

COUNTY OF APPOMATTOX, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2015

COUNTY OF APPOMATTOX, VIRGINIA

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FOR THE YEAR ENDED JUNE 30, 2015

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COUNTY OF APPOMATTOX, VIRGINIA

Board of Supervisors

William H. Craft, Chairperson

Samuel E. Carter
Sara E. Carter

Ronald C. Spiggle
Gary W. Tanner

School Board

Bobby K. Waddell, Chairperson

Rev. Al L. Jones III
Gregory A. Smith

Wyatt Torrence
Rev. J. Wesley Williams

Board of Social Services

Nelson Mann, Chairperson

Sammy Carter

Rowena Ferguson Robinson

Other Officials

Judge of the Circuit CourtDonald Carl Blessing
Clerk of the Circuit Court Janet A. Hix
Judge of the General District Court Robert Woodson, Jr.
Judge of the Juvenile and Domestic Relations CourtMarvin Dunkam
Commonwealth's Attorney..... Darrel W. Puckett
Commissioner of the Revenue Sara R. Henderson
Treasurer.....Alice F. Gillette
Sheriff Barry E. Letterman
Superintendent of Schools Dorinda G. Grasty
Director of Social Services Brad Burdette
County Administrator Susan M. Adams

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox, Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox, Virginia, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement Nos. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-10, 81, and 82-87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

Other Information (continued)

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015, on our consideration of County of Appomattox, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Appomattox, Virginia's internal control over financial reporting and compliance.

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

Richmond, Virginia
December 29, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Appomattox, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$5,102,403 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other financing uses of \$601,667 (Exhibit 5) after making contributions totaling \$5,215,846 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$12,107,533, an increase of \$601,667 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,887,247 or 36% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$3,346,110 during the current fiscal year.

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Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements (Continued)

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

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

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

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

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board and the component unit – Economic Development Authority. Neither the School Board nor the Economic Development Authority issues separate financial statements.

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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,102,403 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Appomattox, Virginia's Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 18,210,340	\$ 16,664,981	\$ 27,208	\$ 33,037	\$ 18,237,548	\$ 16,698,018
Capital assets	23,145,540	24,791,789	5,369,544	5,483,790	28,515,084	30,275,579
Total assets	\$ 41,355,880	\$ 41,456,770	\$ 5,396,752	\$ 5,516,827	\$ 46,752,632	\$ 46,973,597
Deferred outflows of resources	\$ 597,846	\$ -	\$ -	\$ -	\$ 597,846	\$ -
Current liabilities	\$ 1,441,648	\$ 497,520	\$ 11,208	\$ 31,669	\$ 1,452,856	\$ 529,189
Long-term liabilities outstanding	33,029,628	30,688,749	2,509,392	2,630,883	35,539,020	33,319,632
Total liabilities	\$ 34,471,276	\$ 31,186,269	\$ 2,520,600	\$ 2,662,552	\$ 36,991,876	\$ 33,848,821
Deferred inflows of resources	\$ 5,256,199	\$ 3,760,930	\$ -	\$ -	\$ 5,256,199	\$ 3,760,930
Net investment in capital assets	\$ (2,568,988)	\$ (2,805,824)	\$ 2,860,152	\$ 2,852,907	\$ 291,164	\$ 47,083
Restricted for:						
Veterans wall of honor	3,038	3,038	-	-	3,038	3,038
Comprehensive services	30,309	30,309	-	-	30,309	30,309
Asset forfeiture	238,421	230,515	-	-	238,421	230,515
Courthouse maintenance	20,156	15,028	-	-	20,156	15,028
Courthouse security fund	106,724	112,855	-	-	106,724	112,855
Law library	13,108	16,185	-	-	13,108	16,185
Unrestricted	4,383,483	8,907,465	16,000	1,368	4,399,483	8,908,833
Total net position	\$ 2,226,251	\$ 6,509,571	\$ 2,876,152	\$ 2,854,275	\$ 5,102,403	\$ 9,363,846

Because prior year information related to pensions was not available, the 2014 numbers have not been restated to reflect GASB 68 calculations.

Government-wide Financial Analysis (Continued)

The County's net position increased by \$766,451 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Appomattox, Virginia's Changes in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Charges for services	\$ 295,733	\$ 285,999	\$ 135,052	\$ 141,219	\$ 430,785	\$ 427,218
Operating grants and contributions	6,018,492	4,235,120	-	-	6,018,492	4,235,120
General property taxes	11,460,249	10,267,361	-	-	11,460,249	10,267,361
Other local taxes	1,993,511	2,091,268	-	-	1,993,511	2,091,268
Grants and other contributions not restricted	1,701,420	1,908,765	-	-	1,701,420	1,908,765
Other general revenues	487,766	357,592	-	-	487,766	357,592
Transfers	(247,953)	(294,460)	247,953	294,460	-	-
Total revenues	\$ 21,709,218	\$ 18,851,645	\$ 383,005	\$ 435,679	\$ 22,092,223	\$ 19,287,324
General government administration	\$ 1,687,368	\$ 1,648,763	\$ -	\$ -	\$ 1,687,368	\$ 1,648,763
Judicial administration	1,113,594	1,159,754	-	-	1,113,594	1,159,754
Public safety	3,319,233	3,796,131	-	-	3,319,233	3,796,131
Public works	1,649,772	1,708,292	361,128	443,753	2,010,900	2,152,045
Health and welfare	3,296,299	2,880,736	-	-	3,296,299	2,880,736
Education	6,215,141	5,717,485	-	-	6,215,141	5,717,485
Parks, recreation, and cultural	501,026	948,775	-	-	501,026	948,775
Community development	2,001,695	420,103	-	-	2,001,695	420,103
Interest and other fiscal charges	1,180,516	1,227,959	-	-	1,180,516	1,227,959
Total expenses	\$ 20,964,644	\$ 19,507,998	\$ 361,128	\$ 443,753	\$ 21,325,772	\$ 19,951,751
Change in net position	\$ 744,574	\$ (656,353)	\$ 21,877	\$ (8,074)	\$ 766,451	\$ (664,427)
Net position, beginning of year	1,481,677	7,165,924	2,854,275	2,862,349	4,335,952	10,028,273
Net position, end of year	<u>\$ 2,226,251</u>	<u>\$ 6,509,571</u>	<u>\$ 2,876,152</u>	<u>\$ 2,854,275</u>	<u>\$ 5,102,403</u>	<u>\$ 9,363,846</u>

Because prior year information related to pensions was not available, the 2014 numbers have not been restated to reflect GASB 68 calculations. Therefore, beginning net position for 2015 as displayed above does not agree to ending net position for 2014.

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$12,107,533, an increase of \$601,667 in comparison with the prior year. Approximately 65% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion. The decrease was primarily due to completion of both the renovations to the Appomattox Primary School and construction of the Concord Waterline.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$3,472,644, all of which was committed for current or future capital projects.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to \$16,000. The total increase in net position was \$21,877. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities

General Fund Budgetary Highlights

During the year, revenues and other sources exceeded budgetary estimates by \$3,198,948. Budgetary estimates exceeded expenditures and other uses by \$1,145,028 resulting in a positive variance of \$4,343,976.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2015 amounts to \$23,145,540 (net of accumulated depreciation). The County's investment in capital assets for its proprietary fund as of June 30, 2015 amounted to \$5,369,544. This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$27,973,496. Of this amount, \$13,161,289 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds and capital leases).

The County's total debt decreased by \$1,986,689 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

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

All of these factors were considered in preparing the County's budget for the 2016 fiscal year.

The fiscal year 2016 budget increased by 2% and the real estate tax rate increased from \$0.60 to \$0.65 per \$100 of assessed value and the personal property tax rate increased from \$4.60 per \$100 of assessed value to \$5.13 per \$100 of assessed value.

Requests for Information

This financial report is designed to provide a general overview of the County of Appomattox, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 863, Appomattox, Virginia 24522.

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BASIC FINANCIAL STATEMENTS

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County of Appomattox, Virginia
Statement of Net Position
June 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents	\$ 12,178,372	\$ -	\$ 12,178,372	\$ 915,352	\$ 71,967
Cash in custody of others	-	-	-	4,000	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	5,113,762	-	5,113,762	-	-
Accounts receivable	79,863	27,208	107,071	-	-
Due from other governmental units	838,343	-	838,343	1,740,396	-
Net pension asset	-	-	-	61,819	-
Capital assets (net of accumulated depreciation):					
Land	1,316,010	-	1,316,010	211,370	1,386,773
Buildings and improvements	20,261,690	-	20,261,690	9,820,218	-
Utility plant in service	-	5,369,544	5,369,544	-	-
Equipment	1,187,555	-	1,187,555	679,639	-
Infrastructure	25,031	-	25,031	-	1,257,297
Intangibles	355,254	-	355,254	-	-
Construction in progress	-	-	-	17,120	-
Total assets	\$ 41,355,880	\$ 5,396,752	\$ 46,752,632	\$ 13,449,914	\$ 2,716,037
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions subsequent to measurement date	\$ 597,846	\$ -	\$ 597,846	\$ 1,536,887	\$ -
Total deferred outflows of resources	\$ 597,846	\$ -	\$ 597,846	\$ 1,536,887	\$ -
LIABILITIES					
Accounts payable	\$ 184,353	\$ -	\$ 184,353	\$ 93,740	\$ -
Accrued liabilities	-	-	-	1,703,685	-
Accrued interest payable	191,519	11,208	202,727	-	-
Due to other governmental units	1,065,776	-	1,065,776	-	-
Long-term liabilities:					
Due within one year	1,965,625	124,769	2,090,394	31,266	-
Due in more than one year	31,064,003	2,384,623	33,448,626	17,264,588	-
Total liabilities	\$ 34,471,276	\$ 2,520,600	\$ 36,991,876	\$ 19,093,279	\$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 4,116,385	\$ -	\$ 4,116,385	\$ -	\$ -
Items related to measurement of net pension liability/asset	1,139,814	-	1,139,814	3,168,232	-
Total deferred inflows of resources	\$ 5,256,199	\$ -	\$ 5,256,199	\$ 3,168,232	\$ -
NET POSITION					
Net investment in capital assets	\$ (2,568,988)	\$ 2,860,152	\$ 291,164	\$ 10,728,347	\$ 2,644,070
Restricted:					
Veterans wall of honor	3,038	-	3,038	-	-
Comprehensive services	30,309	-	30,309	-	-
Asset forfeiture	238,421	-	238,421	-	-
Courthouse maintenance	20,156	-	20,156	-	-
Courthouse security fund	106,724	-	106,724	-	-
Law library	13,108	-	13,108	-	-
Unrestricted	4,383,483	16,000	4,399,483	(18,003,057)	71,967
Total net position	\$ 2,226,251	\$ 2,876,152	\$ 5,102,403	\$ (7,274,710)	\$ 2,716,037
Total liabilities, deferred inflows of resources and net position					
	\$ 41,953,726	\$ 5,396,752	\$ 47,350,478	\$ 14,986,801	\$ 2,716,037

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

County of Appomattox, Virginia
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	School Board	EDA		
					Governmental Activities	Business-type Activities					
PRIMARY GOVERNMENT:											
Governmental activities:											
General government administration	\$ 1,687,368	\$ -	\$ 207,209	\$ -	\$ (1,480,159)	\$ -	\$ (1,480,159)	\$ -	\$ -		
Judicial administration	1,113,594	59,810	508,601	-	(545,183)	-	(545,183)	-	-		
Public safety	3,319,233	94,624	874,453	-	(2,350,156)	-	(2,350,156)	-	-		
Public works	1,649,772	93,260	8,528	-	(1,547,984)	-	(1,547,984)	-	-		
Health and welfare	3,296,299	-	2,262,759	-	(1,033,540)	-	(1,033,540)	-	-		
Education	6,215,141	-	-	-	(6,215,141)	-	(6,215,141)	-	-		
Parks, recreation, and cultural	501,026	48,039	339,792	-	(113,195)	-	(113,195)	-	-		
Community development	2,001,695	-	1,400,000	-	(601,695)	-	(601,695)	-	-		
Interest on long-term debt	1,180,516	-	417,150	-	(763,366)	-	(763,366)	-	-		
Total governmental activities	\$ 20,964,644	\$ 295,733	\$ 6,018,492	\$ -	\$ (14,650,419)	\$ -	\$ (14,650,419)	\$ -	\$ -		
Business-type activities:											
Sanitary District	\$ 361,128	\$ 135,052	\$ -	\$ -	\$ -	\$ (226,076)	\$ (226,076)	\$ -	\$ -		
Total business-type activities	\$ 361,128	\$ 135,052	\$ -	\$ -	\$ -	\$ (226,076)	\$ (226,076)	\$ -	\$ -		
Total primary government	\$ 21,325,772	\$ 430,785	\$ 6,018,492	\$ -	\$ (14,650,419)	\$ (226,076)	\$ (14,876,495)	\$ -	\$ -		
COMPONENT UNITS:											
School Board	\$ 20,980,559	\$ 486,728	\$ 15,011,675	\$ -	\$ -	\$ -	\$ -	\$ (5,482,156)	\$ -		
Economic Development Authority	104,303	-	-	-	-	-	-	-	(104,303)		
Total component units	\$ 21,084,862	\$ 486,728	\$ 15,011,675	\$ -	\$ -	\$ -	\$ -	\$ (5,482,156)	\$ (104,303)		
General revenues:											
General property taxes					\$ 11,460,249	\$ -	\$ 11,460,249	\$ -	\$ -		
Local sales and use taxes					1,159,058	-	1,159,058	-	-		
Consumer utility taxes					361,471	-	361,471	-	-		
Motor vehicle taxes					328,545	-	328,545	-	-		
Other local taxes					144,437	-	144,437	-	-		
Unrestricted revenues from use of money and property					76,916	-	76,916	3,511	343		
Miscellaneous					410,850	-	410,850	93,437	21,138		
Grants and contributions not restricted to specific programs					1,701,420	-	1,701,420	-	-		
Payment from Appomattox County					-	-	-	5,439,056	-		
Transfers					(247,953)	247,953	-	-	-		
Total general revenues and transfers					\$ 15,394,993	\$ 247,953	\$ 15,642,946	\$ 5,536,004	\$ 21,481		
Change in net position					\$ 744,574	\$ 21,877	\$ 766,451	\$ 53,848	\$ (82,822)		
Net position - beginning, as restated					1,481,677	2,854,275	4,335,952	(7,328,558)	2,798,859		
Net position - ending					\$ 2,226,251	\$ 2,876,152	\$ 5,102,403	\$ (7,274,710)	\$ 2,716,037		

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

FUND FINANCIAL STATEMENTS

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County of Appomattox, Virginia
Balance Sheet
Governmental Funds
June 30, 2015

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 7,953,529	\$ 3,472,644	\$ 752,199	\$ 12,178,372
Receivables (net of allowance for uncollectibles):				
Taxes receivable	5,113,762	-	-	5,113,762
Accounts receivable	79,812	-	51	79,863
Due from other governmental units	829,868	-	8,475	838,343
Total assets	<u>\$ 13,976,971</u>	<u>\$ 3,472,644</u>	<u>\$ 760,725</u>	<u>\$ 18,210,340</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 184,353	\$ -	\$ -	\$ 184,353
Due to other governmental units	1,020,347	45,429	-	1,065,776
Total liabilities	<u>\$ 1,204,700</u>	<u>\$ 45,429</u>	<u>\$ -</u>	<u>\$ 1,250,129</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	\$ 4,852,678	\$ -	\$ -	\$ 4,852,678
Total deferred inflows of resources	<u>\$ 4,852,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,852,678</u>
Fund balances:				
Restricted	\$ 3,038	\$ -	\$ 408,718	\$ 411,756
Committed	29,308	3,427,215	352,007	3,808,530
Unassigned	7,887,247	-	-	7,887,247
Total fund balances	<u>\$ 7,919,593</u>	<u>\$ 3,427,215</u>	<u>\$ 760,725</u>	<u>\$ 12,107,533</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,976,971</u>	<u>\$ 3,472,644</u>	<u>\$ 760,725</u>	<u>\$ 18,210,340</u>

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

County of Appomattox, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2015

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	12,107,533
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 44,048,877		
Accumulated depreciation	<u>(20,903,337)</u>		23,145,540

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unavailable revenue - property taxes	\$ 736,293		
Items related to measurement of net pension liability	<u>(1,139,814)</u>		(403,521)

Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.		597,846
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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 funds. The following is a summary of items supporting this adjustment:

Bonds payable	\$ (25,251,289)		
Issuance premium	(250,424)		
Capital lease	(212,815)		
Compensated absences	(357,028)		
Net OPEB obligation	(63,580)		
Net pension liability	(4,215,707)		
Landfill postclosure care liability	(2,678,785)		
Accrued interest payable	<u>(191,519)</u>		(33,221,147)

Net position of governmental activities	\$	<u><u>2,226,251</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 11,826,466	\$ -	\$ -	\$ 11,826,466
Other local taxes	1,993,511	-	-	1,993,511
Permits, privilege fees, and regulatory licenses	89,723	-	-	89,723
Fines and forfeitures	27,562	-	-	27,562
Revenue from the use of money and property	76,916	-	-	76,916
Charges for services	147,394	-	31,054	178,448
Miscellaneous	409,824	-	1,026	410,850
Recovered costs	218,137	-	-	218,137
Intergovernmental:				
Commonwealth	6,093,385	-	57,502	6,150,887
Federal	1,569,025	-	-	1,569,025
Total revenues	<u>\$ 22,451,943</u>	<u>\$ -</u>	<u>\$ 89,582</u>	<u>\$ 22,541,525</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,674,716	\$ -	\$ -	\$ 1,674,716
Judicial administration	1,018,211	-	-	1,018,211
Public safety	3,294,858	-	29,722	3,324,580
Public works	1,465,152	-	-	1,465,152
Health and welfare	3,409,538	-	-	3,409,538
Education	5,099,005	117,218	-	5,216,223
Parks, recreation, and cultural	461,487	-	-	461,487
Community development	1,971,498	-	-	1,971,498
Capital projects	76,573	-	-	76,573
Debt service:				
Principal retirement	1,865,198	-	-	1,865,198
Interest and other fiscal charges	1,208,729	-	-	1,208,729
Total expenditures	<u>\$ 21,544,965</u>	<u>\$ 117,218</u>	<u>\$ 29,722</u>	<u>\$ 21,691,905</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 906,978</u>	<u>\$ (117,218)</u>	<u>\$ 59,860</u>	<u>\$ 849,620</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 35,133	\$ -	\$ 29,722	\$ 64,855
Transfers out	(277,675)	-	(35,133)	(312,808)
Total other financing sources (uses)	<u>\$ (242,542)</u>	<u>\$ -</u>	<u>\$ (5,411)</u>	<u>\$ (247,953)</u>
Net change in fund balances	\$ 664,436	\$ (117,218)	\$ 54,449	\$ 601,667
Fund balances - beginning	7,255,157	3,544,433	706,276	11,505,866
Fund balances - ending	<u>\$ 7,919,593</u>	<u>\$ 3,427,215</u>	<u>\$ 760,725</u>	<u>\$ 12,107,533</u>

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

County of Appomattox, Virginia
Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2015

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

Net change in fund balances - total governmental funds	\$	601,667
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$ 234,240	
Jointly owned asset allocation	(223,210)	
Depreciation expense	<u>(1,657,279)</u>	(1,646,249)

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

Property taxes	\$ (366,217)	
Decrease (increase) in items related to measurement of net pension liability	<u>(1,139,814)</u>	(1,506,031)

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

Principal payments	\$ 1,865,198	
(Increase) decrease in landfill closure liability	<u>44,410</u>	1,909,608

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.

Amortization of bond premium	\$ 17,887	
(Increase) decrease in compensated absences	(39,687)	
(Increase) decrease in net OPEB obligation	(12,980)	
(Increase) decrease in net pension liability	1,349,791	
(Increase) decrease in deferred outflows related to pension payments subsequent to the measurement date	60,242	
(Increase) decrease in accrued interest payable	<u>10,326</u>	1,385,579

Change in net position of governmental activities	\$	<u><u>744,574</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2015

	Enterprise Fund Sanitary District
ASSETS	
Current assets:	
Accounts receivable, net of allowances for uncollectibles	\$ 27,208
Total current assets	<u>\$ 27,208</u>
Noncurrent assets:	
Capital assets:	
Utility plant in service	\$ 5,712,281
accumulated depreciation	(342,737)
Total capital assets	<u>\$ 5,369,544</u>
Total noncurrent assets	<u>\$ 5,369,544</u>
Total assets	<u>\$ 5,396,752</u>
LIABILITIES	
Current liabilities:	
Accrued interest payable	\$ 11,208
Bonds payable - current portion	124,769
Total current liabilities	<u>\$ 135,977</u>
Noncurrent liabilities:	
Bonds payable - net of current portion	\$ 2,384,623
Total noncurrent liabilities	<u>\$ 2,384,623</u>
Total liabilities	<u>\$ 2,520,600</u>
NET POSITION	
Net investment in capital assets	\$ 2,860,152
Unrestricted	<u>16,000</u>
Total net position	<u><u>\$ 2,876,152</u></u>

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

County of Appomattox, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2015

	Enterprise Fund <u>Sanitary District</u>
OPERATING REVENUES	
Miscellaneous	\$ 135,052
Total operating revenues	<u>\$ 135,052</u>
OPERATING EXPENSES	
Other supplies and expenses	\$ 177,276
Depreciation	114,246
Total operating expenses	<u>\$ 291,522</u>
Operating income (loss)	<u>\$ (156,470)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest expense	<u>\$ (69,606)</u>
Total nonoperating revenues (expenses)	<u>\$ (69,606)</u>
Income before transfers	(226,076)
Transfers in	<u>\$ 247,953</u>
Change in net position	\$ 21,877
Total net position - beginning	2,854,275
Total net position - ending	<u><u>\$ 2,876,152</u></u>

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

County of Appomattox, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2015

	Enterprise Fund <u>Sanitary District</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Other receipts (payments)	\$ 140,881
Receipts for materials and supplies	(197,644)
Net cash provided by (used for) operating activities	<u>\$ (56,763)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 247,953
Net cash provided by (used for) noncapital financing activities	<u>\$ 247,953</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on bonds	\$ (121,491)
Interest expense	(69,699)
Net cash provided by (used for) capital and related financing activities	<u>\$ (191,190)</u>
Net increase (decrease) in cash and cash equivalents	\$ -
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ (156,470)</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	114,246
(Increase) decrease in accounts receivable	5,829
Increase (decrease) in accounts payable	(20,368)
Total adjustments	<u>\$ 99,707</u>
Net cash provided by (used for) operating activities	<u><u>\$ (56,763)</u></u>

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

County of Appomattox, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Agency <u>Funds</u>
ASSETS	
Cash and cash equivalents	\$ 29,347
	<u>29,347</u>
LIABILITIES	
Amounts held for social services clients	\$ 16,124
Amounts held for others	13,223
Total liabilities	<u>\$ 29,347</u>

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2015

Note 1—Summary of Significant Accounting Policies:

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

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

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

Government-wide and Fund Financial Statements

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

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

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

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

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

A. Financial Reporting Entity

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2015 (Continued)

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units at June 30, 2015.

Discretely Presented Component Units.

The School Board members are elected by the citizens of Appomattox County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2015.

The Economic Development Authority of Appomattox County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2015. The Economic Development Authority does not issue a separate financial report.

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

None

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

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

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

1. Governmental Funds

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

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

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

The County reports the following nonmajor governmental funds:

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County Special Revenue Fund reports the following activities: Asset Forfeiture, E-911, Courthouse Security, Courthouse Maintenance, Jail Keep, Law Library and CSA.

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

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

3. Fiduciary Funds - (Trust and Agency Funds) - account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include the Special Welfare Fund, Sheriff Drug Fund, and Swim Team Fund. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

E. Cash and Cash Equivalents

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

F. Investments

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

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

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$355,677 at June 30, 2015 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2015 (Continued)

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

H. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There is no capitalized interest for the year ended June 30, 2015.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Utility plant	50
Furniture, Vehicles, Office and Computer Equipment	5-20
Buses	10
Infrastructure	5-10
Intangibles	5-20

I. Compensated Absences

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

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

J. Use of Estimates

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

K. Net Position

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

L. Net Position Flow Assumption

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

M. Long-term Obligations

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

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is comprised of contributions to the pension plan made during the current year and subsequent to the net pension liability (asset) measurement date, which will be recognized as an increase to or a reduction of the net pension liability (asset) next fiscal year. For more detailed information on these items, reference the pension note.

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

N. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension liability (asset) are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension plan investments and the changes in proportion and differences between employer contributions and proportionate share of contributions. For more detailed information on these items, reference the pension note.

O. Fund Equity

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

O. Fund Equity (Continued)

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

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

	General Fund	Major Capital Projects Fund County Capital Projects Fund	Nonmajor Special Revenue Fund Other Governmental Funds	Total
Fund Balances:				
Restricted:				
Veterans wall of honor	\$ 3,038	\$ -	\$ -	\$ 3,038
Comprehensive services	-	-	30,309	30,309
Asset forfeiture	-	-	238,421	238,421
Courthouse maintenance	-	-	20,156	20,156
Courthouse security fund	-	-	106,724	106,724
Law library	-	-	13,108	13,108
Total Restricted Fund Balance	\$ 3,038	\$ -	\$ 408,718	\$ 411,756
Committed:				
Sports complex	\$ 24,669	\$ -	\$ -	\$ 24,669
Rev max	4,605	-	-	4,605
Ballpark fund	34	-	-	34
Capital Improvements	-	3,427,215	-	3,427,215
Jail keep fund	-	-	10	10
150th Sesquicentennial	-	-	7,256	7,256
E-911	-	-	344,741	344,741
Total Committed Fund Balance	\$ 29,308	\$ 3,427,215	\$ 352,007	\$ 3,808,530
Unassigned	\$ 7,887,247	\$ -	\$ -	\$ 7,887,247
Total Fund Balances	\$ 7,919,593	\$ 3,427,215	\$ 760,725	\$ 12,107,533

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

P. Adoption of Accounting Principles

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*:

The County implemented the financial reporting provisions of the above Statements for the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and required supplementary information requirements about pensions are also addressed. The requirements will improve financial reporting by improving accounting and financial reporting by state and local governments for pensions. The implementation of these Statements resulted in a restatement of net position, reference Note 17.

Note 2—Stewardship, Compliance, and Accounting:

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

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

Expenditures and Appropriations

Expenditures did not exceed appropriations at June 30, 2015.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 3—Deposits and Investments:

Deposits

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

Investments

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

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2015 were rated by Standard and Poor’s and the ratings are presented below using the Standard and Poor’s rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

		Fair Quality Ratings
		AAAm
Local Government Investment Pool	\$	100,069
Total	\$	100,069

External Investment Pools

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 4—Due to/from Other Governments:

At June 30, 2015, the County has receivables from other governments as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
County of Appomattox	\$ -	\$ 1,065,776
Commonwealth of Virginia:		
Local sales tax	199,446	-
Welfare	43,015	-
Rolling stock tax	44,733	-
Comprehensive services	201,210	-
State Sales Tax	-	415,437
Wireless grant	8,475	-
Auto rental	537	-
Constitutional officer reimbursements	151,186	-
Recordation tax	6,846	-
Mobile home titling tax	7,400	-
Department of Forestry	14,118	-
Communications tax	92,211	-
Federal Government:		
School fund grants	-	259,183
Welfare	69,165	-
Total due from other governments	\$ <u>838,342</u>	\$ <u>1,740,396</u>

At June 30, 2015, amounts due to other local governments are as follows:

Other Local Governments:		
Appomattox County School Board	\$ <u>1,065,776</u>	\$ <u>-</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2015:

Primary Government:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,316,010	\$ -	\$ -	\$ 1,316,010
Total capital assets not subject to depreciation	\$ 1,316,010	\$ -	\$ -	\$ 1,316,010
Capital assets subject to depreciation:				
Buildings and improvements	\$ 12,764,501	\$ -	\$ -	\$ 12,764,501
Equipment	5,971,656	223,254	-	6,194,910
Infrastructure	72,109	10,986	-	83,095
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	22,251,223	-	371,078	21,880,145
Total capital assets subject to depreciation	\$ 42,869,705	\$ 234,240	\$ 371,078	\$ 42,732,867
Accumulated depreciation:				
Buildings and improvements	\$ 5,190,452	\$ 473,648	\$ -	\$ 5,664,100
Equipment	4,694,779	312,576	-	5,007,355
Infrastructure	48,451	9,613	-	58,064
Intangibles	1,366,148	88,814	-	1,454,962
Jointly owned assets	8,094,096	772,628	147,868	8,718,856
Total accumulated depreciation	\$ 19,393,926	\$ 1,657,279	\$ 147,868	\$ 20,903,337
Total capital assets being depreciated, net	\$ 23,475,779	\$ (1,423,039)	\$ 223,210	\$ 21,829,530
Governmental activities capital assets, net	\$ 24,791,789	\$ (1,423,039)	\$ 223,210	\$ 23,145,540

Component Unit - School Board:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Construction in progress	-	17,120	-	17,120
Total capital assets not subject to depreciation	\$ 211,370	\$ 17,120	\$ -	\$ 228,490
Capital assets subject to depreciation:				
Buildings and improvements	\$ 751,522	\$ 26,320	\$ -	\$ 777,842
Equipment	4,126,011	245,277	-	4,371,288
Jointly owned assets	14,895,353	-	(371,078)	15,266,431
Total capital assets subject to depreciation	\$ 19,772,886	\$ 271,597	\$ (371,078)	\$ 20,415,561
Accumulated depreciation:				
Buildings and improvements	\$ 99,890	\$ 40,759	\$ -	\$ 140,649
Equipment	3,508,820	182,829	-	3,691,649
Jointly owned assets	5,418,327	517,211	(147,868)	6,083,406
Total accumulated depreciation	\$ 9,027,037	\$ 740,799	\$ (147,868)	\$ 9,915,704
Total capital assets being depreciated, net	\$ 10,745,849	\$ (469,202)	\$ (223,210)	\$ 10,499,857
Governmental capital assets, net	\$ 10,957,219	\$ (452,082)	\$ (223,210)	\$ 10,728,347

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 5—Capital Assets: (Continued)

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2015:

Enterprise Fund:

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Business-type activities:				
Utility plant in service	\$ <u>5,712,281</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,712,281</u>
Total capital assets being depreciated	\$ <u>5,712,281</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>5,712,281</u>
Accumulated depreciation:				
Utility plant in service	\$ <u>228,491</u>	\$ <u>114,246</u>	\$ <u>-</u>	\$ <u>342,737</u>
Total accumulated depreciation	\$ <u>228,491</u>	\$ <u>114,246</u>	\$ <u>-</u>	\$ <u>342,737</u>
Total capital assets being depreciated, net	\$ <u>5,483,790</u>	\$ <u>(114,246)</u>	\$ <u>-</u>	\$ <u>5,369,544</u>
Business-type capital assets, net	\$ <u><u>5,483,790</u></u>	\$ <u><u>(114,246)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>5,369,544</u></u>

Component Unit - Economic Development Authority:

	<u>Balance July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Business-type activities:				
Capital assets not subject to depreciation:				
Land	\$ <u>1,386,773</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,386,773</u>
Total capital assets not subject to depreciation	\$ <u>1,386,773</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,386,773</u>
Capital assets subject to depreciation:				
Infrastructure	\$ <u>1,917,079</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,917,079</u>
Total capital assets subject to depreciation	\$ <u>1,917,079</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,917,079</u>
Accumulated depreciation:				
Infrastructure	\$ <u>607,664</u>	\$ <u>52,118</u>	\$ <u>-</u>	\$ <u>659,782</u>
Total accumulated depreciation	\$ <u>607,664</u>	\$ <u>52,118</u>	\$ <u>-</u>	\$ <u>659,782</u>
Total capital assets being depreciated, net	\$ <u>1,309,415</u>	\$ <u>(52,118)</u>	\$ <u>-</u>	\$ <u>1,257,297</u>
Business-type capital assets, net	\$ <u><u>2,696,188</u></u>	\$ <u><u>(52,118)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,644,070</u></u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	149,932
Judicial administration		142,534
Public safety		228,812
Public works		231,596
Health and welfare		22,122
Education		775,708
Parks, recreation and cultural		59,258
Community development		<u>47,317</u>
Total Governmental activities	\$	<u><u>1,657,279</u></u>

Business-type activities:

Sanitary District Fund	\$	<u><u>114,246</u></u>
Component Unit School Board	\$	<u><u>740,799</u></u>
Component Unit Economic Development Authority	\$	<u><u>52,118</u></u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 6—Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 35,133	\$ 277,675
County Special Revenue Fund	<u>29,722</u>	<u>35,133</u>
Total Governmental Funds	\$ <u>64,855</u>	\$ <u>312,808</u>
Enterprise Funds:		
Sanitary District	\$ <u>247,953</u>	\$ -
Total Enterprise Funds	\$ <u>247,953</u>	\$ -
Component Unit—School Board:		
School Operating Fund	\$ -	\$ 55,157
School Special Revenue Fund	<u>55,157</u>	<u>-</u>
Total Component Unit—School Board Funds	\$ <u>55,157</u>	<u>55,157</u>
Total All Funds	\$ <u><u>367,965</u></u>	\$ <u><u>367,965</u></u>

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 7—Long-Term Obligations:

The following is a summary of long-term obligation transactions of the County for the fiscal year ended June 30, 2015:

	Restated Balance at July 1, 2014	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2015	Amounts Due Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences	\$ 317,341	\$ 71,421	\$ 31,734	\$ 357,028	\$ 35,703
Lease revenue bond	12,920,000	-	830,000	12,090,000	875,000
Issuance premium	268,311	-	17,887	250,424	-
Capital lease	252,174	-	39,359	212,815	41,019
Net OPEB obligation	50,600	35,640	22,660	63,580	-
Net pension liability	5,565,498	1,953,985	3,303,776	4,215,707	-
Landfill postclosure care liability	2,723,195	-	44,410	2,678,785	-
Total incurred by County	\$ 22,097,119	\$ 2,061,046	\$ 4,289,826	\$ 19,868,339	\$ 951,722
Incurred by School Board:					
General obligation bonds	\$ 14,157,128	\$ -	\$ 995,839	\$ 13,161,289	\$ 1,013,903
Total incurred by School Board	\$ 14,157,128	\$ -	\$ 995,839	\$ 13,161,289	\$ 1,013,903
Total Governmental Activities	\$ 36,254,247	\$ 2,061,046	\$ 5,285,665	\$ 33,029,628	\$ 1,965,625
Business-type Activities:					
Lease revenue bond	\$ 2,630,883	\$ -	\$ 121,491	\$ 2,509,392	\$ 124,769
Total Business-type Activities	\$ 2,630,883	\$ -	\$ 121,491	\$ 2,509,392	\$ 124,769

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government:

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

Governmental Activities

Year Ending June 30,	County Obligations			
	Lease Revenue Bond		Capital Lease	
	Principal	Interest	Principal	Interest
2016	\$ 875,000	\$ 519,312	\$ 41,019	\$ 8,981
2017	915,000	493,063	42,751	7,249
2018	1,215,000	461,037	44,554	5,446
2019	1,270,000	415,763	46,435	3,565
2020	1,330,000	364,962	38,056	1,605
2021	1,405,000	298,463	-	-
2022	1,490,000	228,213	-	-
2023	2,090,000	153,712	-	-
2024	150,000	67,500	-	-
2025	155,000	60,750	-	-
2026	165,000	53,775	-	-
2027	170,000	46,350	-	-
2028	420,000	38,700	-	-
2029	440,000	19,800	-	-
Total	\$ <u>12,090,000</u>	\$ <u>3,221,400</u>	\$ <u>212,815</u>	\$ <u>26,846</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Governmental Activities (Continued)

Year Ending June 30,	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2016	\$ 1,013,903	\$ 618,283
2017	1,499,327	582,793
2018	1,264,676	552,957
2019	1,276,431	528,959
2020	1,293,541	504,224
2021	1,302,253	483,854
2022	1,344,493	463,035
2023	833,333	450,000
2024	833,333	450,000
2025	833,333	450,000
2026	833,333	450,000
2027	833,333	450,000
Total	\$ <u>13,161,289</u>	\$ <u>5,984,105</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Business-type Activities

Year Ending June 30,	Lease Revenue	
	Bond	
	Principal	Interest
2016	\$ 124,769	\$ 66,421
2017	128,135	63,055
2018	131,592	59,598
2019	135,142	56,048
2020	138,788	52,402
2021	142,533	48,657
2022	146,378	44,812
2023	150,327	40,863
2024	154,383	36,807
2025	158,548	32,642
2026	162,826	28,364
2027	167,219	23,971
2028	171,730	19,460
2029	176,363	14,826
2030	181,122	10,068
2031	186,008	5,182
2032	53,529	163
Total	\$ <u>2,509,392</u>	\$ <u>603,339</u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations at June 30, 2015 are as follows:

Governmental Activities:

Incurred by County:

Lease Revenue Bond:

\$14,605,000 lease revenue bond issued April 27, 2010, payable in varying annual installments, interest at 1.00% to 5.00%, through May 1, 2029. \$ 12,090,000

Capital Lease:

\$326,175 capital lease issued July 15, 2011, payable in annual installments of principal and interest in the amount of \$50,000, through July 15, 2019. \$ 212,815

Issuance premium \$ 250,424

Net OPEB obligation (payable by the general fund) \$ 63,580

Net pension liability \$ 4,215,707

Landfill postclosure care liability (payable by the general fund) \$ 2,678,785

Compensated absences (payable by the general fund) \$ 357,028

Total Incurred by County \$ 19,868,339

Incurred by School Board:

General Obligation bonds

\$3,789,949 school bond issued November 1, 1996, payable in varying amounts and interest rates through July 15, 2017. \$ 484,485

\$1,850,000 school bond issued October 26, 2001, payable in varying amounts and interest rates through July 15, 2021. 855,000

\$6,512,513 school bond issued October 26, 2001, payable in varying amounts and rates through July 15, 2021. 2,488,472

\$10,000,000 school bond issued June 26, 2011, payable in varying amounts, interest at 0.00%, through June 1, 2027. 9,333,332

Total General Obligation Bonds \$ 13,161,289

Total Incurred by School Board \$ 13,161,289

Total Governmental Activities \$ 33,029,628

Business-type Activities:

Lease Revenue Bond:

\$2,807,161 VRA lease revenue bond issued June 16, 2011, payable in varying annual installments, interest at 2.18%, through May 1, 2032. \$ 2,509,392

Total Business-type Activities \$ 2,509,392

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 7—Long-Term Obligations: (Continued)

Discretely Presented Component - Unit School Board:

The following is a summary of long-term obligation transactions of the Component Unit School Board for the fiscal year ended June 30, 2015:

	Restated Balance at July 1, 2014	Increases	Decreases	Balance at June 30, 2015	Amounts Due Within One Year
Component Unit-School Board:					
Early retirement liability	\$ 419,384	\$ -	\$ 28,950	\$ 390,434	\$ 31,266
Net pension liability	19,803,184	1,466,778	4,589,962	16,680,000	-
Net OPEB obligation	179,400	126,360	80,340	225,420	-
Total Component Unit-School Board	\$ 20,401,968	\$ 1,593,138	\$ 4,699,252	\$ 17,295,854	\$ 31,266

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

Year Ending June 30	Early Retirement Liability	
	Principal	Interest
2016	\$ 31,266	\$ 31,235
2017	33,767	28,734
2018	36,468	26,033
2019	39,386	23,115
2020	42,537	19,964
2021	45,940	16,561
2022	49,615	12,886
2023	53,584	8,917
2024	57,871	4,630
Total	\$ 390,434	\$ 172,075

Details of long-term obligations at June 30, 2015 are as follows:

\$703,618 VRS early retirement incentive issued July 1, 1994, payable in annual amounts of principal and interest of \$62,501 through July 1, 2024.	\$ 390,434
Net pension liability	16,680,000
Net OPEB obligation (payable from the School Fund)	225,420
Long-term obligations Incurred by the School Board (payable from the School Fund)	\$ 17,295,854

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 8—Capital Lease:

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

The assets acquired through capital leases are as follows:

Asset:	Primary Government
Equipment	\$ 501,567
Less: Accumulated depreciation	(167,189)
Total	<u>\$ 334,378</u>

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2015, are as follows:

Year Ended June 30	Primary Government
2016	\$ 50,000
2017	50,000
2018	50,000
2019	50,000
2020	<u>39,661</u>
Total minimum lease payments	\$ 239,661
Less: amount representing interest	<u>(26,846)</u>
Present value of minimum lease payments	<u>\$ 212,815</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 9—Unearned and Deferred/Unavailable Revenue:

Unearned and deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unavailable revenue totaling \$4,852,678 and deferred revenue totaling \$4,116,385 is comprised of the following:

Unavailable Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$4,639,899 (including 2nd half tax billings of \$3,903,606 not due until December 5) at June 30, 2015.

Deferred/Unavailable Prepaid Property Taxes - Property taxes due subsequent to June 30, 2015 but paid in advance by the taxpayers totaled \$212,779 at June 30, 2015.

Deferred Revenue - Deferred revenue representing prepaid taxes due subsequent to June 30, 2015 totaled \$212,779 and at 2nd half 2015 tax billing levied in current year but due in FY2015 totaled \$3,903,606.

Note 10—Commitments and Contingent Liabilities:

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

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

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

Note 11—Litigation:

At June 30, 2015, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 12—Risk Management:

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

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

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

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

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Note 13—Pension Plan:**Plan Description**

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by VRS Retirement Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members")</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

Note 13—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 (Cont.)	About Plan 2 (Cont.)	About the Hybrid Retirement Plan (Cont.) <ul style="list-style-type: none"> In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> Political subdivision employees* School division employees Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.

Note 13—Pension Plan: (Continued)**Plan Description (Continued)**

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Hybrid Opt-In Election (Cont.) Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Hybrid Opt-In Election (Cont.) Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>*Non-Eligible Members (Cont.) Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

Note 13—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

Note 13—Pension Plan: (Continued)**Plan Description (Continued)**

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>

Note 13—Pension Plan: (Continued)**Plan Description (Continued)**

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	<p>Vesting (Cont.) <u>Defined Contributions Component: (Cont.)</u> Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 70½.</p>
<p>Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1</p>

Note 13—Pension Plan: (Continued)**Plan Description (Continued)**

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Calculating the Benefit (Cont.) An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p>Calculating the Benefit (Cont.)</p>	<p>Calculating the Benefit (Cont.) <u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Not applicable.</p>

Note 13—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 13—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p><u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p>

Note 13—Pension Plan: (Continued)**Plan Description (Continued)**

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

Note 13—Pension Plan: (Continued)**Plan Description (Continued)**

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost. <p><u>Defined Contribution Component:</u> Not applicable.</p>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 13—Pension Plan: (Continued)

Plan Description (Continued)

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2014-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Employees Covered by Benefit Terms

As of the June 30, 2013 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	54	25
Inactive members:		
Vested inactive members	12	2
Non-vested inactive members	10	10
Inactive members active elsewhere in VRS	24	8
Total inactive members	46	20
Active members	98	39
Total covered employees	198	84

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The County's contractually required contribution rate for the year ended June 30, 2015 was 14.83% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Note 13—Pension Plan: (Continued)

Contributions (Continued)

Contributions to the pension plan from the County were \$597,846 and \$537,604 for the years ended June 30, 2015 and June 30, 2014, respectively.

The Component Unit School Board’s contractually required contribution rate for nonprofessional employees for the year ended June 30, 2015 was 7.53% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$51,679 and \$55,567 for the years ended June 30, 2015 and June 30, 2014, respectively.

Net Pension Liability (Asset)

The County’s and Component Unit School Board’s (nonprofessional) net pension liability (asset) were measured as of June 30, 2014. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Note 13—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 13—Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 60% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

Note 13—Pension Plan: (Continued)

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

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Note 13—Pension Plan: (Continued)**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 13—Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the County and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2013	\$ 21,927,617	\$ 16,362,119	\$ 5,565,498
Changes for the year:			
Service cost	\$ 443,674	\$ -	\$ 443,674
Interest	1,496,352	-	1,496,352
Contributions - employer	-	537,604	(537,604)
Contributions - employee	-	208,860	(208,860)
Net investment income	-	2,557,177	(2,557,177)
Benefit payments, including refunds of employee contributions	(1,102,328)	(1,102,328)	-
Administrative expenses	-	(13,959)	13,959
Other changes	-	135	(135)
Net changes	\$ 837,698	\$ 2,187,489	\$ (1,349,791)
Balances at June 30, 2014	\$ 22,765,315	\$ 18,549,608	\$ 4,215,707

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 13—Pension Plan: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2013	\$ 2,628,682	\$ 2,474,498	\$ 154,184
Changes for the year:			
Service cost	\$ 81,045	\$ -	\$ 81,045
Interest	179,628	-	179,628
Contributions - employer	-	55,567	(55,567)
Contributions - employee	-	34,731	(34,731)
Net investment income	-	388,463	(388,463)
Benefit payments, including refunds of employee contributions	(125,141)	(125,141)	-
Administrative expenses	-	(2,105)	2,105
Other changes	-	20	(20)
Net changes	\$ 135,532	\$ 351,535	\$ (216,003)
Balances at June 30, 2014	\$ 2,764,214	\$ 2,826,033	\$ (61,819)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 7.00%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	(6.00%)	(7.00%)	(8.00%)
County			
Net Pension Liability (Asset)	\$ 7,066,504	\$ 4,215,707	\$ 1,835,565
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 282,922	\$ (61,819)	\$ (348,448)

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 13—Pension Plan: (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$327,627 and \$12,796 respectively. At June 30, 2015, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,139,814	\$ -	\$ 173,232
Employer contributions subsequent to the measurement date	597,846	-	51,679	-
Total	<u>\$ 597,846</u>	<u>\$ 1,139,814</u>	<u>\$ 51,679</u>	<u>\$ 173,232</u>

\$597,846 and \$51,679 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2016	\$ (284,954)	\$ (43,308)
2017	(284,954)	(43,308)
2018	(284,954)	(43,308)
2019	(284,952)	(43,308)
Thereafter	-	-

Note 13—Pension Plan: (Continued)

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information regarding the plan description can be found in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

Each School Division's contractually required contribution rate for the year ended June 30, 2015 was 14.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013. The actuarial rate for the Teacher Retirement Plan was 18.20%. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the Code of Virginia, as amended the contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2015. Contributions to the pension plan from the School Board were \$1,485,208 and \$1,178,000 for the years ended June 30, 2015 and June 30, 2014, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the school division reported a liability of \$16,680,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2014 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2014 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2014, the school division's proportion was 0.13802% as compared to 0.14263% at June 30, 2013.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 13—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2015, the school division recognized pension expense of \$1,204,000. Since there was a change in proportionate share between June 30, 2013 and June 30, 2014, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2015, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 2,475,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	520,000
Employer contributions subsequent to the measurement date	<u>1,485,208</u>	<u>-</u>
Total	<u>\$ 1,485,208</u>	<u>\$ 2,995,000</u>

\$1,485,208 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	
2016	\$ (734,000)
2017	(734,000)
2018	(734,000)
2019	(734,000)
Thereafter	(59,000)

Note 13—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2013, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.95%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females set back 5 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 3 years

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

Note 13—Pension Plan: (Continued)**Component Unit School Board (professional) (Continued)****Long-Term Expected Rate of Return**

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

Note 13—Pension Plan: (Continued)**Component Unit School Board (professional) (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School Division's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the school division's proportionate share of the net pension liability using the discount rate of 7.00%, as well as what the school division's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability (Asset) \$	24,492,000 \$	16,680,000 \$	10,247,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2014 Comprehensive Annual Financial Report (CAFR). A copy of the 2014 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2014-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2015 (Continued)

Note 14 –Landfill Closure and Postclosure Costs:

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. In addition, the County participates in a Regional Landfill and is liable for its portion of closure and postclosure monitoring costs. In conjunction with both, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and State Regulations. The \$2,678,785 reported as landfill postclosure liability at June 30, 2015, represents the estimated liability for postclosure monitoring over the remaining twenty-seven years for the County Landfill and the closure and postclosure costs of the Regional Landfill. These amounts are based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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

Note 15–Surety Bonds:

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

	<u>Amount</u>
Division of Risk Management Surety:	
Commonwealth Funds	
Janet A. Hix, Clerk of the Circuit Court	\$ 115,430
Alice F. Gillette, Treasurer	400,000
Sara R. Henderson, Commissioner of the Revenue	3,000
Barry E. Letterman, Sheriff	30,000
Utica Mutual Insurance Company-Surety:	
Clerk and Deputy Clerk of the School Board	10,000
Virginia Local Government Risk Management Plan:	
All Social Services Employees	1,000,000

Note 16–Other Postemployment Benefits - Health Insurance:

A. Post-retirement Health Insurance for Employee

Plan Description

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retired employees by the County and School Board. The following table shows the components of the County and School Board's annual OPEB cost for the year, the estimated amount contributed to the plan, and changes in the County and School Board's net OPEB obligation to the Retiree Health Insurance Plan:

	Primary Government	Component Unit School Board
Annual required contribution	\$ 35,640	\$ 126,360
Interest on net OPEB obligation	2,200	7,800
Adjustment to annual required contribution	(2,200)	(7,800)
Annual OPEB cost (expense)	\$ 35,640	\$ 126,360
Contributions made	(22,660)	(80,340)
Increase in net OPEB obligation	12,980	46,020
Net OPEB obligation-beginning of year	50,600	179,400
Net OPEB obligation-end of year	\$ 63,580	\$ 225,420

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

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

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County:			
6/30/2013	\$ 29,480	131.45%	\$ 42,900
6/30/2014	30,140	74.45%	50,600
6/30/2015	35,640	63.58%	63,580
Schools:			
6/30/2013	\$ 104,520	68.17%	\$ 152,100
6/30/2014	106,860	74.45%	179,400
6/30/2015	126,360	63.58%	225,420

Funded Status and Funding Progress

As of July 1, 2014, the County's most recent actuarial date, accrued liability for benefits was \$331,100, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,897,400, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.43 percent.

As of July 1, 2014, the School Board's most recent actuarial date, accrued liability for benefits was \$1,173,900, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$10,272,600, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 11.43 percent.

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

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

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees-Retirement eligible for medical benefits are assumed to occur beginning once a participant attains age 50 and completes 15 or more years of service. In no event is an active participant assumed to work beyond age 70.

Mortality-Life expectancies were based on mortality tables from the 2004 Group Annuity Mortality Tables for males and females with a one year setback in pre-retirement for males and females.

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

Based on the historical and expected returns of the County and School Board's short-term investment portfolio, a discount of 4.25% was used. In addition, the projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2014 was thirty years.

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

B. Health Insurance Credit Program Through Virginia Retirement System

Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 13.

Funding Policy

As a participating local political subdivision, the School Board is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The School Board's contribution rate for the fiscal year ended 2015 was .40% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

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

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

Annual OPEB Cost and Net OPEB Obligation (Continued)

For 2015, the School Board's contribution of \$2,748 was equal to the ARC and OPEB cost. The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and preceding years are as follows:

Fiscal Year Ending	Annual OPEB Cost (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
June 30, 2015	\$ 2,748	100%	\$ -
June 30, 2014	3,820	100%	-
June 30, 2013	3,955	100%	-

The funded status of the plan as of June 30, 2014, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 63,149
Actuarial value of plan assets	\$ 33,888
Unfunded actuarial accrued liability (UAAL)	\$ 29,261
Funded ratio (actuarial value of plan assets/AAL)	53.66%
Covered payroll (active plan members)	\$ 694,598
UAAL as a percentage of covered payroll	4.21%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future and reflect a long-term perspective. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.0% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2014 was 20-29 years using an open amortization period.

Professional Employees - Discretely Presented Component Unit School Board

The School Board professional employees participate in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

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

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.06% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2015 and 2014 were \$109,172 and \$111,722, respectively and equaled the required contributions for each year.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2015 (Continued)

Note 17-Restatement of Beginning Net Position

The following adjustments were made to beginning net position:

	Governmental Activities	Component-Unit School Board
Net position as previously reported	\$ 6,509,571	\$ 11,241,059
Implementation of GASB 68:		
Deferred outflows of resources	537,604	1,233,567
Net pension liability	(5,565,498)	(19,803,184)
Net position as restated	\$ <u>1,481,677</u>	\$ <u>(7,328,558)</u>

Note 18-Upcoming Pronouncements:

Statement No. 72, *Fair Value Measurement and Application*, amends the definitions of fair value used throughout GASB literature to be consistent with the definition and principles provided in FASB Accounting Standards Codification Topic 820, *Fair Value Measurement*. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. No formal study or estimate of the impact of this standard has been performed.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68 and amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. No formal study or estimate of the impact of this standard has been performed.

Note 18-Upcoming Pronouncements: (Continued)

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. No formal study or estimate of the impact of this standard has been performed.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. No formal study or estimate of the impact of this standard has been performed.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, objective is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. No formal study or estimate of the impact of this standard has been performed.

Statement No. 77, *Tax Abatement Disclosures*, will increase the disclosure of tax abatement agreements to disclose information about the agreements. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. No formal study or estimate of the impact of this standard has been performed.

REQUIRED SUPPLEMENTARY INFORMATION

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County of Appomattox, Virginia
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive Negative
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>(Negative)</u>
REVENUES				
General property taxes	\$ 11,160,654	\$ 11,160,654	\$ 11,826,466	\$ 665,812
Other local taxes	1,864,000	1,864,000	1,993,511	129,511
Permits, privilege fees, and regulatory licenses	99,000	99,000	89,723	(9,277)
Fines and forfeitures	26,000	26,000	27,562	1,562
Revenue from the use of money and property	167,862	167,862	76,916	(90,946)
Charges for services	219,128	219,128	147,394	(71,734)
Miscellaneous	102,497	102,497	409,824	307,327
Recovered costs	13,678	13,678	218,137	204,459
Intergovernmental:				
Commonwealth	4,337,604	4,337,604	6,093,385	1,755,781
Federal	1,184,460	1,184,460	1,569,025	384,565
Total revenues	<u>\$ 19,174,883</u>	<u>\$ 19,174,883</u>	<u>\$ 22,451,943</u>	<u>\$ 3,277,060</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,658,403	\$ 1,753,921	\$ 1,674,716	\$ 79,205
Judicial administration	1,029,656	1,109,330	1,018,211	91,119
Public safety	3,555,383	3,627,047	3,294,858	332,189
Public works	1,613,435	1,561,612	1,465,152	96,460
Health and welfare	2,641,255	3,509,558	3,409,538	100,020
Education	5,442,072	5,442,072	5,099,005	343,067
Parks, recreation, and cultural	481,019	512,234	461,487	50,747
Community development	436,220	2,021,209	1,971,498	49,711
Capital projects	76,573	76,573	76,573	-
Debt service:				
Principal retirement	1,865,198	1,865,198	1,865,198	-
Interest and other fiscal charges	1,208,729	1,208,729	1,208,729	-
Total expenditures	<u>\$ 20,007,943</u>	<u>\$ 22,687,483</u>	<u>\$ 21,544,965</u>	<u>\$ 1,142,518</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (833,060)</u>	<u>\$ (3,512,600)</u>	<u>\$ 906,978</u>	<u>\$ 4,419,578</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 113,245	\$ 113,245	\$ 35,133	\$ (78,112)
Transfers out	(280,185)	(280,185)	(277,675)	2,510
Total other financing sources (uses)	<u>\$ (166,940)</u>	<u>\$ (166,940)</u>	<u>\$ (242,542)</u>	<u>\$ (75,602)</u>
Net change in fund balances	\$ (1,000,000)	\$ (3,679,540)	\$ 664,436	\$ 4,343,976
Fund balances - beginning	1,000,000	3,679,540	7,255,157	3,575,617
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,919,593</u>	<u>\$ 7,919,593</u>

County of Appomattox, Virginia

Schedule of OPEB Funding Progress

For the Year Ended June 30, 2014

Primary Government:

County Retiree Health Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
7/1/2014	\$ -	\$ 331,100	\$ 331,100	0.00%	\$ 2,897,400	11.43%
7/1/2012	-	289,300	289,300	0.00%	2,447,500	11.82%
7/1/2010	-	287,320	287,320	0.00%	2,599,960	11.05%

Discretely Presented Component Unit:

School Board Retiree Health Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
7/1/2014	\$ -	\$ 1,173,900	\$ 1,173,900	0.00%	\$ 10,272,600	11.43%
7/1/2012	-	1,025,700	1,025,700	0.00%	8,677,500	11.82%
7/1/2010	-	1,018,680	1,018,680	0.00%	9,218,040	11.05%

Discretely Presented Component Unit School Board:

Health Insurance Credit Program Through Virginia Retirement System

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
6/30/2014	\$ 33,888	\$ 63,149	\$ 29,261	53.66%	\$ 694,598	4.21%
6/30/2013	29,407	57,860	28,453	50.82%	725,979	3.92%
6/30/2012	25,718	55,643	29,925	46.22%	666,466	4.49%
6/30/2011	24,444	51,325	26,881	47.63%	696,815	3.86%
6/30/2010	19,066	48,557	29,491	39.27%	654,259	4.51%
6/30/2009	12,260	44,090	31,830	27.81%	669,727	4.75%

County of Appomattox, Virginia
Schedule of Components of and Changes in Net Pension Liability and Related Ratios
Primary Government
For the Year Ended June 30, 2015

	2014
Total pension liability	
Service cost	\$ 443,674
Interest	1,496,352
Benefit payments, including refunds of employee contributions	(1,102,328)
Net change in total pension liability	\$ 837,698
Total pension liability - beginning	21,927,617
Total pension liability - ending (a)	\$ 22,765,315
Plan fiduciary net position	
Contributions - employer	\$ 537,604
Contributions - employee	208,860
Net investment income	2,557,177
Benefit payments, including refunds of employee contributions	(1,102,328)
Administrative expense	(13,959)
Other	135
Net change in plan fiduciary net position	\$ 2,187,489
Plan fiduciary net position - beginning	16,362,119
Plan fiduciary net position - ending (b)	\$ 18,549,608
County's net pension liability - ending (a) - (b)	\$ 4,215,707
Plan fiduciary net position as a percentage of the total pension liability	81.48%
Covered-employee payroll	\$ 3,984,402
County's net pension liability as a percentage of covered-employee payroll	105.81%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

County of Appomattox, Virginia
Schedule of Components of and Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Year Ended June 30, 2015

	<u>2014</u>
Total pension liability	
Service cost	\$ 81,045
Interest	179,628
Benefit payments, including refunds of employee contributions	(125,141)
Net change in total pension liability	\$ 135,532
Total pension liability - beginning	2,628,682
Total pension liability - ending (a)	<u>\$ 2,764,214</u>
Plan fiduciary net position	
Contributions - employer	\$ 55,567
Contributions - employee	34,731
Net investment income	388,463
Benefit payments, including refunds of employee contributions	(125,141)
Administrative expense	(2,105)
Other	20
Net change in plan fiduciary net position	\$ 351,535
Plan fiduciary net position - beginning	2,474,498
Plan fiduciary net position - ending (b)	<u>\$ 2,826,033</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (61,819)
Plan fiduciary net position as a percentage of the total pension liability	102.24%
Covered-employee payroll	\$ 694,598
School Division's net pension liability (asset) as a percentage of covered-employee payroll	-8.90%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

County of Appomattox, Virginia
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Year Ended June 30, 2015*

	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.13802%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 16,680,000
Employer's Covered-Employee Payroll	10,065,047
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	165.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

* The amounts presented have a measurement date of the previous fiscal year end.

County of Appomattox, Virginia
Schedule of Employer Contributions
For the Year Ended June 30, 2015

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
Primary Government					
2015	\$ 597,846	\$ 597,846	\$ -	\$ 4,031,328	14.83%
Component Unit School Board (nonprofessional)					
2015	\$ 51,679	\$ 51,679	\$ -	\$ 686,311	7.53%
Component Unit School Board (professional)					
2015	\$ 1,485,208	\$ 1,485,208	\$ -	\$ 10,242,814	14.50%

Schedule is intended to show information for 10 years. Since 2015 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

County of Appomattox, Virginia
Notes to Required Supplementary Information
For the Year Ended June 30, 2015

Changes of benefit terms - There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013 and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

Component Unit School Board - Professional Employees

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates withdrawals for 3 through 9 years of service
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

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OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES*

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County of Appomattox, Virginia
County Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
EXPENDITURES				
Current:				
Education	\$ 15,000	\$ 294,677	\$ 117,218	\$ 177,459
Total expenditures	\$ 15,000	\$ 294,677	\$ 117,218	\$ 177,459
Excess (deficiency) of revenues over (under) expenditures	\$ (15,000)	\$ (294,677)	\$ (117,218)	\$ 177,459
Net change in fund balances	\$ (15,000)	\$ (294,677)	\$ (117,218)	\$ 177,459
Fund balances - beginning	15,000	294,677	3,544,433	3,249,756
Fund balances - ending	\$ -	\$ -	\$ 3,427,215	\$ 3,427,215

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2015

	County Special Revenue Fund					Variance with Final Budget Positive (Negative)
	Budgeted Amounts					
	<u>Original</u>	<u>Final</u>	<u>Actual</u>			
REVENUES						
Charges for services	\$ -	\$ -	\$ 31,054	\$		31,054
Miscellaneous	-	-	1,026			1,026
Intergovernmental:						
Commonwealth	-	-	57,502			57,502
Total revenues	\$ -	\$ -	\$ 89,582	\$		89,582
EXPENDITURES						
Current:						
Public safety	\$ -	\$ 29,722	\$ 29,722	\$		-
Total expenditures	\$ -	\$ 29,722	\$ 29,722	\$		-
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (29,722)	\$ 59,860	\$		89,582
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ -	\$ 29,722	\$		29,722
Transfers out	(113,245)	(113,245)	(35,133)			78,112
Total other financing sources (uses)	\$ (113,245)	\$ (113,245)	\$ (5,411)	\$		107,834
Net change in fund balances	\$ (113,245)	\$ (142,967)	\$ 54,449	\$		197,416
Fund balances - beginning	113,245	142,967	706,276			563,309
Fund balances - ending	\$ -	\$ -	\$ 760,725	\$		760,725

County of Appomattox, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>		
	<u>Special Welfare</u>	<u>Sheriff Drug</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 16,124	\$ 13,223	\$ 29,347
Total assets	<u>\$ 16,124</u>	<u>\$ 13,223</u>	<u>\$ 29,347</u>
LIABILITIES			
Amounts held for social services clients	\$ 16,124	\$ -	\$ 16,124
Amounts held for others	-	13,223	13,223
Total liabilities	<u>\$ 16,124</u>	<u>\$ 13,223</u>	<u>\$ 29,347</u>

County of Appomattox, Virginia
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2015

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare:				
Assets:				
Cash and cash equivalents	\$ 11,497	\$ 16,178	\$ 11,551	\$ 16,124
Liabilities:				
Amounts held for social services clients	\$ 11,497	\$ 16,178	\$ 11,551	\$ 16,124
Sheriff Drug:				
Assets:				
Cash and cash equivalents	\$ 13,223	\$ -	\$ -	\$ 13,223
Liabilities:				
Amounts held for others	\$ 13,223	\$ -	\$ -	\$ 13,223
Swim Team:				
Assets:				
Cash and cash equivalents	\$ 479	\$ 4,600	\$ 5,079	\$ -
Liabilities:				
Amounts held for others	\$ 479	\$ 4,600	\$ 5,079	\$ -
Totals -- All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 25,199	\$ 20,778	\$ 16,630	\$ 29,347
Liabilities:				
Amounts held for others	\$ 13,702	\$ 4,600	\$ 5,079	\$ 13,223
Amounts held for social services clients	11,497	16,178	11,551	16,124
Total liabilities	\$ 25,199	\$ 20,778	\$ 16,630	\$ 29,347

*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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County of Appomattox, Virginia
Combining Balance Sheet - Governmental Funds
Discretely Presented Component Unit - School Board
June 30, 2015

	School Operating <u>Fund</u>	School Special Revenue <u>Fund</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 177,788	\$ 737,564	\$ 915,352
Cash in custody of others	-	4,000	4,000
Due from other funds	57,029	-	57,029
Due from other governmental units	1,740,396	-	1,740,396
Total assets	<u>\$ 1,975,213</u>	<u>\$ 741,564</u>	<u>\$ 2,716,777</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 93,740	\$ -	\$ 93,740
Accrued liabilities	1,703,685	-	1,703,685
Due to other funds	-	57,029	57,029
Total liabilities	<u>\$ 1,797,425</u>	<u>\$ 57,029</u>	<u>\$ 1,854,454</u>
Fund balances:			
Committed	\$ 175,788	\$ 684,535	\$ 860,323
Unassigned	2,000	-	2,000
Total fund balances	<u>\$ 177,788</u>	<u>\$ 684,535</u>	<u>\$ 862,323</u>
Total liabilities and fund balances	<u>\$ 1,975,213</u>	<u>\$ 741,564</u>	<u>\$ 2,716,777</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above			\$ 862,323
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets, cost		\$ 20,644,051	
Accumulated depreciation		<u>(9,915,704)</u>	10,728,347
The net pension asset is not an available resource and, therefore, is not reported in the funds.			61,819
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			
Items related to measurement of net pension liability			(3,168,232)
Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds.			1,536,887
Long-term liabilities, including VRS early retirement incentive, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:			
Early retirement liability		\$ (390,434)	
Net pension liability		(16,680,000)	
Net OPEB obligation		<u>(225,420)</u>	(17,295,854)
Net position of governmental activities			<u>\$ (7,274,710)</u>

County of Appomattox, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2015

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 3,511	\$ -	\$ 3,511
Charges for services	196,133	290,595	486,728
Miscellaneous	93,437	-	93,437
Recovered costs	9,616	-	9,616
Intergovernmental:			
Local government	5,215,702	144	5,215,846
Commonwealth	13,265,398	11,171	13,276,569
Federal	1,174,283	560,823	1,735,106
Total revenues	<u>\$ 19,958,080</u>	<u>\$ 862,733</u>	<u>\$ 20,820,813</u>
EXPENDITURES			
Current:			
Education	\$ 19,840,422	\$ 938,191	\$ 20,778,613
Debt service:			
Principal retirement	28,950	-	28,950
Interest and other fiscal charges	33,551	-	33,551
Total expenditures	<u>\$ 19,902,923</u>	<u>\$ 938,191</u>	<u>\$ 20,841,114</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 55,157	\$ (75,458)	\$ (20,301)
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 55,157	\$ 55,157
Transfers out	(55,157)	-	(55,157)
Total other financing sources (uses)	<u>\$ (55,157)</u>	<u>\$ 55,157</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ (20,301)	\$ (20,301)
Fund balances - beginning	177,788	704,836	882,624
Fund balances - ending	<u>\$ 177,788</u>	<u>\$ 684,535</u>	<u>\$ 862,323</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:			
Net change in fund balances - total governmental funds - per above			\$ (20,301)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital outlays in the current period.			
Capital asset additions		\$ 288,717	
Jointly owned asset allocation		223,210	
Depreciation expense		<u>(740,799)</u>	(228,872)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
(Increase) decrease in items related to measurement of net pension liability			(3,168,232)
The issuance of long-term obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.			
Decrease in early retirement liability			28,950
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.			
(Increase) decrease in net OPEB obligation		\$ (46,020)	
Increase (decrease) in deferred outflows related to pension payments subsequent to the measurement date		303,320	
Increase (decrease) in net pension asset		61,819	
(Increase) decrease in net pension liability		<u>3,123,184</u>	3,442,303
Change in net position of governmental activities			<u>\$ 53,848</u>

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
School Operating Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2015

	School Operating Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 7,500	\$ 7,500	\$ 3,511	\$ (3,989)
Charges for services	207,700	207,700	196,133	(11,567)
Miscellaneous	52,800	52,800	93,437	40,637
Recovered costs	13,000	13,000	9,616	(3,384)
Intergovernmental:				
Local government	5,456,695	5,736,372	5,215,702	(520,670)
Commonwealth	13,473,380	13,506,740	13,265,398	(241,342)
Federal	1,002,810	1,002,810	1,174,283	171,473
Total revenues	\$ 20,213,885	\$ 20,526,922	\$ 19,958,080	\$ (568,842)
EXPENDITURES				
Current:				
Education	\$ 20,327,172	\$ 20,640,209	\$ 19,840,422	\$ 799,787
Debt service:				
Principal retirement	28,950	28,950	28,950	-
Interest and other fiscal charges	33,551	33,551	33,551	-
Total expenditures	\$ 20,389,673	\$ 20,702,710	\$ 19,902,923	\$ 799,787
Excess (deficiency) of revenues over (under) expenditures	\$ (175,788)	\$ (175,788)	\$ 55,157	\$ 230,945
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (55,157)	\$ (55,157)
Total other financing sources (uses)	\$ -	\$ -	\$ (55,157)	\$ (55,157)
Net change in fund balances	\$ (175,788)	\$ (175,788)	\$ -	\$ 175,788
Fund balances - beginning	175,788	175,788	177,788	2,000
Fund balances - ending	\$ -	\$ -	\$ 177,788	\$ 177,788

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
School Special Revenue Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2015

	School Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 30	\$ 30	\$ -	\$ (30)
Charges for services	411,000	411,000	290,595	(120,405)
Miscellaneous	7,000	7,000	-	(7,000)
Intergovernmental:				
Local government	-	-	144	144
Commonwealth	-	-	11,171	11,171
Federal	540,551	592,053	560,823	(31,230)
Total revenues	<u>\$ 958,581</u>	<u>\$ 1,010,083</u>	<u>\$ 862,733</u>	<u>\$ (147,350)</u>
EXPENDITURES				
Current:				
Education	\$ 1,090,000	\$ 1,428,824	\$ 938,191	\$ 490,633
Total expenditures	<u>\$ 1,090,000</u>	<u>\$ 1,428,824</u>	<u>\$ 938,191</u>	<u>\$ 490,633</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (131,419)</u>	<u>\$ (418,741)</u>	<u>\$ (75,458)</u>	<u>\$ 343,283</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 55,157	\$ 55,157
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,157</u>	<u>\$ 55,157</u>
Net change in fund balances	\$ (131,419)	\$ (418,741)	\$ (20,301)	\$ 398,440
Fund balances - beginning	131,419	418,741	704,836	286,095
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,535</u>	<u>\$ 684,535</u>

*DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY*

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County of Appomattox, Virginia
Statement of Net Position
Discretely Presented Component Unit-Economic Development Authority
June 30, 2015

ASSETS

Current assets:

Cash and cash equivalents	\$ 71,967
---------------------------	-----------

Noncurrent assets:

Capital assets:

Land	\$ 1,386,773
------	--------------

Infrastructure	1,917,079
----------------	-----------

Accumulated depreciation	(659,782)
--------------------------	-----------

Total capital assets	<u>\$ 2,644,070</u>
----------------------	---------------------

Total noncurrent assets	<u>\$ 2,644,070</u>
-------------------------	---------------------

Total assets	<u>\$ 2,716,037</u>
--------------	---------------------

NET POSITION

Investment in capital assets	\$ 2,644,070
------------------------------	--------------

Unrestricted	71,967
--------------	--------

Total net position	<u><u>\$ 2,716,037</u></u>
--------------------	----------------------------

County of Appomattox, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2015

OPERATING REVENUES

Miscellaneous	21,138
Total operating revenues	<u>\$ 21,138</u>

OPERATING EXPENSES

Other supplies and expenses	\$ 2,185
EDA grant	50,000
Depreciation	52,118
Total operating expenses	<u>\$ 104,303</u>

Operating income (loss)	<u>\$ (83,165)</u>
-------------------------	--------------------

NONOPERATING REVENUES (EXPENSES)

Investment income	\$ 343
Total nonoperating revenues (expenses)	<u>\$ 343</u>

Change in net position	\$ (82,822)
------------------------	-------------

Total net position - beginning	2,798,859
Total net position - ending	<u><u>\$ 2,716,037</u></u>

County of Appomattox, Virginia
Statement of Cash Flows
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 21,138
Payments for operating activities	<u>(52,185)</u>
Net cash provided by (used for) operating activities	<u>\$ (31,047)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>\$ 343</u>
Net cash provided by (used for) investing activities	<u>\$ 343</u>

Net increase (decrease) in cash and cash equivalents (30,704)

Cash and cash equivalents - beginning	<u>102,671</u>
Cash and cash equivalents - ending	<u><u>\$ 71,967</u></u>

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

Operating income (loss)	\$ (83,165)
-------------------------	-------------

Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

Depreciation	<u>52,118</u>
Total adjustments	<u>\$ 52,118</u>

Net cash provided by (used for) operating activities \$ (31,047)

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SUPPORTING SCHEDULES

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County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2015

Schedule 1
Page 1 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 7,716,207	\$ 7,716,207	\$ 8,150,566	\$ 434,359
Real and personal public service corporation taxes	526,404	526,404	596,170	69,766
Personal property taxes	2,604,343	2,604,343	2,593,153	(11,190)
Machinery and tools taxes	43,700	43,700	53,121	9,421
Merchant's capital taxes	130,000	130,000	136,627	6,627
Penalties	80,000	80,000	171,087	91,087
Interest	60,000	60,000	125,742	65,742
Total general property taxes	\$ 11,160,654	\$ 11,160,654	\$ 11,826,466	\$ 665,812
Other local taxes:				
Local sales and use taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,159,058	\$ 59,058
Consumers' utility taxes	340,000	340,000	361,471	21,471
Consumption tax	-	-	53,366	53,366
Gross Receipts	1,000	1,000	9,233	8,233
Motor vehicle licenses	340,000	340,000	328,545	(11,455)
Taxes on recordation and wills	83,000	83,000	78,056	(4,944)
Hotel and motel room taxes	-	-	3,782	3,782
Total other local taxes	\$ 1,864,000	\$ 1,864,000	\$ 1,993,511	\$ 129,511
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,000	\$ 7,000	\$ 6,170	\$ (830)
Permits and other licenses	92,000	92,000	83,553	(8,447)
Total permits, privilege fees, and regulatory licenses	\$ 99,000	\$ 99,000	\$ 89,723	\$ (9,277)
Fines and forfeitures:				
Court fines and forfeitures	\$ 26,000	\$ 26,000	\$ 27,562	\$ 1,562
Total fines and forfeitures	\$ 26,000	\$ 26,000	\$ 27,562	\$ 1,562
Revenue from use of money and property:				
Revenue from use of money	\$ 85,200	\$ 85,200	\$ 119	\$ (85,081)
Revenue from use of property	82,662	82,662	76,797	(5,865)
Total revenue from use of money and property	\$ 167,862	\$ 167,862	\$ 76,916	\$ (90,946)
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 794	\$ -
Sale of maps and surveys	200	200	-	(200)
Charges for Commonwealth's Attorney	1,000	1,000	1,194	194
Charges for sanitation and waste removal	96,620	96,620	93,260	(3,360)
Charges for other protection	79,514	79,514	4,107	(75,407)
Charges for recreation	30,000	30,000	27,822	(2,178)
Charges for library	11,000	11,000	20,217	9,217
Total charges for services	\$ 219,128	\$ 219,128	\$ 147,394	\$ (71,734)

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2015

Schedule 1
Page 2 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 102,497	\$ 102,497	\$ 409,824	\$ 307,327
Total miscellaneous revenue	\$ 102,497	\$ 102,497	\$ 409,824	\$ 307,327
Recovered costs:				
Social services VRS & GLIF	\$ 2,000	\$ 2,000	\$ 140,094	\$ 138,094
Town recoveries	-	-	75,524	75,524
School health insurance	11,678	11,678	-	(11,678)
Health department	-	-	2,519	2,519
Total recovered costs	\$ 13,678	\$ 13,678	\$ 218,137	\$ 204,459
Total revenue from local sources	\$ 13,652,819	\$ 13,652,819	\$ 14,789,533	\$ 1,136,714
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 11,000	\$ 11,000	\$ 17,683	\$ 6,683
EMS vehicles	15,600	15,600	-	(15,600)
Rolling stock tax	40,500	40,500	44,733	4,233
Auto rental tax	1,000	1,000	2,567	1,567
Additional tax on deeds	25,000	25,000	21,560	(3,440)
State recordation tax	30,000	30,000	25,525	(4,475)
Communications tax	550,000	550,000	561,754	11,754
Personal property tax relief funds	1,023,637	1,023,637	1,023,637	-
Total noncategorical aid	\$ 1,696,737	\$ 1,696,737	\$ 1,697,459	\$ 722
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 237,067	\$ 237,067	\$ 305,578	\$ 68,511
Sheriff	726,400	726,400	729,645	3,245
Commissioner of revenue	95,193	95,193	95,725	532
Treasurer	79,213	79,213	74,895	(4,318)
Registrar/electoral board	33,500	33,500	36,589	3,089
Clerk of the Circuit Court	166,701	166,701	181,165	14,464
Total shared expenses	\$ 1,338,074	\$ 1,338,074	\$ 1,423,597	\$ 85,523
Other categorical aid:				
Public assistance and welfare administration	\$ 410,222	\$ 410,222	\$ 457,982	\$ 47,760
Comprehensive services act	702,201	702,201	951,011	248,810
Emergency medical services	-	-	15,341	15,341
Fire programs fund	34,808	34,808	41,252	6,444
Library grant	39,175	39,175	40,931	1,756

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2015

Schedule 1
Page 3 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Department of forestry grant	\$ 18,000	\$ 18,000	\$ 14,118	\$ (3,882)
Victim witness grant	22,687	22,687	21,858	(829)
Litter control grant	9,000	9,000	8,528	(472)
Virginia domestic violence victims fund	40,000	40,000	20,000	(20,000)
Governor's opportunity fund	-	-	1,400,000	1,400,000
Health department incentive	11,700	11,700	-	(11,700)
Road side clean up	15,000	15,000	-	(15,000)
Emergency services	-	-	1,308	1,308
Total other categorical aid	<u>\$ 1,302,793</u>	<u>\$ 1,302,793</u>	<u>\$ 2,972,329</u>	<u>\$ 1,669,536</u>
Total categorical aid	<u>\$ 2,640,867</u>	<u>\$ 2,640,867</u>	<u>\$ 4,395,926</u>	<u>\$ 1,755,059</u>
Total revenue from the Commonwealth	<u>\$ 4,337,604</u>	<u>\$ 4,337,604</u>	<u>\$ 6,093,385</u>	<u>\$ 1,755,781</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 3,961</u>	<u>\$ (39)</u>
Categorical aid:				
Federal interest rate subsidy	\$ 430,425	\$ 430,425	\$ 417,150	\$ (13,275)
Public assistance and welfare administration	750,035	750,035	837,358	87,323
Comprehensive services act	-	-	16,408	16,408
Transportation safety	-	-	6,618	6,618
Appalachian heritage trail	-	-	284,743	284,743
Sheriff's overtime grant	-	-	2,787	2,787
Total categorical aid	<u>\$ 1,180,460</u>	<u>\$ 1,180,460</u>	<u>\$ 1,565,064</u>	<u>\$ 384,604</u>
Total revenue from the federal government	<u>\$ 1,184,460</u>	<u>\$ 1,184,460</u>	<u>\$ 1,569,025</u>	<u>\$ 384,565</u>
Total General Fund	<u>\$ 19,174,883</u>	<u>\$ 19,174,883</u>	<u>\$ 22,451,943</u>	<u>\$ 3,277,060</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 2,617	\$ 2,617
Courthouse security fees	-	-	23,308	23,308
Courthouse maintenance fees	-	-	5,129	5,129
Total charges for services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,054</u>	<u>\$ 31,054</u>

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
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For the Year Ended June 30, 2015

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund: (Continued)				
County Special Revenue Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 1,026	\$ 1,026
Total miscellaneous revenue	\$ -	\$ -	\$ 1,026	\$ 1,026
Total revenue from local sources	\$ -	\$ -	\$ 32,080	\$ 32,080
Special Revenue Fund: (Continued)				
County Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	\$ -	\$ -	\$ 50,623	\$ 50,623
Forfeited assets	-	-	6,879	6,879
Total categorical aid	\$ -	\$ -	\$ 57,502	\$ 57,502
Total revenue from the Commonwealth	\$ -	\$ -	\$ 57,502	\$ 57,502
Total County Special Revenue Fund	\$ -	\$ -	\$ 89,582	\$ 89,582
Total Primary Government	\$ 19,174,883	\$ 19,174,883	\$ 22,541,525	\$ 3,366,642
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 7,500	\$ 7,500	\$ 3,511	\$ (3,989)
Total revenue from use of money and property	\$ 7,500	\$ 7,500	\$ 3,511	\$ (3,989)
Charges for services:				
Charges for education	\$ 207,700	\$ 207,700	\$ 196,133	\$ (11,567)
Total charges for services	\$ 207,700	\$ 207,700	\$ 196,133	\$ (11,567)
Miscellaneous revenue:				
Miscellaneous	\$ 52,800	\$ 52,800	\$ 93,437	\$ 40,637
Total miscellaneous revenue	\$ 52,800	\$ 52,800	\$ 93,437	\$ 40,637
Recovered costs:				
Tuition - other localities	\$ 13,000	\$ 13,000	\$ 9,616	\$ (3,384)
Total recovered costs	\$ 13,000	\$ 13,000	\$ 9,616	\$ (3,384)
Total revenue from local sources	\$ 281,000	\$ 281,000	\$ 302,697	\$ 21,697

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 5,456,695	\$ 5,736,372	\$ 5,215,702	\$ (520,670)
Total revenues from local governments	<u>\$ 5,456,695</u>	<u>\$ 5,736,372</u>	<u>\$ 5,215,702</u>	<u>\$ (520,670)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,324,720	\$ 2,324,720	\$ 2,339,918	\$ 15,198
Basic school aid	6,987,718	6,987,718	6,835,398	(152,320)
English as a second language	2,155	2,155	3,017	862
Adult secondary education	-	-	1,426	1,426
Gifted and talented	72,041	72,041	70,815	(1,226)
Remedial education	262,105	262,105	257,647	(4,458)
Special education	765,287	765,287	755,572	(9,715)
Textbook payment	147,484	147,484	144,975	(2,509)
ISAEF	7,859	7,859	7,859	-
Vocational education	260,573	260,573	256,140	(4,433)
School fringes	1,292,133	1,292,133	1,270,153	(21,980)
Foster care	29,437	29,437	6,746	(22,691)
Career and technical education	24,018	24,018	25,070	1,052
Early reading intervention	21,941	21,941	26,329	4,388
Remedial Ed-Summer School	101,942	101,942	103,613	1,671
Homebound	-	-	2,727	2,727
SOL Algebra readiness	33,794	33,794	29,295	(4,499)
K-3 initiative	330,570	330,570	328,748	(1,822)
Regular school tuition	179,659	179,659	165,505	(14,154)
At risk payments	459,637	459,637	439,171	(20,466)
Technology grant	154,000	154,000	154,000	-
Mentor teachers	1,472	1,472	3,840	2,368
School safety initiative	\$ -	\$ 33,360	\$ 33,360	\$ -
Other state aid	14,835	14,835	4,074	(10,761)
Total categorical aid	<u>\$ 13,473,380</u>	<u>\$ 13,506,740</u>	<u>\$ 13,265,398</u>	<u>\$ (241,342)</u>
Total revenue from the Commonwealth	<u>\$ 13,473,380</u>	<u>\$ 13,506,740</u>	<u>\$ 13,265,398</u>	<u>\$ (241,342)</u>

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 480,000	\$ 480,000	\$ 572,673	\$ 92,673
Vocational education	-	-	39,154	39,154
Title II Part A	90,000	90,000	111,235	21,235
Title VIB	420,000	420,000	421,584	1,584
Preschool grant	12,810	12,810	28,307	15,497
Advanced placement program	-	-	1,330	1,330
Total categorical aid	\$ 1,002,810	\$ 1,002,810	\$ 1,174,283	\$ 171,473
Total revenue from the federal government	\$ 1,002,810	\$ 1,002,810	\$ 1,174,283	\$ 171,473
Total School Operating Fund	\$ 20,213,885	\$ 20,526,922	\$ 19,958,080	\$ (568,842)
School Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 30	\$ 30	\$ -	\$ (30)
Charges for services:				
Cafeteria sales	\$ 411,000	\$ 411,000	\$ 290,375	\$ (120,625)
Textbook fees	-	-	220	220
Total charges for services	\$ 411,000	\$ 411,000	\$ 290,595	\$ (120,405)
Miscellaneous revenue:				
Miscellaneous	\$ 7,000	\$ 7,000	\$ -	\$ (7,000)
Total miscellaneous revenue	\$ 7,000	\$ 7,000	\$ -	\$ (7,000)
Total revenue from local sources	\$ 418,030	\$ 418,030	\$ 290,595	\$ (127,435)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ -	\$ -	\$ 144	\$ 144
Total revenues from local governments	\$ -	\$ -	\$ 144	\$ 144
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ -	\$ -	\$ 11,171	\$ 11,171
Total revenue from the Commonwealth	\$ -	\$ -	\$ 11,171	\$ 11,171

County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2015

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
School Special Revenue Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 540,551	\$ 540,551	\$ 509,321	\$ (31,230)
Commodities	-	51,502	51,502	-
Total categorical aid	\$ 540,551	\$ 592,053	\$ 560,823	\$ (31,230)
Total revenue from the federal government	\$ 540,551	\$ 592,053	\$ 560,823	\$ (31,230)
Total School Special Revenue Fund	\$ 958,581	\$ 1,010,083	\$ 862,733	\$ (147,350)
Total Discretely Presented Component Unit - School Board	\$ 21,172,466	\$ 21,537,005	\$ 20,820,813	\$ (716,192)

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County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
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For the Year Ended June 30, 2015

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 256,614	\$ 205,889	\$ 197,803	\$ 8,086
Total legislative	\$ 256,614	\$ 205,889	\$ 197,803	\$ 8,086
General and financial administration:				
County administrator	\$ 437,609	\$ 442,999	\$ 442,997	\$ 2
Legal services	40,500	40,500	39,290	1,210
Commissioner of revenue	361,420	363,616	329,217	34,399
Independent auditor	37,500	37,500	35,900	1,600
Treasurer	264,657	292,613	277,470	15,143
Information technology	113,950	113,950	95,185	18,765
Total general and financial administration	\$ 1,255,636	\$ 1,291,178	\$ 1,220,059	\$ 71,119
Board of elections:				
Electoral board and officials	\$ 55,533	\$ 169,356	\$ 169,356	\$ -
Registrar	90,620	87,498	87,498	-
Total board of elections	\$ 146,153	\$ 256,854	\$ 256,854	\$ -
Total general government administration	\$ 1,658,403	\$ 1,753,921	\$ 1,674,716	\$ 79,205
Judicial administration:				
Courts:				
Circuit court	\$ 21,332	\$ 21,494	\$ 18,822	\$ 2,672
General district court	3,873	3,873	3,725	148
Special Magistrates	1,000	1,000	30	970
Court services unit	201,264	201,740	144,304	57,436
Juvenile and domestic relations court	7,300	7,300	4,799	2,501
Sheriff	75,608	75,608	75,222	386
Witness advocate grant	23,766	25,011	25,011	-
VA domestic victim grant	40,000	40,000	24,546	15,454
Clerk of the circuit court	272,264	274,634	274,634	-
Total courts	\$ 646,407	\$ 650,660	\$ 571,093	\$ 79,567
Commonwealth's attorney:				
Commonwealth's attorney	\$ 383,249	\$ 458,670	\$ 447,118	\$ 11,552
Total commonwealth's attorney	\$ 383,249	\$ 458,670	\$ 447,118	\$ 11,552
Total judicial administration	\$ 1,029,656	\$ 1,109,330	\$ 1,018,211	\$ 91,119
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,538,636	\$ 1,605,933	\$ 1,512,647	\$ 93,286
School resource officer	175,137	175,137	141,367	33,770
DMV traffic control grant	-	3,288	3,288	-
Total law enforcement and traffic control	\$ 1,713,773	\$ 1,784,358	\$ 1,657,302	\$ 127,056

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
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For the Year Ended June 30, 2015

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	\$ 137,999	\$ 138,200	\$ 136,805	\$ 1,395
Ambulance and rescue services	45,702	45,501	32,002	13,499
Forestry service	10,000	10,000	9,927	73
Total fire and rescue services	<u>\$ 193,701</u>	<u>\$ 193,701</u>	<u>\$ 178,734</u>	<u>\$ 14,967</u>
Correction and detention:				
Sheriff	\$ 700,000	\$ 700,000	\$ 541,114	\$ 158,886
Total correction and detention	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 541,114</u>	<u>\$ 158,886</u>
Inspections:				
Building	\$ 74,831	\$ 75,018	\$ 72,268	\$ 2,750
Total inspections	<u>\$ 74,831</u>	<u>\$ 75,018</u>	<u>\$ 72,268</u>	<u>\$ 2,750</u>
Other protection:				
Animal control	\$ 153,730	\$ 154,442	\$ 152,368	\$ 2,074
Emergency services	16,871	16,871	16,571	300
E-911	701,977	702,157	676,321	25,836
Medical examiner	500	500	180	320
Total other protection	<u>\$ 873,078</u>	<u>\$ 873,970</u>	<u>\$ 845,440</u>	<u>\$ 28,530</u>
Total public safety	<u>\$ 3,555,383</u>	<u>\$ 3,627,047</u>	<u>\$ 3,294,858</u>	<u>\$ 332,189</u>
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 446,396	\$ 422,143	\$ 370,559	\$ 51,584
Tire security	34,829	34,829	34,614	215
Refuse collection	537,940	464,811	449,817	14,994
Total sanitation and waste removal	<u>\$ 1,019,165</u>	<u>\$ 921,783</u>	<u>\$ 854,990</u>	<u>\$ 66,793</u>
Maintenance of general buildings and grounds:				
General properties	\$ 594,270	\$ 639,829	\$ 610,162	\$ 29,667
Total maintenance of general buildings and grounds	<u>\$ 594,270</u>	<u>\$ 639,829</u>	<u>\$ 610,162</u>	<u>\$ 29,667</u>
Total public works	<u>\$ 1,613,435</u>	<u>\$ 1,561,612</u>	<u>\$ 1,465,152</u>	<u>\$ 96,460</u>
Health and welfare:				
Health:				
Local health department	\$ 121,809	\$ 121,809	\$ 121,792	\$ 17
Total health	<u>\$ 121,809</u>	<u>\$ 121,809</u>	<u>\$ 121,792</u>	<u>\$ 17</u>
Mental health and mental retardation:				
Central VA Community Services	\$ 41,000	\$ 41,000	\$ 30,750	\$ 10,250
Total mental health and mental retardation	<u>\$ 41,000</u>	<u>\$ 41,000</u>	<u>\$ 30,750</u>	<u>\$ 10,250</u>

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 1,516,667	\$ 1,693,602	\$ 1,693,234	\$ 368
Comprehensive services act	961,779	1,653,147	1,563,762	89,385
Total welfare	<u>\$ 2,478,446</u>	<u>\$ 3,346,749</u>	<u>\$ 3,256,996</u>	<u>\$ 89,753</u>
Total health and welfare	<u>\$ 2,641,255</u>	<u>\$ 3,509,558</u>	<u>\$ 3,409,538</u>	<u>\$ 100,020</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 377	\$ 377	\$ 377	\$ -
Contribution to County School Board	5,441,695	5,441,695	5,098,628	343,067
Total education	<u>\$ 5,442,072</u>	<u>\$ 5,442,072</u>	<u>\$ 5,099,005</u>	<u>\$ 343,067</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 189,493	\$ 198,990	\$ 194,762	\$ 4,228
Sports complex	47,512	47,512	33,107	14,405
Total parks and recreation	<u>\$ 237,005</u>	<u>\$ 246,502</u>	<u>\$ 227,869</u>	<u>\$ 18,633</u>
Cultural enrichment:				
Contributions	\$ 39,873	\$ 42,093	\$ 36,910	\$ 5,183
Total cultural enrichment	<u>\$ 39,873</u>	<u>\$ 42,093</u>	<u>\$ 36,910</u>	<u>\$ 5,183</u>
Library:				
Public library	\$ 204,141	\$ 223,639	\$ 196,708	\$ 26,931
Total library	<u>\$ 204,141</u>	<u>\$ 223,639</u>	<u>\$ 196,708</u>	<u>\$ 26,931</u>
Total parks, recreation, and cultural	<u>\$ 481,019</u>	<u>\$ 512,234</u>	<u>\$ 461,487</u>	<u>\$ 50,747</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 124,636	\$ 124,636	\$ 114,868	\$ 9,768
Tourism	18,000	18,000	14,609	3,391
Economic development	112,462	1,702,710	1,687,085	15,625
Total planning and community development	<u>\$ 255,098</u>	<u>\$ 1,845,346</u>	<u>\$ 1,816,562</u>	<u>\$ 28,784</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Erosion and sediment control	9,465	9,465	2,455	7,010
Litter control program	9,000	2,759	2,759	-
Recycling	101,784	102,766	92,033	10,733
Total environmental management	<u>\$ 130,249</u>	<u>\$ 124,990</u>	<u>\$ 107,247</u>	<u>\$ 17,743</u>

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 50,873	\$ 50,873	\$ 47,689	\$ 3,184
Total cooperative extension program	\$ 50,873	\$ 50,873	\$ 47,689	\$ 3,184
 Total community development	 \$ 436,220	 \$ 2,021,209	 \$ 1,971,498	 \$ 49,711
Capital projects:				
Town/County Sewer Project	\$ 76,573	\$ 76,573	\$ 76,573	\$ -
Total capital projects	\$ 76,573	\$ 76,573	\$ 76,573	\$ -
Debt service:				
Principal retirement	\$ 1,865,198	\$ 1,865,198	\$ 1,865,198	\$ -
Interest and other fiscal charges	1,208,729	1,208,729	1,208,729	-
Total debt service	\$ 3,073,927	\$ 3,073,927	\$ 3,073,927	\$ -
 Total General Fund	 \$ 20,007,943	 \$ 22,687,483	 \$ 21,544,965	 \$ 1,142,518
Special Revenue Fund:				
County Special Revenue Fund:				
Public Safety:				
Sheriff:				
Asset forfeiture	\$ -	\$ 29,722	\$ 29,722	\$ -
Total public safety	\$ -	\$ 29,722	\$ 29,722	\$ -
 Total County Special Revenue Fund	 \$ -	 \$ 29,722	 \$ 29,722	 \$ -
Capital Projects Fund:				
County Capital Projects Fund:				
Education:				
Other instructional costs:				
Contribution to County School Board	\$ 15,000	\$ 294,677	\$ 117,218	\$ 177,459
Total education	\$ 15,000	\$ 294,677	\$ 117,218	\$ 177,459
 Total County Capital Projects Fund	 \$ 15,000	 \$ 294,677	 \$ 117,218	 \$ 177,459
 Total Primary Government	 \$ 20,022,943	 \$ 23,011,882	 \$ 21,691,905	 \$ 1,319,977

County of Appomattox, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2015

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 962,500	\$ 962,500	\$ 920,999	\$ 41,501
Instruction costs	15,350,620	15,355,297	15,587,044	(231,747)
Pupil transportation	1,500,427	1,500,427	1,332,990	167,437
Operation and maintenance of school plant	2,513,625	2,821,985	1,999,389	822,596
Total education	\$ 20,327,172	\$ 20,640,209	\$ 19,840,422	\$ 799,787
Debt service:				
Principal retirement	\$ 28,950	\$ 28,950	\$ 28,950	\$ -
Interest and other fiscal charges	33,551	33,551	33,551	-
Total debt service	\$ 62,501	\$ 62,501	\$ 62,501	\$ -
Total School Operating Fund	\$ 20,389,673	\$ 20,702,710	\$ 19,902,923	\$ 799,787
School Special Revenue Fund:				
Education:				
School food services	\$ 1,075,000	\$ 1,075,000	\$ 878,991	\$ 196,009
Purchase of textbooks	15,000	302,322	7,698	294,624
Commodities	-	51,502	51,502	-
Total education	\$ 1,090,000	\$ 1,428,824	\$ 938,191	\$ 490,633
Total School Special Revenue Fund	\$ 1,090,000	\$ 1,428,824	\$ 938,191	\$ 490,633
Total Discretely Presented Component Unit - School Board	\$ 21,479,673	\$ 22,131,534	\$ 20,841,114	\$ 1,290,420

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STATISTICAL INFORMATION

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Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Sanitary District	Total
2006	\$ 1,339,431	\$ 815,114	\$ 2,865,601	\$ 1,666,280	\$ 1,797,968	\$ 4,359,925	\$ 247,760	\$ 446,936	\$ 986,249	\$ -	\$ 14,525,264
2007	1,306,507	1,052,434	3,177,263	1,346,568	2,309,238	4,548,847	(76,008)	546,808	958,613	-	15,170,270
2008	1,717,318	1,059,914	3,568,696	1,854,655	2,790,885	4,778,638	377,658	285,603	862,965	-	17,296,332
2009	1,475,556	1,138,050	3,796,542	3,482,208	2,967,988	4,986,375	408,633	761,056	945,374	-	19,961,782
2010	1,646,500	1,022,139	3,754,255	2,164,106	2,787,948	4,241,135	597,432	401,701	1,212,065	-	17,827,281
2011	1,546,970	1,039,084	3,271,440	2,260,607	2,437,086	4,483,112	534,829	382,584	938,409	-	16,894,121
2012	1,700,248	1,159,940	3,916,496	1,620,988	2,409,182	4,906,079	444,176	402,100	1,325,342	-	17,884,551
2013	1,747,040	1,209,655	3,736,293	2,186,994	2,533,327	6,312,633	494,248	389,577	1,281,307	379,480	20,270,554
2014	1,648,763	1,159,754	3,796,131	1,708,292	2,880,736	5,717,485	948,775	420,103	1,227,959	443,753	19,951,751
2015	1,687,368	1,113,594	3,319,233	1,649,772	3,296,299	6,215,141	501,026	2,001,695	1,180,516	361,128	21,325,772

Table 2

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

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES								Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain on Transfer of Capital Assets	Payment from Appomattox School Board		
2006	\$ 361,753	\$ 3,908,749	\$ -	\$ 6,698,006	\$ 2,340,139	\$ 448,053	\$ 130,250	\$ 1,184,428	\$ -	\$ -	\$ 15,071,378	
2007	457,380	4,511,884	-	7,958,743	2,184,586	591,753	135,756	1,182,599	-	-	17,022,701	
2008	448,455	4,330,058	-	8,329,989	2,241,637	516,691	140,251	1,153,964	-	-	17,161,045	
2009	351,290	5,162,798	-	8,900,236	2,146,757	145,117	229,763	1,149,963	-	-	18,085,924	
2010	368,957	4,379,627	-	8,848,772	1,513,826	156,937	387,633	1,649,452	-	-	17,305,204	
2011	411,946	3,951,153	-	9,681,328	1,776,533	238,840	314,834	1,584,930	-	59,065	18,018,629	
2012	329,026	3,927,784	864,313	10,135,261	1,888,209	165,373	329,260	1,701,262	-	200,000	19,540,488	
2013	393,740	4,069,886	38,903	10,628,797	1,960,774	111,603	194,817	1,741,356	-	175,000	19,314,876	
2014	427,218	4,235,120	-	10,267,361	2,091,268	86,314	271,278	1,798,765	-	110,000	19,287,324	
2015	430,785	6,018,492	-	11,460,249	1,993,511	76,916	410,850	1,701,420	-	-	22,092,223	

Table 3

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

Fiscal Year	General Government			Parks, Recreation, and Cultural								Total
	Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Community Development	Debt Service				
2006	\$ 1,167,158	\$ 669,675	\$ 3,101,684	\$ 1,336,192	\$ 1,780,349	\$ 18,194,723	\$ 326,808	\$ 475,711	\$ 2,440,045	\$ 29,492,345		
2007	1,268,483	906,995	3,427,456	1,382,337	2,282,361	19,561,871	374,171	739,616	2,022,901	31,966,191		
2008	1,568,371	930,864	3,543,957	1,456,118	2,772,020	20,243,682	380,070	267,413	2,542,673	33,705,168		
2009	1,384,164	991,963	3,557,126	1,368,486	2,973,560	21,228,578	380,600	720,109	2,518,022	35,122,608		
2010	1,538,230	884,246	3,581,419	1,504,094	2,752,940	20,064,495	577,436	382,205	1,754,323	33,039,388		
2011	1,429,400	945,288	3,496,344	1,362,547	2,459,627	19,645,192	519,294	339,135	1,797,034	31,993,861		
2012	1,395,395	1,029,684	3,301,417	1,440,829	2,446,196	19,513,421	401,728	373,872	2,209,857	32,112,399		
2013	1,649,007	1,058,263	3,369,009	1,520,202	2,665,954	20,444,142	557,741	340,710	2,806,446	34,411,474		
2014	1,533,880	1,019,883	3,698,694	1,486,906	2,871,715	20,172,256	464,918	369,281	3,136,426	34,753,959		
2015	1,674,716	1,018,211	3,324,580	1,465,152	3,409,538	20,778,990	461,487	1,971,498	3,136,428	37,240,600		

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

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

(3) Excludes Capital Projects funds.

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses		Fines and Forfeitures	Revenue from the			Recovered Costs	Inter- governmental (2)	Total
			Use of Money and Property	Charges for Services		Miscellaneous					
2006	\$ 6,368,207	\$ 2,340,139	\$ 89,291	\$ 20,577	\$ 331,075	\$ 700,935	\$ 318,742	\$ 139,128	\$ 19,185,569	\$ 29,493,663	
2007	8,034,012	2,184,586	146,111	27,627	469,715	850,405	252,284	86,399	21,118,177	33,169,316	
2008	8,360,316	2,241,637	145,356	27,689	423,312	902,716	354,902	146,311	21,156,951	33,759,190	
2009	8,739,210	2,146,757	159,932	19,785	133,462	664,326	433,390	110,548	23,200,143	35,607,553	
2010	8,912,978	1,513,826	129,010	39,162	150,955	610,879	465,200	425,471	21,781,178	34,028,659	
2011	9,186,947	1,776,533	83,338	111,412	238,463	714,369	417,017	265,393	21,101,521	33,894,993	
2012	10,161,980	1,888,209	79,753	57,411	152,624	707,268	478,975	134,543	21,617,716	35,278,479	
2013	10,114,251	1,960,774	78,952	37,628	115,248	659,948	269,030	213,145	20,873,765	34,322,741	
2014	10,905,971	2,091,268	81,824	30,464	94,675	707,536	403,078	57,622	21,156,613	35,529,051	
2015	11,826,466	1,993,511	89,723	27,562	80,427	665,176	504,287	227,753	22,731,587	38,146,492	

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

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

(3) Excludes Capital Projects funds.

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2006	\$ 7,646,351	\$ 7,104,961	92.92%	\$ 201,541	\$ 7,306,502	95.56%	\$ 901,390	11.79%
2007	8,879,016	8,701,949	98.01%	223,258	8,925,207	100.52%	1,033,820	11.64%
2008	9,337,425	9,061,026	97.04%	213,449	9,274,475	99.33%	1,026,411	10.99%
2009	9,883,252	9,473,285	95.85%	166,644	9,639,929	97.54%	1,403,813	14.20%
2010	10,306,054	9,388,466	91.10%	420,791	9,809,257	95.18%	937,266	9.09%
2011	10,557,842	9,734,329	92.20%	352,324	10,086,653	95.54%	1,115,842	10.57%
2012	11,164,343	10,815,808	96.88%	243,720	11,059,528	99.06%	1,105,238	9.90%
2013	11,728,977	10,668,816	90.96%	328,661	10,997,477	93.76%	1,729,110	14.74%
2014	11,832,503	10,252,937	86.65%	401,811	10,654,748	90.05%	1,384,580	11.70%
2015	13,006,666	11,838,852	91.02%	880,350	12,719,202	97.79%	1,331,878	10.24%

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

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

Table 6

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

Fiscal Year	Real Estate (1)	Mobile Homes	Personal Property (1)	Machinery and Tools	Merchant's Capital	Public Utility (2)		Total
						Real Estate	Personal Property	
2006	\$ 666,911,618	\$ 10,069,168	\$ 61,162,572	\$ 6,326,572	\$ 7,956,118	\$ 47,957,589	\$ 358,642	\$ 800,742,279
2007	686,406,667	9,902,270	64,423,605	6,270,659	8,138,852	48,261,121	242,610	823,645,784
2008	982,560,682	9,774,752	65,524,137	6,593,214	8,205,633	48,091,865	273,006	1,121,023,289
2009	1,253,862,991	9,171,318	70,408,129	7,879,731	9,520,696	78,282,888	572,286	1,429,698,039
2010	1,251,566,318	9,236,759	66,335,031	7,372,601	9,939,614	75,647,770	502,244	1,420,600,337
2011	1,272,092,722	8,915,938	70,028,002	5,839,518	10,070,429	81,689,647	468,481	1,449,104,737
2012	1,288,374,551	8,380,513	74,218,221	5,414,772	13,109,819	84,347,967	392,933	1,474,238,776
2013	1,307,962,007	8,948,070	74,684,745	933,944	13,440,191	89,781,508	600,833	1,496,351,298
2014	1,285,085,528	8,865,226	75,967,349	961,437	13,250,117	91,673,871	737,541	1,476,541,069
2015	1,273,923,195	8,207,402	77,272,280	982,704	13,579,085	93,463,491	720,030	1,468,148,187

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

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

Table 7

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

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2006	\$ 0.72	\$ 0.72	\$ 3.50	\$ 3.50	\$ 1.00
2007	0.72/0.77	0.72	4.60	4.60	1.00
2008	0.77/0.44	0.77	4.60	4.60	1.00
2009	0.44/0.48	0.44	4.60	4.60	1.00
2010	0.48	0.48	4.60	4.60	1.00
2011	0.495/0.48	0.48	4.60	4.60	1.00
2012	0.575/0.495	0.50	4.60	4.60	1.00
2013	0.575	0.575	4.60	4.60	1.00
2014	0.60	0.575	4.60	4.60	1.00
2015	0.65	0.60	4.60	4.60	1.00

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2006	13,705	\$ 800,742,279	\$ 9,756,085	\$ 9,756,085	1.22%	\$ 712
2007	13,705	823,645,784	9,384,347	9,384,347	1.14%	685
2008	13,705	1,121,023,289	8,696,470	8,696,470	0.78%	635
2009	13,705	1,429,698,039	7,985,636	7,985,636	0.56%	583
2010	14,973	1,420,600,337	7,265,938	7,265,938	0.51%	485
2011	14,973	1,449,104,737	16,532,171	16,532,171	1.14%	1,104
2012	14,973	1,474,238,776	15,868,881	15,868,881	1.08%	1,060
2013	14,973	1,496,351,298	15,185,562	15,185,562	1.01%	1,014
2014	14,973	1,476,541,069	14,157,128	14,157,128	0.96%	946
2015	14,973	1,468,148,187	13,161,289	13,161,289	0.90%	879

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

(2) From Table 6.

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

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

COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated December 29, 2015.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses, 2015-01.

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Richmond, Virginia
December 29, 2015

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited County of Appomattox, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Appomattox, Virginia's major federal programs for the year ended June 30, 2015. County of Appomattox, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, County of Appomattox, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

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

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

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

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

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

Richmond, Virginia
December 29, 2015

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950114/0950114	\$ 11,469
Temporary Assistance for Needy Families	93.558	0400114/0400114	180,529
Refugee and Entrant Assistance - State Administered Programs	93.566	0500114/0500114	231
Low-Income Home Energy Assistance	93.568	0600414/00600414	17,750
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760114/0760114	26,744
Chafee Education and Training Vouchers Program	93.599	9160114/9160115	1,910
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900114/090115	1,101
Foster Care - Title IV-E	93.658	1100114/1100115	145,637
Adoption Assistance	93.659	1120114/1120115	6,012
Social Services Block Grant	93.667	1000114/1000115	115,051
Chafee Foster Care Independence Program	93.674	9150114/9150115	3,606
Children's Health Insurance Program	93.767	0540114/0540115	5,059
Medical Assistance Program	93.778	1200114/1200115	179,028
Total Department of Health and Human Services			\$ 694,127
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution	10.555	17901-45707	\$ 51,502
Department of Education:			
National School Lunch Program	10.555	17901-40623	412,160
Total CFDA# 10.555			\$ 463,662
School Breakfast Program	10.553	17901-40591	97,161
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010112/0010103	159,639
Total Department of Agriculture			\$ 720,462
Department of Justice:			
Direct payments:			
Sheriff's Overtime Grant	16.xxx	N/A	\$ 2,787

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2015

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and Community Highway Safety	20.600	60507-50252/51222	\$ 6,618
Department of Transportation:			
Highway and Planning Construction	20.205	51011-60302	<u>\$ 284,743</u>
Total Department of Transportation			<u>\$ 291,361</u>
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	17901-42901	\$ 572,673
Special Education Cluster:			
Special Education Grants to States	84.027	17901-43071	421,584
Special Education Preschool Grants	84.173	17901-62521	28,307
Career and Technical Education: Basic Grants to States	84.048	17901-61095	39,154
Advanced Placement Program	84.330	17901-60957	1,330
Improving Teacher Quality State Grants	84.367	17901-61480	<u>111,235</u>
Total Department of Education			<u>\$ 1,174,283</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,883,020</u></u>

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

County of Appomattox, Virginia

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of County of Appomattox, Virginia under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of County of Appomattox, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Appomattox, Virginia.

Note B - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Note C - Food Donation

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

Note D - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,569,025
Total primary government	\$ 1,569,025

Component Unit - School Board:

School Operating Fund	\$ 1,174,283
School Cafeteria Fund	560,823
Total component unit School Board	\$ 1,735,106

Total federal expenditures per basic financial statements	\$ 3,304,131
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Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards	(417,150)
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Less: Payment in Lieu of Taxes	(3,961)
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ 2,883,020
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County of Appomattox, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

a. Material weakness(es) identified?	<u>✓</u> yes	<u> </u> no
b. Significant deficiency(ies) identified?	<u> </u> yes	<u>✓</u> none reported

Noncompliance material to financial statements noted?

<u> </u> yes	<u>✓</u> no
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Federal Awards

Internal control over major programs:

a. Material weakness(es) identified?	<u> </u> yes	<u>✓</u> no
b. Significant deficiency(ies) identified?	<u> </u> yes	<u>✓</u> no

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

Any findings disclosed that are required to be
reported in accordance with section 510(a) of
Circular A-133?

<u> </u> yes	<u>✓</u> no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555	Child Nutrition Cluster
93.558	Temporary Assistance for Needy Families
93.778	Medical Assistance Program
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
84.027	Title VI-B Special Education Grants to States

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

Auditee qualified as low-risk auditee?

<u> </u> yes	<u>✓</u> no
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County of Appomattox, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section II-Financial Statement Findings

2015-01

Financial Reporting

Criteria:	Per Statement on Auditing Standards 115, the identification of adjustments to the financial statements by the auditor indicates that a deficiency exists. Internal controls should be in place to ensure that audited financial statements reconcile to the County's internal documents.
Condition:	The auditor recommended adjustments to the general ledger to post revenue and expenditure accruals.
Effect of Condition:	There is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal controls over financial reporting.
Cause of Condition:	Procedures were not in place to provide the necessary internal controls over financial reporting and year-end adjusting entries were not identified prior to the auditors' arrival to conduct the audit.
Recommendation:	For FY15, procedures were not in place to accomplish these tasks. Therefore, the County's year-end general ledger reports did not reconcile to the FY15 audited financial statements. We recommend the County consider employing a governmental accounting consultant, that is independent of the County's Auditor, to assist with preparation of year end working trial balances.
Management's Response:	The County is considering corrective action for FY16.

Section III-Federal Award Findings and Questioned Costs

None

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