,219
<b>OPERATING EXPENSES</b>	
Other supplies and expenses	\$ 257,596
Depreciation	114,245
Total operating expenses	\$ 371,841
Operating income (loss)	\$ (230,622)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest expense	\$ (71,912)
Total nonoperating revenues (expenses)	\$ (71,912)
Income before transfers	(302,534)
Transfers in	294,460
Change in net position	\$ (8,074)
Total net position - beginning	2,862,349
Total net position - ending	\$ 2,854,275

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

County of Appomattox, Virginia  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2014

	Enterprise Fund <u>Sanitary District</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Other receipts (payments)	\$ 133,958
Receipts for materials and supplies	(237,228)
Net cash provided by (used for) operating activities	<u>\$ (103,270)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	\$ 294,460
Net cash provided by (used for) noncapital financing activities	<u>\$ 294,460</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal payments on bonds	\$ (118,299)
Interest expense	(72,891)
Net cash provided by (used for) capital and related financing activities	<u>\$ (191,190)</u>
Net increase (decrease) in cash and cash equivalents	\$ -
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>	
Operating income (loss)	\$ (230,622)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	114,245
(Increase) decrease in accounts receivable	(7,261)
Increase (decrease) in accounts payable	20,368
Total adjustments	<u>\$ 127,352</u>
Net cash provided by (used for) operating activities	<u><u>\$ (103,270)</u></u>

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

County of Appomattox, Virginia  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2014

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 25,199
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 11,497
Amounts held for others	13,702
Total liabilities	<u>\$ 25,199</u>

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

*NOTES TO THE FINANCIAL STATEMENTS*

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## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014

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### Note 1—Summary of Significant Accounting Policies:

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The County of Appomattox, 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 and fire protection, sanitation service, recreational activities, cultural events, education, and social services.

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

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

#### Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

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

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

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including 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 Appomattox, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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**B. Individual Component Unit Disclosures**

*Blended Component Unit.* The County has no blended component units at June 30, 2014.

*Discretely Presented Component Units.*

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

The Economic Development Authority of Appomattox County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. 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, 2014. The Economic Development Authority does not issue a separate financial report.

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

None

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

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

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

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

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

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

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.

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

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

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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

##### **1. Governmental Funds**

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund as a major governmental fund.

The General Fund - is the primary operating fund of the County. This fund is used to account and report for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

Capital Projects Funds - 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 County also reports the County Capital Projects Fund as a major Capital Projects Fund.

The County reports the following nonmajor governmental funds:

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 County Special Revenue Fund reports the following activities: Asset Forfeiture, E-911, Courthouse Security, Courthouse Maintenance, Jail Keep, Law Library and CSA.

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

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's Enterprise Funds consist of the Sanitary District Fund.

3. Fiduciary Funds - (Trust and Agency Funds) - account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include the Special Welfare Fund, Sheriff Drug Fund, and Swim Team Fund. 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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**F. Investments**

Investments are reported 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 \$364,717 at June 30, 2014 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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**H. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure, 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. 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There is no capitalized interest for the year ended June 30, 2014.

Property, plant, equipment, and infrastructure 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	40
Building Improvements	40
Utility plant	50
Furniture, Vehicles, Office and Computer Equipment	5-20
Buses	10
Infrastructure	5-10
Intangibles	5-20

**I. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to received 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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**K. Use of Estimates**

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

**L. Net Position**

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

**M. Net Position Flow Assumption**

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

**N. Long-term Obligations**

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**O. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any deferred outflows of resources as of June 30, 2014.

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

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**O. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup>, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2<sup>nd</sup> half installments and the amounts prepaid are reported as deferred inflows of resources.

**P. Fund Equity**

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

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

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

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).

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

**P. Fund Equity (Continued)**

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

	General Fund	Nonmajor Special Revenue Fund Other Governmental Funds	Major Capital Projects Fund County Capital Projects Fund	Total
<b>Fund Balances:</b>				
<b>Restricted:</b>				
Veterans wall of honor	\$ 3,038	\$ -	\$ -	\$ 3,038
Comprehensive services	-	30,309	-	30,309
Asset forfeiture	-	230,515	-	230,515
Courthouse maintenance	-	15,028	-	15,028
Courthouse security fund	-	112,855	-	112,855
Law library	-	16,185	-	16,185
<b>Total Restricted Fund Balance</b>	<b>\$ 3,038</b>	<b>\$ 404,892</b>	<b>\$ -</b>	<b>\$ 407,930</b>
<b>Committed:</b>				
Sports complex	\$ 19,639	\$ -	\$ -	\$ 19,639
Rev max	4,605	-	-	4,605
Ballpark fund	34	-	-	34
Capital Improvements	-	-	3,544,433	3,544,433
Jail keep fund	-	10	-	10
150th Sesquicentennial	-	7,256	-	7,256
E-911	-	294,118	-	294,118
<b>Total Committed Fund Balance</b>	<b>\$ 24,278</b>	<b>\$ 301,384</b>	<b>\$ 3,544,433</b>	<b>\$ 3,870,095</b>
<b>Unassigned</b>	<b>\$ 7,227,841</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,227,841</b>
<b>Total Fund Balances</b>	<b>\$ 7,255,157</b>	<b>\$ 706,276</b>	<b>\$ 3,544,433</b>	<b>\$ 11,505,866</b>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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**Note 2—Stewardship, Compliance, and Accounting:**

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

1. On or before March 30<sup>th</sup>, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system’s categories.
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 did not exceed appropriations at June 30, 2014.

**Note 3—Deposits and Investments:**

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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 the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

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).

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2014 were rated by Standard and Poor’s and the ratings are presented below using the Standard and Poor’s rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

		<u>Fair Quality Ratings</u>
		<u>AAAm</u>
Local Government Investment Pool	\$	100,008
Total	\$	100,008

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 3—Deposits and Investments: (Continued)*

**External Investment Pools**

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

*Note 4—Due to/from Other Governments:*

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Appomattox County School Board	\$ 683,384	\$ -
Commonwealth of Virginia:		
Local sales tax	228,673	-
Welfare	38,040	-
Rolling stock tax	43,426	-
Comprehensive services	320,165	-
State Sales Tax	-	395,857
Wireless grant	8,362	-
Auto rental	389	-
Constitutional officer reimbursements	149,097	-
Recordation tax	8,974	-
Mobile home titling tax	4,038	-
Department of Forestry	15,865	-
Victim witness	10,000	-
Fire programs	6,183	-
Communications tax	95,494	-
Federal Government:		
School fund grants	-	247,239
Highway safety	2,399	-
Welfare	60,992	-
	<u>1,675,481</u>	<u>643,096</u>
Total due from other governments	\$ <u>1,675,481</u>	\$ <u>643,096</u>

At June 30, 2014, amounts due to other local governments are as follows:

Other Local Governments:		
Appomattox County School Board	\$ <u>-</u>	\$ <u>683,384</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 5—Capital Assets:**

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

**Primary Government:**

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 1,316,010	\$ -	\$ -	\$ 1,316,010
Total capital assets not subject to depreciation	<u>\$ 1,316,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,316,010</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 12,742,901	\$ 21,600	\$ -	\$ 12,764,501
Equipment	5,668,355	303,301	-	5,971,656
Infrastructure	72,109	-	-	72,109
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	<u>22,632,473</u>	<u>-</u>	<u>381,250</u>	<u>22,251,223</u>
Total capital assets subject to depreciation	<u>\$ 42,926,054</u>	<u>\$ 324,901</u>	<u>\$ 381,250</u>	<u>\$ 42,869,705</u>
Accumulated depreciation:				
Buildings and improvements	\$ 4,716,537	\$ 473,915	\$ -	\$ 5,190,452
Equipment	4,251,760	443,019	-	4,694,779
Infrastructure	38,635	9,816	-	48,451
Intangibles	1,270,546	95,602	-	1,366,148
Jointly owned assets	<u>7,446,912</u>	<u>785,867</u>	<u>138,683</u>	<u>8,094,096</u>
Total accumulated depreciation	<u>\$ 17,724,390</u>	<u>\$ 1,808,219</u>	<u>\$ 138,683</u>	<u>\$ 19,393,926</u>
Total capital assets being depreciated, net	<u>\$ 25,201,664</u>	<u>\$ (1,483,318)</u>	<u>\$ 242,567</u>	<u>\$ 23,475,779</u>
Governmental activities capital assets, net	<u>\$ 26,517,674</u>	<u>\$ (1,483,318)</u>	<u>\$ 242,567</u>	<u>\$ 24,791,789</u>

**Component Unit - School Board:**

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>
<b>Governmental activities:</b>				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Total capital assets not subject to depreciation	<u>\$ 211,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,370</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 721,982	\$ 29,540	\$ -	\$ 751,522
Equipment	4,023,125	102,886	-	4,126,011
Jointly owned assets	<u>14,514,103</u>	<u>-</u>	<u>(381,250)</u>	<u>14,895,353</u>
Total capital assets subject to depreciation	<u>\$ 19,259,210</u>	<u>\$ 132,426</u>	<u>\$ (381,250)</u>	<u>\$ 19,772,886</u>
Accumulated depreciation:				
Buildings and improvements	\$ 61,763	\$ 38,127	\$ -	\$ 99,890
Equipment	3,273,134	235,686	-	3,508,820
Jointly owned assets	<u>4,775,671</u>	<u>503,973</u>	<u>(138,683)</u>	<u>5,418,327</u>
Total accumulated depreciation	<u>\$ 8,110,568</u>	<u>\$ 777,786</u>	<u>\$ (138,683)</u>	<u>\$ 9,027,037</u>
Total capital assets being depreciated, net	<u>\$ 11,148,642</u>	<u>\$ (645,360)</u>	<u>\$ (242,567)</u>	<u>\$ 10,745,849</u>
Governmental capital assets, net	<u>\$ 11,360,012</u>	<u>\$ (645,360)</u>	<u>\$ (242,567)</u>	<u>\$ 10,957,219</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 5—Capital Assets: (Continued)*

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

**Enterprise Fund:**

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>
<b>Business-type activities:</b>				
Utility plant in service	\$ 5,712,281	\$ -	\$ -	\$ 5,712,281
Total capital assets subject to depreciation	\$ 5,712,281	\$ -	\$ -	\$ 5,712,281
<b>Accumulated depreciation:</b>				
Utility plant in service	\$ 114,246	\$ 114,245	\$ -	\$ 228,491
Total accumulated depreciation	\$ 114,246	\$ 114,245	\$ -	\$ 228,491
Total capital assets being depreciated, net	\$ 5,598,035	\$ (114,245)	\$ -	\$ 5,483,790
Business-type capital assets, net	<u>\$ 5,598,035</u>	<u>\$ (114,245)</u>	<u>\$ -</u>	<u>\$ 5,483,790</u>

**Component Unit - Economic Development Authority:**

	<u>Balance July 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2014</u>
<b>Business-type activities:</b>				
<b>Capital assets not subject to depreciation:</b>				
Land	\$ 1,386,773	\$ -	\$ -	\$ 1,386,773
Total capital assets not subject to depreciation	\$ 1,386,773	\$ -	\$ -	\$ 1,386,773
<b>Capital assets subject to depreciation:</b>				
Infrastructure	\$ 1,917,079	\$ -	\$ -	\$ 1,917,079
Total capital assets subject to depreciation	\$ 1,917,079	\$ -	\$ -	\$ 1,917,079
<b>Accumulated depreciation:</b>				
Infrastructure	\$ 555,546	\$ 52,118	\$ -	\$ 607,664
Total accumulated depreciation	\$ 555,546	\$ 52,118	\$ -	\$ 607,664
Total capital assets being depreciated, net	\$ 1,361,533	\$ (52,118)	\$ -	\$ 1,309,415
Business-type capital assets, net	<u>\$ 2,748,306</u>	<u>\$ (52,118)</u>	<u>\$ -</u>	<u>\$ 2,696,188</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 5—Capital Assets: (Continued)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	156,720
Judicial administration		152,526
Public safety		250,971
Public works		330,155
Health and welfare		22,122
Education		788,947
Parks, recreation and cultural		59,461
Community development		<u>47,317</u>

Total Governmental activities	\$	<u><u>1,808,219</u></u>
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Component Unit School Board	\$	<u><u>777,786</u></u>
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Component Unit Economic Development Authority	\$	<u><u>52,118</u></u>
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Business-type activities	\$	<u><u>114,245</u></u>
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**Note 6—Interfund Transfers:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 17,847	\$ 313,577
County Special Revenue Fund	<u>19,117</u>	<u>17,847</u>
Total Governmental Funds	\$ <u><u>36,964</u></u>	\$ <u><u>331,424</u></u>
Enterprise Funds:		
Sanitary District	\$ <u>294,460</u>	\$ <u>-</u>
Total Enterprise Funds	\$ <u><u>294,460</u></u>	\$ <u><u>-</u></u>
Total All Funds	\$ <u><u>331,424</u></u>	\$ <u><u>331,424</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 7—Long-Term Obligations:**

The following is a summary of long-term obligation transactions of the County for the fiscal year ended June 30, 2014:

	Balance at July 1, 2013	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2014	Amounts Due Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences	\$ 335,839	\$ 12,850	\$ 31,348	\$ 317,341	\$ 31,734
Lease revenue bond	13,660,000	-	740,000	12,920,000	830,000
Issuance premium	286,199	-	17,888	268,311	17,887
Capital lease	289,939	-	37,765	252,174	39,359
Net OPEB obligation	42,900	30,140	22,440	50,600	-
Landfill postclosure care liability	2,746,786	-	23,591	2,723,195	-
Total incurred by County	<u>\$ 17,361,663</u>	<u>\$ 42,990</u>	<u>\$ 873,032</u>	<u>\$ 16,531,621</u>	<u>\$ 918,980</u>
Incurred by School Board:					
General obligation bonds	\$ 15,185,562	\$ -	\$ 1,028,434	\$ 14,157,128	\$ 995,839
Total incurred by School Board	<u>\$ 15,185,562</u>	<u>\$ -</u>	<u>\$ 1,028,434</u>	<u>\$ 14,157,128</u>	<u>\$ 995,839</u>
Total Governmental Activities	<u>\$ 32,547,225</u>	<u>\$ 42,990</u>	<u>\$ 1,901,466</u>	<u>\$ 30,688,749</u>	<u>\$ 1,914,819</u>
Business-type Activities:					
Lease revenue bond	\$ 2,749,182	\$ -	\$ 118,299	\$ 2,630,883	\$ 119,194
Total Business-type Activities	<u>\$ 2,749,182</u>	<u>\$ -</u>	<u>\$ 118,299</u>	<u>\$ 2,630,883</u>	<u>\$ 119,194</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 7—Long-Term Obligations: (Continued)*

Primary Government:

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

Governmental Activities

Year Ending June 30,	County Obligations			
	Lease Revenue Bond		Capital Lease	
	Principal	Interest	Principal	Interest
2015	\$ 830,000	\$ 545,262	\$ 39,359	\$ 10,641
2016	875,000	519,312	41,019	8,981
2017	915,000	493,063	42,751	7,249
2018	1,215,000	461,037	44,554	5,446
2019	1,270,000	415,763	46,435	3,565
2020	1,330,000	364,962	38,056	1,605
2021	1,405,000	298,463	-	-
2022	1,490,000	228,213	-	-
2023	2,090,000	153,712	-	-
2024	150,000	67,500	-	-
2025	155,000	60,750	-	-
2026	165,000	53,775	-	-
2027	170,000	46,350	-	-
2028	420,000	38,700	-	-
2029	440,000	19,800	-	-
Total	\$ <u>12,920,000</u>	\$ <u>3,766,662</u>	\$ <u>252,174</u>	\$ <u>37,487</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 7—Long-Term Obligations: (Continued)*

Primary Government: (Continued)

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

Governmental Activities (Continued)

Year Ending June 30,	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2015	\$ 995,839	\$ 652,825
2016	1,013,903	618,283
2017	1,499,327	582,793
2018	1,264,676	552,957
2019	1,276,431	528,959
2020	1,293,541	504,224
2021	1,302,253	483,854
2022	1,344,493	463,035
2023	833,333	450,000
2024	833,333	450,000
2025	833,333	450,000
2026	833,333	450,000
2027	833,333	450,000
Total	\$ 14,157,128	\$ 6,636,930

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 7—Long-Term Obligations: (Continued)*

Primary Government: (continued)

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

Year Ending June 30,	Business-type Activities	
	Lease Revenue Bond	
	Principal	Interest
2015	\$ 119,194	\$ 71,996
2016	122,409	68,781
2017	125,712	65,478
2018	129,103	62,086
2019	132,587	58,603
2020	136,164	55,026
2021	139,837	51,352
2022	143,610	47,580
2023	147,485	43,705
2024	151,464	39,726
2025	155,550	35,640
2026	159,747	31,443
2027	164,057	27,133
2028	168,483	22,707
2029	173,028	18,161
2030	177,697	13,493
2031	182,491	8,699
2032	102,265	3,775
Total	\$ <u>2,630,883</u>	\$ <u>725,384</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 7—Long-Term Obligations: (Continued)**

**Primary Government: (continued)**

Long-term obligations at June 30, 2014 are as follows:

**Governmental Activities:**

**Incurred by County:**

Lease Revenue Bond:

\$14,605,000 lease revenue bond issued April 27, 2010, payable in varying annual installments, interest at 1.00% to 5.00%, through May 1, 2029. \$ 12,920,000

Capital Lease:

\$326,175 capital lease issued July 15, 2011, payable in annual installments of principal and interest in the amount of \$50,000, through July 15, 2019. \$ 252,174

Issuance premium \$ 268,311

Net OPEB obligation (payable by the general fund) \$ 50,600

Landfill postclosure care liability (payable by the general fund) \$ 2,723,195

Compensated absences (payable by the general fund) \$ 317,341

Total Incurred by County \$ 16,531,621

**Incurred by School Board:**

General Obligation bonds

\$3,789,949 school bond issued November 1, 1996, payable in varying amounts and interest rates through July 15, 2017. 715,632

\$1,850,000 school bond issued October 26, 2001, payable in varying amounts and interest rates through July 15, 2021. 955,000

\$6,512,513 school bond issued October 26, 2001, payable in varying amounts and rates through July 15, 2021. 2,819,830

\$10,000,000 school bond issued June 26, 2011, payable in varying amounts through June 1, 2027. 9,666,666

Total General Obligation Bonds \$ 14,157,128

Total Incurred by School Board \$ 14,157,128

Total Governmental Activities \$ 30,688,749

**Business-type Activities:**

Lease Revenue Bond:

\$2,807,161 VRA lease revenue bond issued June 16, 2011, payable in varying annual installments, interest at 2.18%, through May 1, 2032. \$ 2,630,883

Total Business-type Activities \$ 2,630,883

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 7—Long-Term Obligations: (Continued)*

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

The following is a summary of long-term obligation transactions of the Component Unit School Board for the fiscal year ended June 30, 2014:

	Balance at July 1, 2013	Increases	Decreases	Balance at June 30, 2014	Amounts Due Within One Year
Component Unit-School Board:					
Early retirement liability	\$ 446,190	\$ -	\$ 26,806	\$ 419,384	\$ 28,950
Net OPEB obligation	152,100	106,860	79,560	179,400	-
Total Component Unit-School Board	<u>\$ 598,290</u>	<u>\$ 106,860</u>	<u>\$ 106,366</u>	<u>\$ 598,784</u>	<u>\$ 28,950</u>

Year Ending June 30	Early Retirement Liability	
	Principal	Interest
2015	\$ 28,950	\$ 33,551
2016	31,266	31,235
2017	33,767	28,734
2018	36,468	26,033
2019	39,386	23,115
2020	42,537	19,964
2021	45,940	16,561
2022	49,615	12,886
2023	53,584	8,917
2024	57,871	4,630
Total	<u>\$ 419,384</u>	<u>\$ 205,626</u>

\$703,618 VRS early retirement incentive issued July 1, 1994, payable in annual amounts of principal and interest of \$62,501 through July 1, 2024.	\$419,384
Net OPEB obligation (payable from the School Fund)	<u>179,400</u>
Long-term obligations Incurred by the School Board (payable from the School Fund)	<u>\$598,784</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 8—Capital Lease:**

The government has entered into a lease agreement as lessee for financing the acquisition of a fire truck. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset:	Primary Government
Equipment	\$ 501,567
Less: Accumulated depreciation	(133,751)
Total	\$ 367,816

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2014, are as follows:

Year Ended June 30	Primary Government
2015	\$ 50,000
2016	50,000
2017	50,000
2018	50,000
2019	50,000
2020	39,661
Total minimum lease payments	\$ 289,661
Less: amount representing interest	(37,487)
Present value of minimum lease payments	\$ 252,174

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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***Note 9—Unearned and Deferred/Unavailable Revenue:***

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Unearned and deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unavailable revenue totaling \$4,863,440 and deferred revenue totaling \$3,760,930 is comprised of the following:

Unavailable Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$4,682,133 (including 2<sup>nd</sup> half tax billings of \$3,579,623 not due until December 5) at June 30, 2014.

Deferred/Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2014 but paid in advance by the taxpayers totaled \$181,307 at June 30, 2014.

Deferred Revenue - Deferred revenue representing prepaid taxes due subsequent to June 30, 2014 totally \$181,307 and \$3,479,623 at 2<sup>nd</sup> half 2014 tax billing levied in current year but due in FY2015 totaled \$3,760,930.

***Note 10—Commitments and Contingent Liabilities:***

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Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

A memorandum of understanding was issued on April 12, 1999 between the County and the Town of Appomattox for the purchase of water rights. The Town entered in a financing agreement with the VRA and the County agreed to pay the Town 48.67% of the debt for the use of 146,000 gallons of water per day.

***Note 11—Litigation:***

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At June 30, 2014, 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 APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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*Note 12—Risk Management:*

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

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

The County also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials' liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County pays an annual premium to the pools for general insurance through member premiums. The County continues to carry commercial insurance for all other risks of loss. The Component Unit School Board carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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*Note 13—Pension Plan:*

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**Primary Government and Discretely Presented Component Unit School Board: (Continued)**

**A. Plan Description**

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

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Members earn one month of service credit for each month they are employed and they and their employer are paying contributions to VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

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

**VRS – PLAN 1**

1. **Plan Overview** - VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
2. **Eligible Members** - Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
3. **Hybrid Opt-In Election** - VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

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

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

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

*Note 13—Pension Plan: (Continued)*

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**A. Plan Description (Continued)**

**VRS – PLAN 1 (CONTINUED)**

4. **Retirement Contributions** - Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.
5. **Creditable Service** - Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
6. **Vesting** - Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

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

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

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

8. **Average Final Compensation** - A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.
10. **Normal Retirement Age** - Age 65.

*Note 13—Pension Plan: (Continued)*

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**A. Plan Description (Continued)**

**VRS – PLAN 1 (CONTINUED)**

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

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

- 12. Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

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

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

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

- 15. Exceptions to COLA Effective Dates** - The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

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

*Note 13—Pension Plan: (Continued)*

---

A. Plan Description (Continued)

**VRS – PLAN 1 (CONTINUED)**

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

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

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

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

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*Note 13—Pension Plan: (Continued)*

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**A. Plan Description (Continued)**

**VRS – PLAN 2**

1. **Plan Overview** - VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
2. **Eligible Members** - Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
3. **Hybrid Opt-In Election** - VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

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

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

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

4. **Retirement Contributions** - Same as VRS Plan 1—Refer to Section 4.
5. **Creditable Service** - Same as VRS Plan 1— Refer to Section 5.
6. **Vesting** - Same as VRS Plan 1—Refer to Section 6.
7. **Calculating the Benefit** - Same as VRS Plan 1—Refer to Section 7.
8. **Average Final Compensation** - A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - Same as Plan1 for service earned, purchased or granted prior to January 1, 2014. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.
10. **Normal Retirement Age** - Normal Social Security retirement age.

*Note 13—Pension Plan: (Continued)*

---

**A. Plan Description (Continued)**

**VRS – PLAN 2 (CONTINUED)**

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

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

- 12. Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

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

- 14. Eligibility** - Same as VRS Plan 1—Refer to Section 14.

- 15. Exceptions to COLA Effective Dates** - Same as VRS Plan 1—Refer to Section 15.

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

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

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

- 17. Purchase of Prior Service** - Same as VRS Plan 1—Refer to Section 17.

**HYBRID RETIREMENT PLAN**

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

- The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.
- The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

*Note 13—Pension Plan: (Continued)*

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**A. Plan Description (Continued)**

**HYBRID RETIREMENT PLAN (CONTINUED)**

**1. Plan Overview (Continued)**

- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

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

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

**3. \*Non-Eligible Members** - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

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

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

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

*Note 13—Pension Plan: (Continued)*

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A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (CONTINUED)

5. Creditable Service

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

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

6. Vesting

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

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

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

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

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

Distribution is not required by law until age 70½.

*Note 13—Pension Plan: (Continued)*

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**A. Plan Description (Continued)**

**HYBRID RETIREMENT PLAN (CONTINUED)**

**7. Calculating the Benefit**

Defined Benefit Component - Same as VRS Plan 1—Refer to Section 7.

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

**8. Average Final Compensation** - Same as VRS Plan 2—Refer to Section 8. It is used in the retirement formula for the defined benefit component of the plan.

**9. Service Retirement Multiplier** - The retirement multiplier is 1.0%.

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

**10. Normal Retirement Age**

Defined Benefit Component - Same as VRS Plan 2—Refer to Section 10.

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**11. Earliest Unreduced Retirement Eligibility**

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

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

**12. Earliest Reduced Retirement Eligibility**

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

Defined Contribution Component - Members are eligible to receive distributions upon leaving employment, subject to restrictions.

*Note 13—Pension Plan: (Continued)*

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**A. Plan Description (Continued)**

**HYBRID RETIREMENT PLAN (Continued)**

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

Defined Benefit Component - Same as VRS Plan 2—Refer to Section 13.

Defined Contribution Component - Not Applicable.

**14. Eligibility** - Same as VRS Plan 1 and VRS Plan 2—Refer to Section 14.

**15. Exceptions to COLA Effective Dates** - Same as VRS Plan 1 and VRS Plan 2—Refer to Section 15.

**16. Disability Coverage** - Eligible political subdivision and school division members (including VRS Plan 1 and VRS Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.

State employees (including VRS Plan 1 and VRS Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

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

**17. Purchase of Prior Service**

Defined Benefit Component - Same as VRS Plan 1 and VRS Plan 2—Refer to Section 17.

Defined Contribution Component - Not Applicable.

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 13—Pension Plan: (Continued)*

**B. Funding Policy**

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2014 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board's contribution rate for the fiscal year ended 2014 were 13.49% and 8.00% of annual covered payroll, respectively.

The School Board's professional employees contributed \$1,173,584, \$1,194,413, and \$601,804, to the teacher cost-sharing pool for the fiscal years ended June 30, 2014, 2013, and 2012 respectively, and these contributions represented 11.66%, 11.66%, and 6.33%, respectively, of current covered payroll.

**C. Annual Pension Cost**

For the fiscal year 2014, the County's annual pension cost of \$537,496 was equal to the County's required and actual contributions.

Fiscal Year Ending	Three Year Trend Information - County		Net Pension Obligation
	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	
County:			
June 30, 2014	\$ 537,496	100%	\$ -
June 30, 2013	523,794	100%	-
June 30, 2012	430,137	100%	-

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 13—Pension Plan: (Continued)*

**C. Annual Pension Cost (Continued)**

For the fiscal year 2014, the School Board’s annual pension cost of \$55,568 was equal to the School Board’s required and actual contributions.

Three Year Trend Information - School Board Non-Professional				
Fiscal Year Ending	Annual Pension Cost (APC) (1)	Percentage of APC Contributed	Net Pension Obligation	
School Board:				
Non-Professional:				
June 30, 2014	\$ 55,568	100%	\$ -	-
June 30, 2013	57,525	100%	-	-
June 30, 2012	21,115	100%	-	-

(1) Employer portion only

The fiscal year 2014 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County and School Board’s assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County and School Board’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

**D. Funded Status and Funding Progress**

As of June 30, 2013, the most recent actuarial valuation date, the County’s plan was 70.95% funded. The actuarial accrued liability for benefits was \$21,927,617, and the actuarial value of assets was \$15,556,797, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,370,820. The covered payroll (annual payroll of active employees covered by the plan) was \$3,855,403, and ratio of the UAAL to the covered payroll was 165.24%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board’s plan was 89.50% funded. The actuarial accrued liability for benefits was \$2,628,682, and the actuarial value of assets was \$2,352,707, resulting in an unfunded actuarial accrued liability (UAAL) of \$275,975. The covered payroll (annual payroll of active employees covered by the plan) was \$725,979, and ratio of the UAAL to the covered payroll was 38.01%.

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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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**Note 14 –Landfill Closure and Postclosure Costs:**

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The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. In addition, the County participates in a Regional Landfill and is liable for its portion of closure and postclosure monitoring costs. In conjunction with both, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and State Regulations. The \$2,723,195 reported as landfill postclosure liability at June 30, 2014, represents the estimated liability for postclosure monitoring over the remaining twenty-seven years for the County Landfill and the closure and postclosure costs of the Regional Landfill. These amounts are based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County has demonstrated financial assurance requirements for closure, postclosure care, and corrective action cost through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

**Note 15–Surety Bonds:**

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The Commonwealth of Virginia has established a Faithful Performance of Duty Bond Plan to cover the following positions:

	<u>Amount</u>
Division of Risk Management, Faithful Performance of Duty Schedule Position Bond: Commonwealth Funds	
Janet A. Hix, Clerk of the Circuit Court	\$ 115,430
Alice F. Gillette, Treasurer	400,000
Sara R. Henderson, Commissioner of the Revenue	3,000
Barry E. Letterman, Sheriff	30,000
The above constitutional officers and subordinate employees - blanket bond	50,000

**Note 16–Other Postemployment Benefits - Health Insurance:**

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**A. Post-retirement Health Insurance for Employee**

Plan Description

The County of Appomattox and the County of Appomattox School Board offer eligible retirees post-retirement medical and dental coverage if they retire directly from the County or Schools and are eligible to receive an early or regular retirement benefit from the Virginia Retirement System (VRS). Health benefits include medical, disability and dental coverage.

Funding Policy

The County and the School Board in Appomattox allow retirees and their spouses continue to participate in the County's medical, dental and disability coverage plans. The retiree pays 100% of all premiums. Medical and dental coverage stops at age 65 or when eligible for Medicare. Disability coverage changes to a carveout class at eligibility for Medicare and stops at age 65.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 16–Other Postemployment Benefits - Health Insurance: (Continued)**

**A. Post-retirement Health Insurance for Employee (Continued)**

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 45 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.

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 estimated amount contributed to the plan, and changes in the County and School Board’s net OPEB obligation to the Retiree Health Insurance Plan:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Annual required contribution	\$ 30,140	\$ 106,860
Interest on net OPEB obligation	1,760	6,240
Adjustment to annual required contribution	(1,760)	(6,240)
Annual OPEB cost (expense)	<u>\$ 30,140</u>	<u>\$ 106,860</u>
Contributions made	(22,440)	(79,560)
Increase in net OPEB obligation	7,700	27,300
Net OPEB obligation-beginning of year	42,900	152,100
Net OPEB obligation-end of year	<u><u>\$ 50,600</u></u>	<u><u>\$ 179,400</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 2014 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	\$ 30,140	81.75%	\$ 52,170
6/30/2013	29,480	131.45%	42,900
6/30/2014	30,140	74.45%	50,600
School Board Non-Professional:			
6/30/2012	\$ 106,860	81.75%	\$ 118,830
6/30/2013	104,520	68.17%	152,100
6/30/2014	106,860	74.45%	179,400

## COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### Note 16–Other Postemployment Benefits - Health Insurance (Continued):

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#### A. Post-retirement Health Insurance for Employee (Continued)

##### Funded Status and Funding Progress

As of July 1, 2012, the County's most recent actuarial date, accrued liability for benefits was \$289,300, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,447,500, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.82 percent.

As of July 1, 2012, the School Board's most recent actuarial date, accrued liability for benefits was \$1,025,700, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$8,677,500, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.82 percent.

The projection of future benefit payments for an ongoing plan involves 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 eligible for medical benefits are assumed to occur beginning once a participant attains age 50 and completes 15 or more years of service. In no event is an active participant assumed to work beyond age 70.

*Mortality*-Life expectancies were based on mortality tables from the 1994 Group Annuity Mortality Tables for males and females with a one year setback in pre-retirement for males and females.

*Coverage elections* - The actuary assumed that 50% of active participants who retire at age 50 or greater are assumed to continue their coverage into retirement. 25% of their spouses are assumed to continue their coverage into retirement. 100% of actives who become disabled (and 25% of their spouses) are assumed to continue their coverage.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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*Note 16–Other Postemployment Benefits - Health Insurance (Continued):*

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**A. Post-retirement Health Insurance for Employee (Continued)**

Actuarial Methods and Assumptions (Continued)

Based on the historical and expected returns of the County and School Board’s short-term investment portfolio, a discount of 4.25% 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, 2014 was thirty years.

**B. Health Insurance Credit Program Through Virginia Retirement System**

Plan Description

The Appomattox County Public Schools participates in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and 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.

The non-professional employees of the Appomattox County Public Schools (School Board), who retire under VRS with at least 15 years of total creditable service under the System and are enrolled in a health insurance plan, are eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

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.

Funding Policy

As a participating local political subdivision, the School Board is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The School Board’s contribution rate for the fiscal year ended 2014 was .55% of annual covered payroll.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

*Note 16–Other Postemployment Benefits - Health Insurance (Continued):*

**B. Health Insurance Credit Program Through Virginia Retirement System (Continued)**

Annual OPEB Cost and Net OPEB Obligation

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The School Board is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Funded Status and Funding Progress

For 2014, the School Board’s contribution of \$3,820 was equal to the ARC and OPEB cost. The School Board’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and preceding years are as follows:

Fiscal Year Ending	Annual OPEB Cost (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
June 30, 2014	\$ 3,820	100%	\$ -
June 30, 2013	3,955	100%	-
June 30, 2012	3,734	100%	-

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 57,860
Actuarial value of plan assets	\$ 29,407
Unfunded actuarial accrued liability (UAAL)	\$ 28,453
Funded ratio (actuarial value of plan assets/AAL)	50.82%
Covered payroll (active plan members)	\$ 725,979
UAAL as a percentage of covered payroll	3.92%

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 and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The 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 liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

*Note 16–Other Postemployment Benefits - Health Insurance (Continued):*

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**B. Health Insurance Credit Program Through Virginia Retirement System (Continued)**

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 included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Retiree postemployment benefit expenses are determined under the Projected Unit Credit actuarial cost method. Under this method, benefits are projected for life and their present value is determined. The present value is divided into equal parts, which are earned over the period from date of hire to the full eligibility date.

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.0% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2013 was 30 years using an open amortization period.

Professional Employees - Discretely Presented Component Unit School Board

The School Board professional employees participate 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.

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.

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2014 and 2013 were \$111,722 and \$113,705, respectively and equaled the required contributions for each year.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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***Note 17-Upcoming Pronouncements:***

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The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No.27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County believes the implementation of Statement No. 68 will significantly impact the County's net position; however, no formal study or estimate of the impact of this standard has been performed.

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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 Appomattox, Virginia  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 11,694,110	\$ 11,694,110	\$ 10,905,971	\$ (788,139)
Other local taxes	1,853,272	1,853,272	2,091,268	237,996
Permits, privilege fees, and regulatory licenses	97,400	97,400	81,824	(15,576)
Fines and forfeitures	51,916	51,916	30,464	(21,452)
Revenue from the use of money and property	167,861	167,861	86,314	(81,547)
Charges for services	197,070	197,070	139,119	(57,951)
Miscellaneous	89,472	89,472	270,849	181,377
Recovered costs	16,517	16,517	47,444	30,927
Intergovernmental:				
Commonwealth	4,885,085	4,885,085	4,679,750	(205,335)
Federal	1,104,000	1,104,000	1,269,898	165,898
Total revenues	\$ 20,156,703	\$ 20,156,703	\$ 19,602,901	\$ (553,802)
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,794,471	\$ 1,748,600	\$ 1,533,880	\$ 214,720
Judicial administration	1,138,089	1,158,187	1,019,883	138,304
Public safety	3,583,887	3,906,152	3,679,004	227,148
Public works	1,583,682	1,620,840	1,486,906	133,934
Health and welfare	2,593,284	2,953,610	2,871,715	81,895
Education	4,838,935	4,838,935	4,581,360	257,575
Parks, recreation, and cultural	450,729	492,890	464,918	27,972
Community development	432,783	603,223	369,281	233,942
Capital projects	629,739	629,739	587,668	42,071
Debt service:				
Principal retirement	1,806,199	1,806,199	1,806,199	-
Interest and other fiscal charges	1,246,447	1,246,447	1,267,726	(21,279)
Total expenditures	\$ 20,098,245	\$ 21,004,822	\$ 19,668,540	\$ 1,336,282
Excess (deficiency) of revenues over (under) expenditures	\$ 58,458	\$ (848,119)	\$ (65,639)	\$ 782,480
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 91,532	\$ 91,532	\$ 17,847	\$ (73,685)
Transfers out	(274,990)	(274,990)	(313,577)	(38,587)
Total other financing sources (uses)	\$ (183,458)	\$ (183,458)	\$ (295,730)	\$ (112,272)
Net change in fund balances	\$ (125,000)	\$ (1,031,577)	\$ (361,369)	\$ 670,208
Fund balances - beginning	125,000	1,031,577	7,616,526	6,584,949
Fund balances - ending	\$ -	\$ -	\$ 7,255,157	\$ 7,255,157

## County of Appomattox, Virginia

## Schedule of Pension Funding Progress-Virginia Retirement System

For the Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AAL)	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Payroll
County:						
6/30/2013	\$ 15,556,797	\$ 21,927,617	6,370,820	70.95%	\$ 3,855,403	165.24%
6/30/2012	15,079,938	21,499,122	6,419,184	70.14%	3,655,424	175.61%
6/30/2011	15,272,838	20,407,533	5,134,695	74.84%	4,124,776	124.48%
6/30/2010	14,835,744	19,789,685	4,953,941	74.97%	4,102,025	120.77%
6/30/2009	14,840,973	18,118,217	3,277,244	81.91%	4,110,786	79.72%
6/30/2008	14,528,854	16,884,274	2,355,420	86.05%	3,862,711	60.98%
6/30/2007	13,009,420	15,181,452	2,172,032	85.69%	3,716,487	58.44%
6/30/2006	11,422,045	12,970,976	1,548,931	88.06%	3,204,187	48.34%
6/30/2005	10,567,651	12,474,514	1,906,863	84.71%	2,936,907	64.93%
6/30/2004	10,108,022	11,350,662	1,242,640	89.05%	2,855,983	43.51%
School Board Non-Professionals:						
6/30/2013	\$ 2,352,707	\$ 2,628,682	275,975	89.50%	\$ 725,979	38.01%
6/30/2012	2,262,859	2,587,262	324,403	87.46%	666,466	48.68%
6/30/2011	2,286,326	2,522,531	236,205	90.64%	696,815	33.90%
6/30/2010	2,285,549	2,256,293	(29,256)	101.30%	654,259	-4.47%
6/30/2009	2,261,362	2,051,266	(210,096)	110.24%	669,727	-31.37%
6/30/2008	2,241,335	2,040,746	(200,589)	109.83%	622,331	-32.23%
6/30/2007	2,033,380	2,070,542	37,162	98.21%	795,331	4.67%
6/30/2006	1,792,492	1,875,955	83,463	95.55%	780,958	10.69%
6/30/2005	1,710,788	1,891,413	180,625	90.45%	736,895	24.51%
6/30/2004	1,678,809	1,570,229	(108,580)	106.91%	660,514	-16.44%

## County of Appomattox, Virginia

Schedule of OPEB Funding Progress for Retiree Health Insurance Plan  
and Health Insurance Credit Program

For the Year Ended June 30, 2014

## Primary Government:

## County Retiree Health Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
7/1/2012	\$ -	\$ 289,300	\$ 289,300	0.00%	\$ 2,447,500	11.82%
7/1/2010	-	287,320	287,320	0.00%	2,599,960	11.05%
7/1/2008	-	311,100	311,100	0.00%	3,688,800	8.43%

## Discretely Presented Component Unit:

## School Board Retiree Health Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
7/1/2012	\$ -	\$ 1,025,700	\$ 1,025,700	0.00%	\$ 8,677,500	11.82%
7/1/2010	-	1,018,680	1,018,680	0.00%	9,218,040	11.05%
7/1/2008	-	725,900	725,900	0.00%	8,607,200	8.43%

## Discretely Presented Component Unit School Board:

## Health Insurance Credit Program Through Virginia Retirement System

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
6/30/2013	\$ 29,407	\$ 57,860	\$ 28,453	50.82%	\$ 725,979	3.92%
6/30/2012	25,718	55,643	29,925	46.22%	666,466	4.49%
6/30/2011	24,444	51,325	26,881	47.63%	696,815	3.86%
6/30/2010	19,066	48,557	29,491	39.27%	654,259	4.51%
6/30/2009	12,260	44,090	31,830	27.81%	669,727	4.75%
6/30/2008	11,586	80,813	69,227	14.34%	622,331	11.12%
6/30/2007	5,382	103,254	97,872	5.21%	795,331	12.31%

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*OTHER SUPPLEMENTARY INFORMATION*

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*COMBINING AND INDIVIDUAL FUNDS STATEMENTS AND  
SCHEDULES*

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County of Appomattox, Virginia  
County Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Appomattox County School Board	\$ -	\$ -	\$ 110,000	\$ 110,000
Total revenues	\$ -	\$ -	\$ 110,000	\$ 110,000
<b>EXPENDITURES</b>				
Capital Projects	\$ 49,608	\$ 206,360	\$ 21,682	\$ 184,678
Total expenditures	\$ 49,608	\$ 206,360	\$ 21,682	\$ 184,678
Excess (deficiency) of revenues over (under) expenditures	\$ (49,608)	\$ (206,360)	\$ 88,318	\$ 294,678
Net change in fund balances	\$ (49,608)	\$ (206,360)	\$ 88,318	\$ 294,678
Fund balances - beginning	49,608	206,360	3,456,115	3,249,755
Fund balances - ending	\$ -	\$ -	\$ 3,544,433	\$ 3,544,433

County of Appomattox, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds  
 For the Year Ended June 30, 2014

	County Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 34,592	\$ 34,592
Miscellaneous	-	-	429	429
Intergovernmental:				
Commonwealth	-	-	61,014	61,014
Federal	-	-	23,223	23,223
Total revenues	\$ -	\$ -	\$ 119,258	\$ 119,258
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ 19,690	\$ 19,690	\$ -
Total expenditures	\$ -	\$ 19,690	\$ 19,690	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (19,690)	\$ 99,568	\$ 119,258
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 19,117	\$ 19,117
Transfers out	(100,733)	(100,733)	(17,847)	82,886
Total other financing sources (uses)	\$ (100,733)	\$ (100,733)	\$ 1,270	\$ 102,003
Net change in fund balances	\$ (100,733)	\$ (120,423)	\$ 100,838	\$ 221,261
Fund balances - beginning	100,733	120,423	605,438	485,015
Fund balances - ending	\$ -	\$ -	\$ 706,276	\$ 706,276

County of Appomattox, Virginia  
 Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2014

	Agency Funds			
	<u>Special Welfare</u>	<u>Sheriff Drug</u>	<u>Swim Team</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,497	\$ 13,223	\$ 479	\$ 25,199
Total assets	\$ 11,497	\$ 13,223	\$ 479	\$ 25,199
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 11,497	\$ -	\$ -	\$ 11,497
Amounts held for others	-	13,223	479	13,702
Total liabilities	\$ 11,497	\$ 13,223	\$ 479	\$ 25,199

## County of Appomattox, Virginia

Fiduciary Funds  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2014

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Special Welfare:</b>				
Assets:				
Cash and cash equivalents	\$ 10,878	\$ 11,053	\$ 10,434	\$ 11,497
Liabilities:				
Amounts held for social services clients	\$ 10,878	\$ 11,053	\$ 10,434	\$ 11,497
<b>Sheriff Drug:</b>				
Assets:				
Cash and cash equivalents	\$ 12,018	\$ 3,230	\$ 2,025	\$ 13,223
Liabilities:				
Amounts held for others	\$ 12,018	\$ 3,230	\$ 2,025	\$ 13,223
<b>Swim Team:</b>				
Assets:				
Cash and cash equivalents	\$ 1,219	\$ 4,000	\$ 4,740	\$ 479
Liabilities:				
Amounts held for others	\$ 1,219	\$ 4,000	\$ 4,740	\$ 479
<b>Totals -- All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 24,115	\$ 18,283	\$ 17,199	\$ 25,199
Liabilities:				
Amounts held for others	\$ 13,237	\$ 7,230	\$ 6,765	\$ 13,702
Amounts held for social services clients	10,878	11,053	10,434	11,497
Total liabilities	\$ 24,115	\$ 18,283	\$ 17,199	\$ 25,199

*DISCRETELY PRESENTED COMPONENT UNIT  
SCHOOL BOARD*

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County of Appomattox, Virginia  
Combining Balance Sheet - Governmental Funds  
Discretely Presented Component Unit - School Board  
June 30, 2014

	School Operating <u>Fund</u>	School Special Revenue <u>Fund</u>	Total Governmental <u>Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,821,587	\$ 757,880	\$ 2,579,467
Cash in custody of others	-	4,000	4,000
Receivables (net of allowance for uncollectibles):			
Accounts receivable	18,115	25	18,140
Due from other funds	57,069	-	57,069
Due from other governmental units	643,096	-	643,096
Total assets	<u>\$ 2,539,867</u>	<u>\$ 761,905</u>	<u>\$ 3,301,772</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 34,896	\$ -	\$ 34,896
Accrued liabilities	1,643,799	-	1,643,799
Due to other funds	-	57,069	57,069
Due to other governmental units	683,384	-	683,384
Total liabilities	<u>\$ 2,362,079</u>	<u>\$ 57,069</u>	<u>\$ 2,419,148</u>
Fund balances:			
Committed	\$ 175,788	\$ 704,836	\$ 880,624
Unassigned	2,000	-	2,000
Total fund balances	<u>\$ 177,788</u>	<u>\$ 704,836</u>	<u>\$ 882,624</u>
Total liabilities and fund balances	<u>\$ 2,539,867</u>	<u>\$ 761,905</u>	<u>\$ 3,301,772</u>

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

Total fund balances per above \$ 882,624

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

Capital assets, cost	\$ 19,984,256	
Accumulated depreciation	<u>(9,027,037)</u>	10,957,219

Long-term liabilities, including VRS early retirement incentive, 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:

Early retirement liability	\$ (419,384)	
Net OPEB obligation	<u>(179,400)</u>	(598,784)

Net position of governmental activities \$ 11,241,059

County of Appomattox, 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, 2014

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 8,361	\$ -	\$ 8,361
Charges for services	214,903	318,922	533,825
Miscellaneous	131,800	-	131,800
Recovered costs	10,178	-	10,178
Intergovernmental:			
Local government	4,580,985	-	4,580,985
Commonwealth	13,547,370	10,894	13,558,264
Federal	965,696	598,768	1,564,464
Total revenues	<u>\$ 19,459,293</u>	<u>\$ 928,584</u>	<u>\$ 20,387,877</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 19,116,792	\$ 1,055,089	\$ 20,171,881
Capital projects	110,000	-	110,000
Debt service:			
Principal retirement	26,806	-	26,806
Interest and other fiscal charges	35,695	-	35,695
Total expenditures	<u>\$ 19,289,293</u>	<u>\$ 1,055,089</u>	<u>\$ 20,344,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 170,000</u>	<u>\$ (126,505)</u>	<u>\$ 43,495</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ -	\$ 170,000	\$ 170,000
Transfers out	(170,000)	-	(170,000)
Total other financing sources (uses)	<u>\$ (170,000)</u>	<u>\$ 170,000</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 43,495	\$ 43,495
Fund balances - beginning	177,788	661,341	839,129
Fund balances - ending	<u>\$ 177,788</u>	<u>\$ 704,836</u>	<u>\$ 882,624</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	\$ 43,495
--	-----------

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 depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$ 132,426	
Jointly owned asset allocation	242,567	
Depreciation expense	<u>(777,786)</u>	(402,793)

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

Decrease in early retirement liability	26,806
--	--------

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.

(Increase) decrease in net OPEB obligation	(27,300)
--	----------

Change in net position of governmental activities	<u>\$ (359,792)</u>
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County of Appomattox, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 School Operating Fund - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2014

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 3,100	\$ 3,100	\$ 8,361	\$ 5,261
Charges for services	128,700	128,700	214,903	86,203
Miscellaneous	92,615	92,615	131,800	39,185
Recovered costs	13,000	13,000	10,178	(2,822)
Intergovernmental:				
Local government	4,838,560	4,838,560	4,580,985	(257,575)
Commonwealth	13,319,473	13,379,203	13,547,370	168,167
Federal	1,132,856	1,132,856	965,696	(167,160)
Total revenues	<u>\$ 19,528,304</u>	<u>\$ 19,588,034</u>	<u>\$ 19,459,293</u>	<u>\$ (128,741)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 19,641,591	\$ 19,701,321	\$ 19,116,792	\$ 584,529
Capital projects	-	-	110,000	(110,000)
Debt service:				
Principal retirement	26,806	26,806	26,806	-
Interest and other fiscal charges	35,695	35,695	35,695	-
Total expenditures	<u>\$ 19,704,092</u>	<u>\$ 19,763,822</u>	<u>\$ 19,289,293</u>	<u>\$ 474,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (175,788)</u>	<u>\$ (175,788)</u>	<u>\$ 170,000</u>	<u>\$ 345,788</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ -	\$ -	\$ (170,000)	\$ (170,000)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (170,000)</u>	<u>\$ (170,000)</u>
Net change in fund balances	\$ (175,788)	\$ (175,788)	\$ -	\$ 175,788
Fund balances - beginning	175,788	175,788	177,788	2,000
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,788</u>	<u>\$ 177,788</u>

County of Appomattox, Virginia  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 School Special Revenue Fund - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2014

	School Special Revenue Fund			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 30	\$ 30	\$ -	\$ (30)
Charges for services	411,000	411,000	318,922	(92,078)
Miscellaneous	7,000	7,000	-	(7,000)
Intergovernmental:				
Commonwealth	15,719	15,719	10,894	(4,825)
Federal	540,551	600,355	598,768	(1,587)
Total revenues	<u>\$ 974,300</u>	<u>\$ 1,034,104</u>	<u>\$ 928,584</u>	<u>\$ (105,520)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 1,146,699	\$ 1,345,906	\$ 1,055,089	\$ 290,817
Total expenditures	<u>\$ 1,146,699</u>	<u>\$ 1,345,906</u>	<u>\$ 1,055,089</u>	<u>\$ 290,817</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (172,399)</u>	<u>\$ (311,802)</u>	<u>\$ (126,505)</u>	<u>\$ 185,297</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 170,000	\$ 170,000
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 170,000</u>
Net change in fund balances	\$ (172,399)	\$ (311,802)	\$ 43,495	\$ 355,297
Fund balances - beginning	172,399	311,802	661,341	349,539
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 704,836</u>	<u>\$ 704,836</u>

*DISCRETELY PRESENTED COMPONENT UNIT  
ECONOMIC DEVELOPMENT AUTHORITY*

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County of Appomattox, Virginia  
Statement of Net Position  
Discretely Presented Component Unit-Economic Development Authority  
June 30, 2014

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**ASSETS**

## Current assets:

Cash and cash equivalents	\$ 102,671
---------------------------	------------

## Noncurrent assets:

## Capital assets:

Land	\$ 1,386,773
Infrastructure	1,917,079
Accumulated depreciation	(607,664)
Total capital assets	<u>\$ 2,696,188</u>
Total noncurrent assets	<u>\$ 2,696,188</u>

Total assets	<u>\$ 2,798,859</u>
--------------	---------------------

**NET POSITION**

Investment in capital assets	\$ 2,696,188
------------------------------	--------------

Unrestricted	102,671
--------------	---------

Total net position	<u><u>\$ 2,798,859</u></u>
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County of Appomattox, Virginia  
Statement of Revenues, Expenses, and Changes in Net Position  
Discretely Presented Component Unit-Economic Development Authority  
For the Year Ended June 30, 2014

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**OPERATING REVENUES**

Charges for services:

Rent	\$ 3,440
Miscellaneous	13,940
Total operating revenues	\$ 17,380

**OPERATING EXPENSES**

Other supplies and expenses	\$ 668
Depreciation	52,118
Total operating expenses	\$ 52,786

Operating income (loss)	\$ (35,406)
-------------------------	-------------

**NONOPERATING REVENUES (EXPENSES)**

Investment income	\$ 333
Total nonoperating revenues (expenses)	\$ 333

Change in net position	\$ (35,073)
------------------------	-------------

Total net position - beginning	2,833,932
Total net position - ending	\$ 2,798,859

County of Appomattox, Virginia  
Statement of Cash Flows  
Discretely Presented Component Unit-Economic Development Authority  
For the Year Ended June 30, 2014

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 17,380
Payments for operating activities	(668)
	16,712
Net cash provided by (used for) operating activities	\$ 16,712

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	\$ 333
	333
Net cash provided by (used for) investing activities	\$ 333

Net increase (decrease) in cash and cash equivalents 17,045

Cash and cash equivalents - beginning	85,626
Cash and cash equivalents - ending	\$ 102,671

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

Operating income (loss)	\$ (35,406)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	52,118
Total adjustments	\$ 52,118
Net cash provided by (used for) operating activities	\$ 16,712

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## *SUPPORTING SCHEDULES*

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County of Appomattox, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014

<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>
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,334,781	\$ 8,334,781	\$ 7,423,246	\$ (911,535)
Real and personal public service corporation taxes	543,882	543,882	560,570	16,688
Personal property taxes	2,521,567	2,521,567	2,504,402	(17,165)
Machinery and tools taxes	42,780	42,780	42,062	(718)
Merchant's capital taxes	131,100	131,100	124,468	(6,632)
Penalties	75,000	75,000	139,994	64,994
Interest	45,000	45,000	111,229	66,229
Total general property taxes	<u>\$ 11,694,110</u>	<u>\$ 11,694,110</u>	<u>\$ 10,905,971</u>	<u>\$ (788,139)</u>
Other local taxes:				
Local sales and use taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,228,372	\$ 128,372
Consumers' utility taxes	340,000	340,000	367,655	27,655
Consumption tax	-	-	44,777	44,777
Gross Receipts	1,000	1,000	3,609	2,609
Motor vehicle licenses	340,272	340,272	331,062	(9,210)
Taxes on recordation and wills	72,000	72,000	111,766	39,766
Hotel and motel room taxes	-	-	4,027	4,027
Total other local taxes	<u>\$ 1,853,272</u>	<u>\$ 1,853,272</u>	<u>\$ 2,091,268</u>	<u>\$ 237,996</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,000	\$ 7,000	\$ 4,861	\$ (2,139)
Permits and other licenses	90,400	90,400	76,963	(13,437)
Total permits, privilege fees, and regulatory licenses	<u>\$ 97,400</u>	<u>\$ 97,400</u>	<u>\$ 81,824</u>	<u>\$ (15,576)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 51,916	\$ 51,916	\$ 30,464	\$ (21,452)
Total fines and forfeitures	<u>\$ 51,916</u>	<u>\$ 51,916</u>	<u>\$ 30,464</u>	<u>\$ (21,452)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 85,200	\$ 85,200	\$ 5,466	\$ (79,734)
Revenue from use of property	82,661	82,661	80,848	(1,813)
Total revenue from use of money and property	<u>\$ 167,861</u>	<u>\$ 167,861</u>	<u>\$ 86,314</u>	<u>\$ (81,547)</u>
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 794	\$ -
Sale of maps and surveys	-	-	330	330
Charges for Commonwealth's Attorney	500	500	1,005	505
Charges for sanitation and waste removal	93,420	93,420	83,917	(9,503)
Charges for other protection	65,356	65,356	3,273	(62,083)
Charges for recreation	26,000	26,000	35,044	9,044
Charges for library	11,000	11,000	14,756	3,756
Total charges for services	<u>\$ 197,070</u>	<u>\$ 197,070</u>	<u>\$ 139,119</u>	<u>\$ (57,951)</u>

County of Appomattox, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014

<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>
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 89,472	\$ 89,472	\$ 270,849	\$ 181,377
Total miscellaneous revenue	<u>\$ 89,472</u>	<u>\$ 89,472</u>	<u>\$ 270,849</u>	<u>\$ 181,377</u>
Recovered costs:				
Social services VRS & GLIF	\$ 500	\$ 500	\$ -	\$ (500)
Town recoveries	-	-	42,952	42,952
School health insurance	16,017	16,017	-	(16,017)
Health department	-	-	4,492	4,492
Total recovered costs	<u>\$ 16,517</u>	<u>\$ 16,517</u>	<u>\$ 47,444</u>	<u>\$ 30,927</u>
Total revenue from local sources	<u>\$ 14,167,618</u>	<u>\$ 14,167,618</u>	<u>\$ 13,653,253</u>	<u>\$ (514,365)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 11,000	\$ 11,000	\$ 22,605	\$ 11,605
EMS vehicles	15,600	15,600	-	(15,600)
Rolling stock tax	40,000	40,000	88,960	48,960
Auto rental tax	1,000	1,000	1,358	358
Additional tax on deeds	20,000	20,000	44,844	24,844
State recordation tax	30,000	30,000	46,307	16,307
Communications tax	550,000	550,000	566,706	16,706
Personal property tax relief funds	1,023,637	1,023,637	1,023,637	-
Total noncategorical aid	<u>\$ 1,691,237</u>	<u>\$ 1,691,237</u>	<u>\$ 1,794,417</u>	<u>\$ 103,180</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 303,075	\$ 303,075	\$ 299,112	\$ (3,963)
Sheriff	728,873	728,873	733,061	4,188
Commissioner of revenue	96,060	96,060	96,515	455
Treasurer	83,359	83,359	74,798	(8,561)
Registrar/electoral board	40,000	40,000	36,689	(3,311)
Clerk of the Circuit Court	170,377	170,377	193,536	23,159
Total shared expenses	<u>\$ 1,421,744</u>	<u>\$ 1,421,744</u>	<u>\$ 1,433,711</u>	<u>\$ 11,967</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 466,367	\$ 466,367	\$ 434,990	\$ (31,377)
Comprehensive services act	702,201	702,201	792,014	89,813
Emergency medical services	-	-	15,759	15,759
Fire programs fund	34,808	34,808	76,243	41,435
Spay/neuter pets	-	-	29	29
Library grant	39,175	39,175	40,510	1,335

County of Appomattox, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2014

<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>
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Department of forestry grant	\$ 18,000	\$ 18,000	\$ 15,865	\$ (2,135)
Victim witness grant	22,687	22,687	5,672	(17,015)
Litter control grant	9,000	9,000	8,540	(460)
Virginia domestic violence victims fund	40,000	40,000	60,000	20,000
Health department incentive	11,700	11,700	-	(11,700)
Appalachian heritage trail	428,166	428,166	-	(428,166)
Emergency services	-	-	2,000	2,000
Total other categorical aid	<u>\$ 1,772,104</u>	<u>\$ 1,772,104</u>	<u>\$ 1,451,622</u>	<u>\$ (320,482)</u>
Total categorical aid	<u>\$ 3,193,848</u>	<u>\$ 3,193,848</u>	<u>\$ 2,885,333</u>	<u>\$ (308,515)</u>
Total revenue from the Commonwealth	<u>\$ 4,885,085</u>	<u>\$ 4,885,085</u>	<u>\$ 4,679,750</u>	<u>\$ (205,335)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 4,000	\$ 4,000	\$ 4,348	\$ 348
Categorical aid:				
Federal interest rate subsidy	\$ 450,000	\$ 450,000	\$ 417,600	\$ (32,400)
Public assistance and welfare administration	650,000	650,000	759,998	109,998
Comprehensive services act	-	-	44,466	44,466
Victim assistance	-	-	17,015	17,015
Transportation safety	-	-	9,267	9,267
Sheriff's overtime grant	-	-	13,622	13,622
Byrne JAG grant	-	-	3,582	3,582
Total categorical aid	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>	<u>\$ 1,265,550</u>	<u>\$ 165,550</u>
Total revenue from the federal government	<u>\$ 1,104,000</u>	<u>\$ 1,104,000</u>	<u>\$ 1,269,898</u>	<u>\$ 165,898</u>
Total General Fund	<u>\$ 20,156,703</u>	<u>\$ 20,156,703</u>	<u>\$ 19,602,901</u>	<u>\$ (553,802)</u>
<b>Special Revenue Fund:</b>				
<b>County Special Revenue Fund:</b>				
Revenue from local sources:				
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 2,745	\$ 2,745
Courthouse security fees	-	-	26,436	26,436
Courthouse maintenance fees	-	-	5,411	5,411
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,592</u>	<u>\$ 34,592</u>

County of Appomattox, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014

<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>
<b>Special Revenue Fund: (Continued)</b>				
<b>County Special Revenue Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 429	\$ 429
Total miscellaneous revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429</u>	<u>\$ 429</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	\$ -	\$ -	\$ 53,460	\$ 53,460
PSAP grant	-	-	1,570	1,570
Forfeited assets	-	-	5,984	5,984
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,014</u>	<u>\$ 61,014</u>
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,014</u>	<u>\$ 61,014</u>
Revenue from the federal government:				
Categorical aid:				
Forfeited assets	\$ -	\$ -	\$ 23,223	\$ 23,223
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,223</u>	<u>\$ 23,223</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,223</u>	<u>\$ 23,223</u>
Total County Special Revenue Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,258</u>	<u>\$ 119,258</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Intergovernmental:				
Revenues from local governments:				
Contribution from Appomattox County School Board	\$ -	\$ -	\$ 110,000	\$ 110,000
Total revenues from local governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 110,000</u>
Total County Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 110,000</u>
Total Primary Government	<u>\$ 20,156,703</u>	<u>\$ 20,156,703</u>	<u>\$ 19,832,159</u>	<u>\$ (324,544)</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 3,100	\$ 3,100	\$ 8,361	\$ 5,261
Total revenue from use of money and property	<u>\$ 3,100</u>	<u>\$ 3,100</u>	<u>\$ 8,361</u>	<u>\$ 5,261</u>

County of Appomattox, Virginia  
 Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2014

<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>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for education	\$ 128,700	\$ 128,700	\$ 214,903	\$ 86,203
Miscellaneous revenue:				
Miscellaneous	\$ 92,615	\$ 92,615	\$ 131,800	\$ 39,185
Recovered costs:				
Tuition - other localities	\$ 13,000	\$ 13,000	\$ 10,178	\$ (2,822)
Total recovered costs	\$ 13,000	\$ 13,000	\$ 10,178	\$ (2,822)
Total revenue from local sources	\$ 237,415	\$ 237,415	\$ 365,242	\$ 127,827
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 4,838,560	\$ 4,838,560	\$ 4,580,985	\$ (257,575)
Total revenues from local governments	\$ 4,838,560	\$ 4,838,560	\$ 4,580,985	\$ (257,575)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,309,927	\$ 2,309,927	\$ 2,235,492	\$ (74,435)
Basic school aid	6,788,574	6,788,574	7,027,094	238,520
English as a second language	2,945	2,945	2,103	(842)
Adult secondary education	3,386	3,386	1,364	(2,022)
Gifted and talented	70,910	70,910	72,540	1,630
Remedial education	225,062	225,062	230,234	5,172
Special education	1,023,715	1,023,715	1,001,960	(21,755)
Textbook payment	138,320	138,320	141,500	3,180
ISAEP	7,859	7,859	7,859	-
Vocational education	317,553	317,553	324,851	7,298
School fringes	1,435,367	1,435,367	1,465,375	30,008
Foster care	27,929	27,929	7,425	(20,504)
Career and technical education	23,096	23,096	19,230	(3,866)
Early reading intervention	26,432	26,432	22,026	(4,406)
Remedial Ed-Summer School	72,080	72,080	89,098	17,018
Homebound	31,958	31,958	22,149	(9,809)
SOL Algebra readiness	36,081	36,081	33,878	(2,203)
K-3 initiative	248,228	248,228	261,938	13,710
At risk payments	374,579	374,579	362,802	(11,777)
Technology grant	154,000	154,000	154,000	-
Mentor teachers	1,472	1,472	1,817	345

County of Appomattox, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014

<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>
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
School safety initiative	\$ -	\$ 59,730	\$ 59,730	\$ -
Other state aid	-	-	2,905	2,905
Total categorical aid	<u>\$ 13,319,473</u>	<u>\$ 13,379,203</u>	<u>\$ 13,547,370</u>	<u>\$ 168,167</u>
Total revenue from the Commonwealth	<u>\$ 13,319,473</u>	<u>\$ 13,379,203</u>	<u>\$ 13,547,370</u>	<u>\$ 168,167</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 525,000	\$ 525,000	\$ 521,315	\$ (3,685)
Vocational education	40,365	40,365	43,968	3,603
Title II Part A	96,309	96,309	10,740	(85,569)
Title VI B	450,000	450,000	389,403	(60,597)
Title II Part D	4,005	4,005	-	(4,005)
Preschool grant	17,177	17,177	-	(17,177)
Advanced placement program	-	-	270	270
Total categorical aid	<u>\$ 1,132,856</u>	<u>\$ 1,132,856</u>	<u>\$ 965,696</u>	<u>\$ (167,160)</u>
Total revenue from the federal government	<u>\$ 1,132,856</u>	<u>\$ 1,132,856</u>	<u>\$ 965,696</u>	<u>\$ (167,160)</u>
Total School Operating Fund	<u>\$ 19,528,304</u>	<u>\$ 19,588,034</u>	<u>\$ 19,459,293</u>	<u>\$ (128,741)</u>
<b>School Special Revenue Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 30	\$ 30	\$ -	\$ (30)
Charges for services:				
Cafeteria sales	\$ 411,000	\$ 411,000	\$ 318,673	\$ (92,327)
Textbook fees	-	-	249	249
Total charges for services	<u>\$ 411,000</u>	<u>\$ 411,000</u>	<u>\$ 318,922</u>	<u>\$ (92,078)</u>
Miscellaneous revenue:				
Miscellaneous	\$ 7,000	\$ 7,000	\$ -	\$ (7,000)
Total miscellaneous revenue	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ (7,000)</u>
Total revenue from local sources	<u>\$ 418,030</u>	<u>\$ 418,030</u>	<u>\$ 318,922</u>	<u>\$ (99,108)</u>

County of Appomattox, Virginia  
Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014

<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>
<b>School Special Revenue Fund: (Continued)</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 15,719	\$ 15,719	\$ 10,894	\$ (4,825)
Total revenue from the Commonwealth	<u>\$ 15,719</u>	<u>\$ 15,719</u>	<u>\$ 10,894</u>	<u>\$ (4,825)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 540,551	\$ 540,551	\$ 538,964	\$ (1,587)
Commodities	-	59,804	59,804	-
Total categorical aid	<u>\$ 540,551</u>	<u>\$ 600,355</u>	<u>\$ 598,768</u>	<u>\$ (1,587)</u>
Total revenue from the federal government	<u>\$ 540,551</u>	<u>\$ 600,355</u>	<u>\$ 598,768</u>	<u>\$ (1,587)</u>
Total School Special Revenue Fund	<u>\$ 974,300</u>	<u>\$ 1,034,104</u>	<u>\$ 928,584</u>	<u>\$ (105,520)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 20,502,604</u>	<u>\$ 20,622,138</u>	<u>\$ 20,387,877</u>	<u>\$ (234,261)</u>

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County of Appomattox, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 293,981	\$ 227,172	\$ 198,484	\$ 28,688
General and financial administration:				
County administrator	\$ 410,634	\$ 410,634	\$ 388,120	\$ 22,514
Legal services	40,500	40,500	36,815	3,685
Commissioner of revenue	458,123	461,553	366,753	94,800
Independent auditor	35,500	35,500	35,500	-
Treasurer	296,096	312,896	276,513	36,383
Information technology	113,950	114,658	113,810	848
Total general and financial administration	<u>\$ 1,354,803</u>	<u>\$ 1,375,741</u>	<u>\$ 1,217,511</u>	<u>\$ 158,230</u>
Board of elections:				
Electoral board and officials	\$ 56,284	\$ 56,284	\$ 30,607	\$ 25,677
Registrar	89,403	89,403	87,278	2,125
Total board of elections	<u>\$ 145,687</u>	<u>\$ 145,687</u>	<u>\$ 117,885</u>	<u>\$ 27,802</u>
Total general government administration	<u>\$ 1,794,471</u>	<u>\$ 1,748,600</u>	<u>\$ 1,533,880</u>	<u>\$ 214,720</u>
Judicial administration:				
Courts:				
Circuit court	\$ 21,332	\$ 21,332	\$ 21,094	\$ 238
General district court	3,863	3,863	3,851	12
Special Magistrates	1,000	1,000	759	241
Court services unit	255,032	255,032	154,540	100,492
Juvenile and domestic relations court	5,275	5,275	4,703	572
Sheriff	74,305	74,305	73,316	989
Witness advocate grant	25,080	25,080	23,978	1,102
VA domestic victim grant	40,007	40,007	40,005	2
Clerk of the circuit court	267,656	287,277	276,574	10,703
Total courts	<u>\$ 693,550</u>	<u>\$ 713,171</u>	<u>\$ 598,820</u>	<u>\$ 114,351</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 444,539	\$ 445,016	\$ 421,063	\$ 23,953
Total commonwealth's attorney	<u>\$ 444,539</u>	<u>\$ 445,016</u>	<u>\$ 421,063</u>	<u>\$ 23,953</u>
Total judicial administration	<u>\$ 1,138,089</u>	<u>\$ 1,158,187</u>	<u>\$ 1,019,883</u>	<u>\$ 138,304</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,476,210	\$ 1,555,703	\$ 1,433,718	\$ 121,985
School resource officer	216,139	216,139	205,892	10,247
DMV traffic control grant	-	5,000	4,566	434
Total law enforcement and traffic control	<u>\$ 1,692,349</u>	<u>\$ 1,776,842</u>	<u>\$ 1,644,176</u>	<u>\$ 132,666</u>

County of Appomattox, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2014

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
<b>Public safety: (Continued)</b>				
Fire and rescue services:				
Fire department	\$ 187,537	\$ 226,994	\$ 171,155	\$ 55,839
Ambulance and rescue services	43,336	66,699	63,481	3,218
Forestry service	10,000	10,000	9,927	73
Total fire and rescue services	<u>\$ 240,873</u>	<u>\$ 303,693</u>	<u>\$ 244,563</u>	<u>\$ 59,130</u>
Correction and detention:				
Sheriff	\$ 718,600	\$ 892,400	\$ 892,400	\$ -
Total correction and detention	<u>\$ 718,600</u>	<u>\$ 892,400</u>	<u>\$ 892,400</u>	<u>\$ -</u>
Inspections:				
Building	\$ 74,107	\$ 74,107	\$ 71,719	\$ 2,388
Total inspections	<u>\$ 74,107</u>	<u>\$ 74,107</u>	<u>\$ 71,719</u>	<u>\$ 2,388</u>
Other protection:				
Animal control	\$ 151,770	\$ 152,922	\$ 144,783	\$ 8,139
Emergency services	15,771	15,771	15,766	5
E-911	689,917	689,917	665,477	24,440
Medical examiner	500	500	120	380
Total other protection	<u>\$ 857,958</u>	<u>\$ 859,110</u>	<u>\$ 826,146</u>	<u>\$ 32,964</u>
Total public safety	<u>\$ 3,583,887</u>	<u>\$ 3,906,152</u>	<u>\$ 3,679,004</u>	<u>\$ 227,148</u>
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 414,349	\$ 414,349	\$ 430,420	\$ (16,071)
Tire security	34,262	35,987	35,849	138
Refuse collection	530,453	549,983	482,153	67,830
Total sanitation and waste removal	<u>\$ 979,064</u>	<u>\$ 1,000,319</u>	<u>\$ 948,422</u>	<u>\$ 51,897</u>
Maintenance of general buildings and grounds:				
General properties	\$ 604,618	\$ 620,521	\$ 538,484	\$ 82,037
Total maintenance of general buildings and grounds	<u>\$ 604,618</u>	<u>\$ 620,521</u>	<u>\$ 538,484</u>	<u>\$ 82,037</u>
Total public works	<u>\$ 1,583,682</u>	<u>\$ 1,620,840</u>	<u>\$ 1,486,906</u>	<u>\$ 133,934</u>
Health and welfare:				
Health:				
Local health department	\$ 121,809	\$ 121,809	\$ 121,792	\$ 17
Total health	<u>\$ 121,809</u>	<u>\$ 121,809</u>	<u>\$ 121,792</u>	<u>\$ 17</u>
Mental health and mental retardation:				
Central VA Community Services	\$ 41,000	\$ 41,000	\$ 51,250	\$ (10,250)
Total mental health and mental retardation	<u>\$ 41,000</u>	<u>\$ 41,000</u>	<u>\$ 51,250</u>	<u>\$ (10,250)</u>

County of Appomattox, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2014

Schedule 2  
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 1,469,798	\$ 1,644,654	\$ 1,483,121	\$ 161,533
Comprehensive services act	960,677	1,146,147	1,215,552	(69,405)
Total welfare	<u>\$ 2,430,475</u>	<u>\$ 2,790,801</u>	<u>\$ 2,698,673</u>	<u>\$ 92,128</u>
Total health and welfare	<u>\$ 2,593,284</u>	<u>\$ 2,953,610</u>	<u>\$ 2,871,715</u>	<u>\$ 81,895</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 375	\$ 375	\$ 375	\$ -
Contribution to County School Board	4,838,560	4,838,560	4,580,985	257,575
Total education	<u>\$ 4,838,935</u>	<u>\$ 4,838,935</u>	<u>\$ 4,581,360</u>	<u>\$ 257,575</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 182,645	\$ 188,820	\$ 184,075	\$ 4,745
Sports complex	33,000	39,798	24,617	15,181
Total parks and recreation	<u>\$ 215,645</u>	<u>\$ 228,618</u>	<u>\$ 208,692</u>	<u>\$ 19,926</u>
Cultural enrichment:				
Contributions	\$ 33,760	\$ 34,081	\$ 37,427	\$ (3,346)
Total cultural enrichment	<u>\$ 33,760</u>	<u>\$ 34,081</u>	<u>\$ 37,427</u>	<u>\$ (3,346)</u>
Library:				
Public library	\$ 201,324	\$ 230,191	\$ 218,799	\$ 11,392
Total library	<u>\$ 201,324</u>	<u>\$ 230,191</u>	<u>\$ 218,799</u>	<u>\$ 11,392</u>
Total parks, recreation, and cultural	<u>\$ 450,729</u>	<u>\$ 492,890</u>	<u>\$ 464,918</u>	<u>\$ 27,972</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 115,931	\$ 119,131	\$ 107,132	\$ 11,999
Tourism	18,000	28,000	9,397	18,603
Economic development	111,220	268,460	116,307	152,153
Total planning and community development	<u>\$ 245,151</u>	<u>\$ 415,591</u>	<u>\$ 232,836</u>	<u>\$ 182,755</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Erosion and sediment control	11,462	11,462	6,592	4,870
Litter control program	9,000	9,000	8,540	460
Recycling	106,297	106,297	63,187	43,110
Total environmental management	<u>\$ 136,759</u>	<u>\$ 136,759</u>	<u>\$ 88,319</u>	<u>\$ 48,440</u>

County of Appomattox, Virginia  
 Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2014

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>General Fund: (Continued)</b>				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 50,873	\$ 50,873	\$ 48,126	\$ 2,747
Total cooperative extension program	<u>\$ 50,873</u>	<u>\$ 50,873</u>	<u>\$ 48,126</u>	<u>\$ 2,747</u>
Total community development	<u>\$ 432,783</u>	<u>\$ 603,223</u>	<u>\$ 369,281</u>	<u>\$ 233,942</u>
Capital projects:				
Town/County Sewer Project	\$ 76,573	\$ 76,573	\$ 76,573	\$ -
Heritage trail	428,166	428,166	428,166	-
School capital projects	125,000	125,000	82,929	42,071
Total capital projects	<u>\$ 629,739</u>	<u>\$ 629,739</u>	<u>\$ 587,668</u>	<u>\$ 42,071</u>
Debt service:				
Principal retirement	\$ 1,806,199	\$ 1,806,199	\$ 1,806,199	\$ -
Interest and other fiscal charges	1,246,447	1,246,447	1,267,726	(21,279)
Total debt service	<u>\$ 3,052,646</u>	<u>\$ 3,052,646</u>	<u>\$ 3,073,925</u>	<u>\$ (21,279)</u>
Total General Fund	<u>\$ 20,098,245</u>	<u>\$ 21,004,822</u>	<u>\$ 19,668,540</u>	<u>\$ 1,336,282</u>
<b>Special Revenue Fund:</b>				
<b>County Special Revenue Fund:</b>				
Public Safety:				
Sheriff:				
Asset forfeiture	\$ -	\$ 19,690	\$ 19,690	\$ -
Total public safety	<u>\$ -</u>	<u>\$ 19,690</u>	<u>\$ 19,690</u>	<u>\$ -</u>
Total County Special Revenue Fund	<u>\$ -</u>	<u>\$ 19,690</u>	<u>\$ 19,690</u>	<u>\$ -</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Capital projects:				
School capital projects	\$ 49,608	\$ 206,360	\$ 21,682	\$ 184,678
Total capital projects	<u>\$ 49,608</u>	<u>\$ 206,360</u>	<u>\$ 21,682</u>	<u>\$ 184,678</u>
Total County Capital Projects Fund	<u>\$ 49,608</u>	<u>\$ 206,360</u>	<u>\$ 21,682</u>	<u>\$ 184,678</u>
Total Primary Government	<u>\$ 20,147,853</u>	<u>\$ 21,230,872</u>	<u>\$ 19,709,912</u>	<u>\$ 1,520,960</u>

County of Appomattox, Virginia  
Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014

<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration, health, and attendance	\$ 924,122	\$ 924,122	\$ 884,097	\$ 40,025
Instruction costs	14,743,168	14,743,168	14,893,436	(150,268)
Pupil transportation	1,508,992	1,508,992	1,286,973	222,019
Operation and maintenance of school plant	2,465,309	2,525,039	2,052,286	472,753
Total education	<u>\$ 19,641,591</u>	<u>\$ 19,701,321</u>	<u>\$ 19,116,792</u>	<u>\$ 584,529</u>
Capital projects:				
Contribution to County Construction Fund	\$ -	\$ -	\$ 110,000	\$ (110,000)
Total capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ (110,000)</u>
Debt service:				
Principal retirement	\$ 26,806	\$ 26,806	\$ 26,806	\$ -
Interest and other fiscal charges	35,695	35,695	35,695	-
Total debt service	<u>\$ 62,501</u>	<u>\$ 62,501</u>	<u>\$ 62,501</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 19,704,092</u>	<u>\$ 19,763,822</u>	<u>\$ 19,289,293</u>	<u>\$ 474,529</u>
<b>School Special Revenue Fund:</b>				
Education:				
School food services	\$ 1,084,699	\$ 1,084,699	\$ 926,023	\$ 158,676
Purchase of textbooks	62,000	201,403	69,262	132,141
Commodities	-	59,804	59,804	-
Total education	<u>\$ 1,146,699</u>	<u>\$ 1,345,906</u>	<u>\$ 1,055,089</u>	<u>\$ 290,817</u>
Total School Special Revenue Fund	<u>\$ 1,146,699</u>	<u>\$ 1,345,906</u>	<u>\$ 1,055,089</u>	<u>\$ 290,817</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 20,850,791</u>	<u>\$ 21,109,728</u>	<u>\$ 20,344,382</u>	<u>\$ 765,346</u>

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*STATISTICAL INFORMATION*

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Table 1

County of Appomattox, Virginia  
Government-Wide Expenses by Function  
Last Ten Fiscal Years

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	Sanitary District	Total
2005	\$ 1,170,807	\$ 583,153	\$ 2,835,043	\$ 1,352,780	\$ 1,660,989	\$ 4,469,140	\$ 487,671	\$ 146,870	\$ 855,233	\$ -	\$ 13,561,686
2006	1,339,431	815,114	2,865,601	1,666,280	1,797,968	4,359,925	247,760	446,936	986,249	-	14,525,264
2007	1,306,507	1,052,434	3,177,263	1,346,568	2,309,238	4,548,847	(76,008)	546,808	958,613	-	15,170,270
2008	1,717,318	1,059,914	3,568,696	1,854,655	2,790,885	4,778,638	377,658	285,603	862,965	-	17,296,332
2009	1,475,556	1,138,050	3,796,542	3,482,208	2,967,988	4,986,375	408,633	761,056	945,374	-	19,961,782
2010	1,646,500	1,022,139	3,754,255	2,164,106	2,787,948	4,241,135	597,432	401,701	1,212,065	-	17,827,281
2011	1,546,970	1,039,084	3,271,440	2,260,607	2,437,086	4,483,112	534,829	382,584	938,409	-	16,894,121
2012	1,700,248	1,159,940	3,916,496	1,620,988	2,409,182	4,906,079	444,176	402,100	1,325,342	-	17,884,551
2013	1,747,040	1,209,655	3,736,293	2,186,994	2,533,327	6,312,633	494,248	389,577	1,281,307	379,480	20,270,554
2014	1,648,763	1,159,754	3,796,131	1,708,292	2,880,736	5,717,485	948,775	420,103	1,227,959	443,753	19,951,751

Table 2

County of Appomattox, Virginia  
Government-Wide Revenues  
Last Ten Fiscal Years

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 Transfer of Capital Assets	Payment from Appomattox School Board		
2005	\$ 415,174	\$ 3,125,215	\$ -	\$ 6,053,467	\$ 2,034,091	\$ 217,978	\$ 124,788	\$ 1,097,634	\$ 557,600	\$ -	\$ -	\$ 13,625,947
2006	361,753	3,908,749	-	6,698,006	2,340,139	448,053	130,250	1,184,428	-	-	-	15,071,378
2007	457,380	4,511,884	-	7,958,743	2,184,586	591,753	135,756	1,182,599	-	-	-	17,022,701
2008	448,455	4,330,058	-	8,329,989	2,241,637	516,691	140,251	1,153,964	-	-	-	17,161,045
2009	351,290	5,162,798	-	8,900,236	2,146,757	145,117	229,763	1,149,963	-	-	-	18,085,924
2010	368,957	4,379,627	-	8,848,772	1,513,826	156,937	387,633	1,649,452	-	-	-	17,305,204
2011	411,946	3,951,153	-	9,681,328	1,776,533	238,840	314,834	1,584,930	-	59,065	-	18,018,629
2012	329,026	3,927,784	864,313	10,135,261	1,888,209	165,373	329,260	1,701,262	-	200,000	-	19,540,488
2013	393,740	4,069,886	38,903	10,628,797	1,960,774	111,603	194,817	1,741,356	-	175,000	-	19,314,876
2014	427,218	4,235,120	-	10,267,361	2,091,268	86,314	271,278	1,798,865	-	110,000	-	19,287,424

County of Appomattox, Virginia  
General Governmental Expenditures by Function (1,3)  
Last Ten Fiscal Years

Fiscal Year	General Government Administration				Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural			Debt Service	Total
	Government Administration	Judicial Administration	Public Safety	Public Works					Health and Welfare	Education (2)	Recreation, and Cultural		
2005	\$ 1,120,819	\$ 633,237	\$ 2,897,984	\$ 1,252,657	\$ 1,615,123	\$ 17,502,540	\$ 369,805	\$ 146,870	\$ 2,043,195	\$ 27,582,230			
2006	1,167,158	669,675	3,101,684	1,336,192	1,780,349	18,194,723	326,808	475,711	2,440,045	29,492,345			
2007	1,268,483	906,995	3,427,456	1,382,337	2,282,361	19,561,871	374,171	739,616	2,022,901	31,966,191			
2008	1,568,371	930,864	3,543,957	1,456,118	2,772,020	20,243,682	380,070	267,413	2,542,673	33,705,168			
2009	1,384,164	991,963	3,557,126	1,368,486	2,973,560	21,228,578	380,600	720,109	2,518,022	35,122,608			
2010	1,538,230	884,246	3,581,419	1,504,094	2,752,940	20,064,495	577,436	382,205	1,754,323	33,039,388			
2011	1,429,400	945,288	3,496,344	1,362,547	2,459,627	19,645,192	519,294	339,135	1,797,034	31,993,861			
2012	1,395,395	1,029,684	3,301,417	1,440,829	2,446,196	19,513,421	401,728	373,872	2,209,857	32,112,399			
2013	1,649,007	1,058,263	3,369,009	1,520,202	2,665,954	20,444,142	557,741	340,710	2,806,446	34,411,474			
2014	1,533,880	1,019,883	3,698,694	1,486,906	2,871,715	20,172,256	464,918	369,281	3,136,426	34,753,959			

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit School Board and vice versa.

(3) Excludes Capital Projects funds.

County of Appomattox, Virginia  
General Governmental Revenues by Source (1,3)  
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
2005	\$ 6,130,568	\$ 2,034,091	\$ 72,227	\$ 49,260	\$ 203,383	\$ 762,336	\$ 253,940	\$ 101,006	\$ 17,507,953	\$ 27,114,764
2006	6,368,207	2,340,139	89,291	20,577	331,075	700,935	318,742	139,128	19,185,569	29,493,663
2007	8,034,012	2,184,586	146,111	27,627	469,715	850,405	252,284	86,399	21,118,177	33,169,316
2008	8,360,316	2,241,637	145,356	27,689	423,312	902,716	354,902	146,311	21,156,951	33,759,190
2009	8,739,210	2,146,757	159,932	19,785	133,462	664,326	433,390	110,548	23,200,143	35,607,553
2010	8,912,978	1,513,826	129,010	39,162	150,955	610,879	465,200	425,471	21,781,178	34,028,659
2011	9,186,947	1,776,533	83,338	111,412	238,463	714,369	417,017	265,393	21,101,521	33,894,993
2012	10,161,980	1,888,209	79,753	57,411	152,624	707,268	478,975	134,543	21,617,716	35,278,479
2013	10,114,251	1,960,774	78,952	37,628	115,248	659,948	269,030	213,145	20,873,765	34,322,741
2014	10,905,971	2,091,268	81,824	30,464	94,675	707,536	403,078	57,622	21,156,613	35,529,051

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit School Board

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit School Board and vice versa.

(3) Excludes Capital Projects funds.

Table 5

County of Appomattox, 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)	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections	to Tax Levy		
2005	\$ 7,075,747	\$ 6,841,320	96.69%	\$ 133,161	\$ 6,974,481	98.57%	\$ 591,500	8.36%	
2006	7,646,351	7,104,961	92.92%	201,541	7,306,502	95.56%	901,390	11.79%	
2007	8,879,016	8,701,949	98.01%	223,258	8,925,207	100.52%	1,033,820	11.64%	
2008	9,337,425	9,061,026	97.04%	213,449	9,274,475	99.33%	1,026,411	10.99%	
2009	9,883,252	9,473,285	95.85%	166,644	9,639,929	97.54%	1,403,813	14.20%	
2010	10,306,054	9,388,466	91.10%	420,791	9,809,257	95.18%	937,266	9.09%	
2011	10,557,842	9,734,329	92.20%	352,324	10,086,653	95.54%	1,115,842	10.57%	
2012	11,164,343	10,815,808	96.88%	243,720	11,059,528	99.06%	1,105,238	9.90%	
2013	11,728,977	10,668,816	90.96%	328,661	10,997,477	93.76%	1,729,110	14.74%	
2014	11,832,503	10,252,937	86.65%	401,811	10,654,748	90.05%	1,384,580	11.70%	

(1) Exclusive of penalties and interest. Does not include land redemptions.

(2) Includes three most current delinquent tax years and first half of current tax year.

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

Fiscal Year	Real Estate (1)	Mobile Homes	Personal Property (1)	Machinery and Tools	Merchant's Capital	Public Utility (2)			Total
						Real Estate	Real Estate	Personal Property	
2005	\$ 644,164,177	\$ 10,044,582	\$ 56,273,912	\$ 6,204,367	\$ 7,845,555	\$ 43,841,289	\$ 260,634	\$ 768,634,516	
2006	666,911,618	10,069,168	61,162,572	6,326,572	7,956,118	47,957,589	358,642	800,742,279	
2007	686,406,667	9,902,270	64,423,605	6,270,659	8,138,852	48,261,121	242,610	823,645,784	
2008	982,560,682	9,774,752	65,524,137	6,593,214	8,205,633	48,091,865	273,006	1,121,023,289	
2009	1,253,862,991	9,171,318	70,408,129	7,879,731	9,520,696	78,282,888	572,286	1,429,698,039	
2010	1,251,566,318	9,236,759	66,335,031	7,372,601	9,939,614	75,647,770	502,244	1,420,600,337	
2011	1,272,092,722	8,915,938	70,028,002	5,839,518	10,070,429	81,689,647	468,481	1,449,104,737	
2012	1,288,374,551	8,380,513	74,218,221	5,414,772	13,109,819	84,347,967	392,933	1,474,238,776	
2013	1,307,962,007	8,948,070	74,684,745	933,944	13,440,191	89,781,508	600,833	1,496,351,298	
2014	1,285,085,528	8,865,226	75,967,349	961,437	13,250,117	91,673,871	737,541	1,476,541,069	

(1) Real estate and personal property are assessed at 100% of fair market value.

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

Table 7

County of Appomattox, Virginia  
Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2005	0.66/0.72 \$	0.66 \$	3.50 \$	3.50 \$	1.00
2006	0.72	0.72	3.50	3.50	1.00
2007	0.72/0.77	0.72	4.60	4.60	1.00
2008	0.77/0.44	0.77	4.60	4.60	1.00
2009	0.44/0.48	0.44	4.60	4.60	1.00
2010	0.48	0.48	4.60	4.60	1.00
2011	0.495/0.48	0.48	4.60	4.60	1.00
2012	0.575/0.495	0.495	4.60	4.60	1.00
2013	0.575	0.575	4.60	4.60	1.00
2014	0.600	0.575	4.60	4.60	1.00

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2005	13,705	\$ 768,634,516	\$ 10,431,245	\$ 10,431,245	1.36%	\$ 761
2006	13,705	800,742,279	9,756,085	9,756,085	1.22%	712
2007	13,705	823,645,784	9,384,347	9,384,347	1.14%	685
2008	13,705	1,121,023,289	8,696,470	8,696,470	0.78%	635
2009	13,705	1,429,698,039	7,985,636	7,985,636	0.56%	583
2010	14,973	1,420,600,337	7,265,938	7,265,938	0.51%	485
2011	14,973	1,449,104,737	16,532,171	16,532,171	1.14%	1,104
2012	14,973	1,474,238,776	15,868,881	15,868,881	1.08%	1,060
2013	14,973	1,496,351,298	15,185,562	15,185,562	1.01%	1,014
2014	14,973	1,480,208,623	14,157,128	14,157,128	0.96%	946

(1) Weldon Cooper Center for Public Service for 2000 and 2010 census.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, 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

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County of Appomattox, Virginia's basic financial statements, and have issued our report thereon dated January 13, 2015.

### Internal Control over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

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

Richmond, Virginia  
January 13, 2015

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

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

### Report on Compliance for Each Major Federal Program

We have audited County of Appomattox, 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 Appomattox, Virginia's major federal programs for the year ended June 30, 2014. County of Appomattox, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of Appomattox, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Appomattox, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Appomattox, Virginia's compliance.

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

In our opinion, County of Appomattox, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control over Compliance

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

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

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

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



Richmond, Virginia  
January 13, 2015

County of Appomattox, Virginia  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

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:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950113/0950114	\$ 11,863
Temporary Assistance for Needy Families	93.558	0400113/0400114	173,008
Refugee and Entrant Assistance - State Administered Programs	93.566	0500113/0500114	960
Low-Income Home Energy Assistance	93.568	0600413/00600414	17,468
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760113/0760114	26,127
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900113/090114	1,170
Foster Care - Title IV-E	93.658	1100113/1100114	112,398
Adoption Assistance	93.659	1120113/1120114	5,351
Social Services Block Grant	93.667	1000113/1000114	146,963
Chafee Foster Care Independence Program	93.674	9150113/9150114	2,346
Children's Health Insurance Program	93.767	0540113/0540114	4,717
Medical Assistance Program	93.778	1200113/1200114	<u>140,974</u>
Total Department of Health and Human Services			<u>\$ 643,345</u>
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution	10.555	17901-45707	\$ 59,804
Department of Education:			
National School Lunch Program	10.555	17901-40623	434,672
Total CFDA# 10.555			<u>\$ 494,476</u>
School Breakfast Program	10.553	17901-40591	<u>\$ 104,291</u>
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010112/0010103	<u>161,120</u>
Total Department of Agriculture			<u>\$ 759,887</u>
Department of Treasury:			
Pass Through Payments:			
Commonwealth of Virginia Attorney General's Office:			
Forfeited Assets	21.000	not available	<u>\$ 23,223</u>
Department of Justice:			
Direct payments:			
Sheriff's Overtime Grant	16.xxx	N/A	<u>\$ 13,622</u>
Pass Through Payments:			
Department of Criminal Justice Service:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13-01142L012	\$ 3,582
Crime Victim Assistance	16.575	36001-46000	<u>17,015</u>
Total Department of Justice			<u>\$ 34,219</u>

County of Appomattox, Virginia  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and Community Highway Safety	20.600	60507-50252/51222	\$ 9,267
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	17901-42901	\$ 521,315
Special Education Grants to States	84.027	17901-43071	389,403
Career and Technical Education: Basic Grants to States	84.048	17901-61095	43,968
Advanced Placement Program	84.330	17901-60957	270
Improving Teacher Quality State Grants	84.367	17901-61480	10,740
Total Department of Education			\$ 965,696
Total Expenditures of Federal Awards			\$ 2,435,637

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**County of Appomattox, Virginia**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of County of Appomattox, Virginia under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the 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 County of Appomattox, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Appomattox, 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	\$ 1,269,898
Special Revenue Funds:	
County Special Revenue Fund	23,223
Total primary government	\$ 1,293,121

Component Unit - School Board:

School Operating Fund	\$ 965,696
School Cafeteria Fund	598,768
Total component unit School Board	\$ 1,564,464

Total federal expenditures per basic financial statements

\$ 2,857,585

Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards

(417,600)

Less: Payment in Lieu of Taxes

(4,348)

Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards

\$ 2,435,637

County of Appomattox, Virginia  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2014

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**Section I-Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:  
 a. Material weakness(es) identified? \_\_\_\_\_ yes ✓ no  
 b. Significant deficiency(ies) identified? \_\_\_\_\_ yes ✓ no

Type of auditors' report issued on compliance  
 for major programs: unmodified

Any findings disclosed that are required to be  
 reported in accordance with section 510(a) of  
 Circular A-133? \_\_\_\_\_ yes ✓ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
84.010	Title I Grant to Local Education Agencies
84.027	Title VI-B Special Education Grants to States

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 Appomattox, Virginia  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2014

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There were no prior year audit findings. Financial Statement Finding 2013-1 was corrected for FY2014.

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