



Comprehensive
Annual
Financial
Report

County of Accomack, Virginia
Fiscal Year Ended June 30, 2012



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COUNTY OF ACCOMACK, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012

Prepared by:

Central Accounting Office
Accomack County, Virginia



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County of Accomack, Virginia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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Introductory Section



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COUNTY OF ACCOMACK CENTRAL ACCOUNTING

Post Office Box 620
Accomack, Virginia 23301
(757) 787-5714
(757) 824-5444

Michael T Mason, CPA
Finance Director

December 27, 2012

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

We are pleased to present the Comprehensive Annual Financial Report of the County of Accomack, Virginia, (the "County"), for the fiscal year ended June 30, 2012. This report was prepared by the County's Central Accounting Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

Generally accepted accounting principals require management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Accomack's MD&A can be found immediately following the report of the independent auditors.

Report Organization. The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and compliance.

- ☐ Introductory Section: The Introductory Section includes this letter of transmittal, a certificate of achievement for excellence in financial reporting, the County's organizational chart and list of principal officials.
- ☐ Financial Section: The Financial Section includes Management's Discussion and Analysis (MD&A), government-wide and fund financial statements, notes to the financial statements, required and other

supplementary information and the independent auditor's report on the MD&A, financial statements and schedules.

- Statistical Section: The Statistical Section contains selected financial and demographic information generally presented on a multi-year basis.
- Compliance Section: The Compliance Section contains information on County programs that are financed by federal grants. This information is required by the Single Audit Act and by the Commonwealth of Virginia Auditor of Public Accounts.

The Reporting Entity. The County of Accomack's report includes all funds of the "primary government." In Virginia, cities and counties are distinct units of government; therefore, the County is responsible for providing all services normally provided by a local government. These services include public safety, social services, recreation and cultural activities and community development. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, "The Financial Reporting Entity," as amended by GASB No. 39, the County has identified eight discretely presented component units. This GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of this primary government. Based on GASB Statement 14, as amended by GASB No. 39, as interpreted by Virginia's Auditor of Public Accounts, the School Board is a legally separate organization providing educational services to the public whose board is appointed by a School Board Selection Committee and is fiscally dependent on the local government.

Independent Audit. The Commonwealth of Virginia requires an annual audit of the financial records and transactions of all departments of the County by independent certified public accountants selected by the Board of Supervisors. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as amended, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Government and Non-Profit Organizations*. Information related to this single audit, including the findings and recommendations, and auditors' reports on the internal control structure and compliance with laws and regulations, is contained in this report. These requirements have been compiled with the auditors' opinion and are included in this report.

Internal and Budgetary Controls: The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition to internal accounting controls, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the annual budget adopted and appropriated by the Board of Supervisors. Activities of the general fund, special revenue funds, debt service fund, and capital project funds are included in the annual appropriated budget.

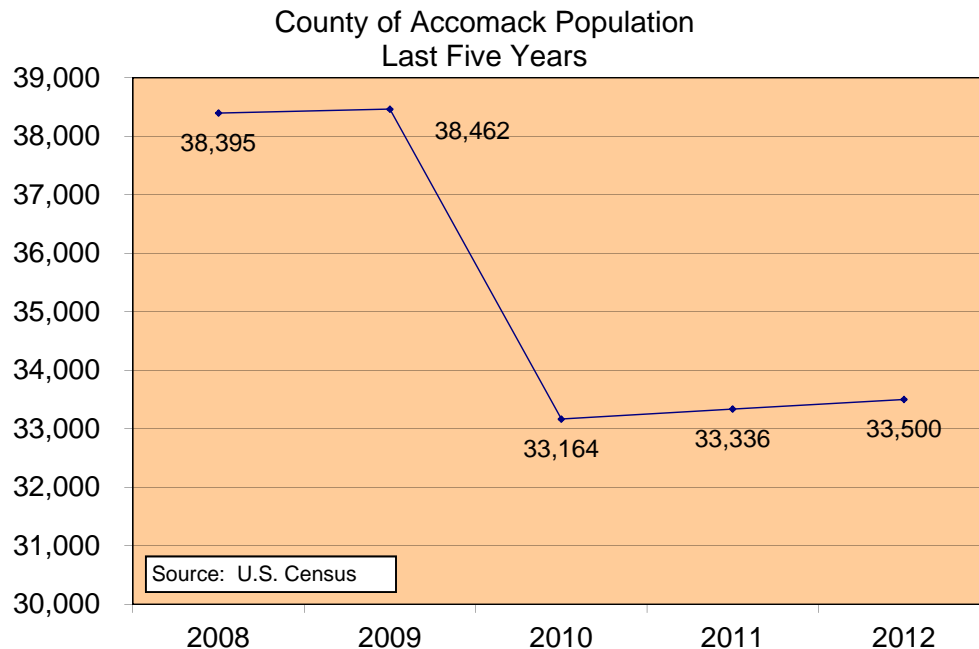
As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2012 has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

The County adopts an annual budget by July 1 of each year as required by Section 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds.

When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with Section 15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes annually, with supplemental appropriations made as required. These appropriations, except those to incur mandated expenditures, may be greater or less than contemplated in the budget.

Local Economy. Accomack County is located in the northernmost portion of the Eastern Shore of Virginia, towards the southern end of the Delmarva Peninsula. The 476 square mile county is bounded on the north by the state of Maryland, on the east by the Atlantic Ocean, on the south by Northampton County, and on the west by the Chesapeake Bay. Accomack County is home to the NASA Wallops Flight Facility, a center of aeronautic research established in 1945. With its saltwater bays, marshes and numerous creeks, Accomack County is one of the few unspoiled coastal areas on the eastern seaboard.

Population: The County had a population of 33,500 as of June 30, 2012, an increase of less than 1% from the previous year.



Labor Force Employment: Over the past three years, there have been minor changes in average employment. Isolation along with the lack of centralized wastewater in growing and industrial areas and lack of a skilled workforce has been cited as major deterrents of economic development in the County. The County has taken steps to address two of these issues by:

- Partnering with NASA to provide wastewater treatment services to the County's Wallops Research Park,
- Continuing to pursue wastewater treatment options in the Central Accomack area. Current options include negotiating with the Town of Onancock for increased wastewater treatment capacity, construction of a County treatment facility and privatization. Note that the Town of Onancock is one of the few towns in Accomack County that provides water and wastewater services.

The manufacturing sector continues to account for the majority of jobs in the County, approximately 25% in 2011. The majority of the jobs in this sector are associated with poultry processing which includes the County's top two employers, Perdue Farms, Inc. and Tyson Foods, Inc.

Calendar Year	Employment by Sector						Total
	Manuf-acturing	Accommodations and Food Service	Retail Trade	Public Administration	Health Care & Social Assistance	Other	
2011	3,198	1,182	1,327	1,225	1,204	4,672	12,808
2010	3,451	1,172	1,278	1,214	1,241	4,951	13,307
2009	3,528	1,171	1,138	1,162	1,310	5,383	13,692
2008	3,331	1,182	1,187	1,139	1,315	5,177	13,331
2007	3,356	1,150	1,197	1,126	1,249	5,460	13,538

The retail trade sector makes up the second largest category of average employment representing 10% of jobs.

Health care/social assistance and Public Administration sectors make up the next two largest sectors. The health care sector is expected to grow significantly by 2015 based on plans announced by Riverside Shore Memorial Hospital to relocate from Northampton County to Accomack County.



The accommodations/food services sector is significantly impacted by tourism which is a major economic engine in the County. Those that seek a more relaxed vacation far from the crowds with access to pristine beaches, wildlife and other outdoor activities are beginning to discover Accomack. In fact, the Town on Chincoteague, Accomack's largest incorporated town, was named best beach town by AOL travel.com in June of 2010.

Employment associated with The U.S. Navy Surface Combat Systems Center (SCSC), NASA Wallops Flight Facility, and NOAA Command and Data Acquisition Center, all located on Wallops Island, while not reflected in any one sector is worth noting. Average employment for these entities taken as a whole ranks third in the County with a large concentration of these jobs classified as high-skill and high-wage. In all, over 1,000 local military, civilian and contractor jobs are tied to these entities providing a variety of engineering, aerospace and naval operations services.

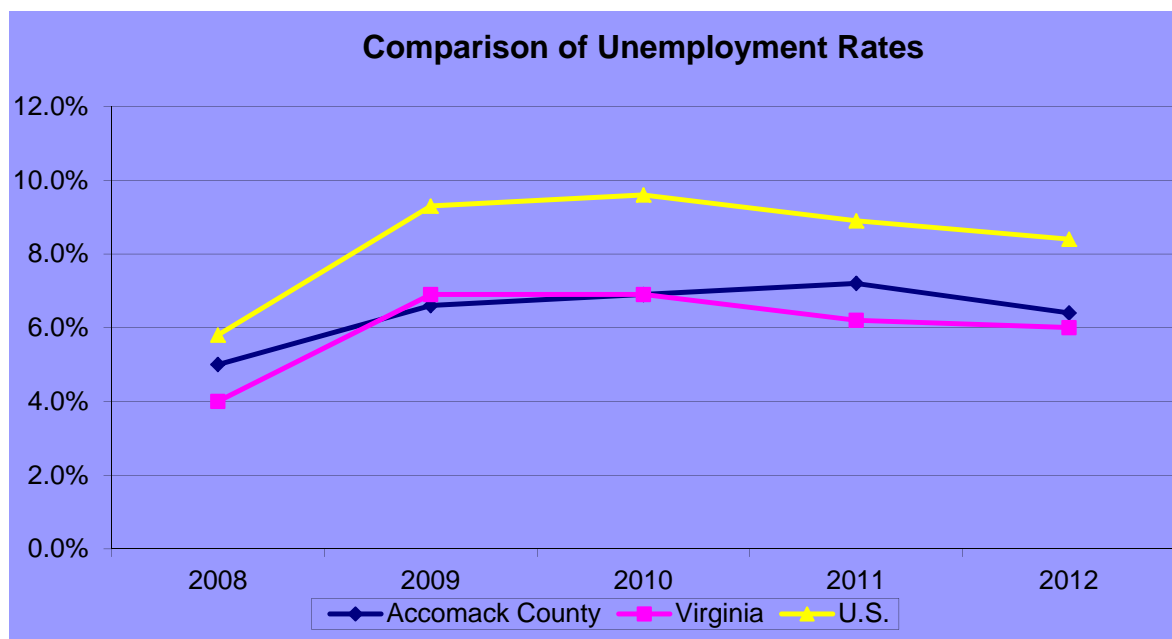
Future prospects for the Wallops Island area are high. This island is home to the Mid-Atlantic Regional Spaceport (MARS) whose mission is to develop and operate a multi user spaceport at the NASA Wallops Flight Facility which provides low cost, safe, reliable, "schedule friendly" space access to commercial, government, and academic users. In June of 2011, MARS successfully launched another Minotaur I rocket carrying a military satellite for the Operationally Responsive Space Office. The launch of the satellite, known as



ORS-1, is considered an "important step to demonstrate the capability to meet emerging and persistent war-fighter needs," NASA officials said in a statement. Wallops Island's location of roughly 38 degrees north latitude makes it an ideal site to send loads into inclined orbits - between the equator and the poles - at a reduced expense.

The County is pursuing a number of initiatives designed to secure, promote and strengthen the Wallops Island region. The largest initiative is outlined in the "Major Initiatives" section of this letter.

Unemployment: Local unemployment rates decreased from the previous calendar year. Accomack County's unemployment rate as of June 2012 is 6.4% well below that of the nation.



Major Initiatives. The County continued to utilize its Strategic Plan as a framework for planning and accountability and continued to seek out partnerships with other organizations to help achieve its goals. Major initiatives begun, continued, or completed this fiscal year were:

- Continued to plan for the development of the Wallops Research Park, to be located on land adjacent to NASA's Wallops Flight Facility (WFF). This park is will contain not only all the necessary utilities to make it suitable for development but will also provide park inhabitants access to the NASA runway through a taxiway originating from the interior of the park.



The proximity not only to NASA, but also to U.S. Navy Surface Combat Systems Center, makes the park a prime location for many businesses. The County has contingently approved the issuance of up to \$4 million in bonds to ready the park for occupation and has secured an additional \$4 million in state matching funds to construct the taxiway.

- Began the preliminary planning on the development of the County's first recreational park to be located in the Central Accomack Area. The park will contain recreational fields, walking trails and other multi-use areas.
- Replaced many of the recreation boat launching facilities located along both the bayside and seaside areas of the County damaged as a result of Hurricane Sandy.
- Substantially completed the Wallops Transit Clearance Project undertaken to reduce obstacles interfering with the transport of cargo to the Mid-Atlantic Regional Spaceport.

Prospects for the Future. For the 2013 Fiscal Year, the Board of Supervisors adopted a Primary Government operating and capital budget of \$57,542,908 which is an increase of 13% from the previous year. The large percentage increase is due to the one-time capital projects listed below.

The 2013 budget does include a real estate tax increase approved primarily to offset the projected revenue loss from a decrease in real estate values of approximately 12%. Even with this tax increase, the County's real estate tax rate continues to be among the lowest in Virginia as compared to similar counties.

Significant projects funded for Fiscal Year 2013 and slated to begin include:

- Closure of the County's South Landfill which is mandated to stop accepting waste by 12/31/2012 due to federal regulations.
- Construction of the Wallops Research Park described above.
- Construction of a Solid Waste Transfer Station located at the southern end of the County.
- Construction of the Central Accomack Recreation Park described above.
- Construction of a leachate spray irrigation system to reduce the cost of treating leachate at the North Landfill.

Certificate of Achievement. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Accomack, Virginia, for its comprehensive annual financial report for the fiscal year ending June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a another certificate.

Acknowledgments. The preparation of this report could not have been accomplished without the dedicated services of the entire Central Accounting Department, the County Administrator and the School Board Finance Department.

We would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operation of the County in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael T. Mason". The signature is fluid and cursive, with the first name "Michael" and last name "Mason" clearly distinguishable.

Michael T. Mason, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Accomack
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



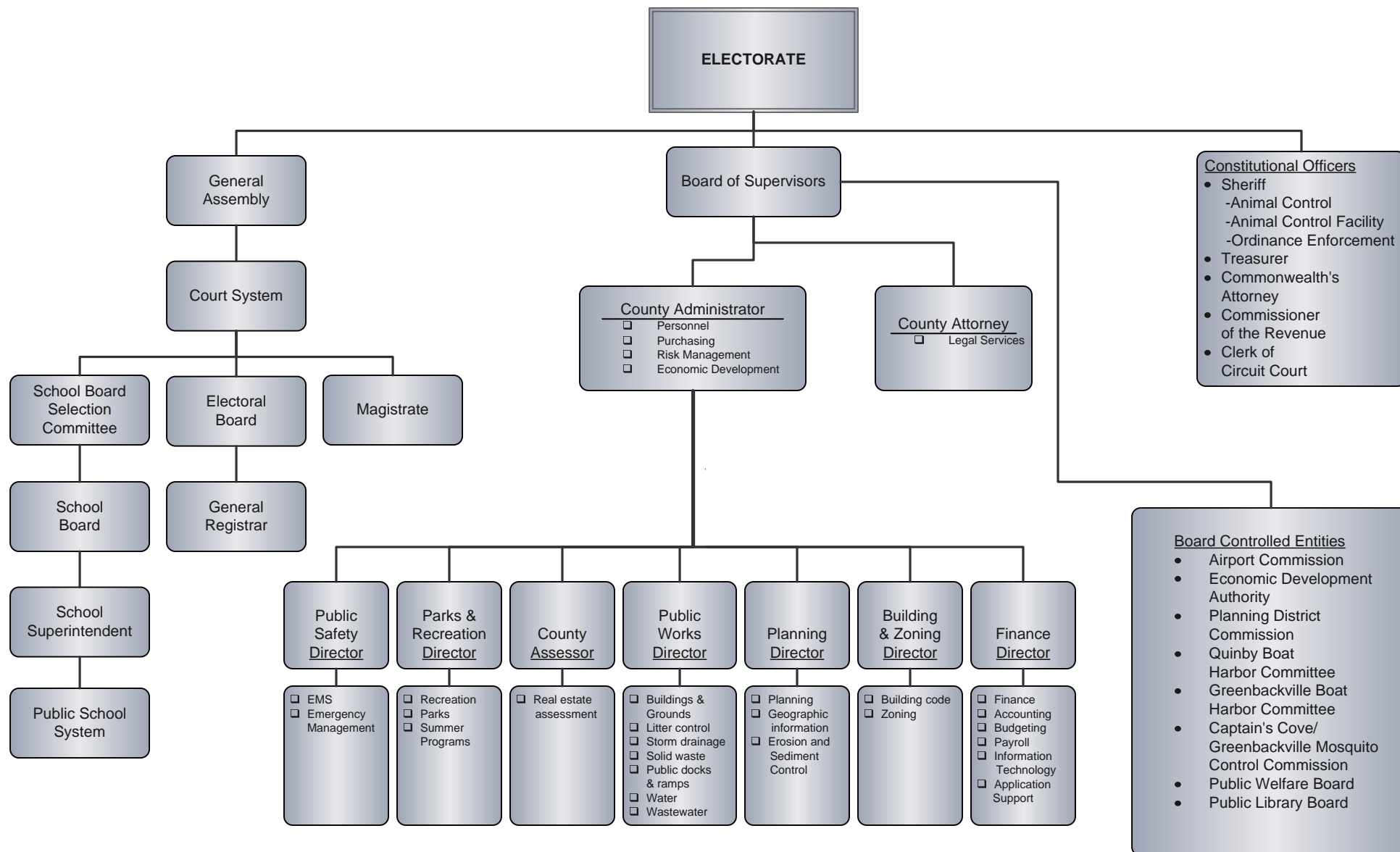
Linda C. Davidson

President

Jeffrey R. Enen

Executive Director

COUNTY OF ACCOMACK, VIRGINIA ORGANIZATION CHART



County of Accomack, Virginia

Principal Officials

Board of Supervisors

Laura Belle Gordy, Chairperson	Election District 7
Wanda J. Thornton, Vice-Chairperson	Election District 1
Ronald S. Wolff	Election District 2
Grayson C. Chesser	Election District 3
Kay W. Lewis	Election District 4
John C. Gray	Election District 5
Robert D. Crockett	Election District 6
Donald L. Hart	Election District 8
C. Reneta Major	Election District 9

Constitutional Officers

Samuel H. Cooper	Clerk of the Circuit Court
Leslie A. Savage	Commissioner of the Revenue
Gary R. Agar	Commonwealth's Attorney
Todd E. Godwin	Sheriff
Dana T. Bundick	Treasurer

County Administrative Officers

Steven B. Miner	County Administrator
Mark B. Taylor	County Attorney
Brent A. Hurdle	Director of Assessment
David M. Fluhart	Director of Building & Zoning
Michael T. Mason, CPA	Director of Finance
Richard L. Morrison	Director of Planning & Community Development
C. Ray Pruitt	Acting Director of Public Safety
Stewart M. Hall	Director of Public Works

County of Accomack, Virginia
Principal Officials
(continued)

School Board

Dr. Ronnie E. Holden, Chairman	Election District 8
Margaret T. Miles	Election District 4
J. Travis Thornton	Election District 1
Audrey A. Furness	Election District 2
Aaron E. Kane	Election District 3
Camesha A. Handy	Election District 5
Patricia M. White	Election District 6
Shannon Wessells	Election District 7
Naudya D. Mapp	Election District 9

School Board Administrative Officers

Dr. Willaim B. Benson	Superintendent
Dr. Rhonda Hall	Assistant Superintendent
Jessie Duncil	Assistant Superintendent
Beth O. Charnock	Director of Finance

Financial Section



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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

**To The Honorable Members of Board of Supervisors
County of Accomack
Accomac, Virginia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Accomack, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Accomack, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Accomack-Northampton Planning District Commission which reflect total assets of \$1,628,090 and revenues of \$1,269,797 as of June 30, 2012. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Accomack-Northampton Planning District Commission is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Accomack, Virginia, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012, on our consideration of the County of Accomack, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress for defined benefit pension plan and other post employment benefits 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 and other auditors have applied certain limited procedures to the management's discussion and analysis and schedule of funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis and schedule of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Accomack, Virginia's financial statements as a whole. The introductory section, combining fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
December 27, 2012



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Accomack, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

<ul style="list-style-type: none">• The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$20,168,332 (net assets). Of this amount, \$14,751,168 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
<ul style="list-style-type: none">• The County's total net assets increased by \$1,087,186 (6%). Net assets of the governmental-type activities increased \$913,061 (5%) and net assets of the business-type activities increased \$174,125 (53%).
<ul style="list-style-type: none">• The County's unrestricted net assets increased by \$1,633,917 (12%). Unrestricted net assets of the governmental-type activities increased \$893,621 (6%) and unrestricted net assets of the business-type activities increased \$740,296 (30%).
<ul style="list-style-type: none">• Program revenues of the County's business-type activities decreased by 1% to \$2,822,230 while expenses increased by 5% to \$2,975,153.
<ul style="list-style-type: none">• The General fund reported an ending fund balance of \$13,944,687, an increase of \$1,590,194 (13%). Of the ending fund balance, \$114,303 was nonspendable or restricted, \$6,100,065 was committed pursuant to the County's "Rainy Day"/Revenue Stabilization policy, \$5,663,962 was assigned to various projects and \$2,066,357 was unassigned.<ul style="list-style-type: none">◦ The amount of General Fund ending fund balance committed pursuant to the County's "Rainy Day"/Revenue Stabilization Policy was equal to 8.7% of total General Fund Revenue and School Operating Revenue less contributions from the Primary Government.◦ The amount of General Fund ending fund balance available for expenditure (Committed Fund Balance + Assigned Fund Balance + Unassigned Fund Balance) was \$13,830,384 or 38 percent of total general fund expenditures.
<ul style="list-style-type: none">• The County's outstanding debt decreased by \$2,378,866 or 5.4 percent during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

Both of the Government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial administration, police and volunteer fire protection, refuse collection, social services, education, community development and recreation. The business-type activities of the County include waste disposal, water/wastewater services and the portion of its recreation activities financed by user fees.

The Government-wide financial statements include not only the County of Accomack, Virginia itself (known as the primary government), but also legally separate entities for which the County of Accomack, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Accomack, 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, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as Governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains thirteen individual governmental funds down from sixteen governmental funds last fiscal year due to the consolidation of Election District 2, 3, 4 and 5 special revenue funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Virginia Public Assistance Fund, Comprehensive Youth Services Fund, School Debt Service Fund and County Capital Projects Funds, all of which are considered to be major funds. Data from the remaining eight governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor funds is provided in the "Other Supplemental Information" section of the report.

The County adopts an annually appropriated budget for its Governmental funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget. Budgetary comparison schedules for nonmajor funds are also provided in the "Other Supplemental Information" section of the report.

Proprietary funds - The County maintains three enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its landfills, water/wastewater services and portions of its recreation activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for landfills, water/wastewater services and portions of recreation activities. Only the Landfill Enterprise Fund is considered to be a major fund of the County.

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

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

Other information - In addition to the basic financial statements 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. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. The County's assets exceeded liabilities by \$20,168,332 at year-end.

The largest portion of the County's net assets (73%) is unrestricted meaning it may be used to meet the government's ongoing obligation.

The next largest portion of the County's net assets (20%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities.

County of Accomack, Virginia						
Net Assets						
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 38,783,492	\$ 35,074,140	\$ 6,815,764	\$ 5,610,357	\$ 45,599,256	\$ 40,684,497
Capital assets	42,423,471	44,875,113	3,703,212	4,215,219	46,126,683	49,090,332
Total assets	81,206,963	79,949,253	10,518,976	9,825,576	91,725,939	89,774,829
Current liabilities	22,118,256	19,437,447	481,920	227,915	22,600,176	19,665,362
Long -term liabilities	38,766,295	41,443,987	10,191,138	9,925,866	48,957,433	51,369,853
Total liabilities	60,884,551	60,881,434	10,673,058	10,153,781	71,557,609	71,035,215
Net Assets:						
Invested in capital assets, net of related debt	2,537,440	2,465,664	1,542,541	2,108,712	4,079,981	4,574,376
Restricted	1,337,183	1,389,519	-	-	1,337,183	1,389,519
Unrestricted	16,447,789	15,554,168	(1,696,621)	(2,436,917)	14,751,168	13,117,251
Total net assets	\$ 20,322,412	\$ 19,409,351	\$ (154,080)	\$ (328,205)	\$ 20,168,332	\$ 19,081,146

An additional portion of the County's net assets (7%) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County is able to report positive balances of net assets, for the County as a whole, as well as for its governmental-type activities. Business-type activities had deficit net assets of \$154,080 due primarily to unfunded landfill closure and post closure care costs. The County has taken steps to gradually eliminate this deficit by increasing landfill user fees to cover current operating cost (including closure and post closure care), reducing personnel and providing additional general funds to gradually reduce the deficit.

The County's net assets increased by \$1,087,186 or 6% during the fiscal year. Governmental activities accounted for 84% of the total increase while business-type activities accounted for the remaining 16%.

Governmental Activities - Governmental activities increased the County's net assets by \$913,061 or 5% during the fiscal year. Key elements of this increase are as follows:

Accomack County, Virginia Change in Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 1,610,012	\$ 1,685,052	\$ 2,822,230	\$ 2,863,680	\$ 4,432,242	\$ 4,548,732
Operating grants & contributions	7,655,170	8,437,999	-	-	7,655,170	8,437,999
Capital grants & contributions	2,965,210	160,367	-	-	2,965,210	160,367
General Revenues:						
General property taxes	27,117,367	27,583,562	-	-	27,117,367	27,583,562
Other local taxes	6,999,466	7,288,219	-	-	6,999,466	7,288,219
Investment earnings	8,185	1,967	7,708	8,312	15,893	10,279
Non-categorical aid	3,322,295	3,320,843	-	-	3,322,295	3,320,843
Other general revenues	125,335	596,723	-	-	125,335	596,723
Total revenues	49,803,040	49,074,732	2,829,938	2,871,992	52,632,978	51,946,724
Expenses:						
General government administration	3,339,183	3,176,953	-	-	3,339,183	3,176,953
Judicial administration	1,442,643	1,541,877	-	-	1,442,643	1,541,877
Public safety	9,141,427	8,982,920	-	-	9,141,427	8,982,920
Public works	3,382,833	3,303,409	-	-	3,382,833	3,303,409
Health and welfare	5,681,716	5,652,391	-	-	5,681,716	5,652,391
Education	18,511,045	18,095,238	-	-	18,511,045	18,095,238
Parks, recreation and cultural	1,037,589	1,038,188	-	-	1,037,589	1,038,188
Community development	4,106,234	1,657,666	-	-	4,106,234	1,657,666
Interest on long-term debt	1,927,969	2,042,318	-	-	1,927,969	2,042,318
Business-type	-	-	2,975,153	2,835,427	2,975,153	2,835,427
Total expenses	48,570,639	45,490,960	2,975,153	2,835,427	51,545,792	48,326,387
Increase (decrease) in net assets before transfers	1,232,401	3,583,772	(145,215)	36,565	1,087,186	3,620,337
Transfers	(319,340)	(25,800)	319,340	25,800	-	-
Increase (decrease) in net assets	913,061	3,557,972	174,125	62,365	1,087,186	3,620,337
Net assets, July 1, as restated	19,409,351	15,851,379	(328,205)	(390,570)	19,081,146	15,460,809
Net assets June 30	\$ 20,322,412	\$ 19,409,351	\$ (154,080)	\$ (328,205)	\$ 20,168,332	\$ 19,081,146

Property taxes are the largest single revenue source comprising 54% of total governmental revenues. Property taxes decreased by \$466,195 or 2% during the fiscal year.

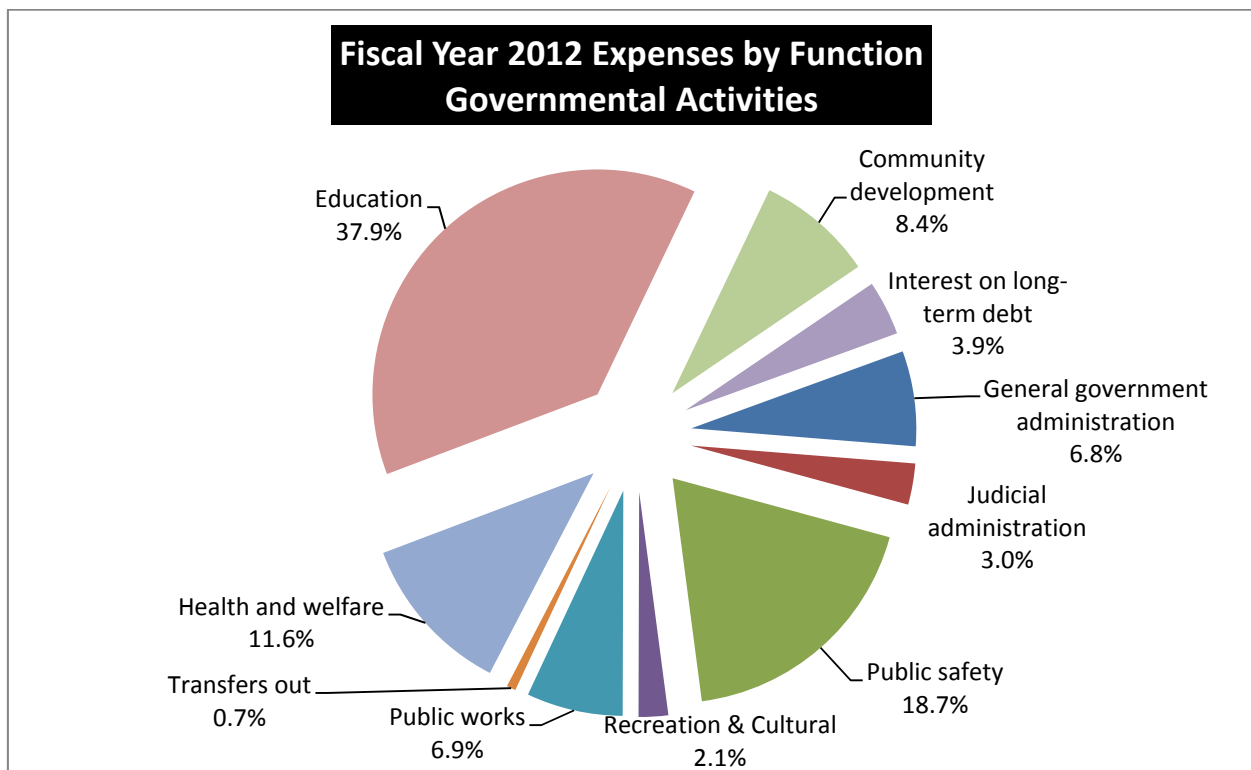
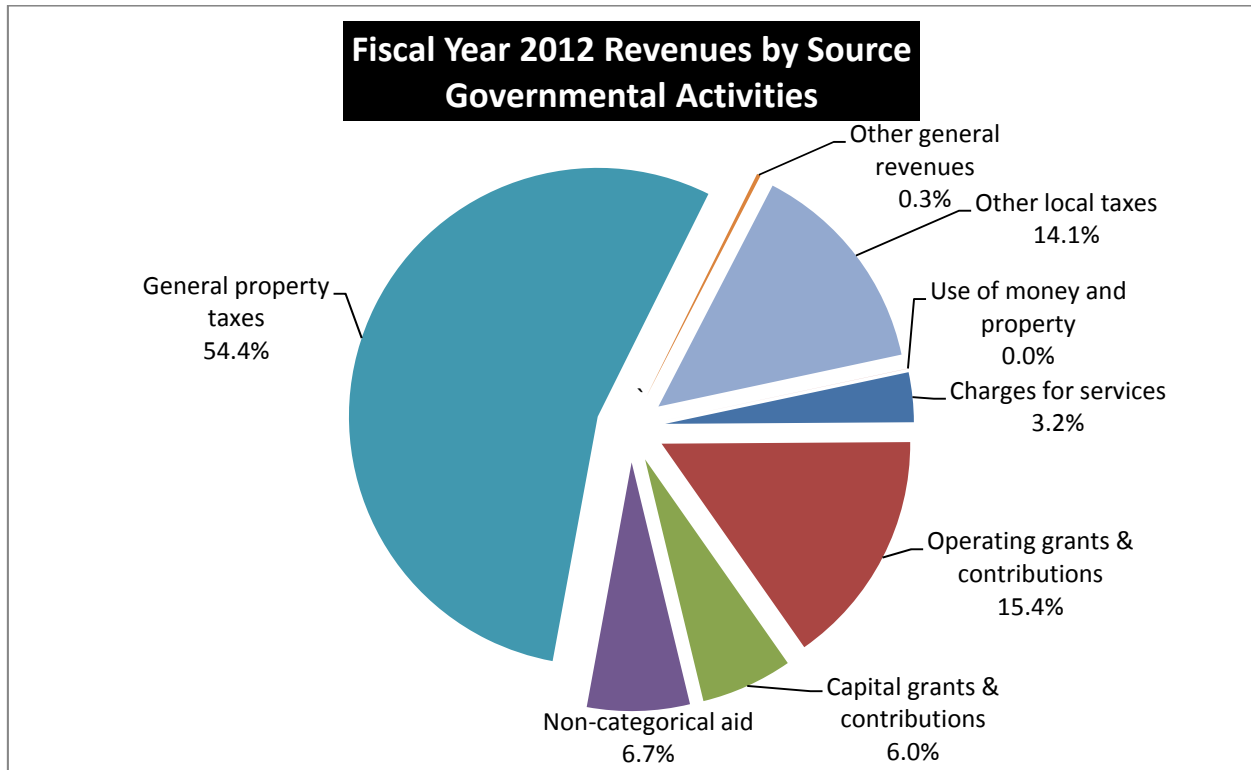
- Operating grants for governmental activities is the second largest revenue source comprising 15% of governmental revenues. This revenue source decreased by \$782,829 or 9% during the fiscal year. The primary factor for this decrease was the conclusion of the Metompkin Community Development Block Grant which occurred at the end of fiscal year 2011. Community development block grants accounted for \$506,695 in revenue for fiscal year 2011 but none in fiscal year 2012.

- Capital grants and contributions increased by over 1000% due to the Wallops Transit Clearance one-time capital grant to relocate utilities allowing greater access to the Mid-Atlantic Regional Spaceport (MARS) located on Wallops Island.

- Other local taxes decreased by 4% primarily due to a decrease in local sales and use tax revenue.

- Education expense is the largest single category comprising 38% of total governmental expenses. Expenses for this category increased \$415,807 or 2.3% from the previous year. This increase was the result of an increase in the operating contribution to the County School Board.

- Public safety expense is the second largest category comprising 19% of governmental expenses. Expenses for this category increased \$158,507 or 1.7% from the previous year.
- Community development expenses increased \$2,448,568 or 148% from the prior year. This entire increase is associated with one-time grant funding benefiting MARS mentioned above. Grant expenditures for this project amounted to \$2.9 million in fiscal year 2012.

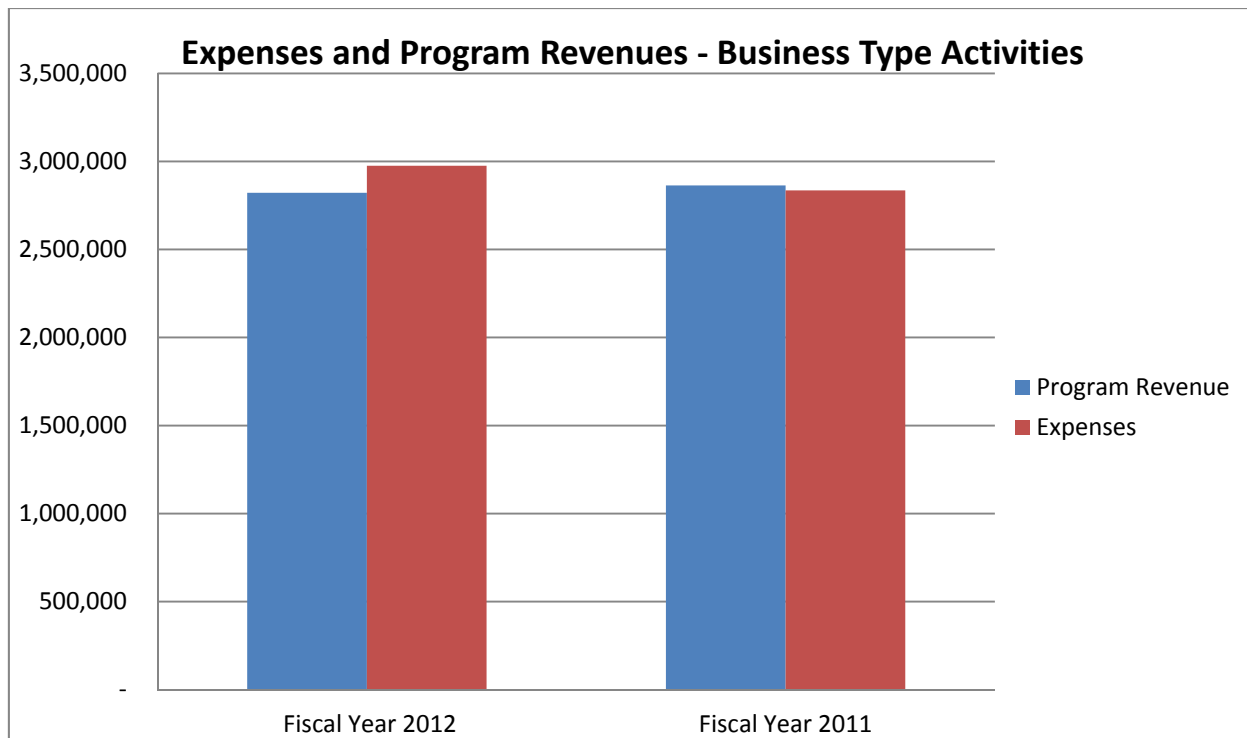


Business-type Activities - Business-type activities increased the County's net assets by \$174,125 or by less than 1% during the fiscal year.

Business-type revenues decreased by 1% due mostly to a reduction in the billable waste stream received at the County's Landfills.

Business-type expenses increased by 5% or \$139,726 as compared to the prior fiscal year. The key element of this increase was as follows:

- Landfill expenses for leachate treatment increased by 164,898 or 140% in fiscal year 2012. The County's leachate is currently treated and disposed off-site by third parties. The County expects to begin treating its own leachate and disposing of it at the North Landfill via a spray irrigation process beginning late in fiscal year 2013. This is expected to reduce these expenses by 66%.



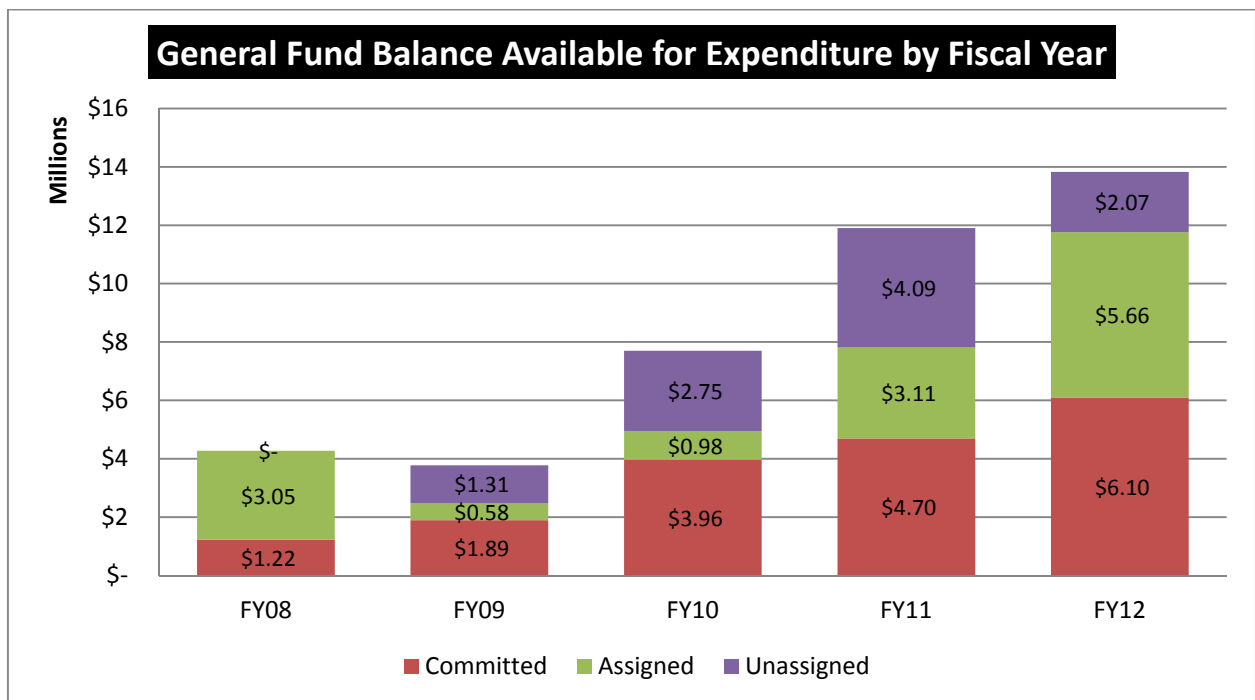
Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, the amount of fund balance available for expenditure 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 combined ending fund balances of \$16,821,355. Details are as follows:

- The General Fund accounted for 83% percent or \$13,944,687 of the combined ending governmental fund balance.
 - Approximately \$2,066,357 or 15% of this balance constitutes unassigned fund balance which is not tied to any specific use and is available for spending at the County's discretion.
 - Approximately \$6,100,065 or 44% is committed for a "Rainy Day" or Revenue Stabilization. This amount represents 8.7% of General Fund Revenue combined with School Operating Fund Revenue less revenue from the Primary Government.
 - Approximately \$5,663,962 or 40% is assigned to various projects yet to be completed.
 - Approximately \$104,700 or 1% of this balance is due to noncurrent advances/receivables and is therefore nonspendable.
 - The remainder, \$9,603, of general fund balance is restricted to specific uses by entities external to County government.



- The General Fund reported an increase in fund balance of \$1,590,194 or 13%. General Fund Committed Fund Balance increased by \$1,404,544 or 30%. The entire amount of committed fund balance is associated with the County's "Rainy Day"/Revenue Stabilization Policy. The General Fund unassigned fund balance decreased by \$2,368,203 or 53%.
- The School Debt Service Fund accounted for 8% or \$1,337,183 of the combined ending governmental fund balance. This entire balance is restricted for future debt service.

Proprietary funds - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Landfill Fund reported deficit net assets at the end of the year in the amount of \$654,631. This deficit is primarily due to unfunded landfill closure and post closure care costs. The current fiscal year deficit is significantly less than the \$2.8 million deficit net assets reported at the end

of fiscal year 2004. The County has gradually reduced this deficit despite decreasing waste volumes by increasing landfill user fees and allowing Northampton County to dispose of its waste at the County's South Landfill. These steps have resulted in positive changes in net assets of \$5,111, \$80,491, \$277,686, \$883,701, \$575,617 and \$426,792 for the fiscal years ended June 30, 2012, June 30, 2011, June 30, 2009, June 30, 2007, June 30, 2006 and June 30, 2005 respectfully.

Budgetary Highlights

General Fund Budget Amendments:

Revenues:

The difference between the Primary Government General Fund original budget and final amended budget (schedule 1) was \$911,520. The majority of the variance was due to budget amendments made to recognize other state and federal grant funds awarded to the County during the fiscal year.

For the most part, the original revenue budget held up favorably to actual revenues. No material amendments were made during the fiscal year to bring revenue estimates in line with actual revenue.

Expenditures:

The difference between the Primary Government General Fund original budget and the final amended budget (schedule 2) was \$5,395,788. Significant differences can be summarized as follows:

- General Government Administration related amendments - Amendments totaling \$135,769 were made to carryover unspent information technology budget funds for in order to purchase equipment.
- Debt Service related amendments - An amendment of \$4,263,000 to recognize the current refunding of lease revenue bonds. Refunding bonds in the same amount were issued resulting in an economic gain of \$107,215 and a reduction in future debt service of \$720,584.
- Public Safety related amendments - An amendment of \$268,057 was made to cover damages associated with Hurricane Irene. In addition, the following amendments were made to reflect the award or carryover of grant funding:
 - An amendment of \$32,000 was made to recognize Virginia Homeland Security Grant awards. The purpose of these funds was to purchase hazardous material safety equipment.
 - An amendment of \$88,335 was made to recognize the award of Virginia Department of Criminal Justice Services grant funds used to provide local probation services for the General District Court and Juvenile Domestic & Relations Court.
- Public Works related amendments - The original budget was amended by \$68,196 to reflect the carryover of funds used for storm drainage control.
- Parks, Recreation and Cultural amendments - The original budget was amended by \$166,942 to recognize the acceptance of a grant award for the Summer Food/Playground Program.

General Fund Budget Variances:

The Primary Government General Fund reported a positive variance between actual revenue and the final budget of \$538,150 and a positive variance between actual expenditures and the final budget of \$1,760,932.

There were no significant negative budget variances reported in the General Fund.

Capital Asset and Debt Administration
--

Capital assets - The County's investment in capital assets for its governmental and business type activities as of June 30, 2012 amounts to \$46,126,683 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the County's capital assets can be found in Note 7 of this report.

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$41,662,005. Of this amount, \$35,914,005 represents debt backed by the full faith and credit of the County. The remainder of the County's debt is secured by property or specific revenue sources.

The County issued \$4,263,000 of lease revenue refunding bonds and \$2,112,000 in general obligation refunding bonds to take advantage of low interest rates. Both transactions resulted in economic gains of \$720,584 and \$107,215 respectively.

Legislation enacted during fiscal year ended June 30, 2002 required the Primary Government to assume debt historically reported by the School Board. The legislation resulted in an additional \$33,711,009 in debt reported on the County's Statement of Net Assets and an expense increase of \$1,770,876 reported on the County's Statement of Activities for the transfer of school property on which debt was retired during the fiscal year to the school board. The legislation affects the reporting of local school capital assets as well.

Additional information on the County's long-term debt can be found in Note 11 of this report.

Economic Factors and Next Year's Budgets and Rates

Overall, revenues for fiscal year 2013 are forecast to increase by 2%. General fund revenue, in particular, is forecast to increase 3.1%.

On average, a 15% increase in real tax rates has been adopted; however, because of a 12% decrease in taxable real estate values equating to \$513,631,482, the net revenue gain is relatively minor. This tax rate increase was approved to essentially offset the revenue reduction brought about by decreasing property values. Other local taxes are expected to increase by 2.27% primarily due to improved sales tax revenue.

Expenditures for employee benefits are expected be the major cost increase component next year. Employee pension costs are expected to increase by 47% and health insurance by 10%. Next years' budget contains no salary increases for County employees which have not had a raise since July 1, 2008.

The fiscal year 2013 budget continues with the plan implemented in fiscal year 2009 to

strengthen the County's general fund balance committed for a "Rainy Day or Revenue Stabilization". The plan calls for this fund balance to be at least equal to 16.7% of County and School Board operating revenue by fiscal year 2021.

The local unemployment rate decreased from 6.9% as of June 2011 to 6.4% as of June 2012 but still continues to be above the state average. The current local unemployment rate of 6.4% does compare favorably to the national rate of 8.4%.

Unemployment Rates			
	June 2010	June 2011	June 2012
Accomack County	6.3%	6.9%	6.4%
Commonwealth of Virginia	7.0%	6.5%	6.0%
USA	9.6%	9.3%	8.4%

According to the Virginia Employment Commission, the number of persons employed increased by less than 1% from 18,557 in June 2011 to 18,602 in June 2012.

Little change in population has occurred over the decade and no substantial change is anticipated in the next fiscal year.

Requests for Information

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the County of Accomack, Virginia's finances and to demonstrate accountability for the money the County receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accomack County Central Accounting Office, P.O. Box 620, Accomac, Virginia 23301.



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Basic Financial Statements



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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET ASSETS
AT JUNE 30, 2012

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
<u>Assets:</u>					
Cash and cash equivalents	\$ 17,643,493	\$ 6,552,257	\$ 24,195,750	\$ 10,853,752	\$ 1,138,191
Taxes receivable, net	16,433,536	-	16,433,536	-	-
Special assessments receivable, net	34,943	-	34,943	-	-
Accounts receivable, net	444,277	214,666	658,943	139,434	172,453
Loan receivables	-	-	-	-	271,478
Due from other government entities	3,993,686	-	3,993,686	2,973,511	50,781
Component unit receivable	31,278	-	31,278	-	-
Inventory	-	-	-	-	65,172
Prepaid items	-	-	-	-	9,687
Notes receivable	58,297	-	58,297	-	-
Deferred charges	143,982	48,841	192,823	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	228,522
Capital Assets (net of accumulated depreciation):					
Land	1,364,968	205,767	1,570,735	974,862	894,933
Buildings	35,077,390	655,434	35,732,824	29,047,361	1,060,360
Improvements other than buildings	4,191,676	1,495,371	5,687,047	1,251,315	2,322,753
Machinery and equipment	1,544,328	1,052,032	2,596,360	2,764,407	46,128
Intangibles	194,506	-	194,506	-	-
Construction in progress	50,603	294,608	345,211	-	250,377
Total assets	<u>81,206,963</u>	<u>10,518,976</u>	<u>91,725,939</u>	<u>48,004,642</u>	<u>6,510,835</u>
<u>Liabilities:</u>					
Accounts payable	3,528,491	109,256	3,637,747	1,721,506	105,442
Wages and benefits payable	38,456	533	38,989	3,549,930	11,113
Due to other government entities	38,496	-	38,496	21,375	31,278
Accrued interest payable	788,162	3,442	791,604	-	-
Unearned revenue	13,186,163	-	13,186,163	400,589	248,709
Customer deposits	27,450	22,075	49,525	-	-
Noncurrent liabilities:					
Due within one year	4,511,038	346,614	4,857,652	1,691,925	20,944
Due in more than one year	38,766,295	10,191,138	48,957,433	733,114	145,146
Total liabilities	<u>60,884,551</u>	<u>10,673,058</u>	<u>71,557,609</u>	<u>8,118,439</u>	<u>562,632</u>
<u>Net Assets:</u>					
Invested in capital assets, net of related debt	2,537,440	1,542,541	4,079,981	34,037,945	4,564,220
Restricted for:					
Future debt service	1,337,183	-	1,337,183	-	659,524
Unrestricted	16,447,789	(1,696,621)	14,751,168	5,848,258	724,459
Total net assets	<u>\$ 20,322,412</u>	<u>\$ (154,080)</u>	<u>\$ 20,168,332</u>	<u>\$ 39,886,203</u>	<u>\$ 5,948,203</u>

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	\$ 3,339,183	\$ 294,422	\$ 264,127	\$ -
Judicial	1,442,643	96,434	1,001,897	-
Public safety	9,141,427	603,751	2,291,931	-
Public works	3,382,833	129,728	20,654	-
Health and welfare	5,681,716	313,962	3,913,412	-
Education	18,511,045	-	-	-
Parks, recreation and cultural	1,037,589	93,772	154,892	-
Community development	4,106,234	77,943	8,257	2,965,210
Interest on long-term debt	1,927,969	-	-	-
Total governmental activities	48,570,639	1,610,012	7,655,170	2,965,210
Business-type activities:				
Landfill	2,783,554	2,556,568	-	-
Water and sewer	126,703	203,836	-	-
Parks and recreation	64,896	61,826	-	-
Total business-type activities	2,975,153	2,822,230	-	-
Total primary government	\$ 51,545,792	\$ 4,432,242	\$ 7,655,170	\$ 2,965,210
Component Units:				
School Board	\$ 51,295,115	\$ 908,844	\$ 36,023,344	\$ -
Airport Commission	912,262	339,567	-	135,875
Economic Development Authority	4,990	-	-	-
Public Library	728,510	49,637	236,381	-
Planning District Commission	1,218,121	1,085,693	95,768	-
Quinby Harbor Committee	26,481	21,730	-	-
Greenbackville Harbor Committee	13,879	20,000	-	-
Captain's Cove/Greenbackville Mosquito Control Commission	68,678	10,503	-	-
Total component units	\$ 54,268,036	\$ 2,435,974	\$ 36,355,493	\$ 135,875
General Revenues:				
Taxes:				
General property taxes				
Local sales and use taxes				
Communication taxes				
Consumer utility taxes				
Other local taxes				
Contributions from County of Accomack				
Grants and contributions not restricted to specific programs				
Investment earnings				
Other revenue				
Transfers				
Total general revenue and transfers				
Change in net assets				
Net assets-beginning, as restated				
Net assets-ending				

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	Other
\$ (2,780,634)	\$ -	\$ (2,780,634)	\$ -	\$ -
(344,312)	-	(344,312)	-	-
(6,245,745)	-	(6,245,745)	-	-
(3,232,451)	-	(3,232,451)	-	-
(1,454,342)	-	(1,454,342)	-	-
(18,511,045)	-	(18,511,045)	-	-
(788,925)	-	(788,925)	-	-
(1,054,824)	-	(1,054,824)	-	-
(1,927,969)	-	(1,927,969)	-	-
(36,340,247)	-	(36,340,247)	-	-
-	(226,986)	(226,986)	-	-
-	77,133	77,133	-	-
-	(3,070)	(3,070)	-	-
-	(152,923)	(152,923)	-	-
(36,340,247)	(152,923)	(36,493,170)	-	-
-	-	-	(14,362,927)	-
-	-	-	-	(436,820)
-	-	-	-	(4,990)
-	-	-	-	(442,492)
-	-	-	-	(36,660)
-	-	-	-	(4,751)
-	-	-	-	6,121
-	-	-	-	(58,175)
-	-	-	(14,362,927)	(977,767)
27,117,367	-	27,117,367	-	-
3,426,366	-	3,426,366	-	-
1,049,330	-	1,049,330	-	-
1,003,015	-	1,003,015	-	-
1,520,755	-	1,520,755	-	-
-	-	-	17,765,382	703,536
3,322,295	-	3,322,295	-	-
8,185	7,708	15,893	1,162	5,678
125,335	-	125,335	138,832	-
(319,340)	319,340	-	-	-
37,253,308	327,048	37,580,356	17,905,376	709,214
913,061	174,125	1,087,186	3,542,449	(268,553)
19,409,351	(328,205)	19,081,146	36,343,754	6,216,756
\$ 20,322,412	\$ (154,080)	\$ 20,168,332	\$ 39,886,203	\$ 5,948,203

COUNTY OF ACCOMACK, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AT JUNE 30, 2012

Exhibit 3

	Major Funds						
	General	Virginia	Comprehen-	County	School	Nonmajor	Total
	Fund	Public Assistance Fund	sive Youth Services Fund	Capital Projects Fund	Debt Service Fund	Governmental Funds	Governmental Funds
<u>Assets:</u>							
Cash and cash equivalents	\$ 13,768,830	\$ -	\$ 1,352	\$ 97,551	\$ 1,513,132	\$ 2,262,628	\$ 17,643,493
Taxes receivable, net	12,402,278	-	-	-	2,148,979	1,882,279	16,433,536
Special assessments receivable, net	34,943	-	-	-	-	-	34,943
Accounts receivable, net	423,916	319	9,951	-	-	10,091	444,277
Notes receivable, net	-	-	-	-	-	58,297	58,297
Due from other government entities	1,665,579	250,452	259,168	1,809,443	-	9,044	3,993,686
Interfund receivables	223,821	-	-	-	-	-	223,821
Component unit receivables	31,278	-	-	-	-	-	31,278
Total assets	<u>28,550,645</u>	<u>250,771</u>	<u>270,471</u>	<u>1,906,994</u>	<u>3,662,111</u>	<u>4,222,339</u>	<u>38,863,331</u>
<u>Liabilities:</u>							
Accounts payable	1,020,630	23,340	270,471	1,823,084	-	390,966	3,528,491
Wages and benefits payable	32,096	3,610	-	-	-	2,750	38,456
Due to other government entities	38,496	-	-	-	-	-	38,496
Customer deposits	27,450	-	-	-	-	-	27,450
Interfund payables	-	223,821	-	-	-	-	223,821
Deferred revenues	13,487,286	-	-	-	2,324,928	2,373,048	18,185,262
Total liabilities	<u>14,605,958</u>	<u>250,771</u>	<u>270,471</u>	<u>1,823,084</u>	<u>2,324,928</u>	<u>2,766,764</u>	<u>22,041,976</u>
<u>Fund Balances:</u>							
Nonspendable:							
Noncurrent advances and receivables	104,700	-	-	-	-	-	104,700
Restricted for:							
Debt service	-	-	-	-	1,337,183	-	1,337,183
Fire and rescue	-	-	-	-	-	1,171,883	1,171,883
Captain's Cove mosquito control	-	-	-	-	-	15,362	15,362
Law library	-	-	-	-	-	23,619	23,619
Drug seizures	-	-	-	-	-	17,551	17,551
Courthouse security	-	-	-	-	-	84,780	84,780
Rehabilitation projects	-	-	-	-	-	142,380	142,380
Wetlands mitigation	9,603	-	-	-	-	-	9,603
Committed to:							
Rainy Day/Stabilization	6,100,065	-	-	-	-	-	6,100,065
Assigned to:							
Storm drainage	108,322	-	-	-	-	-	108,322
Solid waste transfer station	1,158,995	-	-	-	-	-	1,158,995
Building improvement or repair projects	240,000	-	-	-	-	-	240,000
Solid waste convenience center	125,000	-	-	-	-	-	125,000
Eastern Shore Broadband Authority	100,000	-	-	-	-	-	100,000
Subsequent year's expenditures	3,597,339	-	-	-	-	-	3,597,339
Information technology projects	157,689	-	-	-	-	-	157,689
Hazardous materials response	7,965	-	-	-	-	-	7,965
Wallops Research Park	-	-	-	79,918	-	-	79,918
Other purposes	168,652	-	-	3,992	-	-	172,644
Unassigned:	<u>2,066,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,066,357</u>
Total fund balances	<u>13,944,687</u>	<u>-</u>	<u>-</u>	<u>83,910</u>	<u>1,337,183</u>	<u>1,455,575</u>	<u>16,821,355</u>
Total liabilities and fund balances	<u>\$ 28,550,645</u>	<u>\$ 250,771</u>	<u>\$ 270,471</u>	<u>\$ 1,906,994</u>	<u>\$ 3,662,111</u>	<u>\$ 4,222,339</u>	<u>\$ 38,863,331</u>

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

COUNTY OF ACCOMACK, VIRGINIA
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
AT JUNE 30, 2012

Exhibit 4

Total fund balances - governmental funds (Exhibit 3)	\$ 16,821,355
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	1,364,968	
Buildings, net of depreciation	6,705,359	
Improvements other than buildings, net of depreciation	4,191,676	
Machinery and equipment, net of depreciation	1,544,328	
Intangibles, net of amortization	194,506	
Construction in progress	50,603	
School Board capital assets, net of depreciation	28,372,031	
Total capital assets		42,423,471

Other long-term assets are not available to pay for current period expenditures and therefore are offset by deferred revenue in the governmental funds.	4,999,099
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at fiscal year-end consist of:

Virginia Public Service Authority bonds	(29,785,242)	
State Literary Fund loans	(3,373,947)	
Qualified zone academy bonds	(551,816)	
Lease revenue bonds	(5,748,000)	
Accrued interest on debt	(788,159)	
Premiums, discounts & related costs, net of amortization	(283,047)	
Compensated absences	(1,572,302)	
Net other postemployment benefit obligation	(1,819,000)	
Net adjustment		(43,921,513)

Total net assets - governmental activities (Exhibit 1)	\$ 20,322,412
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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 5

	Major Funds						Total Governmental Funds
	General Fund	Virginia Public Assistance Fund	Comprehen- sive Youth Services Fund	County Capital Projects Fund	School Debt Service Fund	Nonmajor Governmental Funds	
Revenues:							
General property taxes	\$20,221,499	\$ -	\$ -	\$ -	\$3,743,880	\$3,134,539	\$27,099,918
Other local taxes	6,910,456	-	-	-	-	89,010	6,999,466
Permits, fees and licenses	292,070	-	-	-	-	-	292,070
Fines and forfeitures	74,866	-	-	-	-	-	74,866
Revenue from the use of money & property	355,578	-	-	33	-	148	355,759
Charges for services	411,358	-	-	-	-	-	411,358
Miscellaneous	77,407	49	126,594	-	-	50,079	254,129
Recovered costs	454,015	-	-	-	-	17,589	471,604
Intergovernmental	6,837,734	2,891,371	895,447	2,965,210	82,365	137,257	13,809,384
Total revenues	<u>35,634,983</u>	<u>2,891,420</u>	<u>1,022,041</u>	<u>2,965,243</u>	<u>3,826,245</u>	<u>3,428,622</u>	<u>49,768,554</u>
Expenditures:							
General government administration	3,228,054	-	-	5,158	-	-	3,233,212
Judicial administration	1,236,951	-	-	-	-	98,287	1,335,238
Public safety	5,800,268	-	-	-	-	3,075,021	8,875,289
Public works	3,058,404	-	-	337,543	-	-	3,395,947
Health and welfare	775,646	3,481,832	1,173,856	-	-	52,060	5,483,394
Education	16,035,534	-	-	-	-	-	16,035,534
Parks, recreation and cultural	1,005,852	-	-	267,269	-	-	1,273,121
Community development	1,007,902	-	-	2,986,292	-	52,441	4,046,635
Debt service:							
Principal	4,263,000	-	-	-	2,469,866	-	6,732,866
Interest	333,584	-	-	-	1,678,715	-	2,012,299
Total expenditures	<u>36,745,195</u>	<u>3,481,832</u>	<u>1,173,856</u>	<u>3,596,262</u>	<u>4,148,581</u>	<u>3,277,809</u>	<u>52,423,535</u>
Revenues over (under) expenditures	<u>(1,110,212)</u>	<u>(590,412)</u>	<u>(151,815)</u>	<u>(631,019)</u>	<u>(322,336)</u>	<u>150,813</u>	<u>(2,654,981)</u>
Other financing sources (uses):							
Refunding bonds issued	4,263,000	-	-	-	-	-	4,263,000
Transfers in	41,275	590,412	146,082	236,760	270,000	40,072	1,324,601
Transfers out	(1,603,869)	-	-	-	-	(40,072)	(1,643,941)
Total other financing sources (uses)	<u>2,700,406</u>	<u>590,412</u>	<u>146,082</u>	<u>236,760</u>	<u>270,000</u>	<u>-</u>	<u>3,943,660</u>
Net changes in fund balance	1,590,194	-	(5,733)	(394,259)	(52,336)	150,813	1,288,679
Fund balance, beginning of year, as restated	12,354,493	-	5,733	478,169	1,389,519	1,304,762	15,532,676
Fund balance, end of year	<u>\$13,944,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,910</u>	<u>\$1,337,183</u>	<u>\$1,455,575</u>	<u>\$16,821,355</u>

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

COUNTY OF ACCOMACK, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 6

Net changes in fund balances-governmental funds (Exhibit 5) \$ 1,288,679

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This and the net effect of various miscellaneous transactions involving capital assets are as follows:

Capital asset expenditures	1,184,867	
Depreciation on capital assets	(1,863,900)	
Retirement of capital assets	(1,732)	
Net adjustment		(680,765)

School Board capital assets financed by are jointly owned by the County and the School Board. The County share of School Board assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship decreased the transfers to the School Board.

(1,770,876)

Revenues in the fund statements which were subject to accrual in the prior year are additions to beginning net assets and, therefore, are not reported as revenues in the Statement of Activities.

6,988

The issue of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, 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 debt and related items.

2,497,839

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.

Accrued interest expense	84,330	
Compensated absences	(43,134)	
Other postemployment benefit expenses	(470,000)	
Net adjustment		(428,804)

Change in net assets of governmental activities (Exhibit 2) \$ 913,061

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AT JUNE 30, 2012

Exhibit 7

	Business-type Activities-Enterprise Funds		
	Major Fund		
	Landfill Fund	Nonmajor Funds	Total
<u>Assets:</u>			
Current assets:			
Cash and cash equivalents	\$ 6,174,436	\$ 377,821	\$ 6,552,257
Accounts receivable (net of allowance for uncollectibles)	190,287	24,379	214,666
Deferred charges	48,841	-	48,841
Total current assets	6,413,564	402,200	6,815,764
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Land	205,767	-	205,767
Buildings	648,732	6,702	655,434
Improvements other than buildings	1,425,162	70,209	1,495,371
Machinery and equipment	1,019,826	32,206	1,052,032
Construction in progress	294,608	-	294,608
Total capital assets	3,594,095	109,117	3,703,212
Total assets	10,007,659	511,317	10,518,976
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	98,488	10,768	109,256
Wages and benefits payable	533	-	533
Accrued interest payable	3,442	-	3,442
Customer deposits	22,075	-	22,075
Compensated absences-current	48,614	-	48,614
General obligation bonds payable-current	298,000	-	298,000
Total current liabilities	471,152	10,768	481,920
Noncurrent liabilities:			
Compensated absences	6,009	-	6,009
General obligation bonds payable (net of deferred amount on refunding)	1,862,671	-	1,862,671
Landfill closure/post closure care	8,322,458	-	8,322,458
Total noncurrent liabilities	10,191,138	-	10,191,138
Total liabilities	10,662,290	10,768	10,673,058
<u>Net Assets:</u>			
Invested in capital assets, net of related debt	1,433,424	109,117	1,542,541
Unrestricted	(2,088,055)	391,434	(1,696,621)
Total net assets	\$ (654,631)	\$ 500,551	\$ (154,080)

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 8

	Business-type Activities-Enterprise Funds		
	Major Fund		
	Landfill Fund	Nonmajor Funds	Total
Operating revenues:			
Charges for services	\$ 2,490,251	\$ 265,662	\$ 2,755,913
Other operating revenue	66,317	-	66,317
Total operating revenues	2,556,568	265,662	2,822,230
Operating expenses:			
Personnel services and fringe benefits	591,862	1,055	592,917
Other operating expenses	1,077,506	167,046	1,244,552
Landfill closure and post closure care	509,049	-	509,049
Depreciation	533,822	23,498	557,320
Total operating expenses	2,712,239	191,599	2,903,838
Operating income (loss)	(155,671)	74,063	(81,608)
Nonoperating revenues (expenses):			
Interest income	7,708	-	7,708
Interest expense	(59,257)	-	(59,257)
Bond issuance costs	(12,058)	-	(12,058)
Total nonoperating revenues (expenses)	(63,607)	-	(63,607)
Income (loss) before transfers	(219,278)	74,063	(145,215)
Transfers:			
Transfers in	224,389	136,226	360,615
Transfers out	-	(41,275)	(41,275)
Total transfers	224,389	94,951	319,340
Changes in net assets	5,111	169,014	174,125
Total net assets, beginning of year	(659,742)	331,537	(328,205)
Total net assets, end of year	\$ (654,631)	\$ 500,551	\$ (154,080)

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 9

	Business-type Activities-Enterprise Funds		
	Major Fund		
	Landfill Fund	Nonmajor Funds	Total
Cash flows from operating activities:			
Receipts from customers	\$ 2,507,719	\$ 267,176	\$ 2,774,895
Payments to suppliers	(1,293,375)	(187,959)	(1,481,334)
Payments to employees and benefits paid on behalf of employees	(591,360)	(1,055)	(592,415)
Other receipts	66,317	-	66,317
Payments to General Fund for indirect services	192,415	-	192,415
Net cash provided by (used for) operating activities	881,716	78,162	959,878
Cash flows from noncapital financing activities:			
Transfer from the General Fund	224,389	136,226	360,615
Transfer to the General Fund	-	(41,275)	(41,275)
Net cash provided by (used for) noncapital financing activities	224,389	94,951	319,340
Cash flows from capital and related financing activities:			
Purchase of capital assets	(45,313)	-	(45,313)
Proceeds from bonds	2,203,000	-	2,203,000
Principal payments on debt	(2,112,000)	-	(2,112,000)
Interest payments on debt	(59,115)	-	(59,115)
Other debt related payments	(52,939)	-	(52,939)
Net cash used for capital and related financing activities	(66,367)	-	(66,367)
Cash flows from investing activities:			
Interest income	7,707	-	7,707
Net increase in cash and cash equivalents	1,047,445	173,113	1,220,558
Cash and cash equivalents, beginning of year	5,126,991	204,708	5,331,699
Cash and cash equivalents, end of year	\$ 6,174,436	\$ 377,821	\$ 6,552,257
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (155,671)	\$ 74,063	\$ (81,608)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	533,822	23,498	557,320
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	17,336	1,860	19,196
(Increase) Decrease in prepaid revenue		(345)	(345)
Increase (Decrease) in accrued payroll costs	178	-	178
Increase (Decrease) in accounts payable	(23,671)	(20,914)	(44,585)
Increase (Decrease) in security deposits	132	-	132
Increase (Decrease) in closure/post closure liabilities	509,049	-	509,049
Increase (Decrease) in compensated absences payable	542	-	542
Total adjustments	503,566	(19,399)	484,167
Net cash provided by operating activities	\$ 881,717	\$ 78,162	\$ 959,879

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
AT JUNE 30, 2012

Exhibit 10

Assets:

	Total
Cash and cash equivalents held by Treasurer	\$ 40,771
Cash and cash equivalents in custody of others	23,978
Total assets	<u>64,749</u>

Liabilities:

Amounts held for social service clients	37,745
Amounts held for others	23,978
Amounts held for war memorial ceremonies	3,026
Total liabilities	<u>\$ 64,749</u>

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Accomack, Virginia (the County) was formed as an independent county in 1634. The County is located on Virginia's Eastern Shore and covers an area of approximately 476 square miles. The County is governed by a Board of Supervisors consisting of nine members each of which are elected for a four-year term.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government in the United States of America. The Governmental Accounting Standards Board (GASB) is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the significant accounting policies of the County:

A. The Reporting Entity

As required by GAAP, the accompanying financial statements present the financial data of the County (Primary Government) and its component units. The financial data of the component units are included in the County's basic financial statements because of the significance of their operational or financial relationships with the County. The County and its component units are together referred to herein as the reporting entity.

Blended Component Units

Blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. The County has no component units that meet the requirements for blending.

Discretely Presented Component Units

The component unit columns in the financial statements include the financial data of the County's component units. They are presented in separate columns to emphasize that they are legally separate from the County. All component units have a fiscal year end of June 30, 2012.

1. **Accomack County School Board** - The Accomack County School Board was created by state law and is vested with the responsibility of administering the public school system. The School Board is composed of ten members all of whom are appointed by a selection committee established by the Circuit Court. The County levies taxes for its operation, issues bond or enters into capital leases for its capital requirements and approves its annual budget. The School Board is reported as a governmental fund type. The School Board does not issues separate financial statements.
2. **Accomack County Airport Commission** - The Accomack County Airport Commission was created for the purpose of improving, equipping, maintaining, operating, and promoting the Accomack County Airport. The Commission is empowered to acquire, hold and dispose of property in its own name. The Commission consists of nine members all of which are appointed and serve at the pleasure of the County Board of Supervisors. The County approves the annual operating budget and provides significant financial assistance to the Commission. The Commission is reported as an enterprise fund type. The Airport Commission does not issue separate financial statements.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

A. The Reporting Entity-continued

3. Economic Development Authority of Accomack County - The Economic Development Authority of Accomack County (EDA), formerly known as the Industrial Development Authority of Accomack County (IDA), was established to promote industry and develop trade by inducing manufacturing, industrial, government, and commercial enterprises to locate in Accomack County. The IDA changed its mission in fiscal year 2008 to enhance the economy and development of the County hence the name change. The Authority consists of seven directors, all of which are appointed by the County Board of Supervisors. The County approves the annual operating budget of the Authority. The Authority is reported as an enterprise fund type. The Authority does not issue separate financial statements.
4. Eastern Shore Public Library - The Eastern Shore Public Library was created for the purpose of providing public library services to residents of the Eastern Shore of Virginia. The Library Board consists of five members, a majority of which is appointed by the Accomack County Board of Supervisors. The Library is fiscally dependent upon the County for its annual contribution. Separately issued financial statements can be obtained from the Eastern Shore Public Library, Post Office Box 360, Accomac, Virginia 23301. The Library is reported as a governmental fund type.
5. Accomack-Northampton Planning District Commission - The Accomack-Northampton Planning District Commission is a multi-jurisdictional entity created for the purpose of promoting the orderly and efficient development of the physical, social, and economic elements in its district. The Commission consists of thirteen members of which seven are appointed by and serve at the pleasure of the County Board of Supervisors. The Commission receives significant financial assistance from the County and is fiscally dependent on this assistance. Separately issued financial statements can be obtained from the Accomack-Northampton Planning District Commission, Post Office Box 417, Accomac, Virginia 23301. The Commission is reported as a governmental fund type.
6. Quinby Boat Harbor Committee - The Quinby Boat Harbor Committee was established to diligently conduct and enforce the rules and regulations regarding the use and occupancy of the Quinby Boat Harbor. The Committee consists of nine members, all of which are appointed and serve at the pleasure of the County Board of Supervisors. Separately issued financial statements can be obtained from the Quinby Boat Harbor Committee, Post Office Box 343, Quinby, Virginia 23423. The Committee is reported as a governmental fund type.
7. Greenbackville Boat Harbor Committee - The Greenbackville Boat Harbor Committee was established to diligently conduct and enforce the rules and regulations regarding the use and occupancy of the Greenbackville Boat Harbor. The Committee consists of five members, all of which are appointed by and serve at the pleasure of the County Board of Supervisors. Separately issued financial statements can be obtained from the Greenbackville Harbor Committee, Post Office Box 74, Greenbackville, Virginia 23356. The Committee is reported as a governmental fund type.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

A. The Reporting Entity-continued

8. Greenbackville/Captain's Cove Mosquito Control Commission - The Greenbackville/Captain's Cove Mosquito Control Commission is responsible for insect control in the Greenbackville/Captains Cove area of Accomack County. The Commission consists of three members of which two are appointed by the Primary Government. The County levies taxes on behalf of the Commission to finance the Commission's operations. Separately issued financial statements can be obtained from Greenbackville/Captain's Cove Mosquito Control Commission, Greenbackville, Virginia 23356. The Commission is reported as a governmental fund type.

Jointly Governed Organizations

The following entities are excluded from the accompanying financial statements:

1. Eastern Shore of Virginia 911 Commission - The County has joined together with Northampton County to create the Eastern Shore of Virginia 911 Commission. The purposes of the Commission are to manage the 911 system in order to save the lives and property of the citizens of Accomack and Northampton Counties. The Commission is governed by a twelve member board, six of which are appointed by Accomack County. Prior to January 1, 2007, the Commission was funded primarily by a local consumer utility tax levied and collected by both Accomack and Northampton County. State legislation effective January 1 repealed the authority to levy this tax replacing it with a state-controlled communication sales and use tax which is remitted to both counties on a monthly basis and subsequently distributed to the Commission. In fiscal year 2012, the County contributed \$482,955 to the Commission. The Commission's complete financial activity is included in the financial report of Northampton County, Virginia, its fiscal agent.

Related Organizations

The following entities are excluded from the accompanying financial statements:

1. Eastern Shore Community Services Board – The County, in conjunction with Northampton County, participate in the Eastern Shore Community Services Board. The County's Board of Supervisors appoints a voting majority of the board members of the Eastern Shore Community Services Board, but the County's accountability for this organization does not extend beyond making the appointments. During fiscal year 2012, the County contributed \$134,995 to the Board for operations. Complete financial statements for the Commission may be obtained by contacting the Eastern Shore Community Services Board, P.O. Box 453, Nassawadox, Virginia 23413.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based upon the County as a whole) and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Fiduciary activities are excluded because fiduciary assets are held for the benefit of a third party and cannot be used to address activities or obligations of the government. 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.

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

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 requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Indirect expenses are not allocated among functions.

Fund Financial Statements

The accounts of the reporting entity are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses where appropriate. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- **General Fund:** The General Fund is the County's primary operating fund. It accounts for financial resources of the general government except those required to be accounted for in another fund. Revenues are primarily derived from property taxes. A significant part of the General Fund's revenues are used to finance operations of the Accomack County School Board.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- **Virginia Public Assistance Fund:** The Virginia Public Assistance Fund accounts for the resources of the Social Services department which is responsible for administering welfare related programs as mandated by the Code of Virginia. Revenues are primarily derived from the intergovernmental funding including significant local funding from the County's general Fund.
- **Comprehensive Youth Services Fund:** The Comprehensive Youth Services Fund accounts for revenues and expenditures associated with the Comprehensive Services Act (CSA). The Comprehensive Services is a mandated Commonwealth program the purpose of which is to provide high quality, child centered, family focused, cost effective, community-based services to high-risk youth and their families. Revenues are primarily derived from intergovernmental funding including significant local funding from the County's General Fund.
- **County Capital Projects Fund:** The County Capital Projects Fund is used to account for the acquisition or construction of major capital facilities in the County. This fund also accounts for proceeds from bonds issued on behalf of the Accomack County School Board and disbursed to the school board for education related capital projects.
- **School Debt Service Fund:** The School Debt Service Fund accounts for revenues derived from a special property tax levied on County residents exclusively for the current and future retirement of public school related debt. In Virginia, public school systems do not have borrowing authority so all school related debt must be issued and therefore reported by the County.

The County reports the following major proprietary funds:

- **Landfill Fund:** The Landfill Fund is an enterprise fund used to account for waste disposal operations of the County's North and South Landfills. The cost of waste disposal services is primarily financed through user charges to the County, residents and commercial customers.

Additionally the County reports the following nonmajor governmental fund types and proprietary funds:

- **Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- **Enterprise Funds:** Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services.

Additionally the County reports the following fund types:

- **Fiduciary Funds:** Fiduciary funds are used to account for assets held in a trustee capacity (trust funds) or as an agent for other individuals or organizations (agency funds). The County's fiduciary funds consist of the Special Welfare Fund, War Memorial Fund and Sheriff Canteen Fund, all of which are agency funds. Agency funds are accounted for using the accrual basis of accounting.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are susceptible to accrual, that is, when they are 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major sources of governmental funds which meet the "susceptible to accrual" criteria include the following:

- | | | |
|-----------------------|-----------------------------|-----------------------|
| • Property taxes | • Transient occupancy taxes | • Revenue from |
| • Sales and use taxes | • Consumer Utility Taxes | Governmental Entities |

All other revenue items are considered to be measurable and collectible only when cash is received by the County.

Expenditures generally are recorded when a liability is incurred, if measurable (except for unmatured interest on general long-term debt which is recognized when due and paid). Interest on general long-term debt is recognized as expenditures when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of debt and acquisitions under capital leases are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

The effect of interfund activity has been removed from these statements except payments in lieu of taxes and other charges between the Landfill Fund and the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Proprietary 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 principal operating revenues of the County's enterprise funds are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with general accepted accounting principles for all governmental funds except for the Rehabilitation Projects Fund and the County Capital Projects Fund which adopt project/grant length budgets. The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

- Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year beginning the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. This budget excludes intergovernmental grant revenues and expenditures unless they were officially awarded prior to the budget submission to the Board of Supervisors. Intergovernmental grants awarded after adoption of the budget are reflected in the amended budget once approved by the Board of Supervisors.
- Public hearings are conducted to obtain citizen comments.
- Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.
- Formal budgetary integration is employed as a management control device during the year for all funds.
- Appropriations lapse on June 30 for all County units except for Capital Funds which carry unexpended balances into the following year on a continuing appropriation basis.
- Budget amounts reported in the financial statements are labeled as either original or final. The original budget is the initial adopted budget plus amendments made prior to the beginning of the fiscal year. The final budget is the original budget combined with amendments approved during the fiscal year.

E. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term, highly liquid investments with a maturity date within three months of the date acquired by the County. This definition also applies to cash and cash equivalents used in the statement of cash flows.

Investments are stated at fair value.

F. Restricted Assets:

Restricted assets include cash and investments which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the County's practice to use restricted assets first.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a reserve of fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables, including tax receivables, are shown net of allowance for uncollectibles.

H. Inventory

Inventory is valued using the first-in, first-out (FIFO) method. Inventory in the proprietary funds is accounted for under the consumption method. Cost is recorded as an expense at the time the individual inventory items are used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30 are recorded as prepaid items in both government-wide financial statements and fund financial statements.

J. Capital Assets

Capital assets, including land, improvements to land, buildings, building improvements, vehicles, machinery, equipment and intangible assets that individually cost \$5,000 and over, with a useful life of greater than one year are reported in proprietary funds and applicable governmental or business-type activities columns in the government-wide financial statements. The County does not capitalize roads and bridges since these assets belong to the Commonwealth of Virginia. Capital assets are stated at historical cost or estimated historical cost. Donated capital assets are stated at their fair market value as of the date of the donation. Capital assets are depreciated over their useful lives using the straight-line method. 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. Estimated lives for County and School Board Component Unit assets are as follows:

<u>Capital Assets</u>	<u>Estimated Useful Lives (years)</u>
Buildings	30-50
Improvements other than buildings	15-40
School Buses	12
Cars and light duty trucks	5-7
Heavy equipment	10
Computer & related	5
Intangibles (Software)	5
Other machinery and equipment	5-20

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

K. Deferred Revenue

In the fund financial statements, deferred revenue represents amounts for which asset recognition criteria has been met but revenue recognition criteria has not been met. These amounts are considered measurable but are not considered available resources. The County's deferred revenue consist primarily of property tax due but not collected within 60 days after the end of the fiscal year and grant funds received but not expended for their restricted purpose.

L. Compensated Absences

All County and School Board full-time employees earn annual leave based on years of service. Accumulated annual leave vests immediately. County and School Board employees are paid for unused annual leave, at their normal rate of pay, at termination. Annual leave termination payments are limited only by maximum accumulation policies. All County and School Board Component Unit full-time employees also earn ten hours of sick leave per month. Maximum accumulation is unlimited. Employees of the County are entitled to the lesser of 25% of accrued sick leave or \$5,000 upon termination providing the employee has 5 years of service. . Employees of the School Board are entitled to the lesser of 25% of accrued sick leave or \$7,500 upon termination providing the employee has 5 years of service. The amount of unpaid annual, sick and compensatory leave, including applicable payroll taxes, is accrued when incurred in the government-wide and proprietary fund financial statements. Only the current portion due, if any, is recorded in the fund financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type financial statement of net assets. Bond premiums and discounts, as well as issue costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. Fund Balance

In the governmental fund financial statements, fund balance is reported in five categories which denote the nature and extent of constraints, if any, placed on the County's fund balance. These five categories are as follows:

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Balance Category	Definition	Applicability
Nonspendable	Includes amounts that are not in expendable form.	The County reports long-term receivables that are not available for expenditure in this category.
Restricted	Includes amounts restricted to specific uses by external entities or by law though constitutional provisions or enabling legislation. Externally imposed restrictions include amounts that are restricted for specific purposes.	The County reports residual amounts of taxes levied exclusively for debt service, fire & rescue and mosquito control along with unspent bond proceeds held in trust in this category.
Committed	Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Accomack County Board of Supervisors.	The County reports amounts reserved by resolution of the Board of Supervisors for use in emergency situations or when revenue shortages arise as committed fund balance. This amount is shown in the financial statements as committed to "Rainy Day/Stabilization". Additions are approved by Board action and are linked to a percentage of budgeted revenue. Use of these funds is only permitted to address revenue shortages that are greater than 1% of General Fund revenue, mitigate damage caused by a natural disaster or address an urgent event that jeopardizes the public.
Assigned	Consist of amounts intended to be used by the County for a specific purpose but are neither restricted nor committed.	Assigned for subsequent year's expenditures is the portion of fund balance that has been approved by formal action of the Board of Supervisors for appropriation in the fiscal year 2013 budget. Amendment of this amount requires approval of the Board. Additional assignments for residual funds associated with ongoing capital projects and special revenue funds have been made by the Finance Director who is given authority to do such by County policy.
Unassigned	Fund balance that has not been reported in any other classification.	Unassigned fund balance is only reported in the General Fund.

When multiple categories of fund balance are available for expenditure, the County will start with the most restricted category and spend those fund first before moving down to the next category with available funds.

O. Encumbrances

Encumbrance accounting is not employed as an extension of formal budgetary integration.

P. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate taxes are due in two installments payable in December and June. Prior to fiscal year 2010, personal property taxes were due annually in December. Personal property taxes are now due in two installments the same as real estate taxes. Personal property taxes are prorated based on the number of months property is owned. The County bills and collects its own property taxes.

In 1998, the Virginia General Assembly passed the Personal Property Tax Relief Act (PPTRA). The purpose of this legislation was to gradually eliminate the personal property tax on automobiles by increasing Commonwealth funding to localities. Localities were reimbursed for tax relief granted based on guidelines developed by the Commonwealth. In fiscal year 2007, Commonwealth

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

funding moved from a reimbursement basis to a pro rata share of a capped amount. This change reduced the amount of funding the County would have otherwise received and ultimately the amount of tax relief available to its citizens. The PPTRA provides tax relief via a tax credit that appears on the citizen's tax assessment as a reduction to taxes due. The credit applies to the first \$20,000 of taxable value of automobiles and motorcycles held for personal use. The tax credit on vehicles valued between \$1,000 and \$20,000 for tax year 2010 was equal to 51% of the tax assessment. The tax credit on vehicles with a taxable value of less than \$1,000 was equal to 100% of the tax assessment. Revenue from the Commonwealth pertaining to PPTRA is recorded as non-categorical aid.

Q. Use of Estimates

The preparation of financial statements in conformity with general 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.

2. CASH AND INVESTMENTS

Deposits: All cash of the primary government and school board component unit is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

Investments: Statutes authorize local governments and other public bodies 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).

External Investment Pools: The State Non-Arbitrage Program is an open-end management investment company registered with the Securities and Exchange Commission (SEC). The fair values of the positions in the State Treasurer's Local Government Investment Pool (LGIP) are the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2012 were rated by Standard & Poor's or an equivalent national rating organization and the ratings are presented below using Standard & Poor's rating scale. The County had no policy on credit risk other than restrictions imposed by State law at June 30.

County of Accomack's Rated Debt Investments	
	Fair Quality Ratings
	AAA
Primary Government & School Board Component Unit:	
State Treasurer's Local Government Investment Pool	\$ 5,726,097

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

2. CASH AND INVESTMENTS-continued

Interest Rate Risk

The County's investments as of June 30, 2012 are presented below along with their maturity. The County had no policy on interest rate risk at June 30.

County of Accomack's Investment Fair Value and Maturities		
	Fair Value	Maturity Less than 1 year
Primary Government & School Board Component Unit:		
State Treasurer's Local Government Investment Pool	\$ 5,726,097	\$ 5,726,097

3. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The County calculates its allowance for uncollectible accounts using historical collection data, specific account analysis and subsequent cash receipts. The allowances at June 30, 2012 are as follows:

PRIMARY GOVERNMENT:

	Major Funds			Total
	General Fund	School Debt Fund	Non-Major Funds	
General Fund:				
Taxes receivable	\$ 4,247,111	\$ 558,340	\$ 503,138	\$ 5,308,589
Special assessments receivable	1,656	-	-	1,656
Total Primary Government	\$ 4,248,767	\$ 558,340	\$ 503,138	\$ 5,310,245

4. NOTES RECEIVABLE

A. Primary Government:

The County was awarded a community improvement grant from the Virginia Department of Housing and Community Development for the purpose of creating twenty-three jobs for low and moderate-income persons. A portion of the grant proceeds, \$186,009, was used to provide a low-interest loan to one area business. The term of the loan is twenty years payable in monthly installments to the Authority at an annual percentage rate of three percent. The loan is secured by a first Deed of Trust. All payments due the County are current as of June 30, 2012. The repayment schedule is as follows:

Year Ending June 30,	Note Receivable		
	Principal	Interest	Total
2013	\$ 9,866	\$ 1,480	\$ 11,346
2014	11,078	1,301	12,379
2015	11,415	964	12,379
2016	11,762	617	12,379
2017-2018	14,176	267	14,443
Total	\$ 58,297	\$ 4,629	\$ 62,926

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

5. DUE FROM OTHER GOVERNMENTAL ENTITIES

Amounts due from other governments at June 30, 2012 consisted of the following:

A. Primary Government:

	Major Funds				
	General	Comprehen- sive Youth	Virginia Public	County Capital	Total
	Fund	Services Fund	Assistance Fund	Projects Fund	Primary Government
Miscellaneous governmental entities:					
Eastern Shore Public Service Authority	\$ 104,700	\$ -	\$ -	\$ -	\$ 104,700
Total due from miscellaneous governments	104,700	-	-	-	104,700
Commonwealth of Virginia:					
Local sales tax	760,783	-	-	-	760,783
Recordation tax	17,984	-	-	-	17,984
Constitutional officer shared expenses	290,063	-	-	-	290,063
Jail per diem for prisoner housing	40,036	-	-	-	40,036
Mobile home tax	6,753	-	-	-	6,753
Rolling stock tax	2,322	-	-	-	2,322
Communications tax	179,209	-	-	-	179,209
Hurricane Irene reimbursements	25,759	-	-	-	25,759
Voting equipment grant	5,000	-	-	-	5,000
Transportation partnership opportunity grant	-	-	-	1,809,443	1,809,443
Public assistance funds	-	-	100,870	-	100,870
Hazmat pass through funds	9,044	-	-	-	9,044
Comprehensive services act reimbursements	-	259,168	-	-	259,168
Total due from the Commonwealth	1,336,953	259,168	100,870	1,809,443	3,506,433
Federal Government:					
Refuge revenue sharing	80,525	-	-	-	80,525
Digital upgrade programming grant	40,000	-	-	-	40,000
Summer foods grant	25,648	-	-	-	25,648
Hurricane Irene reimbursements	86,798	-	-	-	86,798
Public assistance funds	-	-	149,582	-	149,582
Total due from the Federal Government	232,971	-	149,582	-	382,553
Total due from other governmental entities	\$ 1,674,623	\$ 259,168	\$ 250,452	\$ 1,809,443	\$ 3,993,686

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

5. DUE FROM OTHER GOVERNMENTAL ENTITIES - continued

B. School Board Component Unit:

Commonwealth of Virginia:	
State sales tax contribution	\$ 352,160
SOL web base	470,045
Total due from Commonwealth	<u>822,205</u>
Federal Government:	
Perkins	50,583
Title I	981,866
Title II	110,805
Title III	16,775
Title VI	31,479
Title VI-B Special Education	646,734
Title X	17
Language acquisition	27,987
Food services	285,060
Total due from Federal Government	<u>2,151,306</u>
Total due from other governmental entities	<u><u>\$ 2,973,512</u></u>

6. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2012 are as follows:

	Interfund	
	Receivables	Payables
PRIMARY GOVERNMENT:		
Governmental Funds:		
General Fund	\$ 223,821	\$ -
Virginia Public Assistance Fund	-	223,821
Total Governmental Funds	<u>\$ 223,821</u>	<u>\$ 223,821</u>

The above internal balances are the result of temporary cash deficits associated with reimbursement-type grants. These internal balances have been eliminated in the government-wide financial statements.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

7. CAPITAL ASSETS

A. Primary Government:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,353,468	\$ 11,500	\$ -	\$ 1,364,968
Construction in progress	680,708	44,703	(674,808)	50,603
Total capital assets not being depreciated	2,034,176	56,203	(674,808)	1,415,571
Other capital assets:				
Buildings	9,791,394	212,456	-	10,003,850
School buildings	36,180,875	-	(2,469,866)	33,711,009
Improvements other than buildings	5,346,792	1,105,937	(57,728)	6,395,001
Machinery and equipment	4,954,940	451,149	(297,721)	5,108,368
Intangibles	1,104,166	33,930	-	1,138,096
Total other capital assets	57,378,167	1,803,472	(2,825,315)	56,356,324
Less accumulated depreciation:				
Buildings	(3,035,259)	(263,235)	-	(3,298,494)
School buildings	(5,340,339)	(697,626)	698,990	(5,338,975)
Improvements other than buildings	(1,894,934)	(365,904)	57,513	(2,203,325)
Machinery and equipment	(3,429,587)	(430,656)	296,203	(3,564,040)
Intangibles	(837,111)	(106,479)	-	(943,590)
Total accumulated depreciation	(14,537,230)	(1,863,900)	1,052,706	(15,348,424)
Total governmental activities, net	44,875,113	(4,225)	(2,447,417)	42,423,471
Business-type activities:				
Capital assets not being depreciated:				
Land	205,767	-	-	205,767
Construction in progress	272,109	45,313	(22,814)	294,608
Total capital assets not being depreciated	477,876	45,313	(22,814)	500,375
Other capital assets:				
Buildings	960,551	-	-	960,551
Improvements other than buildings	5,532,403	22,814	-	5,555,217
Motor vehicles and equipment	4,390,662	-	-	4,390,662
Intangibles	29,710	-	-	29,710
Total other capital assets	10,913,326	22,814	-	10,936,140
Less accumulated depreciation:				
Buildings	(285,061)	(20,056)	-	(305,117)
Improvements other than buildings	(3,771,843)	(288,003)	-	(4,059,846)
Motor vehicles and equipment	(3,089,369)	(249,261)	-	(3,338,630)
Intangibles	(29,710)	-	-	(29,710)
Total accumulated depreciation	(7,175,983)	(557,320)	-	(7,733,303)
Total business-type activities, net	4,215,219	(489,193)	(22,814)	3,703,212
Total primary government, net	\$ 49,090,332	\$ (493,418)	\$ (2,470,231)	\$ 46,126,683

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

7. CAPITAL ASSETS - continued

Depreciation expense was charged to the primary government as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
General government	\$ 111,726	\$ -	\$ 111,726
Judicial administration	95,497	-	95,497
Public safety	310,238	-	310,238
Public works	323,619	-	323,619
Health and welfare	137,322	-	137,322
Education	704,635	-	704,635
Parks, recreation and cultural	112,721	-	112,721
Community development	68,142	-	68,142
Landfill	-	533,822	533,822
Water and sewer	-	19,930	19,930
Parks and recreation revolving	-	3,568	3,568
Total	\$ 1,863,900	\$ 557,320	\$ 2,421,220

B. School Board Component Unit:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 974,862	\$ -	\$ -	\$ 974,862
Total capital assets not being depreciated	974,862	-	-	974,862
Other capital assets:				
Buildings	49,730,396	2,677,747	-	52,408,143
Improvements other than buildings	3,333,527	57,722	-	3,391,249
Motor vehicles and equipment	10,544,892	369,121	(517,048)	10,396,965
Total other capital assets	63,608,815	3,104,590	(517,048)	66,196,357
Less accumulated depreciation:				
Buildings	(21,290,203)	(2,070,579)	-	(23,360,782)
Improvements other than buildings	(2,029,943)	(109,991)	-	(2,139,934)
Motor vehicles and equipment	(7,496,234)	(653,372)	517,048	(7,632,558)
Total accumulated depreciation	(30,816,380)	(2,833,942)	517,048	(33,133,274)
Total school board component unit	\$ 33,767,297	\$ 270,648	\$ -	\$ 34,037,945

Total depreciation expense charged to the School Board component unit was \$2,134,951.

Legislation enacted during the fiscal year 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on-behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Accomack, Virginia, for the year ended June 30, 2012, is that debt and related assets in the amount of \$33,711,009 have been transferred to the Primary Government from the School Board Component Unit for financial reporting purposes.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

7. CAPITAL ASSETS - continued

C. Airport Commission Component Unit:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 190,400	\$ -	\$ -	\$ 190,400
Construction in progress	232,356	-	-	232,356
Total capital assets not being depreciated	422,756	-	-	422,756
Other capital assets:				
Buildings	961,207	-	-	961,207
Improvements other than buildings	5,151,754	-	-	5,151,754
Motor vehicles and equipment	334,647	-	-	334,647
Total other capital assets	6,447,608	-	-	6,447,608
Less accumulated depreciation:				
Buildings	(656,534)	(48,106)	-	(704,640)
Improvements other than buildings	(2,738,737)	(255,781)	-	(2,994,518)
Motor vehicles and equipment	(321,568)	(2,309)	-	(323,877)
Total accumulated depreciation	(3,716,839)	(306,196)	-	(4,023,035)
Total airport commission component unit	\$ 3,153,525	\$ (306,196)	\$ -	\$ 2,847,329

Total depreciation expense charged to the airport component unit was \$306,195.

D. Economic Development Authority Component Unit:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 317,726	\$ -	\$ -	\$ 317,726
Other capital assets:				
Improvements other than buildings	1,406,601	-	-	1,406,601
Total other capital assets	1,406,601	-	-	1,406,601
Less accumulated depreciation:				
Improvements other than buildings	(1,406,601)	-	-	(1,406,601)
Total accumulated depreciation	(1,406,601)	-	-	(1,406,601)
Total economic development authority component unit	\$ 317,726	\$ -	\$ -	\$ 317,726

The Authority had no depreciation expense during the fiscal year due to its assets being fully depreciated.

8. DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the components of deferred revenue reported in the governmental funds were as follows:

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

8. DEFERRED REVENUE - continued

	Primary Government				School Board Component Unit
	General Fund	School Debt Service Fund	Non-major Special Revenue Funds	Total	
Unavailable:					
Uncollected taxes	\$ 3,701,267	\$ 641,799	\$ 562,793	\$ 4,905,859	\$ -
Note receivable not yet due	-	-	58,297	58,297	-
Special assessments not yet due	34,943	-	-	34,943	-
Total unavailable	3,736,210	641,799	621,090	4,999,099	-
Unearned:					
Unbilled taxes	8,152,788	1,413,692	1,239,666	10,806,146	-
Advanced grant funding	-	-	263,943	263,943	400,589
Prepaid rent	-	-	-	-	-
Prepaid water & sewer billings	-	-	-	-	-
Prepaid taxes	1,598,288	269,437	248,349	2,116,074	-
Total unearned	9,751,076	1,683,129	1,751,958	13,186,163	400,589
Total deferred revenue	\$ 13,487,286	\$ 2,324,928	\$ 2,373,048	\$ 18,185,262	\$ 400,589

9. COMPENSATED ABSENCES

Accrued compensated absences are as follows at June 30, 2012:

	Primary Government		School Board Component Unit
	Governmental Activities	Business-type Activities	
Compensated Leave			
Annual	\$ 877,734	\$ 29,569	\$ 621,588
Sick	330,586	22,843	1,279,451
Compensatory	363,982	2,211	-
Total	\$ 1,572,302	\$ 54,623	\$ 1,901,039

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

11. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Amount due within 1 year
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,529,168	\$ 1,177,719	\$ 1,134,585	\$ 1,572,302	\$ 1,399,349
Net other postemployment benefit obligation	1,349,000	593,000	123,000	1,819,000	-
Literary fund loans	3,834,456	-	460,509	3,373,947	460,509
Virginia Public School Authority bonds	31,712,181	-	1,926,942	29,785,239	1,997,989
Lease revenue bonds	5,748,000	4,263,000	4,263,000	5,748,000	568,000
Qualified zone academy bonds	634,234	-	82,418	551,816	85,191
Deferred premiums and discounts, net	967,703	-	70,107	897,596	-
Deferred amounts on refunding	(454,152)	(41,898)	(25,483)	(470,567)	-
Total governmental activities long-term obligations	<u>\$ 45,320,590</u>	<u>\$ 5,991,821</u>	<u>\$ 8,035,078</u>	<u>\$ 43,277,333</u>	<u>\$ 4,511,038</u>
Business-type Activities:					
Compensated absences	54,081	48,674	\$ 48,132	54,623	48,614
Landfill closure/postclosure	7,813,409	509,050	-	8,322,459	-
General obligation bonds	2,112,000	2,203,000	2,112,000	2,203,000	298,000
Deferred amounts on refunding	(5,493)	(42,118)	(5,281)	(42,330)	-
Total business-type entities long-term obligations	<u>9,973,997</u>	<u>2,718,606</u>	<u>2,154,851</u>	<u>10,537,752</u>	<u>346,614</u>
Total primary government long-term obligations	<u>\$ 55,294,587</u>	<u>\$ 8,710,427</u>	<u>\$ 10,189,929</u>	<u>\$ 53,815,085</u>	<u>\$ 4,857,652</u>
School Board Component Unit:					
Compensated absences	\$ 1,648,587	1,719,694	\$ 1,467,242	\$ 1,901,039	\$ 1,691,925
Net other postemployment benefit obligation	418,000	288,000	182,000	524,000	-
Total School Board long-term obligations	<u>\$ 2,066,587</u>	<u>\$ 2,007,694</u>	<u>\$ 1,649,242</u>	<u>\$ 2,425,039</u>	<u>\$ 1,691,925</u>
Airport Commission Component Unit:					
Compensated absences	\$ 9,731	10,854	\$ 8,661	\$ 11,924	\$ 10,613
Note payable	34,810	-	24,479	10,331	10,331
Total Airport Commission long-term obligations	<u>\$ 44,541</u>	<u>\$ 10,854</u>	<u>\$ 33,140</u>	<u>\$ 22,255</u>	<u>\$ 20,944</u>

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

A. Primary Government:

Year Ending June 30,	Governmental Funds						Enterprise Funds		
	VPSA Bonds & Literary Fund Loans		Qualified Zone Academy Bonds		Lease Revenue Bonds		General Obligation Bonds		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2013	2,458,498	1,539,174	85,191	20,628	576,000	193,535	298,000	37,794	5,208,820
2014	2,529,512	1,423,577	88,065	17,754	601,000	171,238	303,000	32,264	5,166,410
2015	2,612,690	1,302,337	91,041	14,778	620,000	148,016	309,000	26,634	5,124,496
2016	2,697,942	1,175,542	94,124	11,695	645,000	123,950	314,000	20,903	5,083,156
2017	2,789,326	1,043,497	97,320	8,499	671,000	98,849	320,000	15,070	5,043,561
2018-2022	9,168,239	3,627,719	96,075	14,979	895,000	350,066	659,000	12,191	14,823,269
2023-2027	7,962,980	1,641,315	-	-	1,038,000	204,684	-	-	10,846,979
2028-2032	2,940,002	168,838	-	-	702,000	43,392	-	-	3,854,232
Total	<u>\$ 33,159,189</u>	<u>\$ 11,921,999</u>	<u>\$ 551,816</u>	<u>\$ 88,333</u>	<u>\$ 5,748,000</u>	<u>\$ 1,333,730</u>	<u>\$ 2,203,000</u>	<u>\$ 144,856</u>	<u>\$ 55,150,923</u>

The Primary Government uses general and debt service fund revenues to liquidate compensated absences and other long-term obligations.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

11. LONG-TERM OBLIGATIONS - continued

B. Airport Commission Component Unit:

Year Ending June 30,	Note Payable		Total
	Principal	Interest	
2013	10,331	112	10,443
Total	\$ 10,331	\$ 112	\$ 10,443

The Airport Commission Component Unit uses operating revenues to liquidate compensated absences and other long-term obligations.

C. Details of long-term indebtedness as of June 30, 2012:

Financing Type	Purpose	Amount Issued	Interest Rates	Date Issued	Final Maturity Date	Amount Outstanding
Primary Government:						
Governmental Activities:						
Literary Fund loan	School construction	\$ 2,935,486	3.00%	12/1/1998	12/1/2018	\$ 985,486
Literary Fund loan	School construction	956,225	3.00%	4/1/1999	4/1/2019	334,683
Literary Fund loan	School construction	956,226	3.00%	4/1/1999	4/1/2019	334,682
Literary Fund loan	School construction	4,297,743	3.00%	4/1/2000	4/1/2020	1,719,096
Virginia Public School Authority bond	School construction	8,422,232	5.15% ¹	11/20/1997	7/15/2017	2,820,436
Virginia Public School Authority bond	School construction	8,305,000	5.17% ¹	11/20/1997	7/15/2017	3,460,000
Virginia Public School Authority bond	School construction	6,270,000	4.47% ¹	5/15/2003	7/15/2028	5,035,000
Virginia Public School Authority bond	School construction	12,170,000	4.69% ¹	11/6/2003	7/15/2028	9,785,000
Virginia Public School Authority bond	School construction	1,935,000	4.46% ¹	11/10/2005	7/15/2030	1,670,000
Virginia Public School Authority bond	School construction	9,370,000	4.28% ¹	11/10/2005	7/15/2025	7,014,806
Qualified zone academy bond	School construction	1,433,003	3.00% ²	12/31/2002	12/31/2016	382,117
Qualified zone academy bond	School construction	439,100	5.40% ²	12/30/2004	12/30/2020	169,699
Lease revenue refunding bond	Office construction	4,263,000	3.06% ¹	12/21/2011	3/1/2030	4,263,000
Lease revenue bond	Waste collection centers	2,665,000	3.82% ¹	11/29/2006	10/1/2016	1,485,000
Total governmental activities:						<u>39,459,005</u>
Business-type Activities:						
General obligation refunding bond	Landfill improvements	2,203,000	1.84% ¹	12/8/2011	12/15/2018	<u>2,203,000</u>
Total primary government						<u>\$ 41,662,005</u>
Airport Commission:						
Note payable	T-hangar construction	226,530	4.00% ³	11/14/2002	11/14/2012	<u>\$ 10,331</u>

¹ True interest cost

² Imputed interest rate

³ Variable rate

D. Current Refundings:

The County issued \$4,263,000 of lease revenue refunding bonds for a current refunding of \$4,263,000 of lease revenue bonds. The refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$41,897. This amount is being amortized over the life of the new debt which is the same as the life of the refunded debt. The result of this refunding is an economic gain of \$720,584 and a reduction in future debt service payments of \$958,264. In addition, the County issued \$2,203,000 of general obligation refunding bonds for a current refunding of \$2,112,000 of general obligation bonds. The refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$42,177. This amount is being amortized over the life of the new debt which is the same as the life of the refunded debt. The result of this refunding is an economic gain of \$107,215 and a reduction in future debt service payments of \$111,340.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

12. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its North and South landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at these sites for thirty years after closure. Although closure and postclosure costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date.

The \$8,322,458 reported as landfill closure and postclosure care liability at June 30, 2012, represents the cumulative amount reported to date based on the use of 54.86% and 98.45% of the estimated capacity of the North Landfill Cell Two and the South Landfill, respectively. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,568,584 as the remaining estimated capacities are filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The South Landfill has sufficient capacity to accept waste well beyond its mandated closure date of 12/31/2012. The 2012 closure date is dictated by state regulations which require unlined landfills, such as the South Landfill, to cease operations by the end of calendar year 2012. The North Landfill Cell Two has sufficient capacity to continue accepting waste until fiscal year 2018. This estimate assumes that all waste from the southern end of the County will be disposed of in the North Landfill once the South Landfill is closed. The County expects to fund landfill closure and postclosure care costs from operating revenues.

13. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2012 were made up of the following:

	Transfers In	Transfers Out
Primary Government:		
Governmental funds:		
General fund	\$ 41,275	\$ 1,603,869
Virginia Public Assistance Fund	590,412	-
Comprehensive Youth Services Fund	146,082	-
County capital projects fund	236,760	-
School debt service fund	270,000	-
Non-major governmental funds	40,072	40,072
Total governmental funds	1,324,601	1,643,941
Enterprise funds:		
Landfill fund	224,389	-
Non-major enterprise funds	136,226	41,275
Total enterprise funds	360,615	41,275
Total Primary Government	\$ 1,685,216	\$ 1,685,216

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

13. INTERFUND TRANSFERS-continued

The purpose of the interfund transfers is as follows:

<u>Purpose</u>	<u>Amount</u>
Finance pay as you go capital projects	\$ 236,760
Fund debt service requirements	270,000
Satisfy grant local match requirements	146,082
Fund one-time operational expenditures of the General Fund	41,275
Supplement operations of the Virginia Public Assistance Fund (major fund)	590,412
Supplement operations of the Landfill Fund (major fund)	224,389
Consolidate non-major special revenue funds	40,072
Supplement operations of non-major enterprise funds	136,226
Total interfund transfers	<u>\$ 1,685,216</u>

The Primary Government also transferred \$15,994,506 to the School Board Component Unit, \$319,259 to the Eastern Shore Library Component Unit, \$142,953 to the Airport Component Unit, \$92,059 to the Planning District Component Unit and \$52,060 to the Captains Cove/Greenbackville Mosquito Control Component Unit to be used to supplement operations. These amounts are reported as expenditures in the County's financial statements.

14. CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The primary government and its component units are defendants in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the reporting entity.

15. RISK MANAGEMENT

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation and the Virginia Association of Counties Risk Pool for property, general liability, automobile and crime insurance. Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays the Virginia Municipal Group Insurance Association and the Virginia Association of Counties Risk Pool 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 paid. In the event of a loss deficit and depletion of all available excess insurance, the Associations may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County continues to carry commercial insurance for all other risks of losses. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

A. Primary Government:

For the year ended June 30, 2012, the following expenditures exceeded appropriations:

Major Funds:

General Fund:

Electoral Board	\$ 4,851
Medical Examiner	540
Parks and Recreation	838
Total General Fund	<u>\$ 6,229</u>

Nonmajor Funds:

Rehabilitation Projects Fund	52,441
Total nonmajor funds	<u>\$ 52,441</u>

The General Fund variances were funded by unassigned fund balance. All nonmajor fund variances were funded by grant program income.

17. DEFICIT NET ASSETS

A. Primary Government:

At June 30, 2012, the Landfill Enterprise Fund had deficit fund net assets of \$654,631. This amount is primarily due to unfunded landfill closure and post closure care costs. The County has taken steps to gradually eliminate this deficit by increasing landfill user fees and appropriating additional local funding.

18. SURETY BONDS

The following elected officials and County employees were covered by surety bonds at June 30, 2012:

Commonwealth of Virginia Division of Risk Management (Commonwealth funded):

Dana T. Bundick, Treasurer ⁽¹⁾	\$ 500,000
Todd Godwin, Sheriff ⁽¹⁾	30,000
Leslie A. Savage, Commissioner of the Revenue ⁽¹⁾	3,000
Samuel H. Cooper, Clerk of the Court ⁽¹⁾	350,000

Virginia Association of Counties Self Insurance-Risk Pool:

All County employees - Blanket bond coverage	250,000
All School employees - Blanket bond coverage	1,000,000
All Social Services employees - Blanket bond coverage	100,000
Mary E. Parker, Director of Social Services	5,000

¹ Commonwealth funded surety bonds also cover employees of the elected official.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

19. RESTATEMENT OF BEGINNING BALANCES

The beginning fund balances and net assets of the County have been restated as follows:

	Fund Financial Statements	Government Wide Financial Statements
	General Fund	Government Activities
Beginning fund balance/net assets, as previously reported	\$ 12,012,961	\$ 19,067,819
Adjustment to accrue additional sales and communication tax revenue	341,532	341,532
Beginning fund balance/net assets as restated	<u>\$ 12,354,493</u>	<u>\$ 19,409,351</u>

20. OTHER POSTEMPLOYMENT BENEFITS PROGRAM

County:

A. Plan Description:

The County Post-Retirement Medical Plan is a single-employer defined benefit healthcare plan which provides post-retirement supplemental health insurance benefits for employees who retire from service with the County. Employees who are full-time and limited-term employees who are retiring at age 65 or older, who are enrolled in Medicare parts A and B, and who have at least 15 years of service with the County are eligible. Also, a portion of this policy applies to all full-time and limited employees who retire with at least 15 years of service before age 65. The County's Post-Retirement Medical Plan does not issue a separate, audited GAAP-basis report.

B. Funding Policy:

The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again this is determined annually as part of the budgetary process. For participating retirees who retire at age 65 with 15 years of service with the County, the County pays 50% of the monthly premium and the retiree is responsible for the remainder. For participating retirees who are younger than age 65, with at least 15 years of service with the county or those with less than 15 years of service with the County who have retired due to line-of-duty injuries, may choose to continue their health insurance coverage with the county at their own expense until they reach 65 years of age. Retirees pay 100% of spousal premiums. Surviving spouses cannot access the plan.

C. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS PROGRAM-continued

County-continued:

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

C. Annual OPEB Cost and Net OPEB Obligation-continued

Annual required contribution	\$ 596,000
Interest on net OPEB obligation	54,000
Adjustment to annual required contribution	(57,000)
Annual OPEB cost (expense)	593,000
Contribution made	123,000
Interest in net OPEB obligation	470,000
Net OPEB Obligation-beginning of year	1,349,000
Net OPEB Obligation-end of year	\$ 1,819,000

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 are as follows:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2010	\$ 514,000	13%	\$ 906,230
June 30, 2011	562,000	15%	1,349,000
June 30, 2012	593,000	21%	1,819,000

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012 is as follows:

Actuarial accrued liability (AAL)	\$ 5,280,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	5,280,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	9,863,000
UAAL as a percentage of covered payroll	53.50%

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions 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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS PROGRAM-continued

County-continued:

E. Actuarial Methods and Assumptions- continued

information about whether the actuarial value of assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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.

Cost Method

The projected unit credit (PUC) cost method was used for this valuation. The objective of this method is to fund each participant's benefits under the plan as they accrue. Under this method, the total value of the benefit to which each participant is expected to become entitled to is broken down into units, each associated with a year of past or future credited service.

Interest Assumptions

In the July 1, 2010, actuarial valuation, the date of the most recent actuarial, the projected unit credit cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50% and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2010, was thirty years.

	<u>Unfunded</u>
Discount rate	4.00%
Payroll growth	2.50%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS PROGRAM-continued

School Board:

A. Plan Description:

The School Board Post-Retirement Medical Plan is a single-employer defined benefit healthcare plan that provides post-retirement health care insurance benefits for employees who are eligible. Employees who retired effective 1985-86 school year or later and under provisions of the Virginia Supplemental Retirement System (VSRS) prior to age 65 and were on full-time status in a VSRS covered position and were participating in the hospitalization plan at the time of retirement are eligible. The School Board's Post-Retirement Healthcare Plan does not issue a separate, audited GAAP basis report.

B. Funding Policy:

The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. Retirees pay 100% of the monthly premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses can stay in the plan but must pay the full premium.

C. Annual OPEB Cost and Net OPEB Obligation:

The School Board's annual other post employment benefit (OPEB) cost (expense) is calculated base on the annual required contribution of the employer (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. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 296,000
Interest on net OPEB obligation	17,000
Adjustment to annual required contribution	(25,000)
Annual OPEB cost (expense)	288,000
Contribution made	182,000
Interest in net OPEB obligation	106,000
Net OPEB Obligation-beginning of year	418,000
Net OPEB Obligation-end of year	\$ 524,000

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS PROGRAM-continued

School Board-continued

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2010	\$ 363,000	63.90%	\$ 303,000
June 30, 2011	279,000	58.78%	418,000
June 30, 2012	288,000	63.20%	524,000

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012 is as follows:

Actuarial accrued liability (AAL)	\$ 2,329,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	2,329,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	25,252,000
UAAL as a percentage of covered payroll	9.2%

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions 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 assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS PROGRAM-continued

School Board-continued

Cost Method

The projected unit credit (PUC) cost method was used for this valuation. The objective of this method is to fund each participant's benefits under the plan as they accrue. Under this method, the total value of the benefit to which each participant is expected to become entitled to is broken down into units, each associated with a year of past or future credited service.

Interest Assumptions

In the July 1, 2010, actuarial valuation, the date of the most recent actuarial, the projected unit credit cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50% and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2010, was thirty years.

	<u>Unfunded</u>
Discount rate	4.00%
Payroll growth	2.50%

21. OTHER POSTEMPLOYMENT BENEFITS PROGRAM-VRS Health Insurance Credit

A. Plan Description

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

A teacher, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$4 per year of creditable service. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive a monthly health insurance credit of \$4 multiplied by the smaller of (i) twice the amount of their creditable service or (ii) the amount of creditable service they would have completed at age 60 if they had remained in service to that age. Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

21. OTHER POSTEMPLOYMENT BENEFITS PROGRAM-VRS Health Insurance Credit-continued:

A. Plan Description-continued

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 discussed in Note 22.

B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is .60% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2012, 2011, and 2010 were \$144,954, \$141,517 and \$187,170, respectively and equaled the required contributions for each year.

22. DEFINED BENEFIT PENSION PLAN

A. Plan Description

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

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

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

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least ten years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

22. DEFINED BENEFIT PENSION PLAN-continued

A. Plan Description-continued

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

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

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publications/2011-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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. This 5.00% member contribution may be assumed by the employer. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employee contribution rates for the fiscal year ended 2012 were 4.30% and 7.64% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$1,529,268, \$926,938 and \$1,585,542, to the teacher cost-sharing pool for the fiscal years ended June 30, 2012, 2011 and 2010, respectively and these contributions represented 6.33%, 3.93% and 8.81%, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$415,570 (does not include the employee share assumed by the County which was \$483,221) was equal to the County's required and actual contributions.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

22. DEFINED BENEFIT PENSION PLAN-continued

C. Annual Pension Cost-continued

For fiscal year 2012, the County School Board's annual pension cost for the Board's non-professional employees was \$226,208 (does not include the employee share assumed by the Board which was \$148,042) which was equal to the Board's required and actual contributions.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) ¹</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2012	\$ 898,791	100.00%	\$ -
June 30, 2011	914,627	100.00%	-
June 30, 2010	784,926	100.00%	-
School Board Non-Professional:			
June 30, 2012	\$ 374,250	100.00%	\$ -
June 30, 2011	367,037	100.00%	-
June 30, 2010	409,701	100.00%	-

¹ Employer and employee portion

The FY2012 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost of living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the 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's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the County's plan was 89.58% funded. The actuarial accrued liability for benefits was \$44,626,951, and the actuarial value of assets was \$39,930,864, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,696,087. The covered payroll (annual payroll of active employees covered by the plan) was \$9,722,466 and ratio of the UAAL to the covered payroll was 48.3%.

As of June 30, 2011 the most recent actuarial valuation date, the County School Board's plan was 87.0% funded. The actuarial accrued liability for benefits was \$10,117,629, and the actuarial value of assets was \$8,797,861, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,319,768. The covered payroll (annual payroll of active employees covered by the plan) was \$2,769,877, and ratio of UAAL to the covered payroll was 47.6%.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2012 (Continued)

22. DEFINED BENEFIT PENSION PLAN-continued

D. Funded Status and Funding Progress-continued

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

Required Supplementary Information ***(Other than Management Discussion & Analysis)***

Notes to Required Supplementary Information:

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



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COUNTY OF ACCOMACK, VIRGINIA

SCHEDULE OF FUNDING PROGRESS FOR DEFINED BENEFIT PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

LAST THREE YEARS

Exhibit 11

Virginia Retirement System

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as a percentage Of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

A. Primary Government:

June 30, 2011	\$ 39,930,864	\$ 44,626,951	\$ 4,696,087	89.5%	\$ 9,722,466	48.3%
June 30, 2010	39,373,436	43,480,937	4,107,501	90.6%	10,260,220	40.0%
June 30, 2009	39,280,782	38,592,379	(688,403)	101.8%	10,408,840	-6.6%

B. Discretely Presented School Board Component Unit:

June 30, 2011	\$ 8,797,861	\$ 10,117,629	\$ 1,319,768	87.0%	\$ 2,769,877	47.6%
June 30, 2010	8,591,028	9,664,841	1,073,813	88.9%	3,224,289	33.3%
June 30, 2009	8,396,983	9,246,529	849,546	90.8%	3,280,042	25.9%

Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as a percentage Of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

A. Primary Government:

June 30, 2012	\$ -	\$ 5,280,000	\$ 5,280,000	0.0%	\$ 9,863,000	53.5%
June 30, 2011	-	5,280,000	5,280,000	0.0%	9,863,000	53.5%
June 30, 2010	-	4,803,803	4,803,803	0.0%	10,321,000	46.5%

B. Discretely Presented School Board Component Unit:

June 30, 2012	\$ -	\$ 2,329,000	\$ 2,329,000	0.0%	\$ 25,252,000	9.2%
June 30, 2011	-	2,329,000	2,329,000	0.0%	25,252,000	9.2%
June 30, 2010	-	3,308,000	3,308,000	0.0%	23,581,000	14.0%

¹ Nonprofessional employees only.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 12
Page 1 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 19,842,881	\$ 19,842,881	\$ 20,221,499	\$ 378,618
Other local taxes	6,623,257	6,646,058	6,910,456	264,398
Permits, fees and licenses	332,273	332,273	292,070	(40,203)
Fines and forfeitures	75,000	75,000	74,866	(134)
Revenue from the use of money and property	369,040	369,040	355,578	(13,462)
Charges for services	409,830	424,830	411,358	(13,472)
Miscellaneous	-	-	77,407	77,407
Recovered costs	76,552	342,577	454,015	111,438
Intergovernmental	6,456,480	7,064,174	6,837,734	(226,440)
Total revenues	34,185,313	35,096,833	35,634,983	538,150
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	131,626	141,535	114,696	26,839
General and financial administration:				
County administrator	472,228	521,048	479,982	41,066
Legal services	209,618	218,595	215,038	3,557
Commissioner of the revenue	267,936	267,936	263,930	4,006
County assessor	728,610	738,268	528,379	209,889
Treasurer	529,953	541,286	441,511	99,775
Central accounting	334,539	294,482	266,888	27,594
Information technology	476,201	661,461	563,350	98,111
Risk management	185,006	185,006	172,043	12,963
Total general and financial administration	3,204,091	3,428,082	2,931,121	496,961
Board of elections:				
Electoral board	48,628	59,768	64,619	(4,851)
Registrar	115,498	132,299	117,618	14,681
Total board of elections	164,126	192,067	182,237	9,830
Total general government administration	3,499,843	3,761,684	3,228,054	533,630
Judicial administration:				
Courts:				
Circuit court	80,177	80,177	69,434	10,743
General district court	9,971	9,971	9,587	384
Chief magistrate	12,637	12,637	12,356	281
Juvenile and domestic relations court	13,650	13,650	8,015	5,635
Clerk of the circuit court	373,447	407,094	395,212	11,882
Sheriff court services	498,105	471,563	332,358	139,205
Commissioner of accounts	214	214	214	-
Victim and witness assistance	54,285	55,247	54,340	907
Total courts	1,042,486	1,050,553	881,516	169,037
Commonwealth's attorney	365,299	370,185	355,435	14,750
Total judicial administration	1,407,785	1,420,738	1,236,951	183,787
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	1,692,802	2,153,364	2,072,165	81,199
Fire and rescue services:				
Volunteer fire and rescue	263,510	315,451	312,443	3,008
Emergency medical services	166,287	180,164	178,962	1,202
Payments to 911 commission	490,384	490,384	482,955	7,429
Total fire and rescue services	920,181	985,999	974,360	11,639

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Exhibit 12
Page 2 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Public safety: (continued)				
Correction and detention:				
Jail	\$ 2,152,628	\$ 1,926,239	\$ 1,711,171	\$ 215,068
Juvenile probation	120,611	118,708	69,167	49,541
Community correction	-	88,335	66,277	22,058
Total correction and detention	2,273,239	2,133,282	1,846,615	286,667
Other protection:				
Building and zoning	466,415	473,174	446,851	26,323
Animal control	102,263	103,626	96,700	6,926
Regional animal control facility	99,413	99,413	75,154	24,259
S.P.C.A. supplement	921	1,233	1,233	-
Emergency management	67,230	144,118	80,840	63,278
Hurricane Irene	-	268,057	199,343	68,714
Medical examiner	-	-	540	(540)
Cleanup/disposal of hazardous materials	13,000	15,067	6,467	8,600
Total other protection	749,242	1,104,688	907,128	197,560
Total public safety	5,635,464	6,377,333	5,800,268	577,065
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Storm drainage	163,949	216,830	108,503	108,327
Sanitation and waste removal:				
General operations	179,404	182,213	182,979	(766)
Refuse disposal	1,119,516	910,716	832,036	78,680
Refuse collection	570,842	577,840	523,937	53,903
Maintenance garage	170,792	210,241	205,915	4,326
Litter control	185,322	206,536	201,370	5,166
Total sanitation and waste removal	2,225,876	2,087,546	1,946,237	141,309
Maintenance of buildings and grounds:				
Buildings and grounds	858,480	949,072	1,003,664	(54,592)
Total public works	3,248,305	3,253,448	3,058,404	195,044
Health and welfare:				
Health:				
Local health department supplement	477,319	492,319	492,319	-
Rural health dental program supplement	4,971	4,971	4,971	-
Total health	482,290	497,290	497,290	-
Mental health and mental retardation:				
Community services board supplement	134,995	134,995	134,995	-
Welfare:				
Property tax relief for the elderly	142,025	142,025	124,931	17,094
Area agency on aging supplement	18,430	18,430	18,430	-
Total welfare	160,455	160,455	143,361	17,094
Total health and welfare	777,740	792,740	775,646	17,094

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Exhibit 12
Page 3 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Education:				
Contribution to School Board component unit	\$ 15,994,506	\$ 15,994,506	\$ 15,994,506	\$ -
Community College supplement	41,028	41,028	41,028	-
Total education	16,035,534	16,035,534	16,035,534	-
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	217,138	264,269	265,107	(838)
Summer food program	-	166,942	128,372	38,570
Boating facilities	74,678	258,941	137,327	121,614
Total parks and recreation	291,816	690,152	530,806	159,346
Cultural enrichment:				
Translator television	74,457	155,787	155,787	-
Contribution to Public Library component unit	319,259	319,259	319,259	-
Total cultural enrichment	393,716	475,046	475,046	-
Total parks, recreation and cultural	685,532	1,165,198	1,005,852	159,346
Community development:				
Planning and community development:				
Economic Development	21,932	-	-	-
Contribution to Planning Dist. Commission component unit	63,123	63,123	63,123	-
Housing/Redevelopment Corp. supplement	9,215	9,215	9,215	-
Planning	370,434	476,711	452,057	24,654
Tourism Commission supplement	64,053	86,853	86,853	-
Chamber of Commerce supplement	88,000	18,000	18,000	-
Star Transit public transportation supplement	67,024	67,024	67,024	-
Transportation District Commission supplement	6,704	18,871	18,871	-
Contribution to Airport Commission component unit	139,991	142,953	142,953	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	835,083	887,357	862,703	24,654
Environmental management:				
Johnsongrass/gypsy moth control program	9,956	11,456	10,684	772
Soil and Water Conservation District supplement	21,154	21,154	21,154	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	8,883	8,883	8,883	-
Total environmental management	59,714	61,214	60,442	772
Cooperative extension program	90,411	92,036	84,757	7,279
Total community development	985,208	1,040,607	1,007,902	32,705
Nondepartmental:				
Contingency	433,959	42,936	-	42,936

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Exhibit 12
Page 4 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Debt service	\$ 400,969	\$ 4,615,909	\$ 4,596,584	\$ 19,325
Total expenditures	33,110,339	38,506,127	36,745,195	1,760,932
Revenues over (under) expenditures	1,074,974	(3,409,294)	(1,110,212)	2,299,082
Other Financing Sources (Uses):				
Refunding bonds issued	-	4,315,940	4,263,000	(52,940)
Transfers in	385,802	429,802	41,275	(388,527)
Transfers out	(3,499,933)	(3,967,894)	(1,603,869)	2,364,025
Total other financing sources (uses)	(3,114,131)	777,848	2,700,406	1,922,558
Net changes in fund balance	(2,039,157)	(2,631,446)	1,590,194	4,221,640
Fund balance, beginning of year, as restated	12,354,493	12,354,493	12,354,493	-
Fund balance, end of year	\$ 10,315,336	\$ 9,723,047	\$ 13,944,687	\$ 4,221,640

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VIRGINIA PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 13

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ -	\$ 190	\$ 49	\$ (141)
Intergovernmental	3,401,207	3,401,207	2,891,371	(509,836)
Total revenues	3,401,207	3,401,397	2,891,420	(509,977)
Expenditures:				
Health and welfare				
Welfare administrator	2,939,302	2,981,668	2,767,292	214,376
Public assistance	933,062	933,062	559,289	373,773
Fuel administrator	40,146	40,146	37,170	2,976
Local only administrator	70,055	70,055	107,792	(37,737)
CDC quality initiative program	10,558	10,558	10,289	269
Eligibility pass-through	27,039	27,039	-	27,039
Service pass-through	40,638	40,638	-	40,638
Total expenditures	4,060,800	4,103,166	3,481,832	621,334
Revenues over (under) expenditures	(659,593)	(701,769)	(590,412)	111,357
Other financing sources (uses)				
Transfers in	659,593	701,959	590,412	(111,547)
Total other financing sources (uses)	659,593	701,959	590,412	(111,547)
Net changes in fund balance	-	190	-	(190)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 190	\$ -	\$ (190)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMPREHENSIVE YOUTH SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 14

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ 100,274	\$ 100,274	\$ 126,594	\$ 26,320
Intergovernmental	1,572,298	1,572,298	895,447	(676,851)
Total revenues	1,672,572	1,672,572	1,022,041	(650,531)
Expenditures:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families program	2,244,083	2,244,083	1,173,856	1,070,227
Total expenditures	2,244,083	2,244,083	1,173,856	1,070,227
Revenues over (under) expenditures	(571,511)	(571,511)	(151,815)	419,696
Other financing sources (uses):				
Transfers in	571,511	571,511	146,082	(425,429)
Total other financing sources (uses)	571,511	571,511	146,082	(425,429)
Net changes in fund balance	-	-	(5,733)	(5,733)
Fund balance, beginning of year	5,733	5,733	5,733	-
Fund balance, end of year	\$ 5,733	\$ 5,733	\$ -	\$ (5,733)



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Other Supplemental Information



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Nonmajor Governmental Funds

Special Revenue Funds-Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

- **Law Library Fund**-Accounts for revenues and expenditures associated with the County's law library.
- **Courthouse Security Fund** – Accounts for revenues derived from court fees levied in accordance with the Code of Virginia§ 53.1-120. Use of these funds is restricted for courthouse security.
- **Drug Seizures Fund**-Accounts for revenues associated with the sale of assets confiscated from illegal drug activities. Expenditures of this fund are restricted for use on law enforcement activities.
- **Fire Programs Fund**- Accounts for grant revenues received from the Commonwealth Department of Fire Programs which are restricted for fire education, training and related.
- **Rehabilitation Projects Fund**-Accounts for revenue and expenditures associated with community development block grants predominantly used for rehabilitation of low income housing.
- **Captain's Cove/Greenbackville Mosquito Control Fund**-Accounts for revenues derived from a special property tax levied on residents of Captain's Cove and Greenbackville areas. Expenditures are restricted for use on mosquito control services within those areas.
- **Consolidated Emergency Medical Services Fund**-Accounts for revenues derived from a special property tax levied on all residents of the County except for those located in the Town of Chincoteague. Expenditures are restricted for use on fire and rescue services.
- **Consolidated Fire and Rescue Service Fund**-This fund was created as a result of consolidating Fire and Rescue District Special Revenue Funds 2,3,4 and 5. It accounts for general tax revenues designated to provide operational funding to County volunteer fire and rescue companies.
- **Fire and Rescue District 2 Fund**-Accounts for revenues derived from a special property tax levied on residents of the Atlantic fire and rescue district (district 2). Expenditures are restricted for use on fire and rescue services within this district. All equity of this fund was transferred to the Consolidated Fire and Rescue Service Fund during the fiscal year.
- **Fire and Rescue District 3 Fund**-Accounts for revenues derived from a special property tax levied on residents of the Metompkin fire and rescue district (district 3). Expenditures are restricted for use on fire and rescue services within this district. All equity of this fund was transferred to the Consolidated Fire and Rescue Service Fund during the fiscal year.
- **Fire and Rescue District 4 Fund**-Accounts for revenues derived from a special property tax levied on residents of the Lee fire and rescue district (district 4) and select charges for medical services. Expenditures are restricted for use on fire and rescue services within this district. All equity of this fund was transferred to the Consolidated Fire and Rescue Service Fund during the fiscal year.
- **Fire and Rescue District 5 Fund**-Accounts for revenues derived from a special property tax levied on residents of the Pungoteague fire and rescue district (district 5). Expenditures are restricted for use on fire and rescue services within this district. All equity of this fund was transferred to the Consolidated Fire and Rescue Service Fund during the fiscal year.

COUNTY OF ACCOMACK, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AT JUNE 30, 2012

	Special Revenue				
	Law Library Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund
<u>Assets:</u>					
Cash and cash equivalents held by Treasurer	\$ 23,511	\$ 17,563	\$ 79,081	\$ 328,220	\$ 145,475
Receivables (net):					
Taxes, including penalties	-	-	-	-	-
Accounts / other	1,003	-	9,088	-	-
Notes receivable	-	-	-	-	58,297
Due from other governmental entities:					
Commonwealth of Virginia	-	-	-	9,044	-
Total assets	<u>24,514</u>	<u>17,563</u>	<u>88,169</u>	<u>337,264</u>	<u>203,772</u>
<u>Liabilities:</u>					
Accounts payable	895	12	1,005	320	3,095
Wages payable	-	-	2,384	-	-
Deferred revenues	-	-	-	263,943	58,297
Total liabilities	<u>895</u>	<u>12</u>	<u>3,389</u>	<u>264,263</u>	<u>61,392</u>
<u>Fund Balances:</u>					
Restricted for:					
Fire and Rescue	-	-	-	73,001	-
Mosquito Control	-	-	-	-	-
Judicial Administration	-	9,930	-	-	-
Courthouse Security	-	-	84,780	-	-
Law Library	23,619	-	-	-	-
Law Enforcement	-	7,621	-	-	-
Community Development	-	-	-	-	142,380
Total fund balances	<u>23,619</u>	<u>17,551</u>	<u>84,780</u>	<u>73,001</u>	<u>142,380</u>
Total liabilities and fund balances	<u>\$ 24,514</u>	<u>\$ 17,563</u>	<u>\$ 88,169</u>	<u>\$ 337,264</u>	<u>\$ 203,772</u>

Exhibit 15

Special Revenue			
Captains Cove Greenbackville Mosquito Control Fund	Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 28,948	\$ 872,505	\$ 767,325	\$ 2,262,628
31,460	1,085,228	765,591	1,882,279
-	-	-	10,091
-	-	-	58,297
-	-	-	9,044
60,408	1,957,733	1,532,916	4,222,339
11,784	49,762	324,093	390,966
-	366	-	2,750
33,262	1,177,449	840,097	2,373,048
45,046	1,227,577	1,164,190	2,766,764
-	730,156	368,726	1,171,883
15,362	-	-	15,362
-	-	-	9,930
-	-	-	84,780
-	-	-	23,619
-	-	-	7,621
-	-	-	142,380
15,362	730,156	368,726	1,455,575
\$ 60,408	\$ 1,957,733	\$ 1,532,916	\$ 4,222,339

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue					
	Law Library Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund	Captains Cove Greenbackville Mosquito Control Fund
Revenues:						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,380
Other local taxes	9,229	-	79,781	-	-	-
Revenue from the use of money and property	-	-	-	86	62	-
Miscellaneous	-	-	-	29,700	12,379	-
Recovered costs	-	-	-	-	17,589	-
Intergovernmental	-	1,804	-	28,913	3	-
Total revenues	9,229	1,804	79,781	58,699	30,033	56,380
Expenditures:						
Judicial administration	2,240	-	96,047	-	-	-
Public safety	-	13,920	-	46,771	-	-
Health and welfare	-	-	-	-	-	52,060
Community development	-	-	-	-	52,441	-
Total expenditures	2,240	13,920	96,047	46,771	52,441	52,060
Revenues over (under) expenditures	6,989	(12,116)	(16,266)	11,928	(22,408)	4,320
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	6,989	(12,116)	(16,266)	11,928	(22,408)	4,320
Fund balance, beginning of year	16,630	29,667	101,046	61,073	164,788	11,042
Fund balance, end of year	\$ 23,619	\$ 17,551	\$ 84,780	\$ 73,001	\$ 142,380	\$ 15,362

Exhibit 16

Special Revenue						
Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Fire & Rescue District 2 Fund	Fire & Rescue District 3 Fund	Fire & Rescue District 4 Fund	Fire & Rescue District 5 Fund	Total Nonmajor Governmental Funds
\$ 1,871,618	\$ 650,649	\$ 237,932	\$ 63,124	\$ 110,282	\$ 144,554	\$ 3,134,539
-	-	-	-	-	-	89,010
-	-	-	-	-	-	148
8,000	-	-	-	-	-	50,079
-	-	-	-	-	-	17,589
64,591	2,097	15,354	7,294	8,689	8,512	137,257
1,944,209	652,746	253,286	70,418	118,971	153,066	3,428,622
-	-	-	-	-	-	98,287
1,924,217	324,092	315,195	90,879	158,170	201,777	3,075,021
-	-	-	-	-	-	52,060
-	-	-	-	-	-	52,441
1,924,217	324,092	315,195	90,879	158,170	201,777	3,277,809
19,992	328,654	(61,909)	(20,461)	(39,199)	(48,711)	150,813
-	40,072	-	-	-	-	40,072
-	-	(17,000)	(6,069)	(5,841)	(11,162)	(40,072)
-	40,072	(17,000)	(6,069)	(5,841)	(11,162)	-
19,992	368,726	(78,909)	(26,530)	(45,040)	(59,873)	150,813
710,164	-	78,909	26,530	45,040	59,873	1,304,762
\$ 730,156	\$ 368,726	\$ -	\$ -	\$ -	\$ -	\$ 1,455,575

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Law Library Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
Revenues:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	7,000	7,000	9,229	2,229
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	7,000	7,000	9,229	2,229
Expenditures:				
Judicial administration	7,000	23,630	2,240	21,390
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	7,000	23,630	2,240	21,390
Revenues over (under) expenditures	-	(16,630)	6,989	23,619
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	(16,630)	6,989	23,619
Fund balance, beginning of year	16,630	16,630	16,630	-
Fund balance, end of year	\$ 16,630	\$ -	\$ 23,619	\$ 23,619

Drug Seizures Fund				Courthouse Security Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	67,000	67,000	79,781	12,781
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,804	1,804	-	-	-	-
-	-	1,804	1,804	67,000	67,000	79,781	12,781
-	-	-	-	-	-	-	-
-	-	-	-	-	168,046	96,047	71,999
2,000	31,668	13,920	17,748	67,000	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,000	31,668	13,920	17,748	67,000	168,046	96,047	71,999
(2,000)	(31,668)	(12,116)	19,552	-	(101,046)	(16,266)	84,780
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(2,000)	(31,668)	(12,116)	19,552	-	(101,046)	(16,266)	84,780
29,667	29,667	29,667	-	101,046	101,046	101,046	-
\$ 27,667	\$ (2,001)	\$ 17,551	\$ 19,552	\$ 101,046	\$ -	\$ 84,780	\$ 84,780

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

	Fire Programs Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
Revenues:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	86	86
Miscellaneous	6,700	29,700	29,700	-
Recovered costs	-	-	-	-
Intergovernmental	-	2,326	28,913	26,587
Total revenues	6,700	32,026	58,699	26,673
Expenditures:				
Judicial administration	-	-	-	-
Public safety	41,250	66,576	46,771	19,805
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	41,250	66,576	46,771	19,805
Revenues over (under) expenditures	(34,550)	(34,550)	11,928	46,478
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	(34,550)	(34,550)	11,928	46,478
Fund balance, beginning of year	61,073	61,073	61,073	-
Fund balance, end of year	\$ 26,523	\$ 26,523	\$ 73,001	\$ 46,478

Rehabilitation Projects Fund				Captains Cove Greenbackville Mosquito Control Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 60,963	\$ 60,963	\$ 56,380	\$ (4,583)
-	-	-	-	-	-	-	-
-	-	62	62	-	-	-	-
-	-	12,379	12,379	-	-	-	-
-	-	17,589	17,589	-	-	-	-
-	-	3	3	-	-	-	-
-	-	30,033	30,033	60,963	60,963	56,380	(4,583)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	61,963	73,005	52,060	20,945
-	-	52,441	(52,441)	-	-	-	-
-	-	52,441	(52,441)	61,963	73,005	52,060	20,945
-	-	(22,408)	(22,408)	(1,000)	(12,042)	4,320	16,362
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(22,408)	(22,408)	(1,000)	(12,042)	4,320	16,362
164,788	164,788	164,788	-	11,042	11,042	11,042	-
\$ 164,788	\$ 164,788	\$ 142,380	\$ (22,408)	\$ 10,042	\$ (1,000)	\$ 15,362	\$ 16,362

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

	Consolidated EMS Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
Revenues:				
General property taxes	\$ 1,746,431	\$ 1,746,431	\$ 1,871,618	\$ 125,187
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	10,629	18,879	8,000	(10,879)
Recovered costs	-	-	-	-
Intergovernmental	48,422	48,422	64,591	16,169
Total revenues	1,805,482	1,813,732	1,944,209	130,477
Expenditures:				
Judicial administration	-	-	-	-
Public safety	1,924,419	1,962,891	1,924,217	38,674
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	1,924,419	1,962,891	1,924,217	38,674
Revenues over (under) expenditures	(118,937)	(149,159)	19,992	169,151
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	(118,937)	(149,159)	19,992	169,151
Fund balance, beginning of year	710,164	710,164	710,164	-
Fund balance, end of year	\$ 591,227	\$ 561,005	\$ 730,156	\$ 169,151

Consolidated Fire & Rescue Fund				Fire & Rescue District 2 Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ 429,891	\$ 650,649	\$ 220,758	\$ 398,963	\$ 237,932	\$ 237,932	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	7,107	2,097	(5,010)	17,612	15,354	15,354	-
-	436,998	652,746	215,748	416,575	253,286	253,286	-
-	-	-	-	-	-	-	-
-	436,997	324,092	112,905	416,575	332,195	315,195	17,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	436,997	324,092	112,905	416,575	332,195	315,195	17,000
-	1	328,654	328,653	-	(78,909)	(61,909)	17,000
-	-	40,072	40,072	-	-	-	-
-	-	-	-	-	-	(17,000)	(17,000)
-	-	40,072	40,072	-	-	(17,000)	(17,000)
-	1	368,726	368,725	-	(78,909)	(78,909)	-
-	-	-	-	78,909	78,909	78,909	-
\$ -	\$ 1	\$ 368,726	\$ 368,725	\$ 78,909	\$ -	\$ -	\$ -

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

	Fire & Rescue District 3 Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
Revenues:				
General property taxes	\$ 123,245	\$ 63,124	\$ 63,124	\$ -
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	8,107	7,294	7,294	-
Total revenues	131,352	70,418	70,418	-
Expenditures:				
Judicial administration	-	-	-	-
Public safety	131,352	96,948	90,879	6,069
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	131,352	96,948	90,879	6,069
Revenues over (under) expenditures	-	(26,530)	(20,461)	6,069
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(6,069)	(6,069)
Total other financing sources (uses)	-	-	(6,069)	(6,069)
Net changes in fund balance	-	(26,530)	(26,530)	-
Fund balance, beginning of year	26,530	26,530	26,530	-
Fund balance, end of year	\$ 26,530	\$ -	\$ -	\$ -

Fire & Rescue District 4 Fund				Fire & Rescue District 5 Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 201,647	\$ 110,282	\$ 110,282	\$ -	\$ 261,928	\$ 144,554	\$ 144,554	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10,895	8,689	8,689	-	10,342	8,512	8,512	-
212,542	118,971	118,971	-	272,270	153,066	153,066	-
-	-	-	-	-	-	-	-
212,542	164,011	158,170	5,841	272,270	212,939	201,777	11,162
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
212,542	164,011	158,170	5,841	272,270	212,939	201,777	11,162
-	(45,040)	(39,199)	5,841	-	(59,873)	(48,711)	11,162
-	-	-	-	-	-	-	-
-	-	(5,841)	(5,841)	-	-	(11,162)	(11,162)
-	-	(5,841)	(5,841)	-	-	(11,162)	(11,162)
-	(45,040)	(45,040)	-	-	(59,873)	(59,873)	-
45,040	45,040	45,040	-	59,873	59,873	59,873	-
\$ 45,040	\$ -	\$ -	\$ -	\$ 59,873	\$ -	\$ -	\$ -

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Exhibit 17
Page 5

Total Nonmajor Governmental Funds				
				Variance From Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
Revenues:				
General property taxes	\$ 2,793,177	\$ 2,793,177	\$ 3,134,539	\$ 341,362
Other local taxes	74,000	74,000	89,010	15,010
Revenue from the use of money and property	-	-	148	148
Miscellaneous	17,329	48,579	50,079	1,500
Recovered costs	-	-	17,589	17,589
Intergovernmental	95,378	97,704	137,257	39,553
Total revenues	2,979,884	3,013,460	3,428,622	415,162
Expenditures:				
Judicial administration	7,000	191,676	98,287	(93,389)
Public safety	3,067,408	3,304,225	3,075,021	(229,204)
Health and welfare	61,963	73,005	52,060	(20,945)
Community development	-	-	52,441	52,441
Total expenditures	3,136,371	3,568,906	3,277,809	(291,097)
Revenues over (under) expenditures	(156,487)	(555,446)	150,813	124,065
Other financing sources (uses):				
Transfers in	-	-	40,072	40,072
Transfers out	-	-	(40,072)	(40,072)
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	(156,487)	(555,446)	150,813	124,065
Fund balance, beginning of year	1,304,762	1,304,762	1,304,762	-
Fund balance, end of year	\$ 1,148,275	\$ 749,316	\$ 1,455,575	\$ 124,065

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 18

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 3,657,317	\$ 3,657,317	\$ 3,743,880	\$ 86,563
Miscellaneous	-	-	-	-
Intergovernmental	56,199	56,199	82,365	26,166
Total revenues	<u>3,713,516</u>	<u>3,713,516</u>	<u>3,826,245</u>	<u>112,729</u>
Expenditures:				
Debt Service:				
Principal	2,469,867	2,469,867	2,469,866	1
Interest and fiscal charges	1,678,721	1,678,721	1,678,715	6
Total expenditures	<u>4,148,588</u>	<u>4,148,588</u>	<u>4,148,581</u>	<u>7</u>
Revenues over (under) expenditures	<u>(435,072)</u>	<u>(435,072)</u>	<u>(322,336)</u>	<u>112,736</u>
Other financing sources (uses):				
Transfers in	270,000	270,000	270,000	-
Total other financing sources (uses)	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>-</u>
Net changes in fund balance	(165,072)	(165,072)	(52,336)	112,736
Fund balance, beginning of year	1,389,519	1,389,519	1,389,519	-
Fund balance, end of year	<u>\$ 1,224,447</u>	<u>\$ 1,224,447</u>	<u>\$ 1,337,183</u>	<u>\$ 112,736</u>

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 19

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 33	\$ 33
Intergovernmental	-	4,031,085	2,965,210	(1,065,875)
Total revenues	-	4,031,085	2,965,243	(1,065,842)
Expenditures:				
General government administration	57,603	93,000	5,158	87,842
Public works	1,905,000	2,076,706	337,543	1,739,163
Parks and recreation	-	917,512	267,269	650,243
Community development	-	3,483,045	2,986,292	496,753
Total expenditures	1,962,603	6,570,263	3,596,262	2,974,001
Revenues over (under) expenditures	(1,962,603)	(2,539,178)	(631,019)	1,908,159
Other financing sources (uses):				
Transfers in	1,962,603	2,064,109	236,760	(1,827,349)
Transfers out	-	-	-	-
Total other financing sources (uses)	1,962,603	2,064,109	236,760	(1,827,349)
Net changes in fund balance	-	(475,069)	(394,259)	80,810
Fund balance, beginning of year	478,169	478,169	478,169	-
Fund balance, end of year	\$ 478,169	\$ 3,100	\$ 83,910	\$ 80,810

Nonmajor Proprietary Funds

Proprietary Funds-Proprietary funds are used to account for governmental activities that are similar to businesses in the private sector.

- Water & Sewer Fund-Accounts for water and sewer operations in the County. Currently, the only water and sewer services delivered by the County are to businesses located inside or in close proximity to the County Industrial Park or Wallops Research Park. Operations are primarily funded through user fees.
- Parks and Recreation Revolving Fund-This fund is used to account for parks and recreation events which are financed in whole or in part by user fees.

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 AT JUNE 30, 2012

Exhibit 20

	Business-type Activities-Enterprise Funds		
	Nonmajor		
	Funds		
	Water & Sewer Fund	Parks and Recreation Revolving Fund	Total
<u>Assets:</u>			
Current assets:			
Cash and cash equivalents	\$ 350,678	\$ 27,143	\$ 377,821
Accounts receivable (net of allowance for uncollectibles)	24,379	-	24,379
Total current assets	375,057	27,143	402,200
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	6,702	-	6,702
Improvements other than buildings	70,209	-	70,209
Machinery and equipment	10,115	22,091	32,206
Total capital assets	87,026	22,091	109,117
Total assets	462,083	49,234	511,317
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	3,790	6,978	10,768
Total current liabilities	3,790	6,978	10,768
<u>Net Assets:</u>			
Invested in capital assets, net of related debt	87,026	22,091	109,117
Unrestricted	371,268	20,166	391,434
Total net assets	\$ 458,294	\$ 42,257	\$ 500,551

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 21

	Business-type Activities-Enterprise Funds		
	Nonmajor Funds		
	Water & Sewer Fund	Parks and Recreation Revolving Fund	Total
Operating revenues:			
Charges for services	\$ 203,836	\$ 61,826	\$ 265,662
Operating expenses:			
Personnel services and fringe benefits	-	1,055	1,055
Other operating expenses	106,773	60,273	167,046
Depreciation	19,930	3,568	23,498
Total operating expenses	126,703	64,896	191,599
Operating income (loss)	77,133	(3,070)	74,063
Transfers:			
Transfers in	136,226	-	136,226
Transfers out	-	(41,275)	(41,275)
Total transfers	136,226	(41,275)	94,951
Changes in net assets	213,359	(44,345)	169,014
Total net assets, beginning of year	244,935	86,602	331,537
Total net assets, end of year	\$ 458,294	\$ 42,257	\$ 500,551

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 22

	Business-type Activities-Enterprise Funds		
	Nonmajor Funds		
	Water & Sewer Fund	Parks and Recreation Revolving Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 205,350	\$ 61,826	\$ 267,176
Payments to suppliers	(124,058)	(63,901)	(187,959)
Payments to employees and benefits paid on behalf of employees	-	(1,055)	(1,055)
Net cash provided by operating activities	81,292	(3,130)	78,162
Cash flows from noncapital financing activities:			
Transfer from (to) the General Fund	136,226	(41,275)	94,951
Net cash used for noncapital financing activities	136,226	(41,275)	94,951
Net increase in cash and cash equivalents	217,518	(44,405)	173,113
Cash and cash equivalents, beginning of year	133,160	71,548	204,708
Cash and cash equivalents, end of year	<u>\$ 350,678</u>	<u>\$ 27,143</u>	<u>\$ 377,821</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 77,133	\$ (3,070)	\$ 74,063
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	19,930	3,568	23,498
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	1,860	-	1,860
(Increase) Decrease in prepaid revenue	(345)	-	(345)
Increase (Decrease) in accounts payable	(17,286)	(3,628)	(20,914)
Total adjustments	(15,771)	(3,628)	(19,399)
Net cash provided by operating activities	<u>\$ 81,292</u>	<u>\$ (3,130)</u>	<u>\$ 78,162</u>

Agency Funds

Agency Funds-Agency funds are used to account for the assets held by a government unit as an agent for individuals, organizations, other governmental units, and/or other funds. Agency fund do not involve the measurement of results of operations, as they are custodial in nature. The County has the following agency funds:

- **Special Welfare**-The Special Welfare fund is established under the authority of Section 63.1-51, Code of Virginia, as amended. This fund accounts for Social Security or Veteran's Administration benefits for specific individuals for which the County is acting as the custodian. It also accounts for donations and the provision for emergency assistance to indigent citizens.
- **War Memorial Fund**-The War Memorial Fund is established to accounts for citizen donations for memorial service commemorations.
- **Sheriff Canteen Fund**-The Sheriff Canteen Fund accounts for funds held on behalf of inmates of the County jail.

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
AT JUNE 30, 2012

Exhibit 23

	Agency Funds			
	Special Welfare Fund	War Memorial Fund	Sheriff Canteen Fund	Totals
<u>Assets:</u>				
Cash & cash equivalents held by Treasurer	\$ 37,745	\$ 3,026	\$ -	\$ 40,771
Cash & cash equivalents in custody of others	-	-	23,978	23,978
Total assets	<u>37,745</u>	<u>3,026</u>	<u>23,978</u>	<u>64,749</u>
<u>Liabilities:</u>				
Amounts held for social service clients	37,745	-	-	37,745
Amounts held for others	-	-	23,978	23,978
Amounts held for war memorial ceremonies	-	3,026	-	3,026
Total liabilities	<u>\$ 37,745</u>	<u>\$ 3,026</u>	<u>\$ 23,978</u>	<u>\$ 64,749</u>

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 24

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Special Welfare Fund:				
<u>Assets:</u>				
Cash and cash equivalents	\$ 30,024	\$ 60,033	\$ 52,312	\$ 37,745
<u>Liabilities:</u>				
Amount held for clients	30,024	\$ 60,033	\$ 52,312	37,745
War Memorial Fund:				
<u>Assets:</u>				
Cash and cash equivalents	3,000	26	-	3,026
<u>Liabilities:</u>				
Amount held for War Memorial Fund	3,000	26	-	3,026
Sheriff Canteen:				
<u>Assets:</u>				
Cash and cash equivalents	28,493	161,716	166,231	23,978
<u>Liabilities:</u>				
Amount held for others	28,493	161,716	166,231	23,978
Totals-All Agency Funds:				
<u>Assets:</u>				
Cash and cash equivalents	61,517	221,775	218,543	64,749
<u>Liabilities:</u>				
Amount held for clients	30,024	60,033	52,312	37,745
Amount held for others	28,493	161,716	166,231	23,978
Amount held for War Memorial Fund	3,000	26	-	3,026
Total Liabilities	\$ 61,517	\$ 221,775	\$ 218,543	\$ 64,749



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Discretely Presented Component Unit School Board

- **School Operating Fund**-Accounts for the primary operating activities of the Accomack County Public Schools.
- **School Cafeteria Fund**-Accounts for the operating activities of school food service facilities.
- **School Capital Projects Fund**-Accounts for the acquisition or construction of major school capital facilities financed, for the most part, by County issued debt.
- **School Activity Fund**-Accounts for the student activity monies maintained on behalf of the students of each school.

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF NET ASSETS
AT JUNE 30, 2012

Exhibit 25

	Governmental Activities
<u>Assets:</u>	
Cash and cash equivalents	\$ 10,853,752
Accounts receivable, net	139,434
Due from other governmental entities	2,973,511
Capital Assets (net of accumulated depreciation):	
Land	974,862
Buildings	29,047,361
Improvements other than buildings	1,251,315
Machinery and equipment	2,764,407
Total assets	<u>48,004,642</u>
<u>Liabilities:</u>	
Accounts payable	1,721,506
Wages and benefits payable	3,549,930
Due to other governmental entities	21,375
Unearned revenue	400,589
Noncurrent liabilities:	
Due within one year	1,691,925
Due in more than one year	733,114
Total liabilities	<u>8,118,439</u>
<u>Net Assets:</u>	
Invested in capital assets, net of related debt	34,037,945
Unrestricted	5,848,258
Total net assets	<u>\$ 39,886,203</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2012

Exhibit 26

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Discretely Presented School Board Component Unit:					
Governmental activities:					
Education	\$ 51,295,115	\$ 908,844	\$ 36,023,344	\$ -	\$ (14,362,927)
Total governmental activities	<u>\$ 51,295,115</u>	<u>\$ 908,844</u>	<u>\$ 36,023,344</u>	<u>\$ -</u>	<u>(14,362,927)</u>

General Revenues:	
Contribution from local government	17,765,382
Investment earnings	1,162
Miscellaneous	138,832
Total general revenues	<u>17,905,376</u>
Change in net assets	3,542,449
Net assets, beginning of year	36,343,754
Net assets, end of year	<u>\$ 39,886,203</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
BALANCE SHEET-GOVERNMENTAL FUNDS
AT JUNE 30, 2012

Exhibit 27

	Major Funds		Nonmajor Fund	Total
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Governmental Funds
Assets:				
Cash and cash equivalents	\$ 9,216,683	\$ 274,840	\$ 1,362,229	\$ 10,853,752
Accounts receivable, net	139,434	-	-	139,434
Due from the Commonwealth	822,205	-	-	822,205
Due from the Federal Government	1,866,246	-	285,060	2,151,306
Total assets	<u>12,044,568</u>	<u>274,840</u>	<u>1,647,289</u>	<u>13,966,697</u>
Liabilities:				
Accounts payable	1,709,357	-	12,149	1,721,506
Wages and benefits payable	3,549,930	-	-	3,549,930
Due to other governmental entities	21,375	-	-	21,375
Deferred grant revenues	400,589	-	-	400,589
Total liabilities	<u>5,681,251</u>	<u>-</u>	<u>12,149</u>	<u>5,693,400</u>
Fund Balances:				
Restricted for:				
Education	6,363,317	-	-	6,363,317
Capital Projects	-	274,840	-	274,840
Assigned to:				
Food Services	-	-	1,635,140	1,635,140
Total fund balances	<u>6,363,317</u>	<u>274,840</u>	<u>1,635,140</u>	<u>8,273,297</u>
Total liabilities and fund balances	<u>\$ 12,044,568</u>	<u>\$ 274,840</u>	<u>\$ 1,647,289</u>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	974,862	
Buildings, net of depreciation	57,419,392	
Improvements other than buildings, net of depreciation	1,251,315	
Machinery and equipment, net of depreciation	2,764,407	
School Board capital assets in primary government, net of depreciation	<u>(28,372,031)</u>	
Total capital assets		34,037,945

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at fiscal year-end consist of:

Compensated absences	(1,901,039)	
Net other postemployment benefit obligation	<u>(524,000)</u>	
Net adjustment		(2,425,039)
Total net assets		<u>\$ 39,886,203</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 28

	Major Funds		Nonmajor Fund	Total
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Governmental Funds
Revenues:				
Revenue from the use of money and property	\$ -	\$ 339	\$ 823	\$ 1,162
Charges for services	137,581	-	620,510	758,091
Miscellaneous	138,832	-	-	138,832
Recovered costs	150,753	-	-	150,753
From the local government	15,994,506	-	-	15,994,506
From the Commonwealth	27,252,653	-	48,253	27,300,906
From the Federal Government	6,724,329	-	1,998,109	8,722,438
Total revenues	50,398,654	339	2,667,695	53,066,688
Expenditures:				
Education:				
Instruction	34,940,613	-	-	34,940,613
Administration of schools	973,626	-	-	973,626
Attendance and health services	1,581,953	-	-	1,581,953
Operation and maintenance services	4,473,132	214	-	4,473,346
Pupil transportation services	2,950,661	-	-	2,950,661
Technology Services	2,062,291	-	-	2,062,291
Food services	12,698	-	2,441,247	2,453,945
Total expenditures	46,994,974	214	2,441,247	49,436,435
Revenues over (under) expenditures	3,403,680	125	226,448	3,630,253
Net changes in fund balance	3,403,680	125	226,448	3,630,253
Fund balance, beginning of year	2,959,637	274,715	1,408,692	4,643,044
Fund balance, end of years	\$ 6,363,317	\$ 274,840	\$ 1,635,140	\$ 8,273,297

Net changes in fund balance per above \$ 3,630,253

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This and the net effect of various miscellaneous transactions involving capital assets increased net assets.

Capital asset expenditures	634,723	
Depreciation on capital assets	(2,134,951)	
Net adjustment		(1,500,228)

School Board capital assets are jointly owned by the County and the School Board. The County share of School Board assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship decreased the transfers to the School Board.

1,770,876

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.

Compensated absences	(252,452)	
Other postemployment benefit expenses	(106,000)	
Net adjustment		(358,452)

Change in net assets of governmental activities \$ 3,542,449

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 29

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 125,000	\$ 125,000	\$ 137,581	\$ 12,581
Miscellaneous	18,000	18,000	138,832	120,832
Recovered costs	269,776	269,776	150,753	(119,023)
From the local government	15,994,506	15,994,506	15,994,506	-
From the Commonwealth	25,314,646	25,314,646	27,252,653	1,938,007
From the Federal Government	182,730	182,730	6,724,329	6,541,599
Total revenues	41,904,658	41,904,658	50,398,654	8,493,996
Expenditures:				
Education:				
Instruction	29,569,334	29,569,334	34,940,613	(5,371,279)
Administration of schools	1,042,110	1,042,110	973,626	68,484
Attendance and health services	1,204,665	1,204,665	1,581,953	(377,288)
Operation and maintenance services	5,214,115	5,214,115	4,473,132	740,983
Pupil transportation services	2,889,092	2,889,092	2,950,661	(61,569)
Technology Services	1,985,342	1,985,342	2,062,291	(76,949)
Food services	-	-	12,698	(12,698)
Total expenditures	41,904,658	41,904,658	46,994,974	(5,090,316)
Revenues over (under) expenditures	-	-	3,403,680	3,403,680
Net changes in fund balance	-	-	3,403,680	3,403,680
Fund balance, beginning of year	2,959,637	2,959,637	2,959,637	-
Fund balance, end of year	\$ 2,959,637	\$ 2,959,637	\$ 6,363,317	\$ 3,403,680

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF FIDUCIARY NET ASSETS-AGENCY FUNDS
AT JUNE 30, 2012

Exhibit 30

	School Activities Fund
<u>Assets:</u>	
Cash & cash equivalents in custody of others	\$ 502,365
<u>Liabilities:</u>	
Amounts held for school activities	\$ 502,365

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 31

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
School Activities Fund:				
<u>Assets:</u>				
Cash and cash equivalents	\$ 534,958	\$ 1,190,934	\$ 1,223,527	\$ 502,365
<u>Liabilities:</u>				
Amounts held for school activities	\$ 534,958	\$ 1,190,934	\$ 1,223,527	\$ 502,365

Nonmajor Discretely Presented Component Units

- **Accomack County Airport Commission**
- **Economic Development Authority of Accomack County**
- **Accomack-Northampton Planning District Commission**
- **Eastern Shore Public Library**
- **Quinby Boat Harbor Committee**
- **Greenbackville Boat Harbor Committee**
- **Greenbackville/Captain's Cove Mosquito Control Commission**

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
AT JUNE 30, 2012

	Component Units			
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund
<u>Assets:</u>				
Cash and cash equivalents	\$ 699,969	\$ 161,290	\$ 49,993	\$ 70,510
Restricted cash and cash equivalents	228,522	-	-	-
Accounts receivables, net	167,948	-	-	-
Loan receivables	271,478	-	-	-
Due from other governmental entities	-	-	-	-
Inventories	-	-	-	-
Prepaid expenses	9,296	-	-	391
Capital Assets (net of accumulated depreciation):				
Land	106,807	280,000	-	-
Buildings	45,766	758,027	-	-
Improvements other than buildings	86,365	-	79,152	-
Machinery and equipment	11,939	19,389	-	-
Construction in progress	-	18,021	-	-
Total assets	1,628,090	1,236,727	129,145	70,901
<u>Liabilities:</u>				
Accounts payable	31,854	8,452	292	900
Wages and benefits payable	10,035	-	-	-
Due to other governmental entities	-	-	-	-
Deferred revenues	224,336	-	16,341	-
Noncurrent liabilities:				
Due within one year	-	-	-	-
Due in more than one year	106,377	37,458	-	-
Total liabilities	372,602	45,910	16,633	900
<u>Net Assets:</u>				
Invested in capital assets, net of related debt	250,877	1,075,437	79,152	-
Restricted	500,000	159,524	-	-
Unrestricted	504,611	(44,144)	33,360	70,001
Total net assets	\$ 1,255,488	\$ 1,190,817	\$ 112,512	\$ 70,001

Exhibit 32

Component Units				
Greenbackville Harbor Committee	Airport Commission	Economic Development Authority	Total Nonmajor Discretely Presented Comp- onent Units	
\$ 139,421	\$ 425	\$ 16,583	\$ 1,138,191	
-	-	-	228,522	
715	3,790	-	172,453	
-	-	-	271,478	
-	50,781	-	50,781	
-	65,172	-	65,172	
-	-	-	9,687	
-	190,400	317,726	894,933	
-	256,567	-	1,060,360	
-	2,157,236	-	2,322,753	
4,030	10,770	-	46,128	
-	232,356	-	250,377	
144,166	2,967,497	334,309	6,510,835	
-	63,762	182	105,442	
-	1,078	-	11,113	
-	31,278	-	31,278	
-	8,032	-	248,709	
-	20,944	-	20,944	
-	1,311	-	145,146	
-	126,405	182	562,632	
4,030	2,836,998	317,726	4,564,220	
-	-	-	659,524	
140,136	4,094	16,401	724,459	
\$ 144,166	\$ 2,841,092	\$ 334,127	\$ 5,948,203	

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2012

	Component Units			
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund
Operating revenues:				
Operating grants and contributions	\$ 95,768	\$ 100,413	\$ -	\$ -
Use of property	46,752	4,452	-	-
Charges for services	1,038,941	35,238	21,730	10,503
Miscellaneous	-	9,947	-	-
Total operating revenues	<u>1,181,461</u>	<u>150,050</u>	<u>21,730</u>	<u>10,503</u>
Operating expenses:				
General and administration	142,487	-	-	-
Contractual services	-	-	7,368	68,087
Personnel	-	415,480	-	-
Materials and supplies	-	-	-	-
Other operating expenses	-	265,756	4,884	591
Project expenses	1,051,315	-	-	-
Depreciation	24,319	47,274	14,229	-
Total operating expenses	<u>1,218,121</u>	<u>728,510</u>	<u>26,481</u>	<u>68,678</u>
Operating income (loss)	<u>(36,660)</u>	<u>(578,460)</u>	<u>(4,751)</u>	<u>(58,175)</u>
Nonoperating revenues (expenses):				
Contributions from (to) local governments	82,844	425,679	-	52,060
Investment earnings	5,492	-	14	-
State grants	-	135,968	-	-
Federal grants	-	-	-	-
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>88,336</u>	<u>561,647</u>	<u>14</u>	<u>52,060</u>
Changes in net assets	51,676	(16,813)	(4,737)	(6,115)
Total net assets, beginning of year as restated	<u>1,203,812</u>	<u>1,207,630</u>	<u>117,249</u>	<u>76,116</u>
Total net assets, end of year	<u>\$ 1,255,488</u>	<u>\$ 1,190,817</u>	<u>\$ 112,512</u>	<u>\$ 70,001</u>

Exhibit 33

Component Units			
Greenbackville Harbor Committee	Airport Commission	Economic Development Authority	Total Nonmajor Discretely Presented Comp- onent Units
\$ -	\$ -	\$ -	\$ 196,181
-	3,288	-	54,492
20,000	334,873	-	1,461,285
-	1,406	-	11,353
20,000	339,567	-	1,723,311
-			142,487
12,726	14,287	434	102,902
-	154,378	2,678	572,536
-	252,569	804	253,373
149	45,319	1,074	317,773
-	138,601	-	1,189,916
1,004	306,195	-	393,021
13,879	911,349	4,990	2,972,008
6,121	(571,782)	(4,990)	(1,248,697)
-	142,953	-	703,536
151	-	21	5,678
-	15,105	-	151,073
-	120,770	-	120,770
-	(913)	-	(913)
151	277,915	21	980,144
6,272	(293,867)	(4,969)	(268,553)
137,894	3,134,959	339,096	6,216,756
\$ 144,166	\$ 2,841,092	\$ 334,127	\$ 5,948,203

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2012

Exhibit 34

	Component Units		
	Airport Commission	Economic Development Authority	Total Nonmajor Discretely Presented Comp- onent Units
Cash flows from operating activities:			
Receipts from customers	\$ 341,912	\$ -	\$ 341,912
Payments to suppliers	(428,811)	(3,322)	(432,133)
Payments to employees and benefits paid on behalf of employees	(153,867)	(2,678)	(156,545)
Other receipts	1,406	-	1,406
Net cash provided by (used for) operating activities	(239,360)	(6,000)	(245,360)
Cash flows from noncapital financing activities:			
Repayment of advance to Primary Government	31,278	-	31,278
Grant proceeds from the Commonwealth and Federal Government	83,169	-	83,169
Operating subsidy from Primary Government	132,645	-	132,645
Net cash provided by (used for) noncapital financing activities	247,092	-	247,092
Cash flows from capital and related financing activities:			
Capital subsidy from Primary Government	10,308	-	10,308
Grant proceeds from the Commonwealth and Federal Government	5,332	-	5,332
Principal payments on debt	(24,479)	-	(24,479)
Interest payments on debt	(913)	-	(913)
Net cash provided by (used for) capital and related financing activities	(9,752)	-	(9,752)
Cash flows from investing activities:			
Interest income	-	21	21
Net increase (decrease) in cash and cash equivalents	(2,020)	(5,979)	(7,999)
Cash and cash equivalents at beginning of the year	2,445	22,562	25,007
Cash and cash equivalents at end of year	425	16,583	17,008
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	(571,782)	(4,990)	(576,772)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	306,195	-	306,195
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	3,228	-	3,228
Increase (decrease) in inventory	6,806	-	6,806
(Increase) decrease in accrued payroll costs	(49)	-	(49)
Increase (decrease) in accounts payable	13,540	(1,010)	12,530
Increase (decrease) in sales tax payable	(14)	-	(14)
Increase (decrease) in prepaid rent	27	-	27
Increase (decrease) in compensated absences payable	2,193	-	2,193
Total adjustments	26,227	(1,010)	25,217
Net cash provided by (used for) operating activities	\$ (239,360)	\$ (6,000)	\$ (245,360)

Supporting Schedules



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COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 11,837,831	\$ 11,837,831	\$ 12,168,831	\$ 331,000
Real and personal public service taxes	930,506	930,506	1,004,515	74,009
Personal property taxes	4,709,270	4,709,270	4,556,969	(152,301)
Machinery and tools taxes	1,650,274	1,650,274	1,930,350	280,076
Penalties - all taxes	315,000	315,000	262,747	(52,253)
Interest - all taxes	400,000	400,000	298,087	(101,913)
Total general property taxes	19,842,881	19,842,881	20,221,499	378,618
Other local taxes:				
Local sales and use taxes	3,222,426	3,222,427	3,426,366	203,939
Consumers' utility and consumption taxes	1,040,000	1,040,000	1,003,015	(36,985)
Public service corporation license taxes	89,000	89,000	74,575	(14,425)
Communications tax	1,069,566	1,069,566	1,049,330	(20,236)
Motor vehicle licenses	430,836	430,836	479,977	49,141
Bank stock taxes	40,000	40,000	28,669	(11,331)
Taxes on recordation and wills	231,429	231,429	262,044	30,615
Hotel and motel room taxes	416,000	438,800	501,341	62,541
Business, professional and occupational license taxes	63,000	63,000	60,729	(2,271)
Other local taxes	21,000	21,000	24,410	3,410
Total other local taxes	6,623,257	6,646,058	6,910,456	264,398
Permits, Privilege Fees and Licenses:				
Animal licenses	10,000	10,000	10,633	633
Building permits	213,523	213,523	183,172	(30,351)
Health department permits	35,000	35,000	26,630	(8,370)
Land use application fees	21,150	21,150	26,100	4,950
Zoning permits	27,000	27,000	10,262	(16,738)
Erosion & sediment control	18,000	18,000	22,371	4,371
Other licenses and permits	7,600	7,600	12,902	5,302
Total permits, privilege fees and licenses	332,273	332,273	292,070	(40,203)
Fines and forfeitures	75,000	75,000	74,866	(134)
Revenue from use of money and property:				
From use of money	35,000	35,000	8,066	(26,934)
From use of property	334,040	334,040	347,512	13,472
Total revenue from use of money and property	369,040	369,040	355,578	(13,462)
Charges for services:				
General government administration charges	232,100	232,100	214,344	(17,756)
Judicial administration charges	15,500	15,500	2,436	(13,064)
Public safety charges	76,805	76,805	109,394	32,589
Public works charges	85,425	85,425	84,724	(701)
Health and welfare charges	-	15,000	-	(15,000)
Community development charges	-	-	460	460
Total charges for services	409,830	424,830	411,358	(13,472)
Miscellaneous revenue	-	-	77,407	77,407

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from local sources:				
Recovered costs:				
General government administration	\$ 21,800	\$ 21,800	\$ 42,864	\$ 21,064
Judicial administration	18,044	18,044	17,592	(452)
Public safety	33,708	33,708	25,038	(8,670)
Public works	3,000	40,748	45,004	4,256
Health and welfare	-	-	33,992	33,992
Community development	-	460	49,192	48,732
Nondepartmental (Insurance recoveries)	-	227,817	240,333	12,516
Total recovered costs	76,552	342,577	454,015	111,438
Total revenue from local sources	27,728,833	28,032,659	28,797,249	764,590
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	6,200	6,200	5,997	(203)
Rolling stock tax	2,000	2,000	2,321	321
Mobile home titling tax	38,000	38,000	39,239	1,239
Tax on deeds (grantor)	80,000	80,000	83,350	3,350
Personal Property Tax Relief Act	2,904,000	2,904,000	2,866,307	(37,693)
Total noncategorical aid	3,030,200	3,030,200	2,997,214	(32,986)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	309,773	309,773	294,722	(15,051)
Sheriff	2,137,876	2,137,876	2,164,950	27,074
Commissioner of the revenue	98,877	98,877	99,022	145
Treasurer	110,490	110,490	108,298	(2,192)
Medical examiner	500	500	-	(500)
Registrar / electoral board	40,000	51,140	56,808	5,668
Clerk of circuit court	259,618	283,558	285,897	2,339
Jail	215,386	215,386	143,208	(72,178)
Total shared expenses	3,172,520	3,207,600	3,152,905	(54,695)
Other categorical aid:				
Litter control	-	17,422	20,654	3,232
"Four for Life" program	-	47,091	47,091	-
Juvenile crime control act	39,418	36,269	40,737	4,468
Victim / witness assistance grant	47,342	50,831	50,831	-
Community corrections grant	-	88,335	40,538	(47,797)
Emergency management assistance	-	-	25,759	25,759
Hazardous materials response grants	5,000	5,000	3,859	(1,141)
Other	4,000	11,040	22,266	11,226
Total other categorical aid	95,760	255,988	251,735	(4,253)
Total revenue from the Commonwealth	6,298,480	6,493,788	6,401,854	(91,934)
Revenue from the Federal Government:				
Payments in lieu of taxes	23,000	23,000	25,815	2,815

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Federal Government:				
Noncategorical aid:				
Refuge revenue sharing	\$ 95,000	\$ 95,000	\$ 80,525	\$ (14,475)
Indirect costs	40,000	40,000	29,839	(10,161)
Total noncategorical aid	135,000	135,000	110,364	(24,636)
Categorical aid:				
Summer food service program	-	191,942	114,891	(77,051)
Emergency management assistance	-	83,618	108,463	24,845
Homeland security related grants	-	72,300	-	(72,300)
C.O.P.S. grants	-	11,526	11,459	(67)
Selective enforcement grant	-	13,000	17,531	4,531
Other	-	40,000	47,357	7,357
Total categorical aid	-	412,386	299,701	(112,685)
Total revenue from the Federal Government	158,000	570,386	435,880	(134,506)
Total General Fund	34,185,313	35,096,833	35,634,983	538,150
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue	-	190	49	(141)
Revenue from the Commonwealth:				
Categorical aid:				
Welfare	1,379,005	1,379,005	1,120,847	(258,158)
Revenue from the Federal Government:				
Categorical aid:				
Welfare	2,022,202	2,022,202	1,770,524	(251,678)
Total categorical aid	2,022,202	2,022,202	1,770,524	(251,678)
Total Virginia Public Assistance Fund	3,401,207	3,401,397	2,891,420	(509,977)
Comprehensive Youth Services Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
From Northampton County	100,274	100,274	126,594	26,320
Other	-	-	-	-
Total miscellaneous revenue	100,274	100,274	126,594	26,320
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act pooled services grants	1,552,677	1,552,677	872,602	(680,075)
Comprehensive Services Act Trust Fund grant	19,621	19,621	19,620	(1)
Family Preservation grant	-	-	3,225	3,225
Total categorical aid from the Commonwealth	1,572,298	1,572,298	895,447	(676,851)
Total Comprehensive Youth Services Fund	1,672,572	1,672,572	1,022,041	(650,531)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Law Library Fund:				
Revenue from local sources:				
Other local taxes:				
Taxes on recordation and wills	\$ 7,000	\$ 7,000	\$ 9,229	\$ 2,229
Drug Seizures Fund:				
Revenue from the Commonwealth:				
Categorical Aid:				
Drug forfeitures and seizures	-	-	906	906
Revenue from the Federal Government:				
Categorical aid:				
Drug forfeitures and seizures	2,000	2,000	898	(1,102)
Total Drug Seizures Fund	2,000	2,000	1,804	(196)
Courthouse Security Fund:				
Revenue from local sources:				
Other local taxes:				
Court security fees	67,000	67,000	79,781	12,781
Total Courthouse Security Fund	67,000	67,000	79,781	12,781
Fire Programs Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	86	86
Miscellaneous revenue:				
Contributions	-	23,000	23,000	-
From Northampton County	6,700	6,700	6,700	-
Total revenue from local sources	6,700	29,700	29,786	86
Revenue from the Commonwealth:				
Categorical Aid:				
Fire programs grant	-	2,326	28,913	26,587
Total Fire Programs Fund	6,700	32,026	58,699	26,673
Rehabilitation Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	62	62
Miscellaneous revenue	-	-	12,379	12,379
Recovered costs:				
Grant project income	-	-	17,589	17,589
Total revenue from local sources	-	-	30,030	30,030
Revenue from the Federal Government:				
Categorical aid:				
Community development block grants	-	-	3	3
Total Rehabilitation Projects Fund	-	-	30,033	30,033
Greenbackville - Captain's Cove Mosquito Control Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	60,963	60,963	55,389	(5,574)
Penalties - all taxes	500	500	513	13
Interest - all taxes	500	500	478	(22)
Total Greenbackville Mosquito Control Fund	61,963	61,963	56,380	(5,583)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Emergency Medical Services Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 1,422,924	\$ 1,422,924	\$ 1,520,127	\$ 97,203
Public service taxes	140,436	140,436	150,653	10,217
Personal property taxes	99,632	99,632	111,413	11,781
Machinery and tools taxes	37,439	37,439	43,919	6,480
Penalties - all taxes	23,000	23,000	21,815	(1,185)
Interest - all taxes	23,000	23,000	23,691	691
Total general property taxes	1,746,431	1,746,431	1,871,618	125,187
Miscellaneous revenue:				
Donations from volunteer fire and rescue companies	10,629	10,629	-	(10,629)
Other	-	8,250	8,000	(250)
Total miscellaneous revenue	10,629	18,879	8,000	(10,879)
Total revenue from local sources	1,757,060	1,765,310	1,879,618	114,308
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	48,422	48,422	64,591	16,169
Total Consolidated Emergency Medical Services Fund	1,805,482	1,813,732	1,944,209	130,477
Consolidated Fire and Rescue Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	-	373,407	590,277	216,870
Personal property taxes	-	42,580	33,827	(8,753)
Machinery and tools taxes	-	1,123	15,094	13,971
Penalties - all taxes	-	4,339	5,990	1,651
Interest - all taxes	-	8,442	5,461	(2,981)
Total revenue from local sources	-	429,891	650,649	220,758
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	-	7,107	2,097	(5,010)
Total Consolidated Fire and Rescue Fund	-	436,998	652,746	215,748
Election District 2 Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	283,702	147,319	141,880	(5,439)
Public service taxes	61,707	61,707	64,939	3,232
Personal property taxes	35,054	16,689	17,851	1,162
Machinery and tools taxes	4,500	4,500	5,545	1,045
Penalties - all taxes	5,000	3,107	3,107	-
Interest - all taxes	9,000	4,610	4,610	-
Total revenue from local sources	398,963	237,932	237,932	-
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	17,612	15,354	15,354	-
Total Election District 2 Fire and Rescue Fund	416,575	253,286	253,286	-

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Election District 3 Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 103,521	\$ 51,643	\$ 49,655	\$ (1,988)
Public service taxes	3,016	3,016	3,311	295
Personal property taxes	11,008	4,833	6,173	1,340
Machinery and tools taxes	700	700	1,054	354
Penalties - all taxes	2,000	1,167	1,166	(1)
Interest - all taxes	3,000	1,765	1,765	-
Total revenue from local sources	123,245	63,124	63,124	-
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	8,107	7,294	7,294	-
Total Election District 3 Fire and Rescue Fund	131,352	70,418	70,418	-
Election District 4 Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	163,899	85,626	83,887	(1,739)
Public service taxes	8,537	8,537	9,795	1,258
Personal property taxes	18,211	8,784	9,268	484
Machinery and tools taxes	6,000	4,877	4,875	(2)
Penalties - all taxes	2,000	1,169	1,169	-
Interest - all taxes	3,000	1,289	1,288	(1)
Total revenue from local sources	201,647	110,282	110,282	-
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	10,895	8,689	8,689	-
Total Election District 4 Fire and Rescue Fund	212,542	118,971	118,971	-
Election District 5 Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	232,422	125,549	122,510	(3,039)
Public Service taxes	5,615	5,615	6,256	641
Personal property taxes	16,741	8,128	8,826	698
Machinery and tools taxes	150	150	1,852	1,702
Penalties - all taxes	3,000	2,218	2,217	(1)
Interest - all taxes	4,000	2,894	2,893	(1)
Total revenue from local sources	261,928	144,554	144,554	-
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	10,342	8,512	8,512	-
Total Election District 5 Fire and Rescue Fund	272,270	153,066	153,066	-
Total Special Revenue Funds	8,056,663	8,090,429	7,342,083	(748,346)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 33	\$ 33
Revenue from the Commonwealth:				
Categorical aid:				
Harbor improvement grants	-	649,040	-	(649,040)
Wallops transit clearance grant	-	3,382,045	2,965,210	(416,835)
Total County Capital Projects Fund	-	4,031,085	2,965,243	(1,065,842)
Debt Service Funds:				
School Debt Service Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	3,169,711	3,169,711	3,200,330	30,619
Public service taxes	233,149	233,149	250,099	16,950
Personal property taxes	137,472	137,472	151,054	13,582
Machinery and tools taxes	46,985	46,985	55,380	8,395
Penalties - all taxes	35,000	35,000	41,775	6,775
Interest - all taxes	35,000	35,000	45,242	10,242
Total general property taxes	3,657,317	3,657,317	3,743,880	86,563
Total revenue from local sources	3,657,317	3,657,317	3,743,880	86,563
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	56,199	56,199	82,365	26,166
Total revenue from the Commonwealth	56,199	56,199	82,365	26,166
Total School Debt Service Fund	3,713,516	3,713,516	3,826,245	112,729
Total revenue-Primary Government	45,955,492	50,931,863	49,768,554	(1,163,309)
School Board Component Unit:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	25,000	25,000	38,481	13,481
Health services	100,000	100,000	99,100	(900)
Total charges for services	125,000	125,000	137,581	12,581
Miscellaneous revenue:				
Miscellaneous	18,000	18,000	138,832	120,832
Recovered costs	269,776	269,776	150,753	(119,023)
Revenue from local government:				
Contribution from Accomack County, Virginia	15,994,506	15,994,506	15,994,506	-
Total revenue from local sources	16,407,282	16,407,282	16,421,672	14,390

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit (continued):				
Special Revenue Funds (continued):				
School Operating Fund (continued):				
Revenue from the Commonwealth:				
Categorical aid:				
Sales tax contribution	\$ 5,742,249	\$ 5,742,249	\$ 5,661,070	\$ (81,179)
Basic school aid	12,552,842	12,552,842	12,921,885	369,043
Education of the gifted	136,830	136,830	140,185	3,355
Remedial education	615,228	615,228	615,509	281
Special education	1,811,514	1,811,514	1,855,931	44,417
Textbooks	143,910	143,910	123,607	(20,303)
Vocational education	464,033	464,033	475,411	11,378
Social Security	850,727	850,727	871,587	20,860
Retirement	862,626	862,626	789,304	(73,322)
Group life insurance	29,746	29,746	30,475	729
Governor's School	7,101	7,101	7,101	-
Special Education - homebound	23,501	23,501	28,436	4,935
Special Education - private tuition	27,777	27,777	21,371	(6,406)
Vocational education-equipment	-	-	8,449	8,449
Vocational education-occupational	50,803	50,803	52,965	2,162
Industry based certification	5,000	5,000	6,168	1,168
At risk	905,792	905,792	927,589	21,797
Trans courses	15,717	15,717	15,717	-
Four year old preschool program	337,392	337,392	337,338	(54)
Mentor teacher program	5,386	5,386	6,755	1,369
English as a second language	378,488	378,488	340,858	(37,630)
K-3 initiative	-	-	827,769	827,769
Educational technology grant	-	-	591,635	591,635
Reading intervention	93,006	93,006	85,414	(7,592)
Hard to staff schools	-	-	20,486	20,486
SOL algebra readiness	-	-	81,703	81,703
Supplemental costs	254,978	254,978	395,018	140,040
Other	-	-	12,917	12,917
Total revenue from the Commonwealth	25,314,646	25,314,646	27,252,653	1,938,007
Revenue from the Federal Government:				
Categorical aid:				
Vocational Education	182,730	182,730	137,074	(45,656)
Title I-Migrant education	-	-	2,895,224	2,895,224
Title I-School improvement	-	-	494,259	494,259
Title II	-	-	307,307	307,307
Title III	-	-	70,912	70,912
Title VI	-	-	66,761	66,761
Title VI-B Special Education	-	-	2,178,422	2,178,422
Title X	-	-	12,593	12,593
Even start grant	-	-	6,231	6,231
Basic Aid backfill	-	-	555,546	555,546
Total revenue from the Federal Government	182,730	182,730	6,724,329	6,541,599
Total School Operating Fund	41,904,658	41,904,658	50,398,654	8,493,996

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit (continued):				
Special Revenue Funds (continued):				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	\$ -	\$ -	\$ 823	\$ 823
Charges for services:				
Meal charges	650,000	650,000	620,510	(29,490)
Total revenue from local sources	650,000	650,000	621,333	(28,667)
Revenue from the Commonwealth:				
Categorical aid:				
School food payments	43,000	43,000	48,253	5,253
Revenue from the Federal Government:				
Categorical aid:				
School food payments	1,860,000	1,860,000	1,998,109	138,109
Total School Cafeteria Fund	2,553,000	2,553,000	2,667,695	114,695
Total Special Revenue Funds	44,457,658	44,457,658	53,066,349	8,608,691
Capital Projects Fund:				
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	-	-	339	339
Total School Capital Projects Fund	-	-	339	339
Total revenue-School Board Component Unit	44,457,658	44,457,658	53,066,688	8,609,030
Grand total revenue-Primary Government and School Board Component Unit	\$ 90,413,150	\$ 95,389,521	\$ 102,835,241	\$ 7,445,720

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 131,626	\$ 141,535	\$ 114,696	\$ 26,839
General and financial administration:				
County administrator	472,228	521,048	479,982	41,066
Legal services	209,618	218,595	215,038	3,557
Commissioner of the revenue	267,936	267,936	263,930	4,006
County assessor	728,610	738,268	528,379	209,889
Treasurer	529,953	541,286	441,511	99,775
Central accounting	334,539	294,482	266,888	27,594
Information technology	476,201	661,461	563,350	98,111
Risk management	185,006	185,006	172,043	12,963
Total general and financial administration	3,204,091	3,428,082	2,931,121	496,961
Board of elections:				
Electoral board	48,628	59,768	64,619	(4,851)
Registrar	115,498	132,299	117,618	14,681
Total board of elections	164,126	192,067	182,237	9,830
Total general government administration	3,499,843	3,761,684	3,228,054	533,630
Judicial administration:				
Courts:				
Circuit court	80,177	80,177	69,434	10,743
General district court	9,971	9,971	9,587	384
Chief magistrate	12,637	12,637	12,356	281
Juvenile and domestic relations court	13,650	13,650	8,015	5,635
Clerk of the circuit court	373,447	407,094	395,212	11,882
Sheriff court services	498,105	471,563	332,358	139,205
Commissioner of accounts	214	214	214	-
Victim and witness assistance	54,285	55,247	54,340	907
Total courts	1,042,486	1,050,553	881,516	169,037
Commonwealth's attorney	365,299	370,185	355,435	14,750
Total judicial administration	1,407,785	1,420,738	1,236,951	183,787
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	1,692,802	2,153,364	2,072,165	81,199
Fire and rescue services:				
Volunteer fire and rescue	263,510	315,451	312,443	3,008
Emergency medical services	166,287	180,164	178,962	1,202
Payments to 911 commission	490,384	490,384	482,955	7,429
Total fire and rescue services	920,181	985,999	974,360	11,639
Correction and detention:				
Jail	2,152,628	1,926,239	1,711,171	215,068
Juvenile probation	120,611	118,708	69,167	49,541
Community correction	-	88,335	66,277	22,058
Total correction and detention	2,273,239	2,133,282	1,846,615	286,667

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (Continued)

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Public safety: (continued)				
Other protection:				
Building and zoning	\$ 466,415	\$ 473,174	\$ 446,851	\$ 26,323
Animal control	102,263	103,626	96,700	6,926
Regional animal control facility	99,413	99,413	75,154	24,259
S.P.C.A. supplement	921	1,233	1,233	-
Emergency management	67,230	144,118	80,840	63,278
Hurricane Irene	-	268,057	199,343	68,714
Medical examiner	-	-	540	(540)
Cleanup/disposal of hazardous materials	13,000	15,067	6,467	8,600
Total other protection	749,242	1,104,688	907,128	197,560
Total public safety	5,635,464	6,377,333	5,800,268	577,065
Public works:				
Maintenance of streets, bridges and sidewalks:				
Storm drainage	163,949	216,830	108,503	108,327
Sanitation and waste removal:				
General operations	179,404	182,213	182,979	(766)
Refuse disposal	1,119,516	910,716	832,036	78,680
Refuse collection	570,842	577,840	523,937	53,903
Maintenance garage	170,792	210,241	205,915	4,326
Litter control	185,322	206,536	201,370	5,166
Total sanitation and waste removal	2,225,876	2,087,546	1,946,237	141,309
Maintenance of buildings and grounds:				
Buildings and grounds	858,480	949,072	1,003,664	(54,592)
Total public works	3,248,305	3,253,448	3,058,404	195,044
Health and welfare:				
Health:				
Local health department supplement	477,319	492,319	492,319	-
Rural health dental program supplement	4,971	4,971	4,971	-
Total health	482,290	497,290	497,290	-
Mental health and mental retardation:				
Community services board supplement	134,995	134,995	134,995	-
Welfare:				
Property tax relief for the elderly	142,025	142,025	124,931	17,094
Area agency on aging supplement	18,430	18,430	18,430	-
Total welfare	160,455	160,455	143,361	17,094
Total health and welfare	777,740	792,740	775,646	17,094
Education:				
Contribution to School Board component unit	15,994,506	15,994,506	15,994,506	-
Community College supplement	41,028	41,028	41,028	-
Total education	16,035,534	16,035,534	16,035,534	-

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
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FOR THE YEAR ENDED JUNE 30, 2012 (Continued)

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 217,138	\$ 264,269	\$ 265,107	\$ (838)
Summer food program	-	166,942	128,372	38,570
Boating facilities	74,678	258,941	137,327	121,614
Total parks and recreation	291,816	690,152	530,806	159,346
Cultural enrichment:				
Translator television	74,457	155,787	155,787	-
Contribution to Public Library component unit	319,259	319,259	319,259	-
Total cultural enrichment	393,716	475,046	475,046	-
Total parks, recreation and cultural	685,532	1,165,198	1,005,852	159,346
Community development:				
Planning and community development:				
Economic development	21,932	-	-	-
Contribution to Planning Dist. Commission component unit	63,123	63,123	63,123	-
Housing/Redevelopment Corp. supplement	9,215	9,215	9,215	-
Planning	370,434	476,711	452,057	24,654
Tourism Commission supplement	64,053	86,853	86,853	-
Wallops Research Park	88,000	18,000	18,000	-
Star Transit public transportation supplement	67,024	67,024	67,024	-
Transportation District Commission supplement	6,704	18,871	18,871	-
Contribution to Airport Commission component unit	139,991	142,953	142,953	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	835,083	887,357	862,703	24,654
Environmental management:				
Johnsongrass/gypsy moth control program	9,956	11,456	10,684	772
Soil and Water Conservation District supplement	21,154	21,154	21,154	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	8,883	8,883	8,883	-
Total environmental management	59,714	61,214	60,442	772
Cooperative extension program	90,411	92,036	84,757	7,279
Total community development	985,208	1,040,607	1,007,902	32,705
Nondepartmental:				
Contingency	433,959	42,936	-	42,936
Debt service:				
Principal	-	4,263,000	4,263,000	-
Interest and fiscal charges	400,969	352,909	333,584	19,325
Total debt service	400,969	4,615,909	4,596,584	19,325
Total General Fund	33,110,339	38,506,127	36,745,195	1,760,932

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (Continued)

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare/social services:				
Welfare administration	\$ 2,939,302	\$ 2,981,668	\$ 2,767,292	\$ 214,376
Public assistance	933,062	933,062	559,289	373,773
Fuel administration	40,146	40,146	37,170	2,976
Local only administration	70,055	70,055	107,792	(37,737)
CDC quality initiative program	10,558	10,558	10,289	269
Eligibility pass-through	27,039	27,039	-	27,039
Service pass-through	40,638	40,638	-	40,638
Total welfare/social services	4,060,800	4,103,166	3,481,832	621,334
Comprehensive Youth Services Fund:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families	2,244,083	2,244,083	1,173,856	1,070,227
Total welfare	2,244,083	2,244,083	1,173,856	1,070,227
Law Library Fund:				
Judicial administration:				
Courts:				
Law library books	7,000	23,630	2,240	21,390
Drug Seizures Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	2,000	31,668	13,920	17,748
Fire Programs Fund:				
Public safety:				
Fire and rescue services:				
Payments to fire companies	24,000	24,000	24,000	-
Fire training center and other	17,250	42,576	22,771	19,805
Total fire and rescue services	41,250	66,576	46,771	19,805

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
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FOR THE YEAR ENDED JUNE 30, 2012 (Continued)

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Rehabilitation Projects Fund:				
Community development:				
Planning and community development:				
Savagetown/Cats Bridge program income costs	\$ -	\$ -	\$ 164	\$ (164)
Lead Safe Homes program	-	-	22,850	(22,850)
Locust Mount program income costs	-	-	241	(241)
Metompink Rehabilitation project	-	-	16,800	(16,800)
Truss Tech Grant	-	-	12,386	(12,386)
Total planning and community development	-	-	52,441	(52,441)
Captains Cove/Greenbackville Mosquito Control				
Health and welfare:				
Health:				
Contribution to mosquito control commission	61,963	73,005	52,060	20,945
Consolidated Emergency Medical Services:				
Public safety:				
Fire and Rescue Services:				
Emergency Medical Services	1,924,419	1,962,891	1,924,217	38,674
Consolidated Fire and Rescue Services:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	-	436,997	324,092	112,905
Election District 2 Fire and Rescue Fund:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	416,575	332,195	315,195	17,000
Election District 3 Fire and Rescue Fund:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	131,352	96,948	90,879	6,069
Election District 4 Fire and Rescue Fund:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	212,542	164,011	158,170	5,841
Election District 5 Fire and Rescue Fund:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	272,270	212,939	201,777	11,162
Courthouse Security Fund:				
Judicial Administration:				
Courts:				
Court security	67,000	168,046	96,047	71,999
Total Special Revenue Funds	9,441,254	9,916,155	7,933,497	1,982,658

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Capital Project Funds:				
County Capital Projects Fund:				
General government administration:				
Software upgrades	\$ 57,603	\$ 93,000	\$ 5,158	\$ 87,842
Total general government administration	57,603	93,000	5,158	87,842
Public works:				
Convenience center construction	-	271,706	-	271,706
Solid waste transfer station construction	1,160,000	1,160,000	1,005	1,158,995
Walking excavator replacement	325,000	325,000	207,150	117,850
Building improvements	320,000	320,000	129,388	190,612
Other improvements	100,000	-	-	-
Total public works	1,905,000	2,076,706	337,543	1,739,163
Parks, recreation and cultural				
Greenbackville Harbor boating facilities	-	657,827	7,585	650,242
Quinby Harbor boating facilities	-	259,685	259,684	1
Total parks, recreation and cultural	-	917,512	267,269	650,243
Planning and community development:				
Wallops transit clearance	-	3,382,045	2,965,210	416,835
Wallops research park	-	101,000	21,082	79,918
Total planning and community development	-	3,483,045	2,986,292	496,753
Total County capital projects fund	1,962,603	6,570,263	3,596,262	2,974,001
Debt Service Funds:				
School Debt Service Fund:				
Debt Service:				
Principal	2,469,867	2,469,867	2,469,866	1
Interest and fiscal charges	1,678,721	1,678,721	1,678,715	6
Total School Debt Service Fund	4,148,588	4,148,588	4,148,581	7
Total expenditures-Primary Government	48,662,784	59,141,133	52,423,535	6,717,598
School Board Component Unit:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Instruction Costs:				
Classroom instruction	23,556,115	23,556,115	27,907,084	(4,350,969)
Guidance services	1,118,893	1,118,893	881,033	237,860
Homebound instruction	114,448	114,448	82,387	32,061
Improvement of instruction	855,585	855,585	2,400,657	(1,545,072)
Media services	775,523	775,523	742,438	33,085
Office of the principal	3,148,770	3,148,770	2,927,014	221,756
Total instruction costs	29,569,334	29,569,334	34,940,613	(5,371,279)
Administration of schools:				
Board services	58,137	58,137	55,559	2,578
Executive administration services	344,496	344,496	360,973	(16,477)
Personnel services	272,792	272,792	215,945	56,847
Fiscal services	366,685	366,685	341,149	25,536
Data processing services	-	-	-	-
Total administration of schools	1,042,110	1,042,110	973,626	68,484

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012 (Continued)

Schedule 2
Page 7 of 7

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
Special Revenue Funds: (continued)				
School Operating Fund: (continued)				
Education: (continued)				
Attendance and health services:				
Attendance services	\$ 148,597	\$ 148,597	\$ 153,587	\$ (4,990)
Health services	475,201	475,201	900,170	(424,969)
Psychological services	196,000	196,000	243,056	(47,056)
Speech/audiology services	384,867	384,867	285,140	99,727
Total attendance and health services	1,204,665	1,204,665	1,581,953	(377,288)
Operation and maintenance services:				
Management and direction	122,226	122,226	124,984	(2,758)
Building services	4,904,220	4,904,220	4,187,158	717,062
Grounds services	131,672	131,672	79,632	52,040
Equipment services	9,497	9,497	1,787	7,710
Vehicle services (other than pupil transportation)	46,500	46,500	79,571	(33,071)
Total operation and maintenance services	5,214,115	5,214,115	4,473,132	740,983
Pupil transportation services:				
Management and direction	61,928	61,928	72,039	(10,111)
Vehicle operation services	2,325,893	2,325,893	2,426,776	(100,883)
Vehicle maintenance services	501,271	501,271	451,846	49,425
Total pupil transportation services	2,889,092	2,889,092	2,950,661	(61,569)
Food Services:				
Food services	-	-	12,698	(12,698)
Technology services:				
Classroom instruction	1,380,489	1,380,489	1,285,431	95,058
Instructional support	599,853	599,853	729,921	(130,068)
Administration	5,000	5,000	24,786	(19,786)
Attendance and health	-	-	2,036	(2,036)
Pupil transportation	-	-	6,425	(6,425)
Operations and maintenance	-	-	13,692	(13,692)
Total technology services	1,985,342	1,985,342	2,062,291	(76,949)
Total school operating fund	41,904,658	41,904,658	46,994,974	(5,013,367)
School Cafeteria Fund:				
Education:				
School Food Services:				
Operating costs	2,553,000	2,553,000	2,441,247	111,753
School Capital Projects Fund:				
Education:				
Capital outlay:				
School construction/renovation	-	-	214	(214)
Total expenditures-School Board Component Unit	44,457,658	44,457,658	49,436,435	(4,901,828)
Grand total expenditures-Primary Government and School Board Component Unit	\$ 93,120,442	\$ 103,598,791	\$ 101,859,970	\$ 1,815,770

Statistical Section



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Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	148
Revenue Capacity These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	153
Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future. Note that no legal debt margin information is presented as the Code of Virginia only sets legal debt limits for towns and cities. Counties have no legal debt limit imposed by law. Also note that pledged revenue information is not presented as the County has not issued any revenue backed debt.	158
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	160
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.	162

Sources: Unless otherwise noted, the information in these schedules is derived from comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

COUNTY OF ACCOMACK, VIRGINIA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS¹
(accrual basis of accounting)

Table 1

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
Invested in capital assets, net of related debt	\$ 5,703,715	\$ 5,054,178	\$ 4,588,098	\$ 4,996,030	\$ 5,695,836	\$ 5,309,326	\$ 4,553,418	\$ 3,495,270	\$ 2,465,664	\$ 2,537,440
Restricted	1,114,097	2,265,149	2,094,566	1,318,113	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183
Unrestricted	6,927,282	6,985,058	8,423,849	9,155,264	8,676,001	6,991,452	5,749,276	11,496,365	15,554,168	16,447,789
Total governmental activities net assets	<u>\$13,745,094</u>	<u>\$14,304,385</u>	<u>\$15,106,513</u>	<u>\$15,469,407</u>	<u>\$16,378,701</u>	<u>\$13,817,842</u>	<u>\$11,664,822</u>	<u>\$15,851,376</u>	<u>\$19,409,351</u>	<u>\$20,322,412</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ (205,289)	\$ (180,437)	\$ 893,786	\$ 1,749,947	\$ 2,254,741	\$ 2,994,885	\$ 2,960,129	\$ 2,441,845	\$ 2,108,712	\$ 1,542,541
Unrestricted	(2,461,307)	(2,560,758)	(2,926,220)	(3,198,558)	(2,809,545)	(3,617,763)	(3,218,137)	(2,832,415)	(2,436,917)	(1,696,621)
Total business-type activities net assets	<u>\$(2,666,596)</u>	<u>\$(2,741,195)</u>	<u>\$(2,032,434)</u>	<u>\$(1,448,611)</u>	<u>\$ (554,804)</u>	<u>\$ (622,878)</u>	<u>\$ (258,008)</u>	<u>\$ (390,570)</u>	<u>\$ (328,205)</u>	<u>\$ (154,080)</u>
Primary government:										
Invested in capital assets, net of related debt	\$ 5,498,426	\$ 4,873,741	\$ 5,481,884	\$ 6,745,977	\$ 7,950,577	\$ 8,304,211	\$ 7,513,547	\$ 5,937,115	\$ 4,574,376	\$ 4,079,981
Restricted	1,114,097	2,265,149	2,094,566	1,318,113	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183
Unrestricted (as restated)	4,465,975	4,424,300	5,497,629	5,956,706	5,866,456	3,373,689	2,531,139	8,663,950	13,117,251	14,751,168
Total primary government net assets	<u>\$11,078,498</u>	<u>\$11,563,190</u>	<u>\$13,074,079</u>	<u>\$14,020,796</u>	<u>\$15,823,897</u>	<u>\$13,194,964</u>	<u>\$11,406,814</u>	<u>\$15,460,806</u>	<u>\$19,081,146</u>	<u>\$20,168,332</u>

¹ This table reports financial information based on the accrual basis of accounting.

COUNTY OF ACCOMACK, VIRGINIA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table 2
Page 1 of 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Primary Government:										
Expenses										
Governmental activities:										
General government	\$ 2,832,645	\$ 2,563,462	\$ 2,735,038	\$ 2,778,205	\$ 3,721,445	\$ 3,580,942	\$ 3,384,895	\$ 3,442,672	\$ 3,176,953	\$ 3,339,183
Judicial	1,171,358	1,193,487	1,232,697	1,314,413	1,445,432	1,527,924	1,611,685	1,513,759	1,541,877	1,442,643
Public safety	5,775,470	6,288,902	6,496,203	7,096,501	8,180,462	8,789,314	9,328,794	8,958,985	8,982,920	9,141,427
Public works	2,585,191	2,584,404	2,701,241	3,252,085	3,236,614	3,454,908	3,390,696	3,416,523	3,303,409	3,382,833
Health and welfare	6,145,665	6,605,823	7,359,153	8,260,567	8,013,244	8,086,910	8,145,021	7,491,729	5,652,391	5,681,716
Education	13,942,204	14,356,110	15,157,208	17,405,759	16,228,512	16,641,938	17,749,642	17,431,304	18,095,238	18,511,045
Parks, recreation and cultural	662,587	720,923	807,517	954,097	888,283	1,017,040	889,457	901,358	1,038,188	1,037,589
Community development	1,917,524	1,645,533	1,485,057	2,113,031	1,508,436	2,525,015	3,405,964	1,832,561	1,657,666	4,106,234
Interest on long-term debt	1,215,120	1,953,433	2,157,264	2,299,638	2,401,860	2,336,032	2,218,681	2,178,880	2,042,318	1,927,969
Total governmental activities expenses	36,247,764	37,912,077	40,131,378	45,474,296	45,624,288	47,960,023	50,124,835	47,167,771	45,490,960	48,570,639
Business-type activities:										
Landfill	2,456,341	2,391,930	2,039,570	2,506,013	2,350,625	3,271,543	2,409,034	3,006,263	2,522,546	2,783,554
Water and Sewer	-	-	-	-	-	-	63,189	246,816	236,253	126,703
Parks and recreation expenses	58,110	66,767	82,048	62,827	63,085	56,322	66,903	74,618	76,628	64,896
Total business-type activities expenses	2,514,451	2,458,697	2,121,618	2,568,840	2,413,710	3,327,865	2,539,126	3,327,697	2,835,427	2,975,153
Total primary government expenses	38,762,215	40,370,774	42,252,996	48,043,136	48,037,998	51,287,888	52,663,961	50,495,468	48,326,387	51,545,792
Program Revenues										
Governmental activities:										
Charges for services:										
General government	404,120	542,398	350,334	339,472	346,970	377,763	317,584	304,994	363,578	294,422
Judicial	77,182	44,984	76,666	184,174	153,144	146,069	105,652	99,318	95,242	96,434
Public safety	283,310	275,091	369,647	396,733	841,787	835,719	561,323	650,444	431,555	603,751
Public works	31,148	31,553	52,403	107,766	111,011	101,685	112,334	129,267	115,016	129,728
Health and welfare	163,227	159,924	203,271	415,219	417,954	370,942	345,336	308,474	339,200	313,962
Education	-	-	-	-	199,909	-	-	-	-	-
Parks, recreation and cultural	50,050	-	50,050	53,759	99,919	80,146	84,709	81,704	283,305	93,772
Community development	185,896	206,628	192,802	364,260	55,262	204,832	121,442	188,553	57,156	77,943
Operating grants and contributions	8,968,771	9,675,027	10,205,520	11,549,379	11,329,693	11,500,081	12,240,597	10,180,279	8,437,999	7,655,170
Capital grants and contributions	178,850	257,919	264,480	1,763,748	359,685	-	-	398,973	160,367	2,965,210
Total governmental activities program revenues	10,342,554	11,193,524	11,765,173	15,174,510	13,915,334	13,617,237	13,888,977	12,342,006	10,283,418	12,230,392
Business-type activities:										
Charges for services:										
Landfill	1,736,768	2,234,899	2,364,664	2,877,386	3,002,824	2,887,533	2,687,525	2,719,422	2,587,858	2,556,568
Water and Sewer	-	-	-	-	-	-	47,751	194,458	223,069	203,836
Parks and recreation	62,941	68,740	76,048	71,033	66,748	63,979	62,611	62,750	52,753	61,826
Total business-type activities program revenues	1,799,709	2,303,639	2,440,712	2,948,419	3,069,572	2,951,512	2,797,887	2,976,630	2,863,680	2,822,230
Total primary government program revenues	12,142,263	13,497,163	14,205,885	18,122,929	16,984,906	16,568,749	16,686,864	15,318,636	13,147,098	15,052,622

COUNTY OF ACCOMACK, VIRGINIA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Table 2
Page 2 of 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Primary Government:										
Net (Expense)/Revenue¹										
Governmental activities	(25,905,210)	(26,718,553)	(28,366,205)	(30,299,786)	(31,708,954)	(34,342,786)	(36,235,858)	(34,825,765)	(35,207,542)	(36,340,247)
Business-type activities	(714,742)	(155,058)	319,094	379,579	655,862	(376,353)	258,761	(351,067)	28,253	(152,923)
Total primary government net expense	(26,619,952)	(26,873,611)	(28,047,111)	(29,920,207)	(31,053,092)	(34,719,139)	(35,977,097)	(35,176,832)	(35,179,289)	(36,493,170)
General Revenues and Other										
Changes in Net Assets										
Governmental activities:										
Taxes:										
General property taxes	16,429,587	17,782,739	18,883,630	19,143,135	21,985,812	21,354,527	23,360,447	29,221,909	27,583,562	27,117,367
Local sales and use taxes	2,443,653	2,674,849	2,761,611	2,808,207	3,036,498	2,966,467	2,998,382	2,863,318	3,623,339	3,426,366
Consumer utility taxes	1,491,038	1,613,718	1,639,299	1,671,949	1,269,586	916,728	941,541	1,043,339	986,409	1,003,015
Communication taxes	-	-	-	-	389,331	1,077,981	1,012,995	987,303	1,087,470	1,049,330
Other local taxes	1,687,148	1,715,271	1,973,002	2,156,184	2,003,950	1,762,776	1,664,831	1,291,448	1,591,001	1,520,755
Grants and contributions not restricted to specific programs	3,359,625	3,418,462	3,693,035	3,815,820	3,446,722	3,531,512	3,454,660	3,349,305	3,320,843	3,322,295
Investment earnings	174,212	117,154	179,784	343,247	532,916	253,241	80,515	8,272	1,967	8,185
Gain on sale of capital assets	-	-	-	551,206	-	-	-	-	-	-
Other revenue	20,524	19,304	93,497	286,082	74,060	71,468	536,582	368,768	596,723	125,335
Transfers	(631,909)	(63,653)	(55,525)	(113,150)	(120,627)	(152,773)	32,885	(121,343)	(25,800)	(319,340)
Total governmental activities	24,973,878	27,277,844	29,168,333	30,662,680	32,618,248	31,781,927	34,082,838	39,012,319	38,765,514	37,253,308
Business-type activities:										
Investment earnings	28,775	16,806	47,215	90,894	112,375	105,506	37,129	7,047	8,312	7,708
Gain on sale of capital assets	-	-	-	200	4,943	-	-	90,115	-	-
Other revenue	-	-	879	-	-	-	151,865	-	-	-
Transfers	631,909	63,653	55,525	113,150	120,627	152,773	(32,885)	121,343	25,800	319,340
Total business-type activities	660,684	80,459	103,619	204,244	237,945	258,279	156,109	218,505	34,112	327,048
Total primary government	25,634,562	27,358,303	29,271,952	30,866,924	32,856,193	32,040,206	34,238,947	39,230,824	38,799,626	37,580,356
Change in Net Assets										
Governmental activities (as restated)	(931,332)	559,291	802,128	362,894	909,294	(2,560,859)	(2,153,020)	4,186,554	3,557,972	913,061
Business-type activities	(54,058)	(74,599)	422,713	583,823	893,807	(118,074)	414,870	(132,562)	62,365	174,125
Total primary government (as restated)	\$ (985,390)	\$ 484,692	\$ 1,224,841	\$ 946,717	\$ 1,803,101	\$ (2,678,933)	\$ (1,738,150)	\$ 4,053,992	\$ 3,620,337	\$ 1,087,186

¹ Net (expense) revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and other general revenues. A number in parentheses is net expenses indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses are net revenues, meaning that program revenues were more than sufficient to cover expenses.

COUNTY OF ACCOMACK, VIRGINIA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 3

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Nonspendable	\$ 44,700	\$ 94,700	\$ 115,215	\$ 166,112	\$ 171,346	\$ 129,700	\$ 129,700	\$ 129,700	\$ 104,700	\$ 104,700
Restricted	-	317,930	254,341	248,175	259,869	253,247	251,251	3,265	5,792	9,603
Committed	1,500,000	1,614,000	1,614,000	1,614,000	1,714,000	1,224,827	1,894,000	3,964,000	4,695,521	6,100,065
Assigned	2,373,458	2,436,551	3,359,656	3,855,587	3,673,749	3,046,938	575,043	982,567	3,113,920	5,663,962
Unassigned	1,941,805	2,423,458	2,010,838	2,020,833	983,821	-	1,307,812	2,751,457	4,093,028	2,066,357
Total general fund	<u>5,859,963</u>	<u>6,886,639</u>	<u>7,354,050</u>	<u>7,904,707</u>	<u>6,802,785</u>	<u>4,654,712</u>	<u>4,157,806</u>	<u>7,830,989</u>	<u>12,012,961</u>	<u>13,944,687</u>
All Other Governmental Funds:										
Restricted	15,087,347	4,798,384	2,961,585	3,192,680	5,704,835	4,469,619	3,147,073	3,264,378	2,732,804	2,792,758
Assigned	-	-	298,419	320,047	303,965	146,987	121,865	101,786	445,376	83,910
Total all other governmental funds	<u>15,087,347</u>	<u>4,798,384</u>	<u>3,260,004</u>	<u>3,512,727</u>	<u>6,008,800</u>	<u>4,616,606</u>	<u>3,268,938</u>	<u>3,366,164</u>	<u>3,178,180</u>	<u>2,876,668</u>
Total governmental funds	<u>\$20,947,310</u>	<u>\$11,685,023</u>	<u>\$10,614,054</u>	<u>\$11,417,434</u>	<u>\$12,811,585</u>	<u>\$ 9,271,318</u>	<u>\$ 7,426,744</u>	<u>\$11,197,153</u>	<u>\$15,191,141</u>	<u>\$16,821,355</u>

COUNTY OF ACCOMACK, VIRGINIA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Table 4

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
General property taxes	\$16,715,121	\$17,853,441	\$18,644,966	\$19,158,773	\$20,359,076	\$20,689,469	\$23,190,998	\$28,520,895	\$28,064,416	\$27,099,918
Other local taxes	5,621,839	6,003,838	6,373,912	6,636,340	6,699,365	6,723,952	6,617,749	6,185,408	6,946,687	6,999,466
Permits, fees and licenses	309,153	363,562	337,349	555,337	479,797	485,367	441,802	443,079	330,675	292,070
Fines and forfeitures	46,302	38,873	52,864	40,420	58,090	81,648	66,245	74,527	75,136	74,866
Revenue from the use of money and property	271,650	214,258	325,375	631,594	886,586	587,270	441,458	344,055	340,938	355,759
Charges for services	524,382	556,465	616,311	790,119	787,281	705,018	490,462	435,862	384,621	411,358
Miscellaneous	179,778	526,744	537,938	314,766	650,369	522,304	923,529	756,411	791,820	254,129
Recovered costs	213,358	192,883	126,700	158,488	173,434	335,331	194,925	234,332	487,134	471,604
Intergovernmental	12,337,386	12,988,603	13,700,332	16,878,323	14,876,814	14,709,267	15,465,434	13,684,196	11,772,915	13,809,384
Total revenues	36,218,969	38,738,667	40,715,747	45,164,160	44,970,812	44,839,626	47,832,602	50,678,765	49,194,342	49,768,554
Expenditures										
General government administration	2,764,918	2,547,990	2,778,295	2,821,809	3,693,455	3,625,175	3,231,156	3,529,339	3,027,586	3,233,212
Judicial administration	1,107,483	1,096,919	1,145,685	1,221,627	1,350,755	1,463,896	1,524,039	1,379,897	1,433,434	1,335,238
Public safety	5,788,975	6,732,957	6,722,409	7,480,178	7,966,410	8,632,187	8,931,578	8,759,597	8,826,388	8,875,289
Public works	2,548,552	2,588,261	2,849,099	3,800,114	3,971,185	4,301,146	3,875,609	3,257,691	3,758,181	3,395,947
Health and welfare	6,291,921	7,912,916	8,979,402	8,129,866	7,868,626	7,947,256	7,917,925	7,315,878	5,490,104	5,483,394
Education	13,687,079	38,197,927	13,204,268	18,893,969	13,528,120	13,975,115	15,124,559	14,853,300	15,583,300	16,035,534
Parks, recreation and cultural	703,476	715,839	765,244	888,541	876,450	968,194	882,326	1,229,808	1,001,101	1,273,121
Community development	1,921,029	1,625,056	1,474,781	2,290,764	2,256,961	2,400,500	3,337,174	1,724,416	1,565,892	4,046,635
Debt service:										
Principal	5,417,469	1,366,345	1,761,990	1,812,043	2,237,395	2,528,867	2,616,138	2,357,292	2,395,373	6,732,866
Interest	1,168,483	1,435,438	2,295,105	1,987,037	2,514,418	2,384,784	2,269,556	2,290,587	2,093,191	2,012,299
Total expenditures	41,577,013	64,219,648	41,976,278	49,325,948	46,263,775	48,227,120	49,710,060	46,697,805	45,174,550	52,423,535
Excess of revenues over (under) expenditures	(5,358,044)	(25,480,981)	(1,260,531)	(4,161,788)	(1,292,963)	(3,387,494)	(1,877,458)	3,980,960	4,019,792	(2,654,981)
Other Financing Sources (Uses)										
Issuance of debt (includes premiums/discounts)	14,963,555	16,282,346	245,087	11,888,518	2,807,741	-	-	4,314,000	-	4,263,000
Sale of capital assets	108,975	-	-	689,800	-	-	-	-	-	-
Payments to refunded bond escrow agents	-	-	-	(7,500,000)	-	-	-	(4,403,208)	-	-
Transfers in	2,700,588	2,406,526	2,024,579	10,795,281	3,812,738	4,175,569	3,327,871	2,753,223	1,091,580	1,324,601
Transfers out	(3,332,495)	(2,470,179)	(2,080,104)	(10,908,431)	(3,933,365)	(4,328,342)	(3,294,987)	(2,874,566)	(1,117,380)	(1,643,941)
Total other financing sources (uses)	14,440,623	16,218,693	189,562	4,965,168	2,687,114	(152,773)	32,884	(210,551)	(25,800)	3,943,660
Net change in fund balances	\$ 9,082,579	\$ (9,262,288)	\$ (1,070,969)	\$ 803,380	\$ 1,394,151	\$ (3,540,267)	\$ (1,844,574)	\$ 3,770,409	\$ 3,993,992	\$ 1,288,679
Debt service as a % of noncapital expenditures	16.1%	4.5%	10.3%	8.0%	10.7%	10.5%	10.0%	10.2%	10.3%	17.1%

COUNTY OF ACCOMACK, VIRGINIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY
LAST TEN FISCAL YEARS

Table 5A

Fiscal Year Ending June 30,	Residential Property	Commercial Property	Agricultural Property	Less Land Use Value Reduction	Total Taxable Assessed Value	Total Direct Real Property Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2003	1,403,388,600	379,950,303	310,729,800	85,504,800	2,008,563,903	0.71	2,094,068,703	95.92%
2004	1,436,618,500	420,064,497	299,783,100	89,073,700	2,067,392,397	0.71	2,156,466,097	95.87%
2005	1,493,602,522	398,769,694	300,482,030	92,941,990	2,099,912,256	0.71	2,192,854,246	95.76%
2006	1,562,047,822	381,463,096	301,208,730	90,126,180	2,154,593,468	0.77	2,244,719,648	95.98%
2007	1,644,028,102	253,967,441	300,592,990	90,746,130	2,107,842,403	0.77	2,198,588,533	95.87%
2008	3,347,392,430	401,704,706	676,800,600	291,567,300	4,134,330,436	0.38	4,425,897,736	93.41%
2009	3,375,157,810	527,353,676	660,766,200	292,741,800	4,270,535,886	0.45	4,563,277,686	93.58%
2010	3,363,432,110	660,176,147	657,001,700	290,503,900	4,390,106,057	0.48	4,680,609,957	93.79%
2011	3,380,611,410	678,014,822	657,292,500	291,946,100	4,423,972,632	0.48	4,715,918,732	93.81%
2012	2,924,021,460	636,396,590	624,792,100	274,869,000	3,910,341,150	0.55	4,185,210,150	93.43%

Source: Accomack County Central Accounting Office

Notes: Real Property is assessed annually at actual market value. Property is assessed at 100 percent of estimated actual value however, the County has adopted the provisions of Title 58.1-3230 of the Code of Virginia that provides for land use-value assessment when real estate is devoted to agricultural, horticultural or forest uses. Tax rates are per \$100 of assessed value. The County is divided into various different tax rate districts. The above direct tax rates are those for the district with the highest rate. The County reassessed real property values in 2008 marking the first reassessment since 2003.

COUNTY OF ACCOMACK, VIRGINIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PERSONAL PROPERTY
LAST TEN FISCAL YEARS

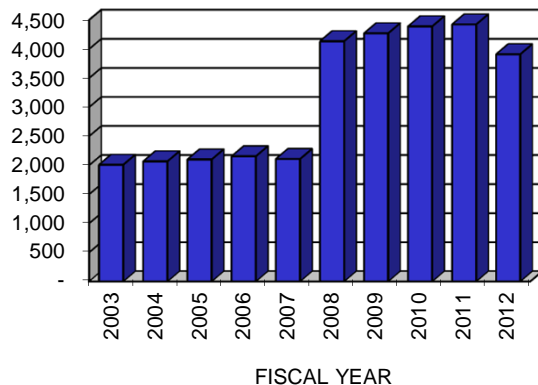
Table 5B

Fiscal Year Ending June 30,	Motor Vehicles & Other	Mobile Homes	Machinery & Tools	Total Taxable Assessed Value	Total Direct Personal Property Tax Rate
2003	197,270,307	29,755,601	15,490,813	242,516,721	3.26
2004	213,309,403	33,045,031	16,778,502	263,132,936	3.26
2005	215,549,860	36,302,255	19,777,993	271,630,108	3.26
2006	236,835,630	38,233,114	19,728,462	294,797,206	3.26
2007	250,925,206	37,176,644	17,818,455	305,920,305	3.30
2008	270,757,469	35,525,219	20,052,659	326,335,347	3.30
2009	281,876,699	37,296,708	20,079,299	339,252,706	3.30
2010	238,849,342	41,811,733	19,133,642	299,794,717	3.75
2011	267,566,954	40,019,511	19,421,352	327,007,817	3.75
2012	273,560,910	31,692,295	17,919,794	323,172,999	3.72

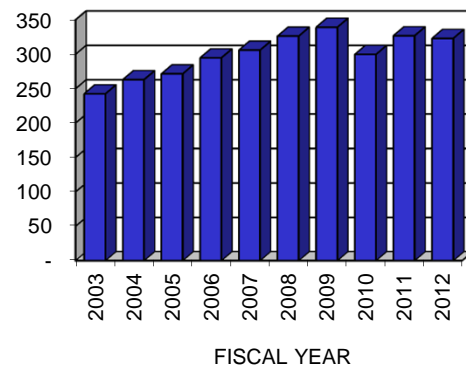
Source: Accomack County Central Accounting Office

Notes: Personal Property is assessed annually at actual market value. Property is assessed at 100 percent of estimated actual value. Tax rates are per \$100 of assessed value. The County is divided into various different tax districts. The above direct tax rates are those for the district with the highest rate.

Taxable Assessed Value of Real Property
(in millions)



Taxable Assessed Value of Personal Property
(in millions)



COUNTY OF ACCOMACK, VIRGINIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)¹

LAST TEN FISCAL YEARS

Type of tax	2003					2004					2005					2006				
	District Number					District Number					District Number					District Number				
	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
Real Property																				
County Direct Rates:																				
General	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.49	0.49	0.49	0.49	0.49
Debt Service	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Emergency Medical Service	0.05	0.07	0.04	0.04	-	0.05	0.07	0.04	0.04	-	0.05	0.05	0.05	0.05	-	0.06	0.06	0.06	0.06	-
Fire and Rescue	0.05	0.04	0.04	0.04	-	0.05	0.04	0.04	0.04	-	0.05	0.04	0.04	0.04	-	0.07	0.04	0.04	0.05	-
Mosquito Control ²	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-
Total real property direct rates	0.71	0.68	0.65	0.65	0.57	0.71	0.68	0.65	0.65	0.57	0.71	0.66	0.66	0.66	0.57	0.77	0.70	0.70	0.71	0.60
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13
Town of Saxis	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.20	-	-	-	-
Town of Hallwood	0.14	-	-	-	-	0.14	-	-	-	-	0.14	-	-	-	-	0.14	-	-	-	-
Town of Bloxom	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-
Town of Parksley	-	0.27	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-
Town of Tangier	0.50	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-
Town of Accomac	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-
Town of Onley	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-
Town of Onancock	-	-	0.31	-	-	-	-	0.31	-	-	-	-	0.31	-	-	-	-	0.34	-	-
Town of Melfa	-	-	-	0.03	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-
Town of Wachapreague	-	-	-	0.18	-	-	-	-	0.18	-	-	-	-	0.19	-	-	-	-	0.22	-
Town of Keller	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-
Town of Painter	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-
Town of Belle Haven	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-
Personal Property																				
County Direct Rates:																				
General	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07
Debt Service	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Emergency Medical Service	0.05	0.08	0.04	0.05	-	0.05	0.08	0.04	0.05	-	0.05	0.08	0.04	0.05	-	0.05	0.08	0.04	0.05	-
Fire and Rescue	0.06	0.05	0.05	0.04	-	0.06	0.05	0.05	0.04	-	0.06	0.05	0.05	0.04	-	0.06	0.05	0.05	0.04	-
Total personal prop. direct rates	3.24	3.26	3.22	3.22	3.13	3.24	3.26	3.22	3.22	3.13	3.24	3.26	3.22	3.22	3.13	3.24	3.26	3.22	3.22	3.13
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
Town of Saxis	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-
Town of Hallwood	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-
Town of Bloxom	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-
Town of Parksley	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-
Town of Tangier	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Accomac	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
Town of Onley	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-
Town of Onancock	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
Town of Melfa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Wachapreague	-	-	-	-	-	-	-	-	-	-	-	-	-	0.18	-	-	-	-	-	-
Town of Keller	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-
Town of Painter	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
Town of Belle Haven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

District numbers and corresponding district names are as follows: District 2=Atlantic District, District 3=Metompkin District, District 4=Lee District, District 5=Pungoteague District, and District 6=Chincoteague District.

¹The rates listed above are those in effect at June 30 of the fiscal year end.

²The mosquito control tax applies to the Greenbackville/Captains Cove area of District 2 only.

Table 6

2007					2008					2009					2010					2011					2012				
District Number					District Number					District Number					District Number					District Number					District Number				
2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
0.49	0.49	0.49	0.49	0.49	0.25	0.25	0.25	0.25	0.25	0.28	0.28	0.28	0.28	0.28	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.38	0.38	0.38	0.38	0.38
0.11	0.11	0.11	0.11	0.11	0.05	0.05	0.05	0.05	0.05	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	
0.06	0.06	0.06	0.06	-	0.03	0.03	0.03	0.03	-	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-	0.06	0.06	0.06	0.06	-
0.07	0.04	0.04	0.05	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	-	-	-	-	-
0.04	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-
0.77	0.70	0.70	0.71	0.60	0.38	0.35	0.35	0.36	0.30	0.45	0.42	0.42	0.43	0.35	0.48	0.45	0.45	0.46	0.38	0.48	0.45	0.45	0.46	0.38	0.55	0.53	0.53	0.53	0.47
-	-	-	-	0.13	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06
0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	-	0.17	-	-	-
0.14	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-	-	0.15	-	-	-	-
-	0.12	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-
-	0.35	-	-	-	-	0.18	-	-	-	-	0.18	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-
0.45	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	-	-	0.35	-	-
-	-	0.07	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-
-	-	0.08	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-
-	-	0.34	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-
-	-	-	0.07	-	-	-	-	0.03	-	-	-	-	0.03	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-
-	-	-	0.22	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-
-	-	-	0.13	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-
-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-
-	-	-	0.04	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	####	-	-	-	-	####	-	-	-	-	####	-
3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.53	3.53	3.53	3.53	3.53	
0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-
0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	-	-	-	-	-
3.30	3.27	3.27	3.27	3.16	3.30	3.27	3.27	3.27	3.16	3.30	3.27	3.27	3.27	3.16	3.75	3.72	3.72	3.72	3.54	3.75	3.72	3.72	3.72	3.54	3.72	3.72	3.72	3.72	3.63
-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	-	0.50	-	-	-
0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-
-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-
-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-
-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

COUNTY OF ACCOMACK, VIRGINIA
 PRINCIPAL PROPERTY TAXPAYERS¹
 CURRENT YEAR AND NINE YEARS AGO

Table 7

Taxpayer	2012			2003		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹
Commonwealth Chesapeake Company	\$ 172,566,311	1	3.83%	\$ 108,395,374	1	0.77%
A&N Electric Cooperative	71,751,999	2	1.59%	16,386,404	6	1.01%
Verizon Virginia Inc.	38,606,601	3	0.86%	30,333,877	2	1.66%
Perdue Farms Inc.	\$23,366,087	4	0.52%	24,495,641	4	1.17%
Tyson Farms Inc.	\$19,886,091	5	0.44%	19,333,042	5	1.40%
Wal-Mart	13,071,050	6	0.29%	-	-	-
Captains Cove Group LLC	12,066,300	7	0.27%	-	-	-
Old Dominion Electric Cooperative	10,334,433	8	0.23%	-	-	-
Delmarva Power	9,812,598	9	0.22%	-	-	-
Madonia, Batista or Evelyn Madonia	9,785,451	10	0.22%	-	-	-
Conectiv	-	-	-	27,783,429	3	1.63%
The Nature Conservancy	-	-	-	9,345,500	7	0.34%
Richard F. Hall Jr.	-	-	-	8,630,895	8	0.40%
Virginia Landing Corporation	-	-	-	6,961,500	9	0.35%
Chincoteague Hotel LLC	-	-	-	6,342,665	10	0.28%

Source: Accomack County Central Accounting Office.

¹ Total assessed value obtained from Table 5A & 5B.

COUNTY OF ACCOMACK, VIRGINIA
PROPERTY TAX LEVY AND COLLECTIONS⁽¹⁾⁽²⁾
LAST TEN FISCAL YEARS

Table 8

Fiscal Year Ending June 30,	Total Tax Levy	Personal Property Tax Relief Act Credits ⁽³⁾	Adjusted Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Adjusted Levy		Amount	Percent of Adjusted Levy
Real Estate Taxes:								
2003	12,323,839	-	12,323,839	11,313,006	91.80%	964,031	12,277,037	99.62%
2004	13,162,264	-	13,162,264	12,159,094	92.38%	953,449	13,112,543	99.62%
2005	13,149,338	-	13,149,338	12,107,697	92.08%	986,782	13,094,479	99.58%
2006	13,959,366	-	13,959,366	12,824,656	91.87%	1,074,879	13,899,535	99.57%
2007	14,441,421	-	14,441,421	13,100,144	90.71%	1,331,477	14,431,621	99.93%
2008	14,587,494	-	14,587,494	12,498,041	85.68%	1,796,496	14,294,536	97.99%
2009	15,860,887	-	15,860,887	14,204,453	89.56%	1,361,150	15,565,603	98.14%
2010	18,407,802	-	18,407,802	16,804,990	91.29%	1,534,522	18,339,512	99.63%
2011	19,242,035	-	19,242,035	17,448,166	90.68%	882,118	18,330,285	95.26%
2012	19,485,027	-	19,485,027	17,771,980	91.21%	-	17,771,980	91.21%
Personal Property Taxes:								
2003	7,007,773	(2,803,401)	4,204,372	3,642,888	86.65%	405,026	4,047,914	96.28%
2004	7,568,164	(2,904,983)	4,663,180	3,977,981	85.31%	473,352	4,451,333	95.46%
2005	7,772,875	(2,820,715)	4,952,160	4,259,666	86.02%	479,707	4,739,373	95.70%
2006	8,406,000	(3,014,681)	5,391,319	4,570,749	84.78%	635,063	5,205,812	96.56%
2007	8,943,981	(2,673,704)	6,270,277	5,526,354	88.14%	471,001	5,997,355	95.65%
2008	9,272,941	(2,728,454)	6,544,487	5,510,543	84.20%	603,462	6,114,005	93.42%
2009	9,173,062	(2,832,095)	6,340,967	5,554,130	87.59%	747,607	6,301,736	99.38%
2010 ⁴	15,911,251	(4,609,338)	11,301,913	7,247,272	64.12%	2,992,222	10,239,494	90.60%
2011	11,600,267	(3,139,170)	8,461,097	6,420,870	75.89%	780,631	7,201,501	85.11%
2012	11,370,499	(3,048,353)	8,322,146	6,570,046	78.95%	-	6,570,046	78.95%

⁽¹⁾ This schedule is prepared using the cash basis of accounting.

⁽²⁾ Does not include penalty or interest.

⁽³⁾ The Personal Property Tax Relief Act (PPTRA) was passed by the Commonwealth of Virginia in 1998. This legislation provides personal property tax relief to owners of personal use vehicles via a tax credit that appears on the citizen's local tax assessment as a reduction to taxes due. Localities receive a fixed amount of Commonwealth aid restricted for this program which is intended to reimburse the County for tax relief granted. Additional information on this legislation is found in the notes to the financial statements.

⁽⁴⁾ Beginning in fiscal year 2010, personal property taxes were levied in two installments due 6/25 and 12/5. Taxes were previously due in one installment.

COUNTY OF ACCOMACK, VIRGINIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

Fiscal Year	Governmental Activities						Business-type Activities				
	General Obligation Bonds										
	Literary Fund Loans	Va. Public School Authority Bonds	Qualified Zone Academy Bonds	Revenue/Bond Anticipation Notes	Lease Revenue Bonds	Capital Leases	General Obligation Bonds ²	Capital Leases	Total Primary Government	Per Capita ¹	Percentage of Personal Income ¹
2003	\$ 7,657,468	\$ 19,787,249	\$ 942,510	\$ 7,500,000	\$ -	\$ 231,000	\$ 3,900,000	\$ -	\$ 40,018,227	\$ 1,038	4.71%
2004	7,083,979	31,252,554	887,348	7,500,000	3,740,000	198,000	3,625,000	-	54,286,881	1,404	6.04%
2005	6,610,493	30,143,870	1,075,619	7,500,000	3,650,000	165,000	3,340,000	-	52,484,982	1,356	5.63%
2006	6,137,001	40,305,984	1,007,951	-	3,555,000	132,000	3,040,000	-	54,177,936	1,404	5.64%
2007	5,676,492	38,727,015	938,032	-	6,125,000	99,000	2,725,000	-	54,290,539	1,412	5.23%
2008	5,215,983	37,073,904	865,787	-	5,815,000	66,000	2,395,000	-	51,431,674	1,340	4.64%
2009	4,755,474	35,350,933	791,129	-	5,490,000	33,000	2,045,000	-	48,465,536	1,260	4.53%
2010	4,294,965	33,567,305	713,974	-	5,748,000	-	2,112,000	-	46,436,244	1,400	4.25%
2011	3,834,456	31,712,181	634,234	-	5,748,000	-	2,112,000	-	44,040,871	1,321	3.96%
2012	3,373,947	29,785,242	551,816	-	5,748,000	-	2,203,000	-	41,662,005	1,244	*

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

* Unavailable

¹ See Table 11 for population and personal income data.

² General Obligation Bonds issued to improve or construct County landfills is reported as business-type activities because this debt is being repaid from landfill user fees.

COUNTY OF ACCOMACK, VIRGINIA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ending June 30,	General Bonded Debt Outstanding ¹				Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property ^{2,3}	
	General Obligation Bonds	Revenue/Bond Anticipation Notes	Lease Revenue Bonds	Total			Per Capita ³	
2003	\$ 28,387,227	\$ 7,500,000	\$ -	\$ 35,887,227	\$ 1,010,899	\$ 34,876,328	1.55%	905
2004	39,223,881	7,500,000	3,740,000	50,463,881	1,843,672	48,620,209	2.09%	1,257
2005	37,829,982	7,500,000	3,650,000	48,979,982	1,736,301	47,243,681	1.99%	1,220
2006	47,450,935	-	3,555,000	51,005,935	2,122,742	48,883,193	2.00%	1,267
2007	45,341,539	-	6,125,000	51,466,539	1,746,995	49,719,544	2.06%	1,293
2008	43,155,674	-	5,815,000	48,970,674	1,263,817	47,706,857	1.07%	1,243
2009	40,897,536	-	5,490,000	46,387,536	1,113,942	45,273,594	0.98%	1,177
2010	38,576,244	-	5,748,000	44,324,244	859,741	43,464,503	0.93%	1,311
2011	36,180,871	-	5,748,000	41,928,871	1,389,519	40,539,352	0.85%	1,216
2012	33,711,005	-	5,748,000	39,459,005	1,337,183	38,121,822	0.90%	1,138

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

¹ Excludes general obligation bonds of business-type activities and capital leases.

² Includes real and personal property estimated actual taxable value.

³ See Table 11 for population data and Tables 5A & 5B for property value data.

**COUNTY OF ACCOMACK, VIRGINIA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

Table 11

Year	Population ¹	Personal Income (expressed in thousands) ²	Per Capita Personal Income ²	Unemployment Rate ⁴	School Enrollment ³
2003	38,556	\$849,648	\$23,125	4.30%	5,445
2004	38,669	\$898,251	\$27,738	4.60%	5,390
2005	38,716	\$932,157	\$26,012	4.60%	5,385
2006	38,580	\$960,396	\$27,290	4.20%	5,414
2007	38,455	\$1,038,263	\$30,048	4.10%	5,370
2008	38,395	\$1,108,775	\$32,640	5.00%	5,193
2009	38,462	\$1,070,915	\$28,584	6.60%	5,016
2010	33,164	\$1,091,638	\$32,849	6.90%	5,056
2011	33,336	\$1,112,362	\$33,368	7.20%	5,030
2012	33,500	N/A	N/A	6.40%	5,092

N/A - Not available

¹ Source: Years 2003-2011 U.S. Census Bureau/Year 2012 estimated

² Source: U.S. Bureau of Economic Analysis

³ Source: Accomack County School Board

⁴ Source: Virginia Employment Commission/2011 unemployment rate as of June 2012

**COUNTY OF ACCOMACK, VIRGINIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Table 12

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment ¹	Employees	Rank	Percentage of Total County Employment ¹
Perdue Farms, Inc.	1000+	1	5.65%	1000+	1	5.37%
Tyson Foods, Inc.	1000+	2	5.65%	1000+	2	5.37%
Accomack County School Board	500-999	3	2.83%	500-999	3	2.68%
County of Accomack	250-499	4	1.41%	250-499	5	1.34%
National Aeronautics & Space Administration	250-499	5	1.41%	250-499	6	1.34%
Wal-Mart	100-249	6	1.13%	-	-	-
The Cube Corporation	100-249	7	0.57%	100-249	7	0.54%
Eastern Shore Community Services	100-249	8	0.57%	100-249	8	0.54%
Eastern Shore Community College	100-249	9	0.57%	-	-	-
Riverside Regional Medical Center	100-249	10	0.57%	-	-	-
Produce Ince	-	-	-	250-499	4	1.34%
Eastern Shore Seafood	-	-	-	100-249	9	0.54%
Shore Memorial Hospital	-	-	-	100-249	10	0.54%
			<u>20.36%</u>			<u>19.59%</u>

Source: Virginia Employment Commission

¹Percentage of total County employment based on total employment as of December 31 of preceding year.

COUNTY OF ACCOMACK, VIRGINIA
 AUTHORIZED FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION
 LAST EIGHT FISCAL YEARS^{1,2}

Table 13

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
General government								
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	9.0	9.0	9.0	11.0	11.0	11.0	10.0	10.0
Elections	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other	25.0	25.0	27.0	27.0	27.5	33.5	32.0	32.0
Judicial administration								
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	17.8	18.3	18.3	18.3	19.8	19.8	18.8	15.8
Other	2.0	2.0	3.0	3.0	3.0	2.0	2.5	2.5
Public Safety								
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	64.7	64.7	64.7	64.7	63.7	62.7	60.7	63.7
Firefighters and emergency medical personnel	20.0	22.5	22.5	28.5	31.5	31.5	31.5	31.5
Other	12.5	12.5	12.5	14.5	14.0	13.0	13.0	13.0
Public Works								
Refuse collection and litter control	17.0	19.0	21.8	22.3	23.2	23.2	23.2	23.2
Refuse disposal	13.7	14.7	15.4	15.4	14.5	14.5	14.5	14.5
Building and grounds	14.3	14.8	14.8	14.8	14.8	14.8	13.3	13.3
Wastewater treatment	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Storm drainage	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health and welfare								
Social services and welfare	63.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Other	6.0	6.0	6.0	6.0	5.0	3.0	0.0	0.0
Parks, recreation and cultural	6.0	6.0	6.0	6.0	5.0	5.0	4.0	4.0
Community development	4.0	5.0	7.0	8.0	8.0	9.0	6.5	6.5
Total primary government	278.0	286.5	295.0	306.5	308.0	311.0	298.0	298.0

Source: Accomack County Central Accounting Office

¹Ten years of data is not available but will be accumulated over time.

²Temporary and seasonal employees are excluded from this table.

**COUNTY OF ACCOMACK, VIRGINIA
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR LAST SEVEN FISCAL YEARS**

Table 14

Function/Program	2006	2007	2008	2009	2010	2011	2012
General Government							
Assessor							
Taxable real estate number of parcels	38,021	38,689	39,134	39,440	39,620	39,707	39,786
Tax-exempt real estate number of parcels	892	898	917	921	932	936	940
Number of parcels enrolled in land use program	1,543	1,569	1,642	1,720	1,970	1,995	2,005
Commissioner of Revenue							
Mobile homes	4,230	4,219	4,214	4,214	3,512	3,418	3,253
Personal Property Tax Relief Act (PPTRA) qualifying vehicles	34,235	35,831	33,206	34,886	34,551	35,762	29,327
PPTRA tax credit percentages (vehicle value <\$1000;\$1000-100% ; 51% 100% ; 51% 100% ; 51% 100%;51% 100%;51% 100%;51% 100%;49%							
Finance							
Vendor checks issued	11,793	11,131	10,542	10,149	10,203	10,049	10,117
Annual County payroll checks/direct deposits	7,902	7,766	8,236	8,323	8,736	6,658	9,019
Annual School Board payroll checks/direct deposits	29,716	25,721	25,402	26,220	26,886	26,908	27,270
Treasurer							
Real estate bills created	72,535	74,014	76,178	76,617	77,399	78,926	79,026
Personal property bills created	38,314	38,540	35,365	37,419	65,899	67,789	66,814
Judicial Administration							
Clerk of Court							
Deed book recordings	8,684	7,588	5,886	5,611	5,311	5,085	4,781
Judgments	2,612	4,364	2,648	3,264	2,922	3,338	2,869
Public Safety							
Fire and Emergency Services							
Emergency responses ²	3,001	2,979	3,230	2,605	3,798	3,635	4,490
Patients transported ²	2,125	2,134	2,264	1,751	2,597	2,508	2,582
Fire responses ²	325	322	387	253	343	370	361
Fire investigations	60	17	N/A	N/A	N/A	N/A	N/A
EMS turn-out time when fully staffed ²	2 minutes	2 minutes	2 minutes < 2 minutes	< 2 minutes	< 2 minutes	2.4 minutes	3.8 minutes
EMS drive time when fully staffed ²	14 minutes	12 minutes < 12 minutes < 7 minutes	< 7 minutes	< 7 minutes	< 7 minutes	1.3 minutes	.45 minutes
EMS response time when fully staffed ²	15 minutes	14 minutes < 15 minutes < 7 minutes	< 7 minutes	< 7 minutes	< 7 minutes	13 minutes	.18 minutes
Jail							
Average daily inmate population	99	116	104	96	96	87	81
Sheriff's Office							
Physical arrests	786	788	837	864	671	893	1,038
Traffic violations	364	629	436	478	456	469	934
Health and Welfare							
Comprehensive Services Act							
Youth receiving services through Comprehensive Services Act	106	121	121	121	67	55	20
Social Services							
Food Stamp Recipients	3,890	4,042	4,290	4,326	5,506	6,490	7,236
Households receiving Heating Assistance	1,698	1,631	3,414	3,217	3,231	2,899	2,749
Households receiving Cooling Assistance	491	394	453	426	739	944	718
Community Development							
Building permits issued	1,109	1,073	924	918	861	723	692
Other Funds							
Landfills							
Tons of refuse disposed	54,673	53,777	52,179	43,188	39,144	38,509	38,509
Tons of recycled materials ³	6,251	7,931	11,656	17,425	8,769	2,272	2,272

Sources: Various county departments.

¹ Ten years of data is not available but will be accumulated over time.

² Accomack County fire and rescue services are provided by county career staff and volunteers. The data above excludes volunteers. These times are in the 90th percentiles.

³ This information is reported on a calendar year basis.

COUNTY OF ACCOMACK, VIRGINIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Table 15

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Function										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units ¹	33	35	35	35	35	38	41	43	51	48
Fire training centers	-	-	1	1	1	1	1	1	1	1
Animal control facilities	-	-	-	1	1	1	1	1	1	1
Public Works										
County owned buildings	21	23	29	29	30	31	33	33	35	36
Square foot in buildings	158,523	160,551	192,790	186,749	186,893	187,037	187,373	187,373	151,849	153,049
Refuse collection sites (staffed) ²	1	1	1	1	2	3	4	5	6	6
Refuse collection sites (unstaffed) ²	18	18	18	18	16	14	4	4	1	1
Refuse collection vehicles ²	4	4	4	4	4	4	4	4	4	4
Parks, Recreation and Cultural										
Athletic fields	8	8	18	18	18	18	18	18	18	18
Tennis courts	1	1	1	1	1	1	1	1	1	1
Fishing/boating facilities:										
Dock and/or ramp facilities	15	15	15	15	15	15	15	15	15	15
Low impact water access site	9	9	9	9	9	9	9	9	9	9
Pier or bulkhead only	3	3	3	3	3	3	3	3	3	3
Education										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Elementary school capacity	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775
Secondary schools	5	4	4	4	4	4	4	4	4	4
Secondary school capacity	n/a	n/a	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750
Combined schools	2	2	2	2	2	2	2	2	2	2
Combined school capacity	500	525	525	525	525	525	525	525	525	525
School buses	109	109	109	109	108	107	110	109	110	110
Component Units										
Airport										
Number of T-hangar buildings	2	2	2	2	2	2	2	2	2	2
Number of T-hangar units	18	18	18	18	18	18	18	18	18	18
Length of runway	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'
Industrial Development Park										
Acreage available for sale	261.25	264.25	261.28	261.28	261.28	261.28	261.28	261.28	261.28	261.28

Sources: Various county departments.

¹Includes process server vehicles.

²This information does not include the county's two active landfills.

Compliance Section



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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**To The Honorable Members of Board of Supervisors
County of Accomack
Accomac, Virginia**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Accomack, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County of Accomack, Virginia's basic financial statements and have issued our report thereon dated December 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County of Accomack, Virginia, in a separate letter dated December 27, 2012.

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
December 27, 2012

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

Compliance

We have audited the County of Accomack, 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 its major federal programs for the year ended June 30, 2012. The County of Accomack, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Accomack, Virginia's management. Our responsibility is to express an opinion on County of Accomack, Virginia's compliance based on our audit.

County of Accomack, Virginia's basic financial statements include the operations of the Accomack-Northampton Planning District Commission, which received \$610,246 in federal awards which is not included in the schedule during the year June 30, 2012. Our audit, described below, did not include the operations of Accomack-Northampton Planning District Commission because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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

In our opinion, the County of Accomack, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

Robinson, Farnum, Cox Associates

Charlottesville, Virginia
December 27, 2012

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2012

Page 1

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Department of Housing and Urban Development:			
<u>Pass Through Payments:</u>			
Department of Housing and Community Development Community development block grants	N/A	14.228	\$ 3
Department of Justice:			
<u>Direct Payments:</u>			
Inmate social security bounty	N/A	16.000	\$ 1,600
Asset forfeiture	N/A	16.000	898
<u>Pass Through Payments:</u>			
Department of Justice Edward Byrne Memorial justice assistance grant program	2009-DJ-BX-0772	16.738	11,459
Total Department of Justice			<u>\$ 13,957</u>
Department of Transportation:			
<u>Direct Payments:</u>			
Airport improvement program	N/A	20.106	\$ 120,770
Department of Transportation:			
<u>Pass Through Payments:</u>			
Alcohol open container requirements	154AL1151118, 154AL1252240	20.607	\$ 17,531
			<u>\$ 17,531</u>
Department of Homeland Security:			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services: Hazard mitigation grant	N/A	97.039	\$ 108,463
Total Department of Homeland Security			<u>\$ 108,463</u>
Department of Agriculture:			
<u>Direct Payments:</u>			
Summer food service program for children	N/A	10.559	\$ 114,891
Food distribution	N/A	10.559	7,554
			<u>\$ 122,445</u>
<u>Pass Through Payments:</u>			
Department of Social Services: State administrative matching grants for supplemental nutrition assistance programs	0010111/0010112/0040111/0040112	10.561	\$ 428,358
Total Department of Agriculture			<u>\$ 550,803</u>
Department of Health and Human Services:			
<u>Pass Through Payments:</u>			
Department of Social Services: Promoting safe and stable families	950112	93.556	\$ 56
Temporary assistance for needy families	0400111/0400112	93.558	402,883
Refugee and entrant assistance - state administered programs	0500110/0500111	93.566	975
Low-income home energy assistance	0600411/0600412	93.568	46,154
Child care and development block grant (Child care and development fund cluster)	0770111/0770112	93.575	78,676

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2012

Page 2

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
Department of Health and Human Services - continued :			
<u>Pass Through Payments - continued:</u>			
Department of Social Services - continued:			
Child care mandatory and matching funds of the child care and development fund (Child care and development fund cluster)	0760111/0760112	93.596	87,495
Stephanie Tubbs Jones child welfare services program	0900111/0900112	93.645	1,465
Foster care-Title IV-E	1100111/1100112	93.658	123,282
Adoption assistance	1120111/1120112	93.659	78,993
Social services block grant	1000110/1000111	93.667	274,961
Chafee foster care independence program	9150111/9150112	93.674	3,247
Children's health insurance program	0540111/0540112	93.767	13,027
Medical assistance program	1200111/1200112	93.778	260,791
Total Department of Social Services			\$ 1,372,005
Total Department of Health and Human Services			\$ 1,372,005
Department of the Interior:			
<u>Direct Payments:</u>			
Chincoteague wildlife refuge	N/A	15.000	\$ 80,525
Total Department of the Interior			\$ 80,525
Department of Commerce:			
<u>Direct Payments:</u>			
Low-power television and translator upgrade program	N/A	11.559	\$ 40,000
<u>Pass Through Payments:</u>			
Department of Environmental Quality: Costal zone management administration awards	NA10NOS4190205	11.419	5,757
Total Department of the Interior			\$ 45,757
TOTAL EXPENDITURE OF FEDERAL AWARDS - PRIMARY GOVERNMENT			\$ 2,309,814
COMPONENT UNIT-SCHOOL BOARD:			
Department of Agriculture:			
<u>Pass Through Payments:</u>			
Virginia Department of Agriculture and Consumer Services: Food distribution (Child nutrition cluster)	10.555/2010/2011	10.555	\$ 116,841
Department of Education: National school lunch program (Child nutrition cluster)	10.555/2010/2011	10.555	1,418,611
School breakfast program (Child nutrition cluster)	10.553/2010/2011	10.553	579,498
Total Department of Agriculture			\$ 2,114,950
Department of Education:			
<u>Pass Through Payments:</u>			
Department of Education:			
Title I Grants to local educational agencies (Title I, Part A cluster)	S010A090046/S011A090046	84.010	\$ 3,061,347
ARRA-Title I Grants to local educational agencies (Title I, Part A cluster)	S389A100046	84.389	127,725
Migrant education - state grant program	S011A090047/S011A080047	84.011	179,252
Special education - grants to states (Special education cluster)	H027A090107/H027A100107	84.027	1,368,236
ARRA-Special education - grants to states (Special education cluster)	H391A100107	84.391	781,727
Career and technical education - basic grants to states	V048A100046/V048A090046	84.048	137,074
Special education - preschool grants (Special education cluster)	H173A090112/H173A100112	84.173	28,459
Even start - state educational agencies	S213C080047/S213C090047	84.213	6,231
Charter schools	NA	84.282	12,593
Migrant education - coordination program	S144F090047	84.144	21,159
ARRA-State fiscal stabilization fund - education state grants	S394A100047	84.394	555,546
Educational technology state grants (Educational technology cluster)	S318X100046	84.318	4,000
Rural education	S358B090046	84.358	66,761
English language acquisition grants	T365A090046	84.365	70,912
Improving teacher quality state grants	S367A080044/S367A090044/S367A100044	84.367	303,307
Total Department of Education			\$ 6,724,329
TOTAL EXPENDITURES OF FEDERAL AWARDS COMPONENT UNIT-SCHOOL BOARD			\$ 8,839,279
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			\$ 11,149,093

COUNTY OF ACCOMACK, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2012

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Accomack, Virginia under programs of the federal government for the year ended June 30, 2012. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Accomack, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Accomack, Virginia.

Note 2 - 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 3 - Food Donation

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

Note 4 - 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	\$ 435,880
Virginia Public Assistance Fund	1,770,524
Drug Seizures Fund	898
Rehabilitation Projects Fund	3
Total primary government	<u>\$ 2,207,305</u>
Component Unit Airport:	
Airport	<u>\$ 120,770</u>
Component Unit Public Schools:	
School Operating Fund	\$ 6,724,329
School Cafeteria Fund	1,998,109
Total component unit public schools	<u>\$ 8,722,438</u>
Total federal expenditures per basic financial statements	<u>\$ 11,050,513</u>
Payments in lieu of taxes	<u>\$ (25,815)</u>
Non-cash expenditures - value of donated commodities	<u>\$ 124,395</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 11,149,093</u></u>

COUNTY OF ACCOMACK, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.027/84.173/84.391	Special Education Cluster
10.553/10.555	Child Nutrition Cluster
84.394	ARRA-State Fiscal Stabilization Fund - education state grants

Dollar threshold used to distinguish between Type A and Type B programs	\$334,473
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings and Questioned Costs

There were no prior year findings and questioned costs to report.