



Comprehensive

Annual

Financial

Report



County of Accomack, Virginia

Fiscal Year Ended June 30, 2018



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Cover: Photograph provided by E.S. Tourism Commission

COUNTY OF ACCOMACK, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Prepared by:

Accomack County Finance Department
Accomack County, Virginia



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County of Accomack, Virginia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2018

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Introductory Section



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Michael T Mason, CPA
County Administrator

COUNTY OF ACCOMACK FINANCE DEPARTMENT

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February 22, 2019

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

We are pleased to present the County of Accomack (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. The objective of this report is to present fairly the financial position of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2018 in all material respects and to demonstrate compliance with the requirements that could have a direct and material effect on each of the County's major federal programs.

The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity in its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

Accounting principles generally accepted in the United States require management to provide Management's Discussion and Analysis (MD&A). MD&A is comprised of a narrative introduction and an analytical overview of a government's financial activities. The County's MD&A can be found immediately following the independent auditors' report.

This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Report Organization. The Comprehensive Annual Financial Report is presented in four sections as follows:

- ☐ Introductory Section: The Introductory Section includes this letter of transmittal, a certificate of achievement for excellence in financial reporting, the County's organizational chart and list of principal officials.

- ❑ Financial Section: The Financial Section includes Management's Discussion and Analysis (MD&A), government-wide and fund financial statements, notes to the financial statements, required and other supplementary information and the independent auditor's report on the MD&A, financial statements and schedules.
- ❑ Statistical Section: The Statistical Section contains selected financial and demographic information generally presented on a multi-year basis.
- ❑ Compliance Section: The Compliance Section contains information on County programs that are financed by federal grants. This information is required by the Single Audit Act and by the Commonwealth of Virginia Auditor of Public Accounts.

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

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

Internal and Budgetary Controls: The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system,

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

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

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

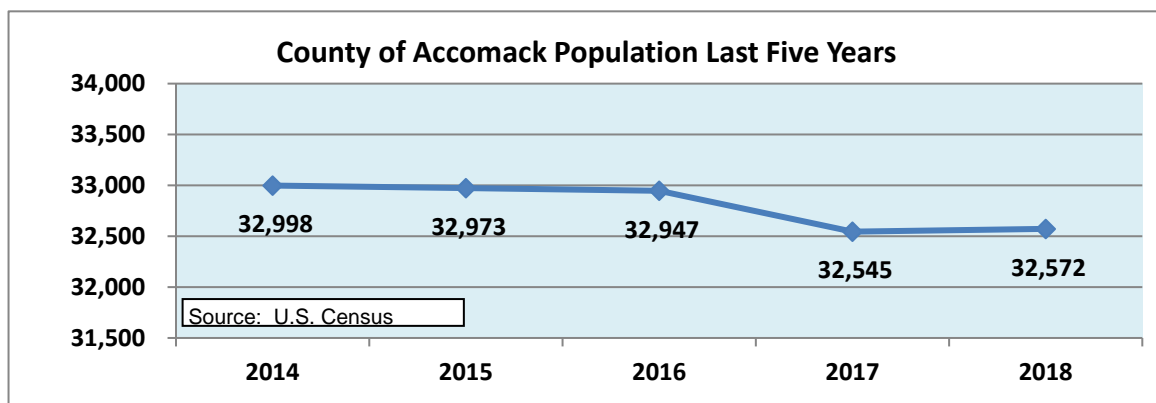
As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2018 has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

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

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

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

Population: The County had a population of 32,572 as of June 30, 2018. No material changes in population are predicted for the area over the next few years.



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

- Constructing the Wallops Research Park. The Park represents a unique opportunity for significant investment and job creation from companies engaged in the aerospace and defense industry sectors looking to leverage and enhance the capabilities of Mid-Atlantic Regional Spaceport (MARS) and NASA Wallops Flight Facility.
- Setting aside funding to expand the Central Accomack Sewer System north along the outskirts of the Town of Onley. The area targeted for expansion already includes the Chesapeake Square shopping plaza and borders the area upon which Riverside Shore Memorial Hospital recently built its new state-of-the-art hospital and medical office building.

The manufacturing sector continues to account for the majority of jobs in the County, approximately 25% in 2017. The majority of the jobs in this sector are associated with poultry processing which includes the County's top two employers, Perdue Farms, Inc. and Tyson Foods, Inc.

Calendar Year	Employment by Sector						Total
	Manuf-acturing	Accommodations and Food Service	Retail Trade	Public Administration	Health Care & Social Assistance	Other	
2017	3,337	1,165	1,318	1,283	1,619	4,613	13,335
2016	3,228	1,360	1,338	1,281	1,628	4,805	13,640
2015	3,220	1,192	1,378	1,248	1,283	4,570	12,891
2014	3,066	1,227	1,422	1,282	1,252	4,409	12,658
2013	3,000	1,221	1,405	1,250	1,282	4,553	12,711

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

Health care/social assistance and Public Administration sectors make up the next two largest sectors. The health care sector continues to grow due to the relocation of

Riverside Shore Memorial Hospital from Northampton County to Accomack County in the winter of 2017. The Hospital added new office space on its campus during fiscal year 2018. It represents one of Riverside's largest projects to date resulting in a 136,000 square foot hospital as well as a newly constructed cancer center and physician office building.



The accommodations/food services sector is significantly impacted by tourism which is a major economic engine in the County. Those that seek a more relaxed vacation far from the crowds with access to pristine beaches, wildlife and other outdoor activities are beginning to discover Accomack. In fact, the Town on Chincoteague, Accomack's largest incorporated town, was named the 2nd best island in the United States by Trip Advisor in 2014 and has continued to garner other awards since.

Employment associated with The U.S. Navy Surface Combat Systems Center (SCSC), NASA Wallops Flight Facility, and NOAA Command and Data Acquisition Center, all located on Wallops Island, while not reflected in any one sector is worth noting. Average employment for these entities, together with other tenant personnel working on Wallops Island, ranks third in the County with a large concentration of these jobs classified as high-skill and high-wage. In all, over 1,700 local military, civilian and contractor jobs are tied to these entities providing a variety of engineering, aerospace and naval operations services.

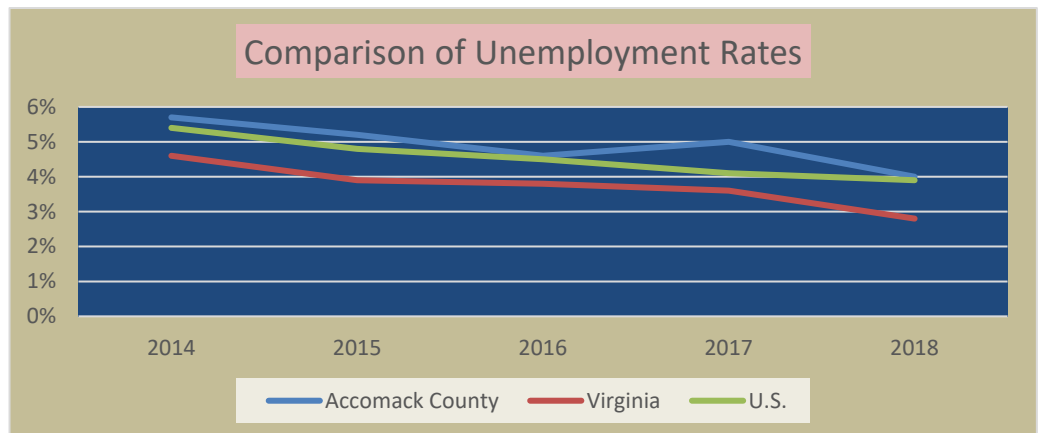
Future prospects for the Wallops Island area are high. This island is home to the Mid-Atlantic Regional Spaceport (MARS) whose mission is to develop and operate a multi user spaceport at the NASA Wallops Flight Facility which provides low cost, safe, reliable, "schedule friendly" space access to commercial, government, and academic users. In September 2013, Orbital Science Corporation, one of the world's leading space technology companies, successfully launched its Antares rocket carrying the company's Cygnus cargo logistics spacecraft into its intended orbit from MARS. This successful launch marked the beginning of an in-orbit capabilities mission that culminated in rendezvous and birthing with the International Space Station (ISS). More recently, in May 2018, Orbital again successfully launched its ATK Antares rocket with the Cygnus spacecraft onboard which carried over 3 tons of vital supplies to the ISS.. This was Orbital ATK's ninth contracted cargo resupply mission with NASA to the International Space Station. Wallops Island's location of roughly 38 degrees north latitude makes it an ideal site to send loads into inclined orbits - between the equator and the poles - at a reduced expense.



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

Unemployment:

The County's unemployment rate decreased by 1 percentage point from 5% in 2017 to 4% in 2018 which was very close to the national unemployment rate of 3.9%.



Major Initiatives. Major initiatives begun, continued, or completed this fiscal year were as follows:


Marketing of the Wallops Research Park - Construction of the Park was completed in Fiscal Year 2017. Now that the facility is completed, the County's focus has turned from construction of the park to attracting tenants. The Wallops Research Park is a prime location for aerospace and aviation operations offering 200+ acres specifically for Unmanned Aircraft



Systems and medium class space launch vehicles, particularly those seeking to leverage and enhance capabilities of the Mid-Atlantic Spaceport and NASA Wallops Flight Facility. It represents a unique opportunity for significant investment and job creation from companies engaged in defense and aerospace

industry sectors. The WRP is adjacent to the NASA Wallops Flight Facility and offers tenants a distinctive business advantage not available anywhere. The Wallops Flight Facility is home to unique and valuable assets that can be leveraged for federal, state and private sector development. In total, there are approximately 6200 acres within the WFF which provide three major capabilities: Research Airport; World Class Launch Range; and end-to-end engineering design, fabrication, and testing facilities. In total, the Wallops Research Park represents over \$8M in County and Commonwealth investment.

- In 2018, the County announced the first tenant in the park would be Rocket Lab, a California based company who is the industry leader in providing frequent and tailored access to orbit for small satellites. Rocket Lab is slated to build a launch vehicle integration and assembly facility within the confines of the park. The announcement comes on the heels of Rocket Lab's announcement that it will build its first U.S. launch pad for its Electron Rocket on Wallops Island.

- Continued development of Central Recreation Park, the County's first recreational park which is located close to the Town of Accomac. Phase 1 of the park's development was completed on June 30, 2018 and includes a lighted ballfield, concession stand and walking trail along with the installation of a playground. Electrical power used by the facility is furnished by a solar array located on the property. The Park's master plan includes additional phases which are all intended to build upon these initial improvements.
- 
- Set aside an additional \$819,085 to the County's "Rainy Day"/Stabilization Committed Fund Balance bringing the total amount committed to \$10,836,542 or approximately 13.6% of the sum of the Primary Government's total General Fund revenue and School Board Component Unit's total School Operating Fund revenue.

Prospects for the Future. For the 2019 Fiscal Year, the Board of Supervisors adopted a Primary Government total operating and capital budget of \$60,876,884 which is an increase of 1.2% from the previous year. Property tax rates will not increase or decrease in Fiscal Year 2019. The County's real estate tax rate continues to be among the lowest of Virginia's 95 counties. The Fiscal Year 2019 property tax rates are detailed in the *Management Discussion and Analysis* section. The development of the Fiscal Year 2019 budget was driven by the following priorities:

1. Keep property tax rates at or below their current levels

Although the County experienced a 1.8% decrease in assessed real property values, property tax rates were not increased.

2. Become a more business resilient County

The County has plans for a new Emergency Operating Center. Several initiatives are being pursued that will ensure that county services remain operational in times of public need even when confronted with disasters both natural and manmade.

3. Continue to attract and retain a high-performing workforce

All County employees will receive a pay raise in Fiscal Year 2019. Law Enforcement and Correctional Officers will receive targeted increases and all other employees will receive a 2% pay increase. Employees who insure

their spouse and/or dependents will pay a reduced share of the costs for employer provided insurance coverage.

4. Maintain the County's investment in its infrastructure and prepare for future capital replacement

The County has earmarked approximately \$2.1 million for capital additions and replacements, as well as maintenance.

5. Maintain or improve customer service & employee/customer safety

The County added 6 career Emergency Medical Services positions which will improve emergency response time in the Town of Saxis, Greenbackville, and Melfa. New building permit software will be implemented as well (allowing for more internet based taxpayer service).

6. Continue to strengthen "Rainy Day" fund to a "best practice" level

The County will continue to add to its rainy day fund to meet its goal of 16.7% of budgeted governmental funds net operating revenues by fiscal year 2022

Certificate of Achievement. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Accomack, Virginia, for its comprehensive annual financial report for the fiscal year ending June 30, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments. The preparation of this report could not have been accomplished without the dedicated services of the entire Finance Department, the County Administrator and the School Board Finance Department. We would also like to thank the Board of Supervisors for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Michael T. Mason
County Administrator

This report was prepared by the County's Finance Department.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Accomack
Virginia**

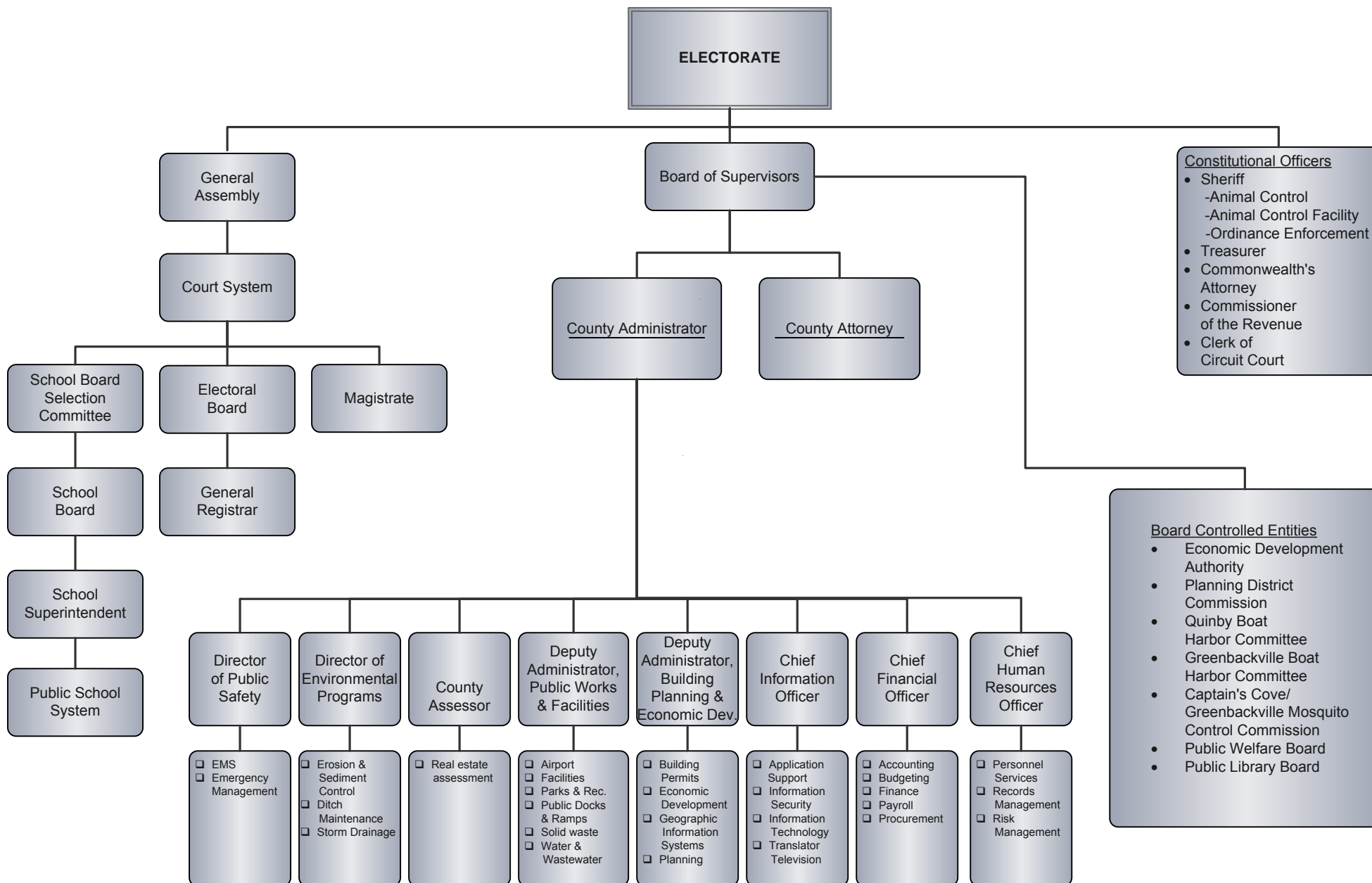
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

COUNTY OF ACCOMACK, VIRGINIA ORGANIZATION CHART



County of Accomack, Virginia

Principal Officials

Board of Supervisors

Robert D. Crockett, Chairperson	Election District 6
Donald L. Hart, Jr., Vice-Chairperson	Election District 8
William J. Tarr	Election District 1
Ronald S. Wolff	Election District 2
Grayson C. Chesser	Election District 3
Paul E. J. Muhly	Election District 4
Harrison W. Phillips, III	Election District 5
Laura Belle Gordy	Election District 7
C. Reneta Major	Election District 9

Constitutional Officers

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

County Administrative Officers

Michael T. Mason, CPA	County Administrator
Cela J. Burge	County Attorney
Vacant	Chief Financial Officer
Kathleen A. Carmody	Chief Human Resources Officer
Ben T. Fox	Chief Information Officer
Richard L. Morrison	Deputy Administrator, Building, Planning & Economic Development
Stewart M. Hall	Deputy Administrator, Public Works & Facilities
Brent A. Hurdle	Director of Assessment
G. Chris Guvernator	Director of Environmental Programs
Charles R. Pruitt	Director of Public Safety

County of Accomack, Virginia
Principal Officials
(continued)

School Board

Dr. Ronnie E. Holden, Chairperson	Election District 8
Paul C. Bull, Vice-Chairperson	Election District 6
Jesse W. Speidel	Election District 1
Audrey A. Furness	Election District 2
Aaron E. Kane	Election District 3
Margaret T. Miles	Election District 4
Camesha A. Handy	Election District 5
George Waldenmaier	Election District 7
Naudya D. Mapp	Election District 9

School Board Administrative Officers

Warren C. Holland	Superintendent
Dr. Rhonda Hall	Assistant Superintendent of Instruction
Michael T. Tolbert	Chief of Management and Operations
Beth L. Onley, CPA	Director of Finance



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Financial Section



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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 Accomack, Virginia
Accomac, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Accomack, Virginia, as of and for the year ended Financial June 30, 2018, 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 did not audit the financial statements of the Accomack-Northampton Planning District Commission which represent 3 percent, (34) percent, and 2 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Accomack-Northampton Planning District Commission is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Accomack, Virginia, as of June 30, 2018, 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 25 to the financial statements, in 2018, the County adopted new accounting guidance, GASB Statement Nos. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and 85 *Omnibus* 2017. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 25 to the financial statements, in 2018, the County restated beginning balances to reflect the requirements of GASB Statement No. 75. 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 21-31, 157-162, and 143-156 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the 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.

Supplementary and Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Accomack, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical section, 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 Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, 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 introductory and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2019, on our consideration of the County of Accomack, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Accomack, Virginia's 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 Accomack, Virginia's internal control over financial reporting and compliance.


Charlottesville, Virginia
February 27, 2019



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Accomack, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. This Management's Discussion and Analysis (MD&A) section is intended to introduce the County's basic financial statements and provide an analytical overview of the County's financial activities. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- 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 \$40,758,644 (net position). Of this amount, \$11,695,360 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$3,968,561 (11%). Net position of the governmental-type activities increased \$4,017,162 (13%) and net position of the business-type activities decreased \$48,601 (1%).
- The County's unrestricted nets assets increased by \$1,184,082 (10%). Unrestricted net position of the governmental-type activities increased \$1,344,574 (8%) and unrestricted net position of the business-type activities decreased \$160,492 (3%).
- Program revenues of the County's business-type activities increased by 4% to \$3,985,492 while expenses increased by 7% to \$4,804,148.
- The General fund reported an ending fund balance of \$18,495,855, an increase of \$1,524,184 (9%). Of the ending fund balance, \$137,823 was nonspendable or restricted, \$10,836,542 was committed pursuant to the County's "Rainy Day"/Revenue Stabilization policy, \$6,268,339 was assigned to various projects and \$1,253,151 was unassigned.
 - The amount of General Fund ending fund balance committed pursuant to the County's "Rainy Day"/Revenue Stabilization Policy was equal to 13.6% of total General Fund Revenue and Component Unit School Operating Revenue less contributions from the Primary Government.
 - The amount of General Fund ending fund balance available for expenditure (Committed Fund Balance + Assigned Fund Balance + Unassigned Fund Balance) was \$18,358,032 or 51% of total general fund expenditures.
- The County's outstanding debt decreased by \$4,149,712 or 12.6% during the current fiscal year.

Overview of the 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, liabilities, and deferred inflows/outflows of resources with the difference 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, judicial administration, police and volunteer fire protection, refuse collection, social services, education, community development and recreation. The business-type activities of the County include waste disposal, airport operation, water/wastewater services and the portion of its recreation activities financed by user fees.

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

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

Governmental funds - Governmental fund reporting focuses primarily on the sources, uses, and balances of current financial resources and has a budgeting orientation. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The County maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Virginia Public Assistance Fund, Comprehensive Youth Services Fund, County Debt Service Fund and County Capital Projects Funds,

all of which are considered to be major funds. Data from the remaining nine governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor funds is provided in the "Other Supplemental Information" section of the report.

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

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

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

Fiduciary funds - The County uses fiduciary funds to account for assets held in a trustee capacity or as an agent for individuals, private organizations and other governmental units. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The fiduciary funds are agency funds (Special Welfare, War Memorial and Sheriff Canteen) and the Other Postemployment Benefits Trust Fund. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These fiduciary activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparisons and combining financial statements for the discretely presented component unit, the School Board. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial health. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$40,758,644 at year-end.

The largest portion of the County's net position (64%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities.

The next largest portion of the County's net position (28%) is unrestricted meaning it may be used to meet the government's ongoing obligations.

**County of Accomack, Virginia
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 45,184,117	\$ 45,404,774	\$ 1,189,550	\$ 2,719,694	\$ 46,373,667	\$ 48,124,468
Capital assets	42,198,480	42,511,793	12,318,429	12,839,665	54,516,909	55,351,458
Total assets	87,382,597	87,916,567	13,507,979	15,559,359	100,890,576	103,475,926
Deferred Outflows of Resources	1,470,688	2,593,511	88,750	112,698	1,559,438	2,706,209
Current liabilities	6,562,039	8,614,584	1,008,525	2,766,542	7,570,564	11,381,126
Long -term liabilities	28,589,350	33,866,622	6,857,420	7,184,282	35,446,770	41,050,904
Total liabilities	35,151,389	42,481,206	7,865,945	9,950,824	43,017,334	52,432,030
Deferred Inflows of Resources	18,550,146	15,584,157	123,890	749	18,674,036	15,584,906
Net Position:						
Net investment in capital assets	14,803,829	13,614,036	10,996,279	10,949,377	25,800,108	24,563,413
Restricted	3,263,176	3,090,508	-	-	3,263,176	3,090,508
Unrestricted	17,084,745	15,740,171	(5,389,385)	(5,228,893)	11,695,360	10,511,278
Total net position	\$ 35,151,750	\$ 32,444,715	\$ 5,606,894	\$ 5,720,484	\$ 40,758,644	\$ 38,165,199

An additional portion of the County's net position (8%) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County is able to report positive balances of net position for both governmental activities and business-type activities.

The County's net position increased by \$3,968,561 or 11% during the fiscal year. Governmental activities accounted for 101% of the total increase while business-type activities accounted for -1%.

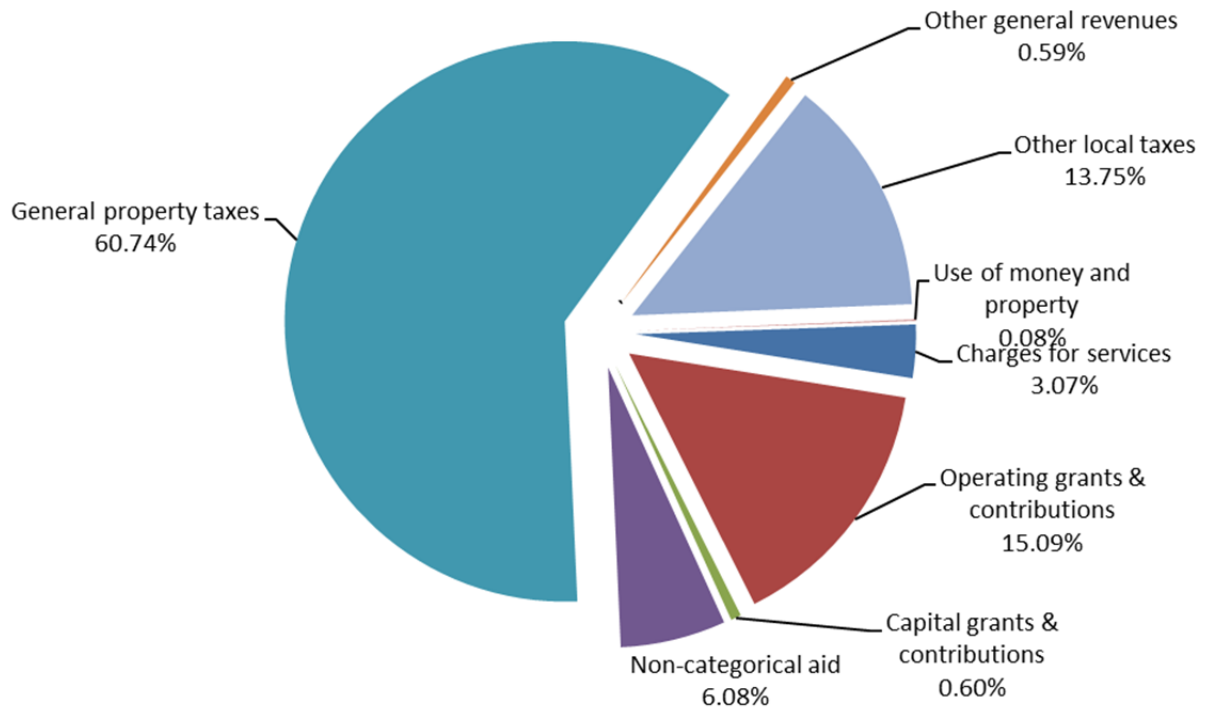
Governmental Activities – Governmental activities increased the County’s net position by \$4,017,162 or 11% during the fiscal year. Key elements of this increase are as follows:

Accomack County, Virginia Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$ 1,717,007	\$ 1,873,906	\$ 3,500,814	\$ 3,733,601	\$ 5,217,821	\$ 5,607,507
Operating grants & contributions	8,437,334	8,929,145	33,597	33,597	8,470,931	8,962,742
Capital grants & contributions	335,000	39,520	451,081	47,703	786,081	87,223
General Revenues:						
General property taxes	33,963,969	32,114,931	-	-	33,963,969	32,114,931
Other local taxes	7,691,607	7,602,393	-	-	7,691,607	7,602,393
Investment earnings	46,368	8,463	11,662	20,285	58,030	28,748
Non-categorical aid	3,400,198	3,423,576	-	-	3,400,198	3,423,576
Other general revenues	329,248	61,481	-	190,000	329,248	251,481
Total revenues	55,920,731	54,053,415	3,997,154	4,025,186	59,917,885	58,078,601
Expenses:						
General government administration	4,235,991	4,176,949	-	-	4,235,991	4,176,949
Judicial administration	1,524,872	1,698,149	-	-	1,524,872	1,698,149
Public safety	11,411,784	12,137,511	-	-	11,411,784	12,137,511
Public works	4,434,819	4,295,837	-	-	4,434,819	4,295,837
Health and welfare	5,945,902	6,163,082	-	-	5,945,902	6,163,082
Education	19,334,027	19,514,650	-	-	19,334,027	19,514,650
Parks, recreation and cultural	1,239,140	1,271,895	-	-	1,239,140	1,271,895
Community development	1,884,504	1,877,300	-	-	1,884,504	1,877,300
Interest on long-term debt	1,134,137	1,337,937	-	-	1,134,137	1,337,937
Business-type	-	-	4,804,148	4,471,876	4,804,148	4,471,876
Total expenses	51,145,176	52,473,310	4,804,148	4,471,876	55,949,324	56,945,186
Increase (decrease) in net position before transfers	4,775,555	1,580,105	(806,994)	(446,690)	3,968,561	1,133,415
Transfers	(758,393)	(193,732)	758,393	193,732	-	-
Increase (decrease) in net position	4,017,162	1,386,373	(48,601)	(252,958)	3,968,561	1,133,415
Net position-Beginning as restated	31,134,588	31,058,342	5,655,495	5,973,442	36,790,083	37,031,784
Net position, June 30	\$ 35,151,750	\$ 32,444,715	\$ 5,606,894	\$ 5,720,484	\$ 40,758,644	\$ 38,165,199

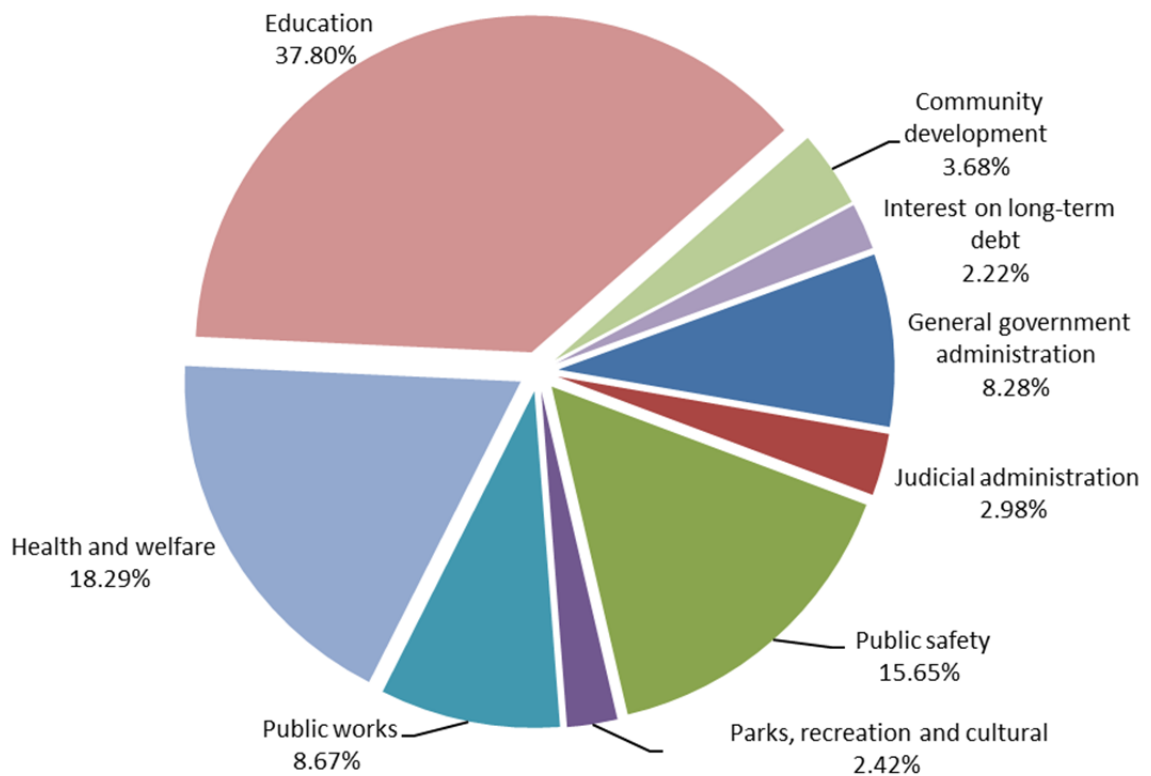
Property taxes are the largest single revenue source comprising 61% of total governmental revenues. Property taxes increased by \$1,849,038 or 6% during the fiscal year.

- Operating grants for governmental activities is the second largest revenue source comprising 15% of governmental revenues. This revenue source decreased by \$491,811 or 6% during the fiscal year.
- Other local taxes increased by \$89,214 or 1% primarily due to an increase in local sales and use tax revenue.
- Education expense is the largest single category comprising 38% of total governmental expenses. Expenses for this category decreased by \$180,623 or 1% from the previous year.
- Public safety expense is the second largest category comprising 22% of governmental expenses. Expenses for this category decreased \$725,727 or 6% as compared to the previous year.
- Health & Welfare expense is the third largest category comprising 12% of governmental expenses. Expenses for this category decreased \$3,189,374 or 4% as compared to the previous year.

Fiscal Year 2018 Revenues by Source Governmental Activities

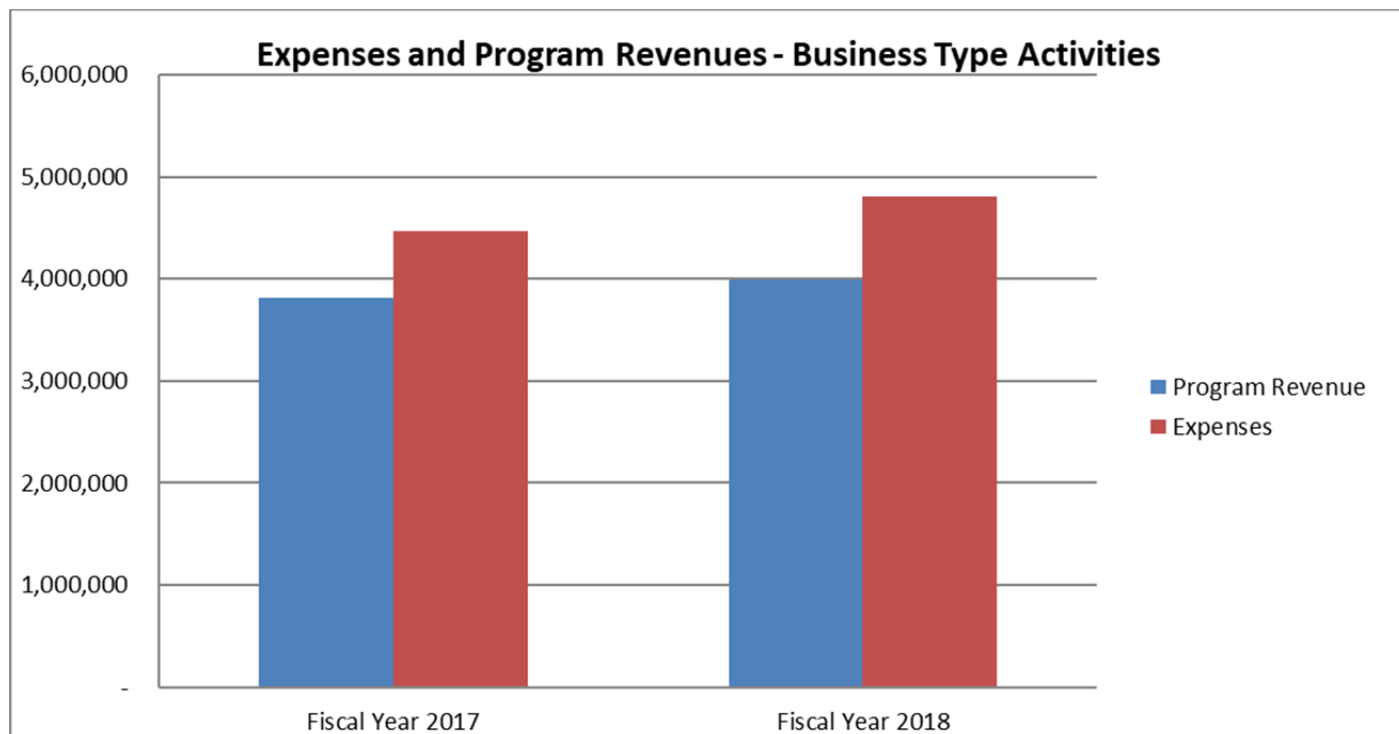


Fiscal Year 2018 Expenses by Function Governmental Activities



Business-type Activities - Business-type activities decreased the County's net position by \$48,601 or less than 1% during the fiscal year.

Business-type program revenues increased by \$170,591 or 4%. Business-type expenses increased by 7% or \$332,272 as compared to the prior fiscal year. Landfill related expenses increased by 5% or \$167,462 accounting for the majority of the increase.



Financial Analysis of the County's Funds

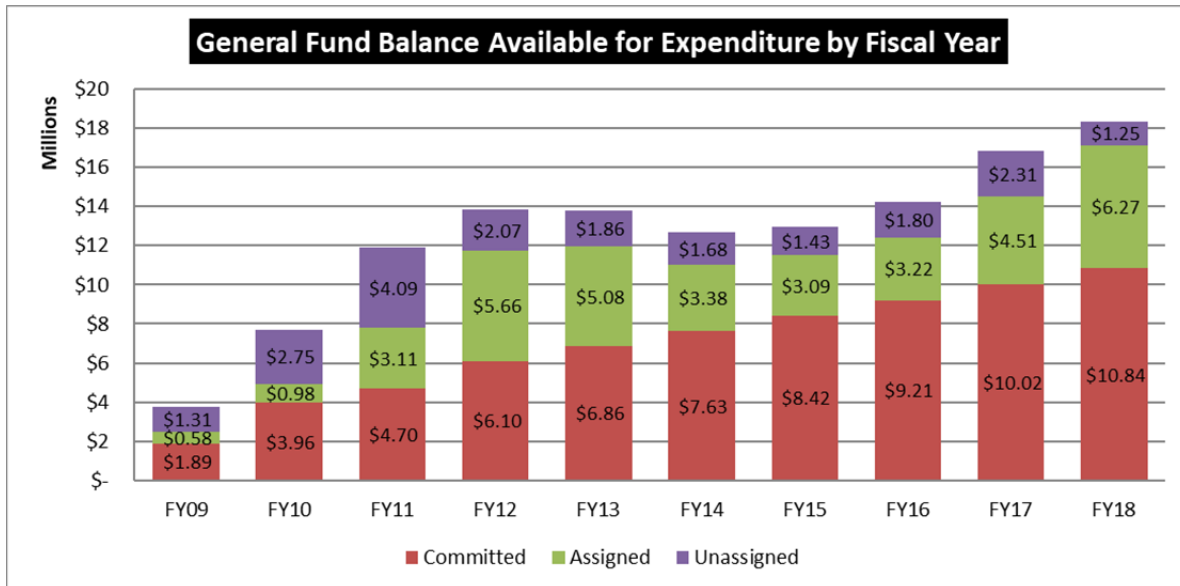
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$22,465,671. Details are as follows:

- The General Fund accounted for 82% percent or \$18,495,855 of the combined ending governmental fund balance.
 - Approximately \$1,253,151 or 7% of this balance constitutes unassigned fund balance which is not tied to any specific use and is available for spending at the County's discretion.
 - Approximately \$10,836,542 or 59% is committed for a "Rainy Day" or Revenue Stabilization. This amount represents 13.6% of General Fund Revenue combined with School Operating Fund Revenue less revenue from the Primary Government.
 - Use of these funds is only permitted to temporarily address significant revenue shortfalls, to mitigate public safety threats both man-made and natural or to take emergency actions necessary to preserve the County and School Divisions overall financial health.

- Approximately \$6,268,339 or 34% is assigned to various projects yet to be completed.
- Approximately \$104,700 or less than 1% of this balance is due to noncurrent advances/receivables and is therefore nonspendable.
- The remainder, approximately \$33,123, of general fund balance is restricted to specific uses by entities external to County government.



- The General Fund reported an increase in fund balance of \$1,524,184 or 9%. General Fund Committed Fund Balance increased by \$819,085 or 8%. The entire amount of committed fund balance, \$10,836,542, is associated with the County's "Rainy Day"/Revenue Stabilization Policy. The General Fund unassigned fund balance decreased by \$1,253,151 or 46%. This large decrease in unassigned fund balance as compared to the prior year was by design and was specifically used to finance one-time capital expenditures.
- The Consolidated Emergency Services Fund accounted for 12% or \$2,598,778 of the combined ending governmental fund balance. This entire balance is restricted for providing emergency medical services throughout the County.

Proprietary funds - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All proprietary funds reported positive net position at the end of the year.

Budgetary Highlights

General Fund Budget Amendments:

Revenues:

The difference between the Primary Government General Fund original budget and final amended budget (schedule 1) was \$1,089,894 or 2.9%. The majority of the variance was due to budget amendments made to recognize other state and federal grant funds awarded to the County during the fiscal year along with recovered costs during the fiscal year.

For the most part, the original revenue budget held up favorably to actual revenues. Other than a budget increase of \$447,869 to reflect a significant one-time revenue increase associated with a real estate tax settlement, no material amendments were

made during the fiscal year to bring revenue estimates in line with actual revenue.

Expenditures:

The difference between the Primary Government General Fund original budget and the final amended budget (schedule 2) was \$1,965,492 or 6%. Significant individual adjustments making up this difference are explained as follows:

- Public Safety related amendments - The following budget increases were made to reflect:
 - Amendments totaling \$155,790 were made to recognize Virginia Homeland Security and Four for Life grant awards and carryovers. The purpose of these funds was to purchase safety equipment to handle potential hazardous material cleanup situations, training of EMS personnel and purchase of equipment and supplies for emergency medical and rescue services.
 - An amendment of \$90,869 was made to recognize the award of Virginia Department of Criminal Justice Services grant funds used to provide local probation services for the General District Court and Juvenile Domestic & Relations Court.
- Public Works related amendments - The original budget was amended up by \$954,588, including \$274,132 to reflect the carryover of funds used for storm drainage control, \$200,000 for the carryover of a road project, \$152,200 to record various building and dock projects carryovers, and \$157,022 to capture Garage service recoveries.
- Parks, Recreation and Cultural amendments - The original budget was increased by \$139,528 to recognize the carryover and acceptance of a grant award for the Summer Food/Playground Program.
- Education amendments - The original budget was increased by \$444,000 to carryover previous year funds awarded to the Eastern Shore Community College for a future building project.

General Fund Budget Variances:

The Primary Government General Fund reported a positive variance between actual revenue and the final budget of \$1,918,411 and a positive variance between actual expenditures and the final budget of \$1,691,374.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$54,516,909 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term debt - At the end of the fiscal year, the County had total debt outstanding, including unamortized bond premiums, of \$28,889,479. Of this amount, \$16,652,307 represents debt backed by the full faith and credit of the County. The remainder of the County's debt is secured by property or specific revenue sources.

Legislation enacted during fiscal year ended June 30, 2002 required the Primary Government to assume debt historically reported by the School Board. The legislation resulted in an additional \$14,019,681 in debt reported on the County's Statement of Net position and an expense increase of \$2,104,363 reported on the County's Statement of Activities for the transfer of school property on which debt was retired during the fiscal year to the school board. The legislation affects the reporting of local school capital assets as well.

Additional information on the County's long-term debt can be found in Note 10 of this report.

Economic Factors and Next Year's Budgets and Rates

Overall, General Fund revenues for fiscal year 2019 are forecast to increase by 3.4% from those of FY18. Total General Fund expenditures, including capital expenditures, are forecast to increase 2.9%.

Property Tax Rates/Fees

Despite a 1.8% reduction in the fair market value of real property located in the County, the Fiscal Year 2019 budget does not include any increase in property tax rates. In fact, the real estate rate for the island of Chincoteague was actually decreased. Decreases in revenue associated with the drop in real property value were offset by a significant decrease in County debt service negating the need to increase tax rates. Below are the adopted property tax rates for calendar year 2017 (fiscal year 2018) and calendar year 2018 (fiscal year 2019):

2019 Real Estate Tax Rates:

Chincoteague	\$0.480 per \$100 of assessed valuation
Captains Cove/Greenbackville	\$0.635 per \$100 of assessed valuation
All other County areas	\$0.610 per \$100 of assessed valuation

2018 Real Estate Tax Rates:

Chincoteague	\$0.490 per \$100 of assessed valuation
Captains Cove/Greenbackville	\$0.635 per \$100 of assessed valuation
All other County areas	\$0.610 per \$100 of assessed valuation

The only user fee that was increased for FY19 was the fee charged for disposal of waste at the County Landfill. This fee, known as the landfill tipping fee, increased by 7.9% from \$69.50 per ton of waste disposed to \$75.00. The increase was needed in order for landfill user fees to fully pay for landfill operations including future landfill cell closure and post-closure expenses. Landfill operations are intended to be self-supporting requiring no operating subsidy from the County's General Fund.

Operating Expenditures

Fiscal year 2019 operating expenditures are expected to increase slightly to provide a 2% wage increase for County and state-supported local positions effective December 1, 2018 and targeted salary increases for certified deputy sheriffs and correctional officers. The targeted increases for deputies, ranging from \$3,000 to \$6,000 per employee, were in response to market demands and are designed to allow the County to compete for qualified personnel and retain those that we already have. The 2019 operating budget also provides an additional \$493,000 to the School Division based on the County's traditional revenue sharing formula. The County shares "new" revenue with the School Division based on this formula which calls for 53% of the annual growth from general fund property taxes, other local taxes and non-categorical aid to appropriated to the School Division. Seven new full-time positions were created with all of these but one associated with expansion of emergency medical services (EMS) primarily at the northern end of the County. These new EMS positions will allow day-time career EMS personnel to be stationed in the Towns of Melfa, Saxis and Greenbackville. Both Saxis and Greenbackville areas were not previously staffed with County personnel.

Capital Expenditures

The County's approved capital budget for 2019 totals over \$2.5 million. This entire capital budget is cash funded using unassigned fund balance and a portion of 2019 projected operating revenues to pay for infrastructure improvements. The capital plan includes funding that will enable the County to become more business resilient with the construction of a new emergency operations center and emphasis placed on ensuring County facilities can withstand various business disruptions both man-made and natural. Other initiatives approved in the FY19 capital budget include replacing the County's existing permitting software, making County facilities more ADA compliant and installing lighting on the ballfield at Sawmill Park.

Other Initiatives

The fiscal year 2019 budget continues with the plan implemented in fiscal year 2009 to strengthen the portion of the County's general fund balance that is committed for a "Rainy Day" or revenue stabilization. The plan calls for this fund balance to be at least equal to 16.7% of County and School Board operating revenue by fiscal year 2021. Next year's budget sets aside an additional \$855,944 for this purpose. With this increase, the amount committed is expected to reach 14.8% of General Fund Revenue combined with School Operating Fund Revenue (less revenue from the Primary Government).

Employment and Population

The local unemployment rate decreased from June 2017 to June 2018 as shown below. The County's 3.8% unemployment rate straddles the rates for the state and nation which were 3.3% and 4.2%, respectively as of June 30, 2018.

	Unemployment Rates		
	June 2016	June 2017	June 2018
Accomack County	4.6%	4.3%	3.8%
Commonwealth of Virginia	4.3%	3.9%	3.3%
USA	5.1%	4.5%	4.2%

According to the Virginia Employment Commission, the number of persons employed in the County increased from 15,619 in June, 2017 to 16,072 in June, 2018. This equates to an increase of 453 or approximately 3%.

The County's population has neither increased nor decreased substantially over the last decade and no significant change is anticipated in the next fiscal year.

Requests for Information

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the County of Accomack, Virginia's finances and to demonstrate accountability for the money the County receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Chief Financial Officer, Accomack County Finance Department at finance@co.accomack.va.us or P.O. Box 620, Accomack, Virginia 23301.



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Basic Financial Statements



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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
AT JUNE 30, 2018

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
<u>Assets:</u>					
Cash and investments	\$ 24,322,414	\$ 696,279	\$ 25,018,693	\$ 6,547,509	\$ 2,096,850
Taxes receivable, net	17,998,270	-	17,998,270	-	-
Special assessments receivable, net	17,920	-	17,920	-	-
Accounts receivable, net	487,639	385,951	873,590	127,155	438,683
Loans receivable	-	-	-	-	170,581
Due from other governmental entities	2,357,874	58,276	2,416,150	2,485,635	11,401
Inventory	-	43,858	43,858	-	187,400
Prepaid items	-	5,186	5,186	-	21,709
Notes receivable	-	-	-	-	108,075
Restricted assets:					
Cash and cash equivalents	-	-	-	-	346,294
Capital assets (net of accumulated depreciation):					
Land	2,212,337	1,663,795	3,876,132	974,862	527,584
Buildings	21,468,090	699,434	22,167,524	34,703,134	576,277
Improvements other than buildings	13,056,454	6,802,420	19,858,874	1,771,378	62,068
Machinery and equipment	2,577,474	2,372,994	4,950,468	6,056,366	75,332
Intangibles	5,265	-	5,265	-	-
Construction in progress	2,878,860	779,786	3,658,646	85,000	283,927
Net pension asset	-	-	-	902,712	297,729
Total assets	87,382,597	13,507,979	100,890,576	53,653,751	5,203,910
<u>Deferred Outflows of Resources:</u>					
Deferred amount on refunding	293,831	3,008	296,839	-	-
Pension related items	931,050	81,203	1,012,253	5,682,861	39,912
OPEB related items	245,807	4,539	250,346	659,624	-
Total deferred outflows of resources	1,470,688	88,750	1,559,438	6,342,485	39,912
<u>Liabilities:</u>					
Accounts payable	1,621,503	244,966	1,866,469	3,515,554	112,441
Wages and benefits payable	131,412	3,806	135,218	4,705,222	15,528
Retainage payable	104,599	19,561	124,160	-	-
Due to other governmental entities	166,929	-	166,929	-	-
Accrued interest payable	443,628	538	444,166	-	-
Unearned revenue	72,248	5,299	77,547	95,613	100,988
Customer deposits	128,163	30,029	158,192	-	-
Internal balances	(153,520)	153,520	-	-	-
Long-term liabilities:					
Due within one year	4,282,419	688,568	4,970,987	2,042,918	-
Due in more than one year	28,354,008	6,719,658	35,073,666	52,120,349	156,618
Total liabilities	35,151,389	7,865,945	43,017,334	62,479,656	385,575
<u>Deferred Inflows of Resources:</u>					
Deferred property tax revenue	16,178,042	-	16,178,042	-	-
Pension related items	1,936,400	118,137	2,054,537	6,089,101	257,896
OPEB related items	435,704	5,753	441,457	431,805	-
Total deferred inflows of resources	18,550,146	123,890	18,674,036	6,520,906	257,896
<u>Net Position:</u>					
Net investment in capital assets	14,803,829	10,996,279	25,800,108	43,590,740	1,525,188
Restricted:					
Future debt service	264,736	-	264,736	-	2,113,268
Grant purposes	256,404	-	256,404	-	-
Public safety	2,642,515	-	2,642,515	-	-
Health and welfare	14,285	-	14,285	-	-
Judicial administration	52,113	-	52,113	-	-
Community development	33,123	-	33,123	-	-
Unrestricted	17,084,745	(5,389,385)	11,695,360	(52,595,066)	961,895
Total net position	\$ 35,151,750	\$ 5,606,894	\$ 40,758,644	\$ (9,004,326)	\$ 4,600,351

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	\$ 4,235,991	\$ 340,487	\$ 273,824	\$ -
Judicial administration	1,524,872	81,468	1,096,282	-
Public safety	11,411,784	490,759	3,008,124	-
Public works	4,434,819	242,352	19,519	-
Health and welfare	5,945,902	455,688	3,958,475	-
Education	19,334,027	-	-	-
Parks, recreation and cultural	1,239,140	72,873	66,110	335,000
Community development	1,884,504	33,380	15,000	-
Interest on long-term debt	1,134,137	-	-	-
Total governmental activities	51,145,176	1,717,007	8,437,334	335,000
Business-type activities:				
Landfill	3,569,289	2,892,852	-	-
Airport	691,014	295,816	28,595	451,081
Water and sewer	504,664	278,763	-	-
Parks and recreation	39,181	38,385	-	-
Total business-type activities	4,804,148	3,505,816	28,595	451,081
Total primary government	55,949,324	5,222,823	8,465,929	786,081
Component Units:				
School Board	55,977,006	1,299,577	39,590,302	-
Economic Development Authority	4,675	4,659	-	-
Public Library	904,083	21,203	397,893	165,002
Planning District Commission	1,340,722	1,337,533	82,601	-
Quinby Harbor Committee	23,957	19,767	-	-
Greenbackville Harbor Committee	8,392	20,440	-	-
Captain's Cove/Greenbackville Mosquito Control Commission	64,061	44,206	-	-
Total component units	\$ 58,322,896	\$ 2,747,385	\$ 40,070,796	\$ 165,002

General Revenues:

Taxes:

 General property taxes

 Local sales and use taxes

 Communication taxes

 Consumer utility taxes

 Other local taxes

Contributions from County of Accomack

Grants and contributions not restricted to specific programs

Investment earnings

Gain (loss) on the sale of capital assets

Other revenue

Transfers

 Total general revenue and transfers

 Change in net position

Net position-beginning, as restated

Net position-ending

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

Exhibit 2

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	Other
\$ (3,621,680)	\$ -	\$ (3,621,680)	\$ -	\$ -
(347,122)	-	(347,122)	-	-
(7,912,901)	-	(7,912,901)	-	-
(4,172,948)	-	(4,172,948)	-	-
(1,531,739)	-	(1,531,739)	-	-
(19,334,027)	-	(19,334,027)	-	-
(765,157)	-	(765,157)	-	-
(1,836,124)	-	(1,836,124)	-	-
(1,134,137)	-	(1,134,137)	-	-
(40,655,835)	-	(40,655,835)	-	-
-	(676,437)	(676,437)	-	-
-	84,478	84,478	-	-
-	(225,901)	(225,901)	-	-
-	(796)	(796)	-	-
-	(818,656)	(818,656)	-	-
(40,655,835)	(818,656)	(41,474,491)	-	-
-	-	-	(15,087,127)	-
-	-	-	-	(16)
-	-	-	-	(319,985)
-	-	-	-	79,412
-	-	-	-	(4,190)
-	-	-	-	12,048
-	-	-	-	(19,855)
-	-	-	(15,087,127)	(252,586)
33,963,969	-	33,963,969	-	-
3,659,682	-	3,659,682	-	-
970,374	-	970,374	-	-
1,105,834	-	1,105,834	-	-
1,955,717	-	1,955,717	-	-
-	-	-	18,934,709	622,690
3,400,198	-	3,400,198	-	-
46,368	11,662	58,030	5,966	10,353
-	-	-	-	1,515
329,248	-	329,248	404,305	2,098
(758,393)	758,393	-	-	-
44,672,997	770,055	45,443,052	19,344,980	636,656
4,017,162	(48,601)	3,968,561	4,257,853	384,070
31,134,588	5,655,495	36,790,083	(13,262,179)	4,216,281
\$ 35,151,750	\$ 5,606,894	\$ 40,758,644	\$ (9,004,326)	\$ 4,600,351

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

COUNTY OF ACCOMACK, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AT JUNE 30, 2018

Exhibit 3

	Major Funds						
	General Fund	Virginia Public Assistance Fund	Consolidated Emergency Medical Services Fund	County Capital Projects Fund	County Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets:</u>							
Cash and investments	\$ 19,307,755	\$ -	\$ 2,941,734	\$ 39,823	\$ 502,618	\$ 1,530,484	\$ 24,322,414
Taxes receivable, net	13,253,436	-	2,127,803	-	1,835,639	781,392	17,998,270
Special assessments receivable, net	17,920	-	-	-	-	-	17,920
Accounts receivable, net	469,296	-	-	-	-	18,343	487,639
Due from other governmental entities	1,600,100	208,248	-	300,000	-	249,526	2,357,874
Interfund receivables	308,284	-	-	-	-	-	308,284
Total assets	<u>34,956,791</u>	<u>208,248</u>	<u>5,069,537</u>	<u>339,823</u>	<u>2,338,257</u>	<u>2,579,745</u>	<u>45,492,401</u>
<u>Liabilities:</u>							
Accounts payable	826,352	52,071	20,770	129,771	-	592,539	1,621,503
Wages and benefits payable	118,259	7,631	-	1,177	-	4,345	131,412
Due to other governmental entities	135,550	-	6,405	-	-	24,974	166,929
Retainage payable	-	-	-	104,599	-	-	104,599
Customer deposits	128,163	-	-	-	-	-	128,163
Interfund payables	-	148,546	-	-	-	6,218	154,764
Unearned revenue	26,079	-	-	-	-	46,169	72,248
Total liabilities	<u>1,234,403</u>	<u>208,248</u>	<u>27,175</u>	<u>235,547</u>	<u>-</u>	<u>674,245</u>	<u>2,379,618</u>
<u>Deferred Inflows of Resources:</u>							
Deferred property tax revenue	11,946,878	-	1,908,687	-	1,614,877	707,600	16,178,042
Unavailable revenue-property taxes	3,261,735	-	534,897	-	458,644	195,874	4,451,150
Unavailable revenue-special assessments	17,920	-	-	-	-	-	17,920
Total deferred inflows of resources	<u>15,226,533</u>	<u>-</u>	<u>2,443,584</u>	<u>-</u>	<u>2,073,521</u>	<u>903,474</u>	<u>20,647,112</u>
<u>Fund Balances:</u>							
Nonspendable: Noncurrent advances	104,700	-	-	-	-	-	104,700
Restricted for:							
Debt service	-	-	-	-	264,736	-	264,736
Fire and rescue	-	-	2,598,778	-	-	33,910	2,632,688
Captain's Cove mosquito control	-	-	-	-	-	14,285	14,285
Law library	-	-	-	-	-	52,113	52,113
Drug seizures	-	-	-	-	-	47,831	47,831
Courthouse security	-	-	-	-	-	9,827	9,827
Rehabilitation projects	-	-	-	-	-	208,573	208,573
Wetlands mitigation	33,123	-	-	-	-	-	33,123
Committed to Rainy Day/Stabilization	10,836,542	-	-	-	-	-	10,836,542
Assigned to:							
Storm drainage	306,731	-	-	-	-	-	306,731
Fire and rescue	-	-	-	-	-	635,487	635,487
Building improvement or repair projects	1,161,968	-	-	-	-	-	1,161,968
Public boating facility improvement or repair	416,358	-	-	-	-	-	416,358
Subsequent year's expenditures	2,112,266	-	-	-	-	-	2,112,266
Information technology projects	81,907	-	-	-	-	-	81,907
County projects (Series 15 Bonds)	-	-	-	30,742	-	-	30,742
Hazardous materials response	10,889	-	-	-	-	-	10,889
Wallops Research Park	-	-	-	73,279	-	-	73,279
School Board	931,156	-	-	-	-	-	931,156
Other purposes	1,247,064	-	-	255	-	-	1,247,319
Unassigned	1,253,151	-	-	-	-	-	1,253,151
Total fund balances	<u>18,495,855</u>	<u>-</u>	<u>2,598,778</u>	<u>104,276</u>	<u>264,736</u>	<u>1,002,026</u>	<u>22,465,671</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,956,791</u>	<u>\$ 208,248</u>	<u>\$ 5,069,537</u>	<u>\$ 339,823</u>	<u>\$ 2,338,257</u>	<u>\$ 2,579,745</u>	<u>\$ 45,492,401</u>

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

COUNTY OF ACCOMACK, VIRGINIA
RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AT JUNE 30, 2018

Exhibit 4

Total fund balances - governmental funds (Exhibit 3) \$ 22,465,671

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

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

Land	2,212,337	
Buildings, net of depreciation	7,448,409	
Improvements other than buildings, net of depreciation	13,056,454	
Machinery and equipment, net of depreciation	2,577,474	
Intangibles, net of amortization	5,265	
Construction in progress	2,878,860	
School Board capital assets, net of depreciation	14,019,681	
Total capital assets		42,198,480

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 4,469,070

Deferred inflows of resources are not due in the current period and, therefore, are not reported in the funds.

Deferred inflows related to pensions	(1,936,400)	
Deferred inflows related to OPEB	(435,704)	
Total deferred inflows of resources		(2,372,104)

Pension and OPEB contributions subsequent to the measurement date and other dererred outflows will be a reduction to the net pension and OPEB liabilities in the next fiscal year and, therefore, are not reported in the funds:

Deferred outflows related to pensions	931,050	
Deferred outflows related to OPEB	245,807	
Total deferred outflows of resources		1,176,857

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

Virginia Public School Authority bonds	(16,573,425)	
Qualified zone academy bonds	(78,882)	
Lease revenue bonds	(10,225,582)	
Accrued interest on debt	(443,628)	
Bond premiums and discounts, net of amortization	(705,994)	
Bond deferred charge on refunding	293,831	
Compensated absences	(2,054,140)	
Net OPEB liability	(2,866,283)	
Net pension liability	(132,121)	
Net adjustment		(32,786,224)

Total net position - governmental activities (Exhibit 1) \$ 35,151,750

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 5

	Major Funds						
	General	Virginia	Consolidated	County	County	Nonmajor	Total
	Fund	Public	Emergency	Capital	Debt	Governmental	Governmental
	Fund	Assistance	Medical Services	Projects	Service	Funds	Funds
	Fund	Fund	Fund	Fund	Fund	Funds	Funds
Revenues:							
General property taxes	\$23,374,795	\$ -	\$ 4,144,879	\$ -	\$3,799,225	\$1,616,686	\$32,935,585
Other local taxes	7,604,035	-	-	-	-	87,572	7,691,607
Permits, fees and licenses	360,894	-	-	-	-	11,142	372,036
Fines and forfeitures	57,413	-	-	-	-	-	57,413
Revenue from the use of money & property	361,525	-	-	170	-	68	361,763
Charges for services	500,255	-	-	-	-	-	500,255
Miscellaneous	101,944	7,580	-	229,812	-	167,401	506,737
Recovered costs	296,478	-	-	-	-	8,029	304,507
Intergovernmental	7,483,517	3,022,309	126,069	335,000	82,359	1,123,278	12,172,532
Total revenues	<u>40,140,856</u>	<u>3,029,889</u>	<u>4,270,948</u>	<u>564,982</u>	<u>3,881,584</u>	<u>3,014,176</u>	<u>54,902,435</u>
Expenditures:							
General government administration	4,268,699	-	-	9,393	-	-	4,278,092
Judicial administration	1,462,979	-	-	-	-	104,638	1,567,617
Public safety	6,767,199	-	3,406,554	-	-	1,460,295	11,634,048
Public works	3,963,018	-	-	2,369,703	-	-	6,332,721
Health and welfare	961,312	3,708,312	-	-	-	1,330,261	5,999,885
Education	16,411,499	-	-	459,875	-	-	16,871,374
Parks, recreation and cultural	935,657	-	-	1,158,309	-	-	2,093,966
Community development	1,152,068	-	-	192,730	-	166,403	1,511,201
Debt service:							
Principal	170,500	-	-	-	3,315,153	-	3,485,653
Interest	74,272	-	-	-	1,165,554	-	1,239,826
Total expenditures	<u>36,167,203</u>	<u>3,708,312</u>	<u>3,406,554</u>	<u>4,190,010</u>	<u>4,480,707</u>	<u>3,061,597</u>	<u>55,014,383</u>
Revenues over (under) expenditures	<u>3,973,653</u>	<u>(678,423)</u>	<u>864,394</u>	<u>(3,625,028)</u>	<u>(599,123)</u>	<u>(47,421)</u>	<u>(111,948)</u>
Other financing sources (uses):							
Transfers in	128,760	678,423	-	775,013	-	366,400	1,948,596
Transfers out	(2,578,229)	-	(128,760)	-	-	-	(2,706,989)
Total other financing sources (uses)	<u>(2,449,469)</u>	<u>678,423</u>	<u>(128,760)</u>	<u>775,013</u>	<u>-</u>	<u>366,400</u>	<u>(758,393)</u>
Net changes in fund balance	1,524,184	-	735,634	(2,850,015)	(599,123)	318,979	(870,341)
Fund balance, beginning of year	16,971,671	-	1,863,144	2,954,291	863,859	683,047	23,336,012
Fund balance, end of year	<u>\$18,495,855</u>	<u>\$ -</u>	<u>\$ 2,598,778</u>	<u>\$ 104,276</u>	<u>\$ 264,736</u>	<u>\$1,002,026</u>	<u>\$22,465,671</u>

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

COUNTY OF ACCOMACK, VIRGINIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 6

Net changes in fund balances-governmental funds (Exhibit 5) \$ (870,341)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.

Capital outlays	4,000,248	
Depreciation expenses	<u>(2,176,376)</u>	
Net adjustment		1,823,872

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets. (32,822)

School Board capital assets that are financed are jointly owned by the County and the School Board. The County share of School Board assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship decreased the transfers to the School Board. (2,104,363)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds

Property taxes	1,028,384	
Repayment of notes receivable	(10,088)	
Change in deferred inflows related to OPEB	(435,704)	
Change in deferred inflows related to pensions	<u>(1,936,400)</u>	
Net adjustment		(1,353,808)

The issue of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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 debt and related items. 3,525,599

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.

Change in accrued interest payable	65,743	
Change in compensated absences	(283,757)	
Change in net OPEB liability	301,024	
Change in net pension liability	4,107,534	
Change in deferred outflows related to OPEB	166,627	
Change in deferred outflows related to pensions	<u>(1,328,146)</u>	
Net adjustment		3,029,025

Change in net position of governmental activities (Exhibit 2) \$ 4,017,162

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AT JUNE 30, 2018

Exhibit 7

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Assets:				
Current assets:				
Cash and investments	\$ -	\$ 222,721	\$ 473,558	\$ 696,279
Accounts receivable (net of allowance for uncollectibles)	336,587	13,476	35,888	385,951
Due from other government entities	-	58,276	-	58,276
Prepaid items	-	5,186	-	5,186
Inventory	-	43,858	-	43,858
Total current assets	336,587	343,517	509,446	1,189,550
Noncurrent assets:				
Capital Assets (net of accumulated depreciation):				
Land	402,959	1,260,836	-	1,663,795
Buildings	697,557	-	1,877	699,434
Improvements other than buildings	6,019,541	782,879	-	6,802,420
Machinery and equipment	2,140,049	15,321	217,624	2,372,994
Construction in progress	34,070	745,716	-	779,786
Total capital assets	9,294,176	2,804,752	219,501	12,318,429
Total assets	9,630,763	3,148,269	728,947	13,507,979
Deferred Outflows of Resources:				
Deferred amount on refunding	3,008	-	-	3,008
Pension related items	68,810	12,393	-	81,203
OPEB related items	3,944	595	-	4,539
Total deferred outflows of resources	75,762	12,988	-	88,750
Liabilities:				
Current liabilities:				
Accounts payable	133,871	71,834	39,261	244,966
Retainage payable	19,561	-	-	19,561
Wages and benefits payable	282	1,144	2,380	3,806
Unearned revenue	-	5,299	-	5,299
Accrued interest payable	538	-	-	538
Customer deposits	30,029	-	-	30,029
Interfund payables	153,520	-	-	153,520
Compensated absences-current	69,175	14,220	-	83,395
General obligation bonds payable-current	333,000	-	-	333,000
Capital leases payable-current	134,411	-	-	134,411
Total current liabilities	874,387	92,497	41,641	1,008,525
Noncurrent liabilities:				
Compensated absences	8,550	1,758	-	10,308
Capital leases payable	838,186	-	-	838,186
Landfill closure/post closure care	5,941,024	-	-	5,941,024
Net OPEB liability	52,599	8,137	-	60,736
Net pension liability	6,206	960	-	7,166
Total noncurrent liabilities	6,846,565	10,855	-	6,857,420
Total liabilities	7,720,952	103,352	41,641	7,865,945
Deferred Inflows of Resources:				
Pension related items	100,662	17,475	-	118,137
OPEB related items	4,982	771	-	5,753
Total deferred inflows of resources	105,644	18,246	-	123,890
Net Position:				
Net investment in capital assets	7,972,026	2,804,752	219,501	10,996,279
Unrestricted	(6,092,097)	234,907	467,805	(5,389,385)
Total net position	\$ 1,879,929	\$ 3,039,659	\$ 687,306	\$ 5,606,894

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 8

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Operating revenues:				
Use of property	\$ -	\$ 14,029	\$ -	\$ 14,029
Charges for services	2,826,901	281,611	316,043	3,424,555
Intergovernmental	-	28,595	-	28,595
Other operating revenue	65,951	176	1,105	67,232
Total operating revenues	2,892,852	324,411	317,148	3,534,411
Operating expenses:				
Personnel services and fringe benefits	799,211	150,121	9,188	958,520
Other operating expenses	1,939,856	300,956	512,801	2,753,613
Depreciation	796,126	239,937	21,856	1,057,919
Total operating expenses	3,535,193	691,014	543,845	4,770,052
Operating income (loss)	(642,341)	(366,603)	(226,697)	(1,235,641)
Nonoperating revenues (expenses):				
Interest income	11,662	-	-	11,662
Interest expense	(34,096)	-	-	(34,096)
State grants	-	69,818	-	69,818
Federal Grants	-	381,263	-	381,263
Total nonoperating revenues (expenses)	(22,434)	451,081	-	428,647
Income (loss) before transfers	(664,775)	84,478	(226,697)	(806,994)
Transfers:				
Transfers in	200,000	190,584	367,809	758,393
Total transfers	200,000	190,584	367,809	758,393
Changes in net position	(464,775)	275,062	141,112	(48,601)
Total net position, beginning of year, as restated	2,344,704	2,764,597	546,194	5,655,495
Total net position, end of year	\$ 1,879,929	\$ 3,039,659	\$ 687,306	\$ 5,606,894

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 9

	Business-type Activities-Enterprise Funds			
	Major Funds		Nonmajor	Total
	Landfill Fund	Airport Fund	Funds	
Cash flows from operating activities:				
Receipts from customers	\$ 2,633,497	\$ 285,009	\$ 310,431	\$ 3,228,937
Payments to suppliers	(3,189,905)	(302,523)	(730,803)	(4,223,231)
Payments to employees and benefits paid on behalf of employees	(837,038)	(156,926)	(7,366)	(1,001,330)
Intergovernmental	-	(29,361)	-	(29,361)
Other receipts	65,951	176	1,105	67,232
Payments to General Fund for indirect services	(198,998)	-	-	(198,998)
Net cash provided by (used for) operating activities	(1,526,493)	(203,625)	(426,633)	(2,156,751)
Cash flows from noncapital financing activities:				
Advance from the General Fund	153,520	-	-	153,520
Transfer from the General Fund	200,000	180,277	367,807	748,084
Net cash provided by (used for) noncapital financing activities	353,520	180,277	367,807	901,604
Cash flows from capital and related financing activities:				
Purchase of capital assets	1,452	(409,633)	(1)	(408,182)
Capital Transfer from the General Fund	-	10,308	-	10,308
Capital grant proceeds from the Commonwealth and Federal Government	-	451,081	-	451,081
Principal payments on debt	(593,716)	-	-	(593,716)
Interest payments on debt	(28,585)	-	-	(28,585)
Net cash provided by (used for) capital and related financing activities	(620,849)	51,756	(1)	(569,094)
Cash flows from investing activities:				
Interest income	11,662	-	-	11,662
Net increase in cash and cash equivalents	(1,782,160)	28,408	(58,827)	(1,812,579)
Cash and cash equivalents, beginning of year	1,782,160	194,313	532,385	2,508,858
Cash and cash equivalents, end of year	\$ -	\$ 222,721	\$ 473,558	\$ 696,279
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ (642,341)	\$ (366,603)	\$ (226,697)	\$(1,235,641)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	796,126	239,937	21,856	1,057,919
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	(193,543)	(67,858)	(5,612)	(267,013)
(Increase) Decrease in inventory	-	(15,419)	-	(15,419)
(Increase) Decrease in deferred outflows related to pensions	23,793	(1,323)	-	22,470
(Increase) Decrease in deferred outflows related to OPEB	(226)	(21)	-	(247)
Increase (Decrease) in wages and benefits payable	(307)	232	1,822	1,747
Increase (Decrease) in accounts payable	(249,528)	11,455	(218,002)	(456,075)
Increase (Decrease) in prepaid rent	-	(727)	-	(727)
Increase (Decrease) in customer deposits	139	-	-	139
Increase (Decrease) in closure/post closure liabilities	(1,204,046)	-	-	(1,204,046)
Increase (Decrease) in compensated absences payable	4,489	1,813	-	6,302
Increase (Decrease) in net pension liability	(158,702)	(22,053)	-	(180,755)
Increase (Decrease) in net OPEB liability	(7,401)	(1,145)	-	(8,546)
Increase (Decrease) in deferred inflows related to pensions	100,072	17,316	-	117,388
Increase (Decrease) in deferred inflows related to OPEB	4,982	771	-	5,753
Total adjustments	(1,680,278)	(76,959)	(221,792)	(1,979,029)
Net cash provided (used for) by operating activities	\$ (1,526,493)	\$ (203,625)	\$ (426,633)	\$(2,156,751)

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AT JUNE 30, 2018

Exhibit 10

	Other Postemployment Benefits Trust Fund	Agency Funds
<u>Assets:</u>		
Cash and investments held by Treasurer	\$ -	\$ 41,337
Cash and investments in custody of others	257,643	173,108
Total assets	<u>257,643</u>	<u>214,445</u>
<u>Liabilities:</u>		
Reconciled overdraft	24,276	-
Accounts payable	7,366	-
Amounts held for social service clients	-	41,337
Amounts held for others	-	173,108
Total liabilities	<u>31,642</u>	<u>214,445</u>
<u>Net Position:</u>		
Net position restricted for OPEB	226,001	-
Total net position	<u>\$ 226,001</u>	<u>\$ -</u>

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 11

	Other Postemployment Benefits Trust Fund
<u>Additions:</u>	
Contributions:	
Employer	\$ 110,175
Retiree	87,188
Total contributions	<u>197,363</u>
Investment earnings:	
Interest	20,630
Total investment earnings	<u>20,630</u>
Total additions	<u>217,993</u>
<u>Deductions</u>	
Health insurance credit payments	24,388
Benefits	132,855
Total deductions	<u>157,243</u>
Change in net position	60,750
Net position - beginning	165,251
Net position - ending	<u><u>\$ 226,001</u></u>

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

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. All fiduciary activities are reported only in the fund financial statements. Government activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

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

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

Blended Component Units

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

Discretely Presented Component Units

The component unit columns in the financial statements include the financial data of the County's component units. They are presented in separate columns to emphasize that they are legally separate from the County. All component units have a fiscal year end of June 30, 2018.

- i. **Accomack County School Board** - The Accomack County School Board was created by state law and is vested with the responsibility of administering the public school system. The School Board is composed of ten members all of whom are appointed by a selection committee established by the Circuit Court. The County levies taxes for its operation, issues bonds or enters into capital leases for its capital requirements and approves its annual budget. The School Board is reported as a governmental fund type. The School Board does not issue separate financial statements.
- ii. **Economic Development Authority of Accomack County** - The Economic Development Authority of Accomack County (EDA), formerly known as the Industrial Development Authority of Accomack County (IDA), was established to promote industry and develop trade by inducing manufacturing, industrial, government, and commercial enterprises to locate in Accomack County. The IDA changed its mission in fiscal year 2008 to enhance the economy and development of the County hence the name change. The Authority consists of seven directors, all of which are appointed by the County Board of Supervisors. The County approves the annual operating budget of the Authority. The Authority is reported as an enterprise fund type. The Authority does not issue separate financial statements.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. The Reporting Entity-continued

- iii. **Eastern Shore Public Library** - The Eastern Shore Public Library was created for the purpose of providing public library services to residents of the Eastern Shore of Virginia. The Library Board consists of five members, a majority of which is appointed by the Accomack County Board of Supervisors. The Library is fiscally dependent upon the County for its annual contribution. Separately issued financial statements can be obtained from the Eastern Shore Public Library, Post Office Box 360, Accomac, Virginia 23301. The Library is reported as a governmental fund type.
- iv. **Accomack-Northampton Planning District Commission** - The Accomack-Northampton Planning District Commission is a multi-jurisdictional entity created for the purpose of promoting the orderly and efficient development of the physical, social, and economic elements in its district. The Commission consists of thirteen members of which seven are appointed by and serve at the pleasure of the County Board of Supervisors. The Commission receives significant financial assistance from the County and is fiscally dependent on this assistance. Separately issued financial statements can be obtained from the Accomack-Northampton Planning District Commission, Post Office Box 417, Accomac, Virginia 23301. The Commission is reported as a governmental fund type.
- v. **Quinby Boat Harbor Committee** - The Quinby Boat Harbor Committee was established to diligently conduct and enforce the rules and regulations regarding the use and occupancy of the Quinby Boat Harbor. The Committee consists of nine members, all of which are appointed and serve at the pleasure of the County Board of Supervisors. 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 demonstrates financial accountability. Separately issued financial statements can be obtained from the Quinby Boat Harbor Committee, Post Office Box 343, Quinby, Virginia 23423. The Committee is reported as a governmental fund type.
- vi. **Greenbackville Boat Harbor Committee** - The Greenbackville Boat Harbor Committee was established to diligently conduct and enforce the rules and regulations regarding the use and occupancy of the Greenbackville Boat Harbor. The Committee consists of five members, all of which are appointed by and serve at the pleasure of the County Board of Supervisors. 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 demonstrates financial accountability. Separately issued financial statements can be obtained from the Greenbackville Harbor Committee, Post Office Box 74, Greenbackville, Virginia 23356. The Committee is reported as a governmental fund type.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. The Reporting Entity-continued

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

Jointly Governed Organizations

The following entities are excluded from the accompanying financial statements:

- i. **Eastern Shore of Virginia 911 Commission** - The County has joined together with Northampton County to create the Eastern Shore of Virginia 911 Commission. The purposes of the Commission are to manage the 911 system in order to save the lives and property of the citizens of Accomack and Northampton Counties. The Commission is governed by a twelve member board, six of which are appointed by Accomack County. Prior to January 1, 2007, the Commission was funded primarily by a local consumer utility tax levied and collected by both Accomack and Northampton County. State legislation effective January 1 repealed the authority to levy this tax replacing it with a state-controlled communication sales and use tax which is remitted to both counties on a monthly basis and subsequently distributed to the Commission. In fiscal year 2018, the County contributed \$569,651 to the Commission. The Commission's complete financial activity is included in the financial report of Northampton County, Virginia, its fiscal agent.

Related Organizations

The following entities are excluded from the accompanying financial statements:

- i. Eastern Shore Community Services Board – The County, in conjunction with Northampton County, participate in the Eastern Shore Community Services Board. The County's Board of Supervisors appoints a voting majority of the board members of the Eastern Shore Community Services Board, but the County's accountability for this organization does not extend beyond making the appointments. During fiscal year 2018, the County contributed \$178,286 to the Board for operations. Complete financial statements for the Board may be obtained by contacting the Eastern Shore Community Services Board, P.O. Box 453, Nassawadox, Virginia 23413.

C. Basis of Presentation-Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The basic financial statements include both government-wide (based upon the County as a whole) and fund financial statements.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Basis of Presentation-Government-Wide Financial Statements – continued

As discussed earlier, the government has seven discretely presented component units. Only the Accomack County School Board is considered to be a major component unit and thus shown in a separate column in the government-wide financial statements. The remaining six are consolidated into one column in the government-wide financial statements labeled “other”. Individual component unit financial data for these nonmajor component units is reported in the *Other Supplementary Information* section.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements except payments in lieu of taxes and other charges between the Landfill Fund and the General Fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

D. Basis of Presentation-Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary, and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- **General Fund:** The General Fund is the County's primary operating fund. It accounts for and reports financial resources of the general government except those required to be accounted for in another fund. Revenues are primarily derived from property taxes. A significant part of the General Fund's revenues are used to finance operations of the Accomack County School Board.
- **Virginia Public Assistance Fund:** The Virginia Public Assistance Fund accounts for and reports the resources of the Social Services department which is responsible for administering welfare related programs as mandated by the Code of Virginia. Revenues are primarily derived from the intergovernmental funding including significant local funding from the County's General Fund.
- **Consolidated Emergency Medical Services Fund:** The Consolidated Emergency Medical Services Fund accounts for and reports revenues and expenditures associated with fire and rescue services. Revenues are derived from a special property tax levied on all residents of the County except those located in the Town of Chincoteague. Expenditures are restricted for use on fire and rescue services.
- **County Capital Projects Fund:** The County Capital Projects Fund is used to account for and report the acquisition or construction of major capital facilities in the County. This fund also accounts for proceeds from bonds issued on behalf of the Accomack County School Board and disbursed to the school board for education related capital projects.
- **County Debt Service Fund:** The County Debt Service Fund accounts for and reports revenues derived from a special property tax levied on County residents exclusively for the current and future retirement of debt. The majority of the debt service reported by the fund pertains to public school construction. In Virginia, public school systems do not have borrowing authority so all school related debt must be issued and therefore reported by the County.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Basis of Presentation-Fund Financial Statements – continued

The County reports the following major proprietary funds:

- **Landfill Fund:** The Landfill Fund is an enterprise fund used to account for waste disposal operations of the County's North Landfill and South Transfer Station. The cost of waste disposal services is primarily financed through user charges to the County, residents and commercial customers.
- **Airport Fund:** The Airport fund is used to account for the operation of the County's airport located in Melfa, Virginia. This enterprise fund was established in fiscal year 2013 as a result of the Airport Commission being dissolved by the County. Previous to this action, the operation of the airport was reported under the Airport Commission which was a discretely presented component unit. The cost of operating the Airport is primarily funded through user fees.

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

- **Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- **Enterprise Funds:** Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services.
- **Fiduciary Funds:** Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other individuals or organizations. Fiduciary funds consist of the Other Postemployment Benefits Trust Fund and the following agency funds: Special Welfare Fund and Sheriff Canteen Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Trust funds account for assets in essentially the same manner as a proprietary fund using the economic resources measurement focus.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities fund. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized 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 governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses and interest associated with the fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure driven grants are recognized as revenue with the qualifying expenditure have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for the revenue source. All other revenue items are considered to be measurable and available only when cash is received by the County.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

F. Budgetary Basis of Accounting

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

- Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year beginning the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. This budget excludes intergovernmental grant revenues and expenditures unless they were officially awarded prior to the budget submission to the Board of Supervisors. Intergovernmental grants awarded after adoption of the budget are reflected in the amended budget once approved by the Board of Supervisors.
- Public hearings are conducted to obtain citizen comments.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Budgetary Basis of Accounting – continued

- Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.
- Formal budgetary integration is employed as a management control device during the year for all funds.
- Appropriations lapse on June 30 for all County units except for Capital Funds which carry unexpended balances into the following year on a continuing appropriation basis.
- Budget amounts reported in the financial statements are labeled as either original or final. The original budget is the initial adopted budget plus amendments made prior to the beginning of the fiscal year. The final budget is the original budget combined with amendments approved during the fiscal year.

G Assets, Liabilities, Deferred Outflows/Inflows of Resources, & Net Position/Fund Balance

i. Cash and Cash Equivalents

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

ii. Receivables

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

iii. Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

iv. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Only the Airport Enterprise Fund reports inventory which consists of aviation fuel and pilot supplies. The cost of these inventories is recorded as expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and reported as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G Assets, Liabilities, Deferred Outflows/Inflows of Resources, & Net Position/Fund Balance – continued

v. Capital Assets

Capital assets, including land, improvements to land, buildings, building improvements, vehicles, machinery, equipment and intangible assets that individually cost \$5,000 and over, with a useful life of greater than one year are reported in proprietary funds and applicable governmental or business-type activities columns in the government-wide financial statements. The County does not capitalize roads and bridges since these assets belong to the Commonwealth of Virginia. Capital assets are stated at historical cost or estimated historical cost. Donated capital assets are stated at their acquisition value as of the date of the donation. Capital assets are depreciated over their useful lives using the straight-line method. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous year. Estimated lives for County and School Board Component Unit assets are as follows:

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

vi. 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 has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to the measurement of the net pension asset/liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G Assets, Liabilities, Deferred Outflows/Inflows of Resources, & Net Position/Fund Balance – continued

vi. 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 multiple 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 asset/liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

vii. 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.

viii. 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 government-wide and proprietary fund 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.

ix. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statement, 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G Assets, Liabilities, Deferred Outflows/Inflows of Resources, & Net Position/Fund Balance – continued

x. Fund Balance

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

Fund Balance Category	Definition	Applicability
Nonspendable	Includes amounts that are not in expendable form.	The County reports long-term receivables that are not available for expenditure in this category.
Restricted	Includes amounts restricted to specific uses by external entities or by law. Externally imposed restrictions include amounts that are restricted for specific purposes.	The County reports residual amounts of taxes levied exclusively for debt service, fire & rescue and mosquito control along with unspent bond proceeds held in trust in this category.
Committed	Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Accomack County Board of Supervisors.	The County reports amounts committed by resolution of the Board of Supervisors for use in emergency situations or when revenue shortages arise as committed fund balance. This amount is shown in the financial statements as committed to <i>Rainy Day/Stabilization</i> . Additions are approved by Board action. Use of these funds is only permitted to address revenue shortages that are greater than 1% of General Fund revenue, an urgent event that jeopardizes public safety or to mitigate damage caused by a natural disaster.
Assigned	Consists of amounts intended to be used by the County for a specific purpose but are neither restricted nor committed.	<i>Assigned for subsequent year's expenditures</i> is the portion of fund balance that has been approved by formal action of the Board of Supervisors for appropriation in the fiscal year 2019 budget. Amendment of this amount requires approval of the Board. Additional assignments for residual funds associated with ongoing capital projects and special revenue funds have been made by the Finance Director who is given that authority.
Unassigned	Fund balance that has not been reported in any other classification.	Positive unassigned fund balance is only reported in the General Fund. In governmental funds other than the General Fund, a negative unassigned fund balance may be reported if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Revenues and expenditures/expenses

i. Program Revenue

Amounts reported as program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions (including special assessment) that are restricted to meeting the operational or capital requirement of a particular function or segment. All taxes including those dedicated for specific purposes and internally dedicated resources are reported as general revenues rather than as program revenue.

ii. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Real estate and personal property taxes are due in two installments payable in December and June. Personal property taxes are prorated based on the number of months property is owned. The County bills and collects its own property taxes.

In 1998, the Virginia General Assembly passed the Personal Property Tax Relief Act (PPTRA). The purpose of this legislation was to gradually eliminate the personal property tax on automobiles by increasing Commonwealth funding to localities. The PPTRA provides tax relief via a tax credit that appears on the citizen's tax assessment as a reduction to taxes due. The credit applies to the first \$20,000 of taxable value of automobiles and motorcycles held for personal use. The tax credit on vehicles valued between \$1,000 and \$20,000 for tax year 2018 was equal to 44% of the tax assessment. The tax credit on vehicles with a taxable value of less than \$1,000 was equal to 100% of the tax assessment. Revenue from the Commonwealth pertaining to PPTRA is recorded as non-categorical aid.

iii. Compensated Absences

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

iv. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the water/sewer fund, airport fund, landfill fund and parks and recreation revolving fund are charges to customers. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues not meeting this definition are reported as nonoperating revenues and expenses.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Revenues and expenditures/expenses – continued

v. 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.

I. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Other Postemployment Benefits (OPEB)

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Political Subdivision and Teacher Employee Health Insurance Credit Program

The County and Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Programs were established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the Programs' OPEB, and the related OPEB expenses, information about the fiduciary net position of the County and VRS Teacher Employee HIC Programs; and the additions to/deductions from the County and VRS Teacher Employee HIC Programs' net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

2. DEPOSITS AND INVESTMENTS

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.

Statutes authorize the County Treasurer, an elected official, to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It follows the guidance of GASB Statement No. 79 "Certain External Investment Pools and Pool Participants" with the portfolio securities valued by the amortized cost method. Investments with a maturity date of one year or less are stated at amortized cost. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

The carrying amount of cash and investments of the Primary Government and the School Board Component Unit at June 30, 2018 is as follows:

Deposits with Financial Institutions	\$ 31,390,701
Investments	209,466
Petty Cash	6,102
Cash on Hand	1,270
Total Cash and Investments of the Primary Government and School Board Component Unit	<u>\$ 31,607,539</u>

A reconciliation to the basic financial statements is as follows:

Primary Government Cash and Investments per Exhibit 1	\$ 25,018,693
School Board Component Unit Cash and Investments per Exhibit 1	6,547,509
Other Component Unit Cash and Investments per Exhibit 1	2,096,850
Fiduciary Funds Cash and Investments per Exhibit 10	447,812
Total Cash and Investments for the Reporting Entity	<u>34,110,864</u>
Less: Other Component Unit Cash and Investments per Exhibit 1 not in the custody of the Treasurer	(2,096,850)
Less: Fiduciary Funds Cash and Investments per Exhibit 10 not in the custody of the Treasurer	(406,475)
Total Cash and Investments in the custody of the Treasurer	<u>\$ 31,607,539</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

2. DEPOSITS AND INVESTMENTS – CONTINUED

Credit Risk of Debt Securities

Per state statute requirements, all commercial paper must be rated “prime quality” by at least two nationally recognized statistical rating organizations (A-1 by both Standard & Poor’s and Moody’s Investor Service) and corporate notes and bonds must be rated in the AAA or AA categories by both Standard & Poor’s and Moody’s Investor Service. As of June 30, 2018, the County’s investments as rated by Standard & Poor’s were as follows:

<u>Investment Type</u>	<u>AAA</u>
State Treasurer's Local Government Investment Pool	\$ 209,466

Concentration of Credit Risk

State statute limits the percentage of the portfolio that can be invested in any one issuer, excluding the U.S. Government, U.S. Government Agencies, the Commonwealth of Virginia and its authorities, mutual funds and pooled investment funds. No more than 35% of total available funds may be invested in commercial paper. Furthermore, not more than 5% of the total funds available for investment may be invested in commercial paper of any one issuing corporation. As of June 30, 2018, the County’s entire investment portfolio was invested with State Treasurer’s Local Investment Pool which is managed in accordance with GASB 79.

Interest Rate Risk

The County’s investments as of June 30, 2018 are presented below along with their maturity. The County had no policy on interest rate risk at June 30.

	<u>Fair Value</u>	<u>Maturity less than 1 year</u>
Primary Government & School Board Component Unit:		
State Treasurer's Local Government Investment Pool	\$ 209,466	\$ 209,466

Custodial Credit Risk

As of June 30, 2018, all investment securities purchased by the County Treasurer were held by bank trust departments in the County’s name and evidenced by safekeeping receipts in the County’s name.

3. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The County calculates its allowance for uncollectible accounts using historical collection data, specific account analysis and subsequent cash receipts. The allowances at June 30, 2018 are as follows:

PRIMARY GOVERNMENT:

	<u>Major Funds</u>				
		Consolidated			
		Emergency			
		Medical	County	Nonmajor	
Type:	<u>General Fund</u>	<u>Services Fund</u>	<u>Debt Fund</u>	<u>Funds</u>	<u>Total</u>
Taxes receivable	\$ 5,033,193	\$ 671,780	\$ 585,981	\$ 250,942	\$ 6,541,896

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

4. DUE FROM OTHER GOVERNMENTAL ENTITIES

Amounts due from other governments at June 30, 2018 consisted of the following:

	Major Governmental Funds			Nonmajor	Total	Major	Total
	General	Virginia	County	Govern-	Primary	Fund	Primary
	Fund	Public	Capital	mental	Governmental	Enterprise	Government
		Assistance	Projects	Funds	Activities	Fund	
Miscellaneous government entities:							
Eastern Shore Public Service Authority	\$104,700	\$ -	\$ -	\$ -	\$104,700	\$ -	\$104,700
Commonwealth of Virginia:							
Local sales tax	786,247	-	-	-	786,247	-	786,247
Recordation tax	17,260	-	-	-	17,260	-	17,260
Constitutional officer shared expenses	301,177	-	-	-	301,177	-	301,177
Jail per diem for prisoner housing	51,620	-	-	-	51,620	-	51,620
Mobile home tax	21,542	-	-	-	21,542	-	21,542
Communications tax	150,956	-	-	-	150,956	-	150,956
Hazardous Material Response	118,412	-	-	-	118,412	-	118,412
Miscellaneous	7,366	-	-	-	7,366	-	7,366
Greenbackville Harbor Improvement	-	-	300,000	-	300,000	-	300,000
Public assistance funds	-	68,666	-	-	68,666	-	68,666
Airport maintenance funds	-	-	-	-	-	12,487	12,487
Comprehensive services act reimbursements	-	-	-	249,526	249,526	-	249,526
Total due from the Commonwealth	1,454,580	68,666	300,000	249,526	2,072,772	12,487	2,085,259
Federal Government:							
Emergency management assistance	7,500	-	-	-	7,500	-	7,500
Summer foods grant	28,000	-	-	-	28,000	-	28,000
Selective enforcement grant	5,320	-	-	-	5,320	-	5,320
Airport maintenance funds	-	-	-	-	-	45,789	45,789
Public assistance funds	-	139,580	-	-	139,581	-	139,581
Total due from the Federal Government	40,820	139,580	-	-	180,401	45,789	226,190
Total due from other governmental entities	\$1,600,100	\$ 208,248	\$300,000	\$249,526	\$2,357,874	\$58,276	\$2,416,150

School Board Component Unit:

Commonwealth of Virginia:	
State sales tax contribution	\$ 419,441
SOL web base	279,911
Total due from Commonwealth	699,352
Federal Government:	
Title I	1,059,992
Title II	35,442
Title III	28,917
Title IV	34,814
Title V	10,399
Title VI-B Special Education	359,107
Language acquisition	7,397
Vocational education	118,569
Other	13,810
Food services	117,836
Total due from Federal Government	1,786,283
Total due from other governmental entities	\$ 2,485,635

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

5. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2018 are as follows:

	Interfund	
	Receivables	Payables
PRIMARY GOVERNMENT:		
Governmental Funds:		
General Fund	\$ 308,284	\$ -
Comprehensive Youth Services Fund	-	6,218
Virginia Public Assistance Fund	-	148,546
Total Governmental Funds	308,284	154,764
Major proprietary funds	-	153,520
Total Primary Government	\$ 308,284	\$ 308,284

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

6. CAPITAL ASSETS

A. Primary Government:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,233,337	\$ -	\$ (21,000)	\$ 2,212,337
Construction in progress	1,455,898	2,016,352	(593,390)	2,878,860
Total capital assets not being depreciated	3,689,235	2,016,352	(614,390)	5,091,197
Other capital assets:				
Buildings	11,608,793	913,679	(12,300)	12,510,172
School buildings	20,167,300	-	(2,904,097)	17,263,203
Improvements other than buildings	18,012,321	803,232	-	18,815,553
Machinery and equipment	7,438,212	860,375	(279,821)	8,018,766
Intangibles	1,138,636	-	-	1,138,636
Total other capital assets	58,365,262	2,577,286	(3,196,218)	57,746,330
Less accumulated depreciation:				
Buildings	(4,741,952)	(320,289)	478	(5,061,763)
School buildings	(3,697,119)	(346,137)	799,734	(3,243,522)
Improvements other than buildings	(4,768,628)	(990,471)	-	(5,759,099)
Machinery and equipment	(5,203,740)	(517,373)	279,821	(5,441,292)
Intangibles	(1,131,265)	(2,106)	-	(1,133,371)
Total accumulated depreciation	(19,542,704)	(2,176,376)	1,080,033	(20,639,047)
Total governmental activities, net	42,511,793	2,417,262	(2,730,575)	42,198,480
Business-type activities:				
Capital assets not being depreciated:				
Land	1,663,795	-	-	1,663,795
Construction in progress	276,947	502,839	-	779,786
Total capital assets not being depreciated	1,940,742	502,839	-	2,443,581
Other capital assets:				
Buildings	2,162,256	-	-	2,162,256
Improvements other than buildings	17,138,613	9,786	-	17,148,399
Motor vehicles and equipment	6,690,166	24,058	(14,575)	6,699,649
Intangibles	29,710	-	-	29,710
Total other capital assets	26,020,745	33,844	(14,575)	26,040,014
Less accumulated depreciation:				
Buildings	(1,411,833)	(50,990)	-	(1,462,823)
Improvements other than buildings	(9,664,098)	(681,881)	-	(10,345,979)
Motor vehicles and equipment	(4,016,180)	(325,050)	14,575	(4,326,655)
Intangibles	(29,710)	-	-	(29,709)
Total accumulated depreciation	(15,121,821)	(1,057,919)	14,575	(16,165,165)
Total business-type activities, net	12,839,665	(521,237)	-	12,318,429
Total primary government, net	\$ 55,351,458	\$ 1,896,025	\$ (2,730,575)	\$ 54,516,909

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

6. CAPITAL ASSETS – CONTINUED

A. Primary Government: - continued

Depreciation expense was charged to the primary government as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
General government administration	\$ 86,424	\$ -	\$ 86,424
Judicial administration	106,885	-	106,885
Public safety	264,009	-	264,009
Public works	494,897	-	494,897
Health and welfare	140,853	-	140,853
Education	358,290	-	358,290
Parks, recreation and cultural	314,641	-	314,641
Community development	410,377	-	410,377
Landfill	-	796,127	796,127
Airport	-	239,937	239,937
Water and sewer	-	20,858	20,858
Parks and recreation revolving	-	997	997
Total	<u>\$ 2,176,376</u>	<u>\$ 1,057,919</u>	<u>\$ 3,234,295</u>

B. School Board Component Unit:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 974,862	\$ -	\$ -	\$ 974,862
Construction in progress	-	85,000	-	85,000
Total capital assets not being depreciated	<u>974,862</u>	<u>85,000</u>	<u>-</u>	<u>1,059,862</u>
Other capital assets:				
Buildings	66,021,587	5,917,028	-	71,938,615
Improvements other than buildings	3,791,846	877,522	-	4,669,368
Motor vehicles and equipment	13,002,142	3,038,550	(728,595)	15,312,097
Total other capital assets	<u>82,815,575</u>	<u>9,833,100</u>	<u>(728,595)</u>	<u>91,920,080</u>
Less accumulated depreciation:				
Buildings	(35,143,555)	(2,091,926)	-	(37,235,481)
Improvements other than buildings	(2,755,012)	(142,978)	-	(2,897,990)
Motor vehicles and equipment	(9,148,951)	(759,306)	652,526	(9,255,731)
Total accumulated depreciation	<u>(47,047,518)</u>	<u>(2,994,210)</u>	<u>652,526</u>	<u>(49,389,202)</u>
Total school board component unit, net	<u>\$ 36,742,919</u>	<u>\$ 6,923,890</u>	<u>\$ (76,069)</u>	<u>\$ 43,590,740</u>

Total depreciation expense charged to the School Board component unit was \$2,994,210.

Legislation enacted during the fiscal year 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on-behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the new law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Accomack, Virginia, for the year ended June 30, 2018, is that debt and related assets in the amount of \$14,019,681 have been transferred to the Primary Government from the School Board Component Unit for financial reporting purposes.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

6. CAPITAL ASSETS – CONTINUED

C. Economic Development Authority Component Unit:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 301,678	\$ -	\$ -	\$ 301,678
Other capital assets:				
Improvements other than buildings	1,406,601	-	(627,026)	779,575
Motor vehicles and equipment	7,799	-	-	7,799
Total other capital assets	1,414,400	-	(627,026)	787,374
Less accumulated depreciation:				
Improvements other than buildings	(1,406,601)	-	627,026	(779,575)
Motor vehicles and equipment	(2,145)	(780)	-	(2,925)
Total accumulated depreciation	(1,408,746)	(780)	627,026	(782,500)
Total economic development authority component unit	\$ 307,332	\$ (780)	\$ -	\$ 306,552

Total depreciation expense charged to the Authority during the fiscal year amounted to \$780.

7. UNEARNED REVENUE

Unearned 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. Under the full accrual basis of accounting, such amounts are measurable, but are unearned.

Unearned revenue at June 30, 2018 consisted of the following:

	General Fund	Special Revenue Funds - Nonmajor	Enterprise Funds	School Board Component Unit
Unearned Revenue				
Advance grant funding received	\$ 26,079	\$ 46,169	\$ -	\$ 95,613
Prepaid rent received	-	-	5,299	-
Total	\$ 26,079	\$ 46,169	\$ 5,299	\$ 95,613

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

8. COMPENSATED ABSENCES

Accrued compensated absences are as follows at June 30, 2018:

Compensated Leave	Primary Government		School Board Component Unit
	Governmental Activities	Business-type Activities	
Annual	\$ 957,890	\$ 54,646	\$ 1,086,240
Sick	436,440	32,819	1,017,261
Compensatory	659,810	6,238	-
Total	<u>\$ 2,054,140</u>	<u>\$ 93,703</u>	<u>\$ 2,103,501</u>

9. OPERATING LEASES

The primary government leases approximately 66.4 acres of land from the National Aeronautics and Space Administration (NASA) Goddard Space Flight Center's Wallops Flight Facility. The leased property is located in the County's Wallops Research Park and will be used to support economic growth opportunities affiliated with activities of the Wallops Flight Facility. The expiration of the lease is September 30, 2099. The lease stipulates an annual base rent equal to no less than 2% of the fair market value of the land currently appraised at \$900,000. Total cost of the lease for the year ended June 30, 2018 was \$20,174. Future rent increases are contingent upon changes in the Consumer Price Index, measured every 5 years, and future property appraisals, scheduled every 20 years. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2019	\$ 20,174
2020	20,174
2021-2025	100,870
2026-2030	100,870
2031-2035	100,870
2036-2040	100,870
2041-2100	1,195,309
Total	<u>\$ 1,639,137</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

10. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2018:

	Balance July 1, 2017 as restated	Additions	Deletions	Balance June 30, 2018	Amount due within 1 year
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,770,383	\$ 397,646	\$ 113,889	\$ 2,054,140	\$ 1,828,185
Virginia Public School Authority bonds	18,999,819	-	2,426,394	16,573,425	1,329,454
Lease revenue bonds	11,267,647	-	1,042,065	10,225,582	1,036,316
Qualified zone academy bonds	96,076	-	17,194	78,882	18,122
Deferred premiums and discounts, net	776,336	-	70,342	705,994	70,342
Net OPEB liability:					
Net Health Insurance OPEB liability	1,889,983	464,141	607,591	1,746,533	-
Net VRS Group Life Insurance OPEB liability	1,020,640	6,640	151,768	875,512	-
Net VRS Health Insurance Credit OPEB liability	256,684	23,511	35,957	244,238	-
Net OPEB liability	3,167,307	494,292	795,316	2,866,283	-
Net Pension Liability	4,239,655	4,908,062	9,015,596	132,121	-
Total governmental activities long-term obligations	40,317,223	5,800,000	13,480,796	32,636,427	4,282,419
Business-type Activities:					
Compensated absences	87,400	6,303	-	93,703	83,395
General Obligation Bonds	659,000	-	326,000	333,000	333,000
Capital leases	1,240,313	-	267,717	972,596	272,173
Landfill closure/postclosure	7,145,071	1,070,727	2,274,773	5,941,025	-
Net OPEB liability:					
Net VRS Group Life Insurance OPEB liability	55,360	360	8,232	47,488	-
Net VRS Health Insurance Credit OPEB liability	13,922	1,276	1,950	13,248	-
Net OPEB liability	69,282	1,636	10,182	60,736	-
Net Pension Liability	187,921	306,093	486,848	7,166	-
Total business-type entities long-term obligations	9,388,987	1,384,759	3,365,520	7,408,226	688,568
Total primary government long-term obligations	49,706,210	7,184,759	16,846,316	40,044,653	4,970,987
School Board Component Unit:					
Compensated absences	1,999,164	104,337	-	2,103,501	1,872,116
Early retirement termination benefits	656,165	-	199,698	456,467	170,802
Net pension liability - Non-Professional plan	131,395	-	131,395	-	-
Net pension liability-Teacher Plan	47,806,000	6,863,000	12,405,000	42,264,000	-
Net OPEB liability:					
Net Health Insurance OPEB liability	2,407,100	352,492	243,293	2,516,299	-
Net VRS Group Life Insurance OPEB liability	2,811,000	73,000	427,000	2,457,000	-
Net VRS Health Insurance Credit OPEB liability	4,326,000	394,000	354,000	4,366,000	-
Net OPEB Liability	9,544,100	819,492	1,024,293	9,339,299	-
Total School Board long-term obligations	\$ 60,136,824	\$ 7,786,829	\$ 13,760,386	\$ 54,163,267	\$ 2,042,918

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

10. LONG-TERM OBLIGATIONS – CONTINUED

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

A. Primary Government:

Year Ending June 30,	Governmental Activities						Business-type Activities					Total
	Qualified Zone						General					
	VPSA Bonds		Academy Bonds		Lease Revenue Bonds		Obligation Bonds		Capital Lease			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2019	\$1,329,454	\$779,112	\$18,122	\$4,260	\$1,036,316	\$333,986	\$333,000	\$3,064	\$272,173	\$15,002	\$4,124,489	
2020	1,382,753	711,275	19,101	3,281	873,449	305,995	-	-	276,705	10,471	3,583,030	
2021	1,446,753	640,448	41,659	2,250	689,770	280,275	-	-	281,311	5,864	3,388,329	
2022	1,511,483	565,013	-	-	713,383	257,103	-	-	142,407	1,181	3,190,570	
2023	1,576,984	487,057	-	-	737,195	142,108	-	-	-	-	2,943,344	
2024-2028	7,695,996	1,265,856	-	-	4,055,658	787,790	-	-	-	-	13,805,300	
2029-2033	1,630,002	57,241	-	-	2,119,811	184,081	-	-	-	-	3,991,135	
Total	\$16,573,425	\$4,506,001	\$78,882	\$9,791	\$10,225,582	\$2,291,338	\$333,000	\$3,064	\$972,596	\$32,518	\$35,026,197	

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

B. Details of long-term indebtedness as of June 30, 2018:

Financing Type	Purpose	Amount Issued	Interest Rates	Date Issued	Final Maturity Date	Amount Outstanding
Primary Government:						
Governmental Activities:						
Virginia Public School Authority bond	School construction	\$ 6,270,000	4.47%	5/15/2003	7/15/2028	\$ 3,705,000
Virginia Public School Authority bond	School construction	12,170,000	4.69%	11/6/2003	7/15/2028	7,245,000
Virginia Public School Authority bond	School construction	1,935,000	4.46%	11/10/2005	7/15/2030	1,305,000
Virginia Public School Authority bond	School construction	9,370,000	4.28%	11/10/2005	7/15/2025	4,318,425
Qualified zone academy bond	School construction	439,100	5.40%	12/30/2004	12/30/2020	78,882
Lease revenue bond	Research park construction	3,765,000	4.10%	8/14/2013	10/1/2032	3,465,000
Lease revenue bond	Various Projects	4,350,000	2.67%	10/21/2015	6/15/2030	3,669,082
Lease revenue refunding bond	School construction	2,833,000	1.66%	12/19/2013	3/1/2020	598,000
Lease revenue refunding bond	Office construction	4,031,900	2.93%	12/19/2013	3/1/2028	2,493,500
Total governmental activities:						<u>26,877,889</u>
Business-type Activities:						
Tax-exempt capital lease	Landfill Heavy Equip	1,372,523	1.66%	12/29/2016	12/29/2021	972,596
General obligation refunding bond	Landfill improvements	2,203,000	1.84%	12/8/2011	12/15/2018	333,000
Total primary government						<u>\$ 28,183,485</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

11. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its North Landfill if it stops accepting waste and to perform certain maintenance and monitoring functions at this site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs in each period based on landfill capacity used as of each balance sheet date.

The \$5,941,025 reported as landfill closure and post-closure care liability at June 30, 2018, represents the cumulative amount reported to date based on the use of 24% of the estimated capacity of the North Landfill Cell Six A. The County will recognize the remaining estimated North Landfill cost of closure and post-closure care of \$4,749,052 as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects to fund landfill closure and post-closure care costs from operating revenues.

The County uses the Commonwealth of Virginia's financial assurance mechanism to meet the Department of Environmental Quality's assurance requirements for landfill closure and post-closure costs. The County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

12. DEFERRED INFLOWS OF RESOURCES

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

	Primary Government				Total
	General Fund	County Debt Service Fund	Consolidated Emergency Medical Services Fund	Nonmajor Special Revenue Funds	
Unavailable Revenues:					
Uncollected taxes	\$ 3,261,735	\$ 458,644	\$ 534,897	\$ 195,874	\$ 4,451,150
Special assessments not yet due	17,920	-	-	-	17,920
Total unavailable revenue	3,279,655	458,644	534,897	195,874	4,469,070
Deferred Revenue:					
Unbilled property taxes	9,401,292	1,307,190	1,522,700	558,258	12,789,440
Prepaid taxes	2,545,586	307,687	385,987	149,342	3,388,602
Total deferred revenue	\$ 11,946,878	\$ 1,614,877	\$ 1,908,687	\$ 707,600	\$ 16,178,042

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

13. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2018 were made up of the following:

Primary Government:	Transfers In	Transfers Out
Governmental funds:		
General fund	\$ 128,760	\$ 2,578,229
Virginia Public Assistance Fund	678,423	-
Consolidated emergency medical services	-	128,760
County capital projects fund	775,013	-
Non-major governmental funds	366,400	-
Total governmental funds	1,948,596	2,706,989
Enterprise funds:		
Airport fund	190,584	-
Landfill fund	200,000	-
Non-major enterprise funds	367,809	-
Total enterprise funds	758,393	-
Total Primary Government	\$ 2,706,989	\$ 2,706,989

The purpose of the interfund transfers is as follows:

<u>Purpose</u>	<u>Amount</u>
Finance pay-as-you-go capital projects	\$ 790,013
Satisfy grant local match requirements	197,088
Supplement operations and local match requirements of the Dept. of Social Services	678,423
Satisfy local share of hazardous duty supplement	128,760
Supplement operations of the County's Stormwater Ordinance Fund	154,312
Supplement operations of the Accomack County Landfill	200,000
Supplement operations of the Accomack County Airport	190,584
Supplement operations of the Accomack County Water/Sewer	367,809
Total interfund transfers	\$ 2,706,989

The Primary Government also transferred \$16,370,471 to the School Board Component Unit, \$389,707 to the Eastern Shore Library Component Unit, \$97,924 to the Planning District Component Unit, \$7,500 to the Economic Development Authority and \$44,206 to the Captains Cove/Greenbackville Mosquito Control Component Unit to be used to supplement operations. These amounts are reported as expenditures in the County's financial statements.

14. CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial. The primary government and its component units are defendants in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the reporting entity.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

15. RISK MANAGEMENT

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

16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

A. Primary Government:

For the year ended June 30, 2018, the following expenditures exceeded appropriations:

Major Funds:

General Fund:

Legal Services	\$ 2,581
S.P.C.A. supplement	19
Recreation administration and maintenance	8,366
Erosion and Sediment	6,981
Total General Fund	<u>\$ 17,947</u>

Nonmajor Funds:

Comprehensive Youth Services Fund	\$ 154,039
Stormwater Ordinance Fund	4,612
Total Nonmajor Funds	<u>\$ 158,651</u>

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

17. SURETY BONDS

The following elected officials and County employees were covered by surety bonds at June 30, 2018:

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

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

Virginia Association of Counties Self Insurance-Risk Pool:

All County employees - Blanket bond coverage	1,000,000
All School employees - Blanket bond coverage	1,000,000
All Social Services employees - Blanket bond coverage	100,000
Vicki Wheakley, Director of Social Services	5,000

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

18. TRUST FOR OTHER POSTEMPLOYMENT BENEFITS

The County of Accomack has established an irrevocable trust pursuant to Section 15.2-1544 of the Code of Virginia, as amended for the purpose of accumulating and investing assets to fund Other Postemployment Benefits (OPEB) and to participate in the Virginia Pooled OPEB Trust Fund and has established a Local Finance Board to become a Participating Employer in the Trust Fund. The Trust Fund provides administrative, custodial and investment services to the Participating Employers in the Trust Fund. For the fiscal year ending June 30, 2018 the County contributed \$110,175 to the Trust Fund. Expenses allocated to the Trust Fund during the fiscal year ended June 30, 2018 were \$157,243.

The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML) at P.O. Box 12164, Richmond, Virginia 23241.

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE

County:

Plan Description:

The County Post-Retirement Medical Plan is a single-employer defined benefit healthcare plan which provides post-retirement health insurance benefits to qualifying employees. The exact benefit is dependent on the eligibility rules for each benefit. The following is a summary of three postemployment health insurance benefits available to retirees.

- Post-65 Retiree Health Insurance Plan - Provides post retirement supplemental health insurance benefits for employees who are at least 65 years old, are enrolled in Medicare parts A and B, and who have at least 15 years of service with the County if they retire from service prior to January 1, 2017. The sunset date of January 1, 2014 was adopted by the County in fiscal year 2014. After this date, no additional retirees will be eligible for plan.
- County Supplemental Health Insurance Credit Plan - Provides a monthly insurance premium reimbursement to employees who retire with 15 more years of VRS service, participate in a County-sponsored or personal health insurance plan, and were employed by the County as of June 30, 2014. The amount of the monthly reimbursement is based on total VRS years of service.
- Early Retiree Health Insurance Continuation Plan - Allows employees who retire prior to age 65 and have at least 15 years of service to remain on the County's health insurance plan at their own expense until they reach age 65. The County's Post-Retirement Medical Plan does not issue a separate, audited GAAP-basis report.

Plan Administration

Accomack County administers the Accomack County Retiree Benefits Plan (ACRBP)-a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all permanent full-time general and public safety employees of the County.

Management of the ACRBP is vested in the Accomack County Local Finance Board (ACLF Board), which consists of the Chief Financial Officer of the County, the County Treasurer, and at least one other additional person who shall be a citizen of the Commonwealth with proven integrity, business ability, and demonstrated experience in cash management and in investments.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Benefits Provided

The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again this is determined annually as part of the budgetary process. For retirees participating in the *Post-65 Retiree Health Insurance Plan*, the County pays 50% of the monthly employee-only insurance premium with the retiree responsible for the remainder. Participation ceases upon the retiree's death or the retiree's failure to pay their share of the premium. Retirees participating in the *Early Retiree Health Insurance Continuation Plan* are responsible for 100% of the cost of continuing their County insurance coverage. Participation ceases at age 65. Retirees participating in the *County's Supplemental Health Insurance Credit Plan* receive a monthly reimbursement for insurance premiums paid. The base monthly credit is equal to \$2.50 for each year of VRS service. An additional credit of \$450 per month is paid to retirees who became permanently and totally disabled as a direct result of an injury sustained in the performance of their County job. The total reimbursement cannot exceed the premium paid by the retiree. The disability credit ceases when the retiree becomes Medicare eligible or dies. The base credit continues until the retiree's death.

Plan Membership

At June 30, 2018 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	297
Total retirees with coverage	<u>44</u>
Total	<u><u>341</u></u>

Contributions

Accomack County Code grants the authority to establish and amend the contribution requirements of the County and plan members to the Accomack County Local Finance Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2018, the County's average contribution rate was 1.14 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Investment Policy

ACRBP's policy in regard to the allocation of invested assets is established and may be amended by the Accomack County Local Finance Board by a majority vote of its members. It is the policy of the Accomack County Local Finance Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. ACRBP's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Core Fixed Income	21 %
Core Bonds	12
Large Cap US Equities	22
Small Cap US Equities	10
Developed Foreign Equities	10
Emerging Market Equities	5
Hedge Funds/Absolute Return	10
Real Estate	7
Commodities	3
Total	<u>100 %</u>

Concentrations

The Trust does not hold investments in any one organization that represent five percent or more of the OPEB Trust's Fiduciary Net Position.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 9.42 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Schedule of Investment Returns

Last 10 Fiscal Years

***Annual Money-Weighted Rate of
Return Net of Investment Expense***

6/30/2017	12.33%
6/30/2018	9.42%

The chart is intended to show information for 10 years. More data will be added as it becomes available.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Net/ OPEB Liability

The County's net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	2.50%
Discount Rate	5.39%
Investment Rate of Return	7.00%

Mortality rates for active employees and healthy retirees were based on a RP-2014 tables, fully generational, projected using two-dimensional mortality improvement scale MP-2016.

The date of the most recent actuarial experience study for which significant assumptions were based is June 30, 2018.

The Long-Term Expected Rate of Return on OPEB Plan investments is 7.00% as of June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.39 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Changes in Net OPEB Liability

Changes in Net OPEB Liability - County

		Primary Government Increase (Decrease)	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2017	\$ 2,074,538	\$ 184,555	\$ 1,889,983
Changes for the year:			
Service cost	118,484	-	118,484
Interest	78,474	-	78,474
Difference between expected and actual experience	180,090	-	180,090
Changes in assumptions	(361,325)	-	(361,325)
Contributions - employer	-	138,543	(138,543)
Net investment income	-	21,638	(21,638)
Benefit payments	(86,085)	(86,085)	-
Admin expenses	-	(1,008)	1,008
Net changes	(70,362)	73,088	(143,450)
Balances at June 30, 2018	<u>\$ 2,004,176</u>	<u>\$ 257,643</u>	<u>\$ 1,746,533</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following amounts present the net OPEB liability of the County, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.39%) or one percentage point higher (6.39%) than the current discount rate:

	Rate		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
Net OPEB Liability	\$ 1,961,208	\$ 1,746,533	\$ 1,564,422

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the County, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.50%) or one percentage point higher (5.50%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease 3.50%	Healthcare Cost Trend 4.50%	1% Increase 5.50%
Net OPEB Liability	\$ 1,547,304	\$ 1,746,533	\$ 1,983,835

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2018, the County recognized OPEB expense in the amount of \$162,651. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,081	\$ -
Changes in assumptions	-	325,192
Net difference between projected and actual earnings on OPEB plan investments	-	4,447
Total	<u>\$ 162,081</u>	<u>\$ 329,639</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (19,236)
2020	(19,236)
2021	(19,236)
2022	(19,235)
2023	(18,124)
Thereafter	(72,491)

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

School Board

Plan Description

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

School Board- continued

Benefits Provided

Postemployment benefits provided to eligible retirees include health insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. Retirees pay 100% of the monthly premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses can stay in the plan but must pay the full premium.

Plan Membership

At June 30, 2018 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	795
Total retirees with coverage	<u>16</u>
Total	<u><u>811</u></u>

Contributions

The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	2.50%
Discount Rate	3.62%

The mortality rates for active and healthy retirees was calculated using the RP-2014 tables adjusted to 2006, fully generational, projected using two-dimensional mortality improvement scale MP-2016.

The date of the most recent actuarial experience study for which significant assumptions were based is June 30, 2018.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 3.62%.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

School Board- continued

Changes in Total OPEB Liability

Changes in Net OPEB Liability - School Board		School Board Total OPEB Liability
		<u></u>
Balances at June 30, 2017	\$	2,407,100
Changes for the year:		
Service cost		161,643
Interest		100,171
Difference between expected and actual experience		(114,333)
Changes in assumptions		90,678
Benefit payments		(128,960)
Net changes		<u>109,199</u>
Balances at June 30, 2018	\$	<u><u>2,516,299</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.62%) or one percentage point higher (4.62%) than the current discount rate:

		Rate		
		1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.62%)
		<u></u>	<u></u>	<u></u>
Total OPEB Liability	\$	2,787,890	\$ 2,516,299	\$ 2,274,220

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.50%) or one percentage point higher (5.50%) than the current healthcare cost trend rates:

		Rates		
		1% Decrease 3.50%	Healthcare Cost Trend 4.50%	1% Increase 5.50%
		<u></u>	<u></u>	<u></u>
Total OPEB Liability	\$	2,210,069	\$ 2,516,299	\$ 2,888,116

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

School Board- continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2018, the School Board recognized OPEB expense in the amount of \$259,843. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 104,805
Changes in assumptions	83,121	-
Total	<u>\$ 83,121</u>	<u>\$ 104,805</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (1,971)
2020	(1,971)
2021	(1,971)
2022	(1,971)
2023	(1,971)
Thereafter	(11,829)

Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements.

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Plan Description- continued

The specific information about the Political Subdivision Health Insurance Credit Program OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HEALTH INSURANCE CREDIT PROGRAM PLAN PROVISIONS	
Eligible Employees	<p>The Political Subdivision Retiree Health Insurance Credit Program was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees of participating employers are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
Benefit Amounts	<p>The political subdivision's Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • <u>At Retirement</u> – For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • <u>Disability Retirement</u>- For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
Health Insurance Credit Program Notes:	<ul style="list-style-type: none"> • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • No health insurance credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>28</u>
Inactive members:	
Vested inactive members	<u>4</u>
Total inactive members	<u>4</u>
Active members	<u>132</u>
Total covered employees	<u><u>164</u></u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) 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. The County's contractually required employer contribution rate for the year ended June 30, 2018 was 0.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate 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 from the County to the Health Insurance Credit Program were \$27,514 and \$26,474 for the years ended June 30, 2018 and June 30, 2017, respectively.

Net HIC OPEB Liability

The County's net Health Insurance Credit OPEB liability was measured as of June 30, 2017. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, 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 the OPEB liabilities.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Actuarial Assumptions: - continued

Mortality Rates – Largest Ten Locality Employers – General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Actuarial Assumptions: - continued

Mortality Rates – Non-Largest Ten Locality Employers – General Employees- continued

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Actuarial Assumptions: - continued

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 System's 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
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
	*Expected arithmetic nominal return		7.30%

*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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, 2019, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2016	\$ 276,563	\$ 5,956	\$ 270,607
Changes for the year:			
Service cost	5,809	-	5,809
Interest	18,930	-	18,930
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	(9,898)	-	(9,898)
Contributions - employer	-	26,474	(26,474)
Net investment income	-	1,503	(1,503)
Benefit payments	(12,257)	(12,257)	-
Administrative expenses	-	(47)	47
Other changes	-	32	(32)
Net changes	<u>2,584</u>	<u>32</u>	<u>2,584</u>
Balances at June 30, 2017	\$ <u>279,147</u>	\$ <u>5,956</u>	\$ <u>273,191</u>

Sensitivity of the County's Health Insurance Credit Net OPEB Liability to Changes in the Discount Rate

The following presents the County's Health Insurance Credit Program net HIC OPEB liability using the discount rate of 7.00%, as well as what the County's net HIC OPEB 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		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County's Net HIC OPEB Liability	\$ 286,076	\$ 257,486	\$ 233,045

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT – CONTINUED

Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Program OPEB

For the year ended June 30, 2018, the County recognized Health Insurance Credit Program OPEB expense of \$22,171. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the County's Health Insurance Credit Program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on HIC OPEB plan investments	\$ -	\$ 471
Change in assumptions	-	8,347
Employer contributions subsequent to the measurement date	<u>27,514</u>	<u>-</u>
Total	<u>\$ 27,514</u>	<u>\$ 8,818</u>

\$27,514 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (1,669)
2020	(1,669)
2021	(1,669)
2022	(1,668)
2023	(1,551)
Thereafter	(592)

Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Program is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

21. TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the Teacher Health Insurance Credit Program OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HEALTH INSURANCE CREDIT PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none"> • Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
<p>Benefit Amounts</p> <p>The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • <u>At Retirement</u> – For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. • <u>Disability Retirement</u> – For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: <ul style="list-style-type: none"> ○ \$4.00 per month, multiplied by twice the amount of service credit, or ○ \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.
<p>Health Insurance Credit Program Notes:</p> <ul style="list-style-type: none"> • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

21. TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN) –CONTINUED

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2018 was 1.23% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate 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 from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$344,237 and \$301,512 for the years ended June 30, 2018 and June 30, 2017, respectively.

Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Program OPEB

At June 30, 2018, the school division reported a liability of \$4,366,000 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2017 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.34419% as compared to 0.34111% at June 30, 2016.

For the year ended June 30, 2018, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$360,000. Since there was a change in proportionate share between June 30, 2016 and June 30, 2017, a portion of the VRS Teacher Employee Health Insurance Credit Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2018, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	\$ -	\$ 8,000
Change in assumptions	-	45,000
Change in proportion	34,000	-
Employer contributions subsequent to the measurement date	344,237	-
Total	<u>\$ 378,237</u>	<u>\$ 53,000</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

21. TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN) – CONTINUED

Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Program OPEB - continued

\$344,237 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (4,000)
2020	(4,000)
2021	(4,000)
2022	(4,000)
2023	(2,000)
Thereafter	(1,000)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
Teacher employees	3.5%-5.95%
Investment rate of return	7.0%, net of investment expenses, 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 OPEB liabilities.

Mortality Rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

21. TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions- continued

Mortality Rates – Teachers- continued

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,364,702
Plan Fiduciary Net Position		96,091
Teacher Employee net HIC OPEB Liability (Asset)	\$	1,268,611
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		7.04%

The total Teacher Employee HIC OPEB liability is calculated by the System's actuary, and the plan's fiduciary net position is reported in the System's financial statements. The net Teacher Employee HIC OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

21. TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN) – CONTINUED

Long-Term Expected Rate of Return

The long-term expected rate of return on the VRS 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 VRS 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
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
	*Expected arithmetic nominal return		7.30%

*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB 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 Teacher Employee HIC OPEB liability.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

21. TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PROGRAM (OPEB PLAN) – CONTINUED

Sensitivity of the School Division's Proportionate Share of the Teacher Employee HIC Net OPEB Liability to Changes in the Discount Rate

The follow presents the school division's proportionate share of the VRS Teacher Employee Health Insurance Credit Program net HIC OPEB liability using the discount rate of 7.00%, as well as what the school division's proportionate share of the net HIC OPEB 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		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 4,873,000	\$ 4,366,000	\$ 3,935,000

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN)

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the Group Life Insurance Program OPEB.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Plan Description continued

The specific information for Group Life Insurance Program OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>
<p>Benefit Amounts</p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> • <u>Natural Death Benefit</u> - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option
<p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program were \$60,752 and \$58,801 for the years ended June 30, 2018 and June 30, 2017, respectively, for the County; \$15,405 and \$15,352 for the years ended June 30, 2018 and June 30, 2017, respectively, for the School Board (nonprofessional); and \$145,861 and \$141,249 for the years ended June 30, 2018 and June 30, 2017, respectively, for the School Board (professional).

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2018, the entity reported a liability of \$923,000, \$241,000, and \$2,216,000 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the participating employer's proportion was 0.06130%, 0.01601%, and 0.14726% as compared to 0.06148%, 0.01596%, and 0.14474% at June 30, 2016 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2018, the participating employer recognized GLI OPEB expense of \$7,000, \$4,000, and \$32,000 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB continued

At June 30, 2018, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	\$ -	\$ 20,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	35,000
Change in assumptions	-	48,000
Employer contributions subsequent to the measurement date	60,752	-
Total Primary Government	<u>60,752</u>	<u>103,000</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	-	6,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	9,000
Change in assumptions	-	12,000
Employer contributions subsequent to the measurement date	15,405	-
Total Component Unit School Board (nonprofessional)	<u>15,405</u>	<u>27,000</u>
Component Unit School Board (professional)		
Differences between expected and actual experience	-	50,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	83,000
Change in assumptions	-	114,000
Changes in proportion	37,000	-
Employer contributions subsequent to the measurement date	145,861	-
Total Component Unit School Board (professional)	<u>\$ 182,861</u>	<u>\$ 247,000</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB continued

\$60,752, \$15,405 and \$145,861 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2019	\$ (21,000)	\$ (6,000)	\$ (44,000)
2020	(21,000)	(6,000)	(44,000)
2021	(21,000)	(6,000)	(44,000)
2022	(21,000)	(6,000)	(44,000)
2023	(12,000)	(3,000)	(23,000)
Thereafter	(7,000)	-	(11,000)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation:	
General state employees	3.5% – 5.35%
Teachers	3.5%-5.95%
SPORS employees	3.5%-4.75%
VaLORS employees	3.5%-4.75%
JRS employees	4.5%
Locality - General employees	3.5%-5.35%
Locality - Hazardous Duty employees	3.5%-4.75%
Investment rate of return	7.0%, net of investment expenses, 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 OPEB liabilities.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – General State Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – SPORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – VaLORS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 50% to 35%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – JRS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% compounding increase from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – Largest Ten Locality Employers – General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – Non-Largest Ten Locality Employers – General Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees: continued

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Actuarial Assumptions: continued

Mortality Rates – Non-Largest Ten Locality Employers – Hazardous Duty Employees: continued

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

NET GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 2,942,426
Plan Fiduciary Net Position	1,437,586
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 1,504,840</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	48.86%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Long-Term Expected Rate of Return

The long-term expected rate of return on the System's 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 System's 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
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

*The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB 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 guidance 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, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

22. GROUP LIFE INSURANCE (GLI) PROGRAM (OPEB PLAN) – CONTINUED

Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the employer's proportionate share of the net GLI OPEB liability using the discount rate of 7.00%, as well as what the employer's proportionate share of the net GLI OPEB 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		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
County's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 1,193,000	\$ 923,000	\$ 703,000
School Board (nonprofessional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	312,000	241,000	184,000
School Board (professional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	2,866,000	2,216,000	1,689,000

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

23. PENSION PLAN

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of public school divisions are automatically covered by a 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has 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.</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.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</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. • 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<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, and they have not taken a refund.</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>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>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>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>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. <p>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>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. 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.</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>
<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>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Creditable Service (Cont.)	Creditable Service (Cont.)	Creditable Service (Cont.) <u>Defined Contribution Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.
Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	Vesting Same as Plan 1.	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. <u>Defined Contribution 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. Members are always 100% vested in the contributions that they make.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	Vesting (Cont.) <u>Defined Contribution 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. <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. Distribution is not required by law until age 70½.
Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement. An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1. <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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<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 Defined Benefit Component: 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>
<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 Defined Benefit Component: VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<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>Political subdivisions hazardous duty employees: 50 with at least five 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>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Age 60 with at least five years (60 months) of creditable service.</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>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. 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 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><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. 	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <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> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. 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: (Cont.)</u></p> <ul style="list-style-type: none"> • • 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: (Cont.)</u></p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates: (Cont.)</u></p>
<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>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>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>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
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. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2016-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, 2016 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	164	85
Inactive members:		
Vested inactive members	29	20
Non-vested inactive members	79	47
Inactive members active elsewhere in VRS	91	26
Total inactive members	199	93
Active members	265	180
Total covered employees	628	358

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

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 employer contribution rate for the year ended June 30, 2018 was 8.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

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 County were \$915,072 and \$912,017 for the years ended June 30, 2018 and June 30, 2017, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2018 was 4.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

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 \$111,026 and \$123,405 for the years ended June 30, 2018 and June 30, 2017, respectively.

Net Pension Liability (Asset)

The County's and Component Unit School Board's (nonprofessional) net pension liabilities (asset) were measured as of June 30, 2017. The total pension liabilities used to calculate the net pension liabilities (asset) were determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

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, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expenses, 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:

Largest 10 – Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

All Others (Non 10 Largest) – Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Actuarial Assumptions – General Employees continued

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

All Others (Non 10 Largest) – Non- Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% – 4.75%
Investment rate of return	7.0%, net of pension plan investment expenses, 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits continued

Mortality rates:

Largest 10 – Hazardous Duty: 70% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

All Others (Non 10 Largest) – Hazardous Duty: 45% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits continued

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

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
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. 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, 2019, 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, 2019 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, 2016	\$ 56,001,473	\$ 51,573,898	\$ 4,427,575
Changes for the year:			
Service cost	1,298,423	-	1,298,423
Interest	3,833,911	-	3,833,911
Changes in assumptions	(417,284)		(417,284)
Differences between expected and actual experience	(1,318,152)	-	(1,318,152)
Contributions - employer	-	896,974	(896,974)
Contributions - employee	-	575,555	(575,555)
Net investment income	-	6,254,600	(6,254,600)
Benefit payments, including refunds of employee contributions	(2,462,632)	(2,462,632)	-
Administrative expenses	-	(36,392)	36,392
Other changes	-	(5,551)	5,551
Net changes	<u>934,266</u>	<u>5,222,554</u>	<u>(4,288,288)</u>
Balances at June 30, 2017	<u>\$ 56,935,739</u>	<u>\$ 56,796,452</u>	<u>\$ 139,287</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Changes in Net Pension Liability

	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, 2016	\$ 11,663,525	\$ 11,532,130	\$ 131,395
Changes for the year:			
Service cost	269,197	-	269,197
Interest	798,537	-	798,537
Changes of assumptions	(55,425)	-	(55,425)
Differences between expected and actual experience	(402,077)	-	(402,077)
Contributions - employer	-	116,380	(116,380)
Contributions - employee	-	141,852	(141,852)
Net investment income	-	1,395,490	(1,395,490)
Benefit payments, including refunds of employee contributions	(511,696)	(511,696)	-
Administrative expenses	-	(8,145)	8,145
Other changes	-	(1,238)	1,238
Net changes	98,536	1,132,643	(1,034,107)
Balances at June 30, 2017	\$ 11,762,061	\$ 12,664,773	\$ (902,712)

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's			
Net Pension Liability (Asset)	\$ 7,199,896	\$ 139,287	\$ (5,765,283)
Component Unit School Board's (nonprofessional)			
Net Pension Liability (Asset)	392,914	(902,712)	(2,001,970)

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

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

For the year ended June 30, 2018, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$16,145 and (\$362,255), respectively. At June 30, 2018, 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
Differences between expected and actual experience	\$ 65,851	\$ 908,788	\$ -	\$ 382,083
Change in assumptions	-	287,693	-	36,113
Change in proportionate share	31,330	31,330	-	-
Net difference between projected and actual earnings on pension plan investments	-	826,726	-	181,905
Employer contributions subsequent to the measurement date	915,072	-	111,026	-
Total	<u>\$ 1,012,253</u>	<u>\$ 2,054,537</u>	<u>\$ 111,026</u>	<u>\$ 600,101</u>

\$915,072 and \$111,026 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 the Net Pension Liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	School Board (nonprofessional)
2019	\$ (1,015,612)	\$ (378,960)
2020	(286,196)	(102,004)
2021	(119,439)	352
2022	(536,109)	(119,489)
Thereafter	-	-

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. 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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

Each School Division's contractually required employer contribution rate for the year ended June 30, 2018 was 16.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015 and reflects the transfer in June 2015 of \$192,884,000 as an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarially determined 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 School Board were \$4,503,835 and \$3,778,447 for the years ended June 30, 2018 and June 30, 2017, respectively.

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

At June 30, 2018, the school division reported a liability of \$42,264,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 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, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the school division's proportion was 0.34367% as compared to 0.34113% at June 30, 2016.

For the year ended June 30, 2018, the school division recognized pension expense of \$2,946,000. Since there was a change in proportionate share between measurement dates, 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. 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

At June 30, 2018, 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>
Differences between expected and actual experience	\$ -	\$ 2,994,000
Change in assumptions	617,000	-
Net difference between projected and actual earnings on pension plan investments	-	1,535,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	451,000	960,000
Employer contributions subsequent to the measurement date	<u>4,503,835</u>	<u>-</u>
Total	<u>\$ 5,571,835</u>	<u>\$ 5,489,000</u>

\$4,503,835 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 fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2019	\$ (1,832,000)
2020	(343,000)
2021	(708,000)
2022	(1,420,000)
Thereafter	(118,000)

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. 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, 2016, 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, 2017.

Inflation	2.5%
Salary increases, including inflation	3.5% – 5.95%
Investment rate of return	7.0%, net of pension plan investment expenses, 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-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Component Unit School Board (professional) continued

Actuarial Assumptions continued

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2017, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$	45,417,520
Plan Fiduciary Net Position		<u>33,119,545</u>
Employers' Net Pension Liability (Asset)	\$	<u><u>12,297,975</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		72.92%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

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:

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Component Unit School Board (professional) continued

Long-Term Expected Rate of Return (continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Asests	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
	*Expected arithmetic nominal return		7.30%

* The above allocation provides a one-year return of 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

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, 2019, 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, 2019 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

23. PENSION PLAN – CONTINUED

Component Unit School Board (professional) continued

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		
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 63,115,000	\$ 42,264,000	\$ 25,017,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2015-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

24. TERMINATION BENEFIT – SCHOOL BOARD EARLY RETIREMENT OPTION PROGRAM

The School Board established an Early Retirement Program in which eligible employees electing early retirement will be eligible to earn an annual supplement not to exceed 10% of his/her contracted salary earned during their last year of full-time employment with the School Division. An employee must work at least 10 days during the contract year in order to receive the 10% supplement. Employees electing early retirement may continue in the program until the earlier of (1) the death of the retired employee, or (2) participation by the retirement employee for seven years in the Early Retirement Option Program after retirement.

Any full-time employee of the School Board is eligible to retire under the Early Retirement Option Program at any time after age 50, provided (1) he/she is a professional employee and has completed 30 years of service with the last 15 consecutive years being in the Accomack County Public School System or he/she is a classified employee (teaching assistant, cafeteria worker, cafeteria manager, clerical staff, building or bus maintenance worker, or custodian) and has completed a minimum of the last 15 consecutive full-time years with the Accomack County Public School System (2) he/she has reached age 50 prior to September 1st of the year electing this option. Program participation ends the September 1st following a maximum of seven years of participation in the program.

The value of the supplement paid to the retiree exceeds the fair value of the services rendered by the retiree. The liability for the this termination benefit is calculated by taking the difference of the supplement received and the fair value of services rendered and multiplied by years remaining in the program. As of June 30, 2018, there were 59 employees enrolled in the Early Retirement Option Program. The liability recognized in the financial statements as of June 30, 2018 was \$456,467 for the program.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

25. ADOPTION OF ACCOUNTING PRINCIPLES

The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the fiscal year ended June 30, 2018. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to postemployment benefits other than pensions (other postemployment benefits or OPEB). Note disclosure and required supplementary information requirements about OPEB are also addressed. The requirements of this Statement will improve accounting and financial reporting by state and local governments for OPEB. In addition, the County implemented Governmental Accounting Standards Board Statement No. 85, *Omnibus 2017* during the fiscal year ended June 30, 2018. This Statement addresses practice issues identified during implementation and application of certain GASB statements for a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The implementation of these Statements resulted in the following restatement of net position:

		Business-Type Activities			Component Unit School Board
	Governmental Activities	Landfill Fund	Airport Fund	Business - Type Activities	
Net Position, beginning of year, as previously reported	\$ 32,444,715	\$ 2,400,986	\$ 2,773,304	\$ 5,720,484	\$ (5,342,879)
Implementation of GASB 75:					
Health insurance OPEB	(111,983)	-	-	-	(1,236,300)
Group life insurance OPEB	(966,572)	(45,404)	(7,024)	(52,428)	(2,658,000)
VRS Health Insurance Credit OPEB	(231,572)	(10,878)	(1,683)	(12,561)	(4,025,000)
Net Position, beginning of year, as restated	\$ <u>31,134,588</u>	\$ <u>2,344,704</u>	\$ <u>2,764,597</u>	\$ <u>5,655,495</u>	\$ <u>(13,262,179)</u>

26. UPCOMING PRONOUNCEMENTS

Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2018 (Continued)

26. UPCOMING PRONOUNCEMENTS – CONTINUED

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include when disclosing information related to debt. It defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, it requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

Required Supplementary Information

(Other than Management Discussion & Analysis)

Notes to Required Supplementary Information:

1. Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.
2. Pension Related Information Notes:
 - a. Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2017 are not material.
 - b. Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Largest 10 – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

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

Notes to Required Supplementary Information: (Continued)

2. Pension Related Information Notes: (Continued)

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

All Others (Non 10 Largest) –Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

Component Unit School Board - Professional Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

Required Supplementary Information

(Other than Management Discussion & Analysis)

(Continued)

Notes to Required Supplementary Information: (Continued)

3. Health Insurance OPEB Related Information Notes:

County:

Valuation Date: 06/30/2018

Measurement Date: 06/30/2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal level % of salary
Amortization Method/Period	Level % of salary, 30 years
Asset Valuation Method	Fair market value of assets
Inflation	2.75%
Salary Increases	2.50%
Medical Trend Rate	6.00% initially, grading down to 4.50% ultimate
Discount Rate	5.39%
Investment Rate of Return	7.00%
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 tables, fully generational, projected using two-dimensional mortality improvement scale MP-2016.

School Board:

Valuation Date: 06/30/2018

Measurement Date: 06/30/2018

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.62%
Inflation	2.75%
Healthcare Trend Rate	6.00% initially, grading down to 4.50% ultimate
Salary Increases	2.50%
Medical Trend Rate	6.00% initially, grading down to 4.50% ultimate
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 tables adjusted to 2006, fully generational, projected using two-dimensional mortality improvement scale MP-2016.

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

Notes to Required Supplementary Information: (Continued)

4. County Health Insurance Credit Program Related Information Notes:

- a. Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
- b. Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest Ten Locality Employers - General Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

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

Notes to Required Supplementary Information: (Continued)

4. County Health Insurance Credit Program Related Information Notes: (Continued)

Largest Ten Locality Employers - Hazardous Duty Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Non-Largest Ten Locality Employers - - Hazardous Duty Employees:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

5. Teacher Health Insurance Credit Program Related Information Notes:

- a. Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
- b. Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

Required Supplementary Information

(Other than Management Discussion & Analysis)

(Continued)

Notes to Required Supplementary Information: (Continued)

6. Group Life Insurance Program Related Information Notes:

- a. Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
- b. Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

General State Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 25%

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change

SPORS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 85%

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

Notes to Required Supplementary Information: (Continued)

6. Group Life Insurance Program Related Information Notes: (Continued)

VaLORS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020 and reduced margin for future improvement in accordance with experience
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Increased rate from 50% to 35%

JRS Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Decreased rates at first retirement eligibility
Withdrawal Rates	No change
Disability Rates	Removed disability rates
Salary Scale	No change

Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%

Required Supplementary Information

(Other than Management Discussion & Analysis)

(Continued)

Notes to Required Supplementary Information: (Continued)

6. Group Life Insurance Program Related Information Notes: (Continued)

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%

Largest Ten Locality Employers - Hazardous Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2018

Exhibit 12

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability				
Service Cost	\$ 1,133,269	\$ 1,164,856	\$ 1,230,959	\$ 1,298,423
Interest	3,205,991	3,381,633	3,558,288	3,833,911
Changes of benefit terms	-	3,676	1,369,301	-
Differences between expected and actual experience	-	57,300	134,701	(1,318,152)
Changes in assumptions	-	-	-	(417,284)
Benefit payments, including refunds of employee contributions	(1,741,471)	(1,918,709)	(2,248,923)	(2,462,632)
Net change in total pension liability	2,597,789	2,688,756	4,044,326	934,266
Total pension liability - beginning	46,670,602	49,268,391	51,957,147	56,001,473
Total pension liability - ending (a)	\$ 49,268,391	\$ 51,957,147	\$ 56,001,473	\$ 56,935,739
Plan fiduciary net position				
Contributions - employer	\$ 912,155	\$ 918,486	\$ 1,071,751	\$ 896,974
Contributions - employee	538,436	543,528	560,988	575,555
Net investment income	6,800,749	2,272,415	894,070	6,254,600
Benefit payments, including refunds of employee contributions	(1,741,471)	(1,918,709)	(2,248,923)	(2,462,632)
Administrative expense	(36,498)	(31,130)	(31,994)	(36,392)
Other	358	(479)	(379)	(5,551)
Net change in plan fiduciary net position	6,473,729	1,784,111	245,513	5,222,554
Plan fiduciary net position - beginning	43,070,545	49,544,274	51,328,385	51,573,898
Plan fiduciary net position - ending (b)	\$ 49,544,274	\$ 51,328,385	\$ 51,573,898	\$ 56,796,452
County's net pension liability (asset) - ending (a) - (b)	\$ (275,883)	\$ 628,762	\$ 4,427,575	\$ 139,287
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.56%	98.79%	92.09%	99.76%
Covered payroll	\$ 10,773,964	\$ 10,896,299	\$ 11,022,754	\$ 11,301,324
County's net pension liability as a percentage of covered payroll	-2.56%	5.77%	40.17%	1.23%

This schedule is intended to show information for ten years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
COMPONENT UNIT SCHOOL BOARD (NONPROFESSIONAL)
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2018

Exhibit 13

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability				
Service Cost	\$ 317,109	\$ 295,580	\$ 296,936	\$ 269,197
Interest	730,383	770,263	778,450	798,537
Differences between expected and actual experience	-	(433,562)	(272,255)	(402,077)
Changes in assumptions	-	-	-	(55,425)
Benefit payments, including refunds of employee contributions	(445,583)	(509,990)	(520,646)	(511,696)
Net change in total pension liability	601,909	122,291	282,485	98,536
Total pension liability - beginning	10,656,840	11,258,749	11,381,040	11,663,525
Total pension liability - ending (a)	<u>\$ 11,258,749</u>	<u>\$ 11,381,040</u>	<u>\$ 11,663,525</u>	<u>\$ 11,762,061</u>
Plan fiduciary net position				
Contributions - employer	\$ 266,876	\$ 217,678	\$ 219,731	\$ 116,380
Contributions - employee	149,754	145,565	145,477	141,852
Net investment income	1,525,205	507,774	199,764	1,395,490
Benefit payments, including refunds of employee contributions	(445,583)	(509,990)	(520,646)	(511,696)
Administrative expense	(8,164)	(7,000)	(7,162)	(8,145)
Other	81	(108)	(85)	(1,238)
Net change in plan fiduciary net position	1,488,169	353,919	37,079	1,132,643
Plan fiduciary net position - beginning	9,652,963	11,141,132	11,495,051	11,532,130
Plan fiduciary net position - ending (b)	<u>\$ 11,141,132</u>	<u>\$ 11,495,051</u>	<u>\$ 11,532,130</u>	<u>\$ 12,664,773</u>
School Board Component Unit's net pension liability (asset) - ending (a) - (b)	\$ 117,617	\$ (114,011)	\$ 131,395	\$ (902,712)
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.96%	101.00%	98.87%	107.67%
Covered payroll	\$ 2,985,035	\$ 2,953,111	\$ 2,867,655	\$ 2,952,275
School Board Component Unit's net pension liability (asset) as a percentage of covered payroll	3.94%	-3.86%	4.58%	-30.58%

This schedule is intended to show information for ten years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2009 THROUGH JUNE 30, 2018

Exhibit 14

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government:					
2018	\$ 915,072	\$ 915,072	\$ -	\$ 11,682,982	7.83%
2017	912,017	912,017	-	11,301,324	8.07%
2016	1,111,094	1,111,094	-	11,022,754	10.08%
2015	922,916	922,916	-	10,896,299	8.47%
2014	912,555	912,555	-	10,773,964	8.47%
2013	866,920	866,920	-	10,235,185	8.47%
2012	415,570	415,570	-	9,664,418	4.30%
2011	422,892	422,892	-	9,834,701	4.30%
2010	269,883	269,883	-	10,300,868	2.62%
2009	270,672	270,672	-	10,330,994	2.62%
Component Unit School Board (nonprofessional):					
2018	\$ 111,026	\$ 111,026	\$ -	\$ 2,962,415	3.75%
2017	123,405	123,405	-	2,952,275	4.18%
2016	212,780	212,780	-	2,867,655	7.42%
2015	219,121	219,121	-	2,953,111	7.42%
2014	265,967	265,967	-	2,985,035	8.91%
2013	269,665	269,665	-	3,026,538	8.91%
2012	226,208	226,208	-	2,960,840	7.64%
2011	221,848	221,848	-	2,903,770	7.64%
2010	245,778	245,778	-	3,246,740	7.57%
2009	254,788	254,788	-	3,365,761	7.57%
Component Unit School Board (professional):					
2018	\$ 4,503,835	\$ 4,503,835	\$ -	\$ 28,050,143	16.06%
2017	3,778,447	3,778,447	-	25,773,854	14.66%
2016	3,658,456	3,658,456	-	26,020,312	14.06%
2015	3,734,610	3,734,610	-	25,755,930	14.50%

The School Board Professional Schedule is intended to show information for ten years. However, information prior to 2015 is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY VRS TEACHER RETIREMENT PLAN
COMPONENT UNIT SCHOOL BOARD
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2018

Exhibit 15

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.35461%	0.34623%	0.34113%	0.34367%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 42,854,000	\$ 43,578,000	\$ 47,806,000	\$ 42,264,000
Employer's Covered Payroll	\$ 25,913,927	\$ 25,755,930	\$ 26,020,312	\$ 25,773,854
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	60.47%	59.10%	54.43%	60.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.68%	68.28%	72.92%

This schedule is intended to show information for ten years. However, information prior to 2014 is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2018

Exhibit 16

	<u>2017</u>	<u>2018</u>
Total OPEB liability		
Service Cost	\$ 115,033	\$ 118,484
Interest	72,863	78,474
Differences between expected and actual experience	-	180,090
Changes in assumptions	-	(361,325)
Benefit payments	(50,793)	(86,085)
Net change in total OPEB liability	137,103	(70,362)
Total OPEB liability - beginning	1,937,435	2,074,538
Total OPEB liability - ending (a)	<u>\$ 2,074,538</u>	<u>\$ 2,004,176</u>
 Plan fiduciary net position		
Contributions - employer	\$ 44,552	\$ 138,543
Net investment income	19,008	21,638
Benefit payments	-	(86,085)
Administrative expense	(500)	(1,008)
Net change in plan fiduciary net position	63,060	73,088
Plan fiduciary net position - beginning	121,495	184,555
Plan fiduciary net position - ending (b)	<u>\$ 184,555</u>	<u>\$ 257,643</u>
 County's net OPEB liability (asset) - ending (a) - (b)	 \$ 1,889,983	 \$ 1,746,533
 Plan fiduciary net position as a percentage of the total OPEB liability	 8.90%	 12.86%
 Covered payroll	 \$ 11,036,000	 \$ 12,139,885
 County's net pension liability as a percentage of covered payroll	 17.13%	 14.39%

This schedule is intended to show information for ten years. However, information prior to 2017 is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SCHOOL BOARD
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2018

Exhibit 17

	<u>2017</u>	<u>2018</u>
Total OPEB liability		
Service Cost	\$ 157,700	\$ 161,643
Interest	97,588	100,171
Differences between expected and actual experience	(68,188)	(114,333)
Changes in assumptions	-	90,678
Benefit payments	(124,000)	(128,960)
Net change in total OPEB liability	63,100	109,199
Total OPEB liability - beginning	2,344,000	2,407,100
Total OPEB liability - ending (a)	<u>\$ 2,407,100</u>	<u>\$ 2,516,299</u>
 Covered payroll	 \$ 28,842,000	 \$ 30,556,723
 School Board's Total liability as a percentage of covered payroll	 8.35%	 8.23%

This schedule is intended to show information for ten years. However, information prior to 2017 is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2018

Exhibit 18

Date	Actuarially Determined Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 138,543	\$ 138,543	\$ -	\$ 12,139,885	1.14%
2017	44,552	44,552	-	11,036,000	0.40%

This schedule is intended to show information for ten years. However, information prior to 2017 is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF INVESTMENT RETURNS
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2018

Exhibit 19

	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	12.33%	9.42%

This schedule is intended to show information for ten years. However, information prior to 2017 is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA

SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS

HEALTH INSURANCE CREDIT PROGRAM (HIC)

FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 20

	2017
Total HIC OPEB Liability	
Service cost	\$ 5,809
Interest	18,930
Changes in assumptions	(9,898)
Benefit payments	(12,257)
Net change in total HIC OPEB liability	2,584
Total HIC OPEB Liability - beginning	276,563
Total HIC OPEB Liability - ending (a)	279,147
 Plan fiduciary net position	
Contributions - employer	26,474
Net investment income	1,503
Benefit payments	(12,257)
Administrative expense	(47)
Other	32
Net change in plan fiduciary net position	15,705
Plan fiduciary net position - beginning	5,956
Plan fiduciary net position - ending (b)	21,661
 County's net HIC OPEB liability - ending (a) - (b)	 \$ 257,486
 Plan fiduciary net position as a percentage of the total	
HIC OPEB liability	7.76%
 Covered payroll	 \$ 5,883,020
 County's net HIC OPEB liability as a percentage of	
covered payroll	4.38%

Schedule is intended to show information for ten years. However, information prior to the 2018 valuation is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2018

Exhibit 21

Date	Contributions in			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2018	\$ 27,514	\$ 27,514	\$ -	\$ 6,114,233	0.45%
2017	26,474	26,474	-	5,883,020	0.45%
2016	12,996	12,996	-	5,415,024	0.24%
2015	12,836	12,836	-	5,348,274	0.24%

Schedule is intended to show information for ten years. However, information prior to 2015 is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF ACCOMACK COUNTY SCHOOL BOARD'S SHARE OF NET OPEB LIABILITY
TEACHER HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 22

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)		Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2017	0.34%	\$	4,366,000	\$ 27,163,246	16.07%	7.04%

Schedule is intended to show information for ten years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHER HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE YEARS ENDED JUNE 30, 2009 THROUGH JUNE 30, 2018

Exhibit 23

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
	(1)	(2)	(3)	(4)	(5)
2018	\$ 344,237	\$ 344,237	\$ -	\$ 27,986,765	1.23%
2017	301,512	301,512	-	27,163,246	1.11%
2016	275,703	275,703	-	26,009,740	1.06%
2015	272,867	272,867	-	25,742,149	1.06%
2014	287,854	287,854	-	25,932,800	1.11%
2013	275,371	275,371	-	24,808,159	1.11%
2012	144,954	144,954	-	24,159,045	0.60%
2011	141,517	141,517	-	23,586,215	0.60%
2010	187,170	187,170	-	25,293,461	0.74%
2009	279,443	279,443	-	25,874,385	1.08%

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF COUNTY AND SCHOOL BOARD'S SHARE OF NET OPEB LIABILITY
GROUP LIFE INSURANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 24

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
County:					
2017	0.0613%	\$ 923,000	\$11,307,877	8.16%	48.86%
School Board (Nonprofessional):					
2017	0.0160%	\$ 241,000	\$ 2,952,275	8.16%	48.86%
School Board (Professional):					
2017	0.1473%	\$ 2,216,000	\$27,163,246	8.16%	48.86%

Schedule is intended to show information for ten years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE PROGRAM
FOR THE YEARS ENDED JUNE 30, 2009 THROUGH JUNE 30, 2018

Exhibit 25

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2018	\$ 60,752	\$ 60,752	\$ -	\$ 11,682,982	0.52%
2017	58,801	58,801	-	11,307,877	0.52%
2016	53,032	53,032	-	11,048,241	0.48%
2015	52,316	52,316	-	10,899,210	0.48%
2014	51,715	51,715	-	10,773,964	0.48%
2013	49,146	49,146	-	10,238,758	0.48%
2012	27,110	27,110	-	9,682,063	0.28%
2011	27,540	27,540	-	9,835,841	0.28%
2010	20,949	20,949	-	10,307,921	0.20%
2009	27,923	27,923	-	10,341,738	0.27%
School Board (Nonprofessional)					
2018	\$ 15,405	\$ 15,405	\$ -	\$ 2,962,415	0.52%
2017	15,352	15,352	-	2,952,275	0.52%
2016	13,765	13,765	-	2,867,655	0.48%
2015	14,175	14,175	-	2,953,111	0.48%
2014	14,328	14,328	-	2,985,035	0.48%
2013	14,527	14,527	-	3,026,538	0.48%
2012	8,290	8,290	-	2,960,840	0.28%
2011	8,131	8,131	-	2,903,770	0.28%
2010	6,365	6,365	-	3,246,740	0.20%
2009	9,088	9,088	-	3,365,761	0.27%
School Board (Professional)					
2018	\$ 145,861	\$ 145,861	\$ -	\$ 28,050,143	0.52%
2017	141,249	141,249	-	27,163,246	0.52%
2016	124,847	124,847	-	26,009,740	0.48%
2015	123,562	123,562	-	25,742,149	0.48%
2014	124,477	124,477	-	25,932,800	0.48%
2013	120,683	120,683	-	25,142,188	0.48%
2012	67,644	67,644	-	24,158,427	0.28%
2011	66,095	66,095	-	23,605,362	0.28%
2010	48,592	48,592	-	25,288,178	0.19%
2009	69,856	69,856	-	25,872,750	0.27%

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 26
Page 1 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 22,722,965	\$ 22,989,965	\$ 23,374,795	\$ 384,830
Other local taxes	7,383,816	7,396,750	7,604,035	207,285
Permits, fees and licenses	322,520	322,520	360,894	38,374
Fines and forfeitures	70,000	70,000	57,413	(12,587)
Revenue from the use of money and property	332,011	397,756	361,525	(36,231)
Charges for services	367,288	367,288	500,255	132,967
Miscellaneous	-	2,000	101,944	99,944
Recovered costs	142,234	343,469	296,478	(46,991)
Intergovernmental	6,922,318	7,666,830	7,483,517	(183,313)
Total revenues	38,263,152	39,556,578	40,140,856	584,278
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	149,216	149,216	131,037	18,179
General and financial administration:				
County administrator	505,267	494,468	402,447	92,021
Human resources	240,713	245,704	240,571	5,133
Legal services	213,482	217,482	220,063	(2,581)
Commissioner of the revenue	308,650	311,289	309,957	1,332
County assessor	596,134	596,134	498,223	97,911
Treasurer	549,224	550,781	500,982	49,799
Finance	549,973	554,042	474,070	79,972
Information technology	962,175	1,078,151	993,234	84,917
Risk management	284,054	308,054	306,546	1,508
Total general and financial administration	4,209,672	4,356,105	3,946,093	410,012
Board of elections:				
Electoral board	48,628	48,628	45,944	2,684
Registrar	154,230	154,230	145,625	8,605
Total board of elections	202,858	202,858	191,569	11,289
Total general government administration	4,561,746	4,708,179	4,268,699	439,480
Judicial administration:				
Courts:				
Circuit court	86,009	86,009	74,007	12,002
General district court	11,471	11,471	10,047	1,424
Chief magistrate	16,938	16,938	6,499	10,439
Juvenile and domestic relations court	13,650	13,650	5,355	8,295
Clerk of the circuit court	443,870	464,669	453,619	11,050
Sheriff court services	489,481	425,267	425,267	-
Commissioner of accounts	214	214	-	214
Victim and witness assistance	93,237	104,498	88,640	15,858
Total courts	1,154,870	1,122,716	1,063,434	59,282
Commonwealth's attorney	392,044	400,279	399,545	734
Total judicial administration	1,546,914	1,522,995	1,462,979	60,016
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,262,832	2,635,332	2,628,244	7,088

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Exhibit 26
Page 2 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Public safety: (continued)				
Fire and rescue services:				
Volunteer fire and rescue	\$ 265,110	\$ 265,110	\$ 203,208	\$ 61,902
Emergency medical services	275,287	342,956	303,978	38,978
Payments to 911 commission	581,152	594,152	569,651	24,501
Total fire and rescue services	1,121,549	1,202,218	1,076,837	125,381
Correction and detention:				
Jail	2,190,769	1,982,769	1,976,717	6,052
Juvenile probation	125,043	125,043	120,965	4,078
Community correction	-	92,127	92,127	-
Total correction and detention	2,315,812	2,199,939	2,189,809	10,130
Other protection:				
Building and zoning	428,041	439,828	332,886	106,942
Ordinance enforcement	65,276	65,276	54,035	11,241
Animal control	114,851	100,387	98,445	1,942
Regional animal control facility	105,879	105,879	75,459	30,420
S.P.C.A. supplement	5,921	6,288	6,307	(19)
Emergency management	116,467	317,218	262,136	55,082
Medical examiner	5,000	5,000	420	4,580
E.S. Coalition Against Domestic Violence supplement	20,000	20,000	20,000	-
Cleanup/disposal of hazardous materials	7,000	35,510	22,621	12,889
Total other protection	868,435	1,095,386	872,309	223,077
Total public safety	6,568,628	7,132,875	6,767,199	365,676
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Storm drainage	188,837	488,274	162,304	325,970
Street paving	-	207,500	205,452	2,048
	188,837	695,774	367,756	328,018
Sanitation and waste removal:				
General operations	209,353	213,934	241,384	(27,450)
Refuse disposal	1,000,000	1,000,000	961,408	38,592
Refuse collection	601,304	601,304	631,578	(30,274)
Maintenance garage	235,000	386,078	360,980	25,098
Litter control	370,427	391,946	327,037	64,909
Total sanitation and waste removal	2,416,084	2,593,262	2,522,387	70,875
Maintenance of buildings and grounds:				
Buildings and grounds	1,053,652	1,139,272	1,072,875	66,397
Total public works	3,658,573	4,428,308	3,963,018	465,290
Health and welfare:				
Health:				
Local health department supplement	562,204	586,903	586,903	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	593,175	617,874	617,874	-
Mental health and mental retardation:				
Community services board supplement	178,286	178,286	178,286	-

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Exhibit 26
Page 3 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Health and welfare: (continued)				
Welfare:				
Property tax relief for the elderly	\$ 144,525	\$ 144,525	\$ 141,722	\$ 2,803
Area agency on aging supplement	23,430	23,430	23,430	-
Total welfare	167,955	167,955	165,152	2,803
Total health and welfare	939,416	964,115	961,312	2,803
Education:				
Contribution to School Board component unit	17,301,627	17,301,627	16,370,471	931,156
Community College supplement	41,028	41,028	41,028	-
Total education	17,342,655	17,342,655	16,411,499	931,156
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	345,697	365,197	373,563	(8,366)
Summer food program	-	228,528	86,890	141,638
Boating facilities	49,818	99,718	30,683	69,035
Total parks and recreation	395,515	693,443	491,136	202,307
Cultural enrichment:				
Translator television	74,457	149,457	54,814	94,643
Contribution to Public Library component unit	389,707	389,707	389,707	-
Total cultural enrichment	464,164	539,164	444,521	94,643
Total parks, recreation and cultural	859,679	1,232,607	935,657	296,950
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	70,703	70,703	70,703	-
Housing/Redevelopment Corp. supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	7,500	7,500	-
Erosion and sediment	80,628	99,547	106,528	(6,981)
Planning	417,999	507,054	355,135	151,919
Enterprise Zone incentives	-	25,000	7,852	17,148
Tourism Commission supplement	86,853	99,787	99,787	-
Chamber of Commerce supplement	195,245	195,245	166,426	28,819
Star Transit public transportation supplement	176,800	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	18,666	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	1,068,216	1,214,124	1,023,219	190,905
Environmental management:				
Johnsongrass/gypsy moth control program	12,277	12,277	6,063	6,214
Soil and Water Conservation District supplement	21,154	21,154	10,577	10,577
Contribution to Planning Dist. Commission component unit	27,221	27,221	27,221	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	70,651	70,651	53,860	16,791
Cooperative extension program	93,593	93,593	74,989	18,604
Total community development	1,232,460	1,378,368	1,152,068	226,300
Nondepartmental:				
Contingency	264,080	11,450	-	11,450

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Exhibit 26
Page 4 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Debt service	\$ 249,306	\$ 249,306	\$ 244,772	\$ 4,534
Total expenditures	37,223,457	38,970,858	36,167,203	2,803,655
Revenues over (under) expenditures	1,039,695	585,720	3,973,653	3,387,933
Other Financing Sources (Uses):				
Transfers in	128,760	128,760	128,760	-
Transfers out	(3,729,986)	(4,775,443)	(2,578,229)	2,197,214
Total other financing sources (uses)	(3,601,226)	(4,646,683)	(2,449,469)	2,197,214
Net changes in fund balance	(2,561,531)	(4,060,963)	1,524,184	5,585,147
Fund balance, beginning of year	16,971,671	16,971,671	16,971,671	-
Fund balance, end of year	\$ 14,410,140	\$ 12,910,708	\$ 18,495,855	\$ 5,585,147

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VIRGINIA PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 27

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 7,580	\$ 7,580
Intergovernmental	3,350,915	3,409,262	3,022,309	(386,953)
Total revenues	3,350,915	3,409,262	3,029,889	(379,373)
Expenditures:				
Health and welfare:				
Welfare administration	3,180,868	3,286,998	3,101,432	185,566
Public assistance	675,265	669,562	445,352	224,210
Fuel administrator	39,057	39,057	-	39,057
Local only administration	79,731	193,144	161,528	31,616
CDC quality initiative program	-	30,000	-	30,000
Service pass-through	150,293	-	-	-
Total expenditures	4,125,214	4,218,761	3,708,312	510,449
Revenues over (under) expenditures	(774,299)	(809,499)	(678,423)	131,076
Other financing sources (uses):				
Transfers in	774,299	809,499	678,423	(131,076)
Total other financing sources (uses)	774,299	809,499	678,423	(131,076)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONSOLIDATED EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 28

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 3,722,944	\$ 3,722,944	\$ 4,144,879	\$ 421,935
Intergovernmental	64,964	127,004	126,069	(935)
Total revenues	<u>3,787,908</u>	<u>3,849,948</u>	<u>4,270,948</u>	<u>421,000</u>
Expenditures:				
Public safety:				
Fire and rescue services:				
Emergency medical services	3,549,479	3,611,519	3,406,554	204,965
Total expenditures	<u>3,549,479</u>	<u>3,611,519</u>	<u>3,406,554</u>	<u>204,965</u>
Revenues over (under) expenditures	<u>238,429</u>	<u>238,429</u>	<u>864,394</u>	<u>625,965</u>
Other financing sources (uses):				
Transfers out	<u>(129,760)</u>	<u>(129,760)</u>	<u>(128,760)</u>	<u>1,000</u>
Total other financing sources (uses)	<u>(129,760)</u>	<u>(129,760)</u>	<u>(128,760)</u>	<u>1,000</u>
Net changes in fund balance	108,669	108,669	735,634	626,965
Fund balance, beginning of year	1,863,144	1,863,144	1,863,144	-
Fund balance, end of year	<u>\$ 1,971,813</u>	<u>\$ 1,971,813</u>	<u>\$ 2,598,778</u>	<u>\$ 626,965</u>

Other Supplementary Information



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Nonmajor Governmental Funds

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

- **Law Library Fund**-Accounts for revenues and expenditures associated with the County's law library.
- **Stormwater Ordinance Fund**-Accounts for revenues levied in connection with the Virginia Stormwater Management Program. Expenditures may only be used to administer that program.
- **Courthouse Security Fund**-Accounts for revenues derived from court fees levied in accordance with the Code of Virginia§ 53.1-120. Use of these funds is restricted for courthouse security.
- **Drug Seizures Fund**-Accounts for revenues associated with the sale of assets confiscated from illegal drug activities. Expenditures of this fund are restricted for use on law enforcement activities.
- **Fire Programs Fund**- Accounts for grant revenues received from the Commonwealth Department of Fire Programs which are restricted for fire education, training and related.
- **Rehabilitation Projects Fund**-Accounts for revenue and expenditures associated with community development block grants predominantly used for rehabilitation of low income housing.
- **Captain's Cove/Greenbackville Mosquito Control Fund**-Accounts for revenues derived from a special property tax levied on residents of Captain's Cove and Greenbackville areas. Expenditures are restricted for use on mosquito control services within those areas.
- **Comprehensive Youth Services Fund**-Accounts for and reports revenues and expenditures associated with the Comprehensive Services Act (CSA). The Comprehensive Services Act is a mandated Commonwealth program; the purpose of which is to provide high quality, child centered, family focused, cost effective, community-based services to high-risk youth and their families. Revenues are primarily derived from intergovernmental funding including significant local funding from the County's General Fund.
- **Consolidated Fire and Rescue Service Fund**-This fund was created as a result of consolidating Fire and Rescue District Special Revenue Funds 2,3,4 and 5. It accounts for general tax revenues designated to provide operational funding to County volunteer fire and rescue companies.

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AT JUNE 30, 2018**

	Special Revenue				
	Law Library Fund	Stormwater Ordinance Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund
<u>Assets:</u>					
Cash and investments	\$ 51,139	\$ 613	\$ 60,310	\$ 6,202	\$ 80,707
Receivables (net):					
Taxes, including penalties	-	-	-	-	-
Accounts	974	-	-	7,970	-
Due from other governmental entities:					
Commonwealth of Virginia	-	-	-	-	-
Total assets	<u>52,113</u>	<u>613</u>	<u>60,310</u>	<u>14,172</u>	<u>80,707</u>
<u>Liabilities:</u>					
Accounts payable	-	613	12,479	-	628
Wages payable	-	-	-	4,345	-
Due to other governmental entities:					
Northampton County	-	-	-	-	-
Interfund payable	-	-	-	-	-
Unearned revenues	-	-	-	-	46,169
Total liabilities	<u>-</u>	<u>613</u>	<u>12,479</u>	<u>4,345</u>	<u>46,797</u>
<u>Deferred Inflows of Resources:</u>					
Deferred property tax revenue	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Restricted for:					
Fire and Rescue	-	-	-	-	33,910
Mosquito Control	-	-	-	-	-
Judicial Administration	-	-	11,730	-	-
Courthouse Security	-	-	-	9,827	-
Law Library	52,113	-	-	-	-
Law Enforcement	-	-	36,101	-	-
Community Development	-	-	-	-	-
Assigned to:					
Fire and Rescue	-	-	-	-	-
Total fund balances	<u>52,113</u>	<u>-</u>	<u>47,831</u>	<u>9,827</u>	<u>33,910</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,113</u>	<u>\$ 613</u>	<u>\$ 60,310</u>	<u>\$ 14,172</u>	<u>\$ 80,707</u>

Exhibit 29

Special Revenue				
Rehabilitation Projects Fund	Captains Cove Greenbackville Mosquito Control Fund	Comprehensive Youth Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 208,573	\$ 29,971	\$ -	\$ 1,092,969	\$ 1,530,484
-	15,243	-	766,149	781,392
-	-	9,399	-	18,343
-	-	249,526	-	249,526
208,573	45,214	258,925	1,859,118	2,579,745
-	11,401	227,733	339,685	592,539
-	-	-	-	4,345
-	-	24,974	-	24,974
-	-	6,218	-	6,218
-	-	-	-	46,169
-	11,401	258,925	339,685	674,245
-	15,651	-	691,949	707,600
-	3,877	-	191,997	195,874
-	19,528	-	883,946	903,474
-	-	-	-	33,910
-	14,285	-	-	14,285
-	-	-	-	11,730
-	-	-	-	9,827
-	-	-	-	52,113
-	-	-	-	36,101
208,573	-	-	-	208,573
-	-	-	635,487	635,487
208,573	14,285	-	635,487	1,002,026
\$ 208,573	\$ 45,214	\$ 258,925	\$ 1,859,118	\$ 2,579,745

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue					
	Law Library Fund	Stormwater Ordinance Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund
Revenues:						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	8,005	-	-	79,567	-	-
Permits, fees and licenses	-	11,142	-	-	-	-
Revenue from the use of money and property	-	-	7	-	6	55
Miscellaneous	-	-	-	-	13,700	-
Recovered costs	-	-	-	-	-	8,029
Intergovernmental	-	-	56,047	-	90,786	-
Total revenues	8,005	11,142	56,054	79,567	104,492	8,084
Expenditures:						
Judicial administration	2,213	-	4,819	97,606	-	-
Public safety	-	-	23,194	-	114,710	-
Health and welfare	-	-	-	-	-	-
Community development	-	165,454	-	-	-	949
Total expenditures	2,213	165,454	28,013	97,606	114,710	949
Revenues over (under) expenditures	5,792	(154,312)	28,041	(18,039)	(10,218)	7,135
Other financing sources (uses):						
Transfers in	-	154,312	-	-	15,000	-
Total other financing sources (uses)	-	154,312	-	-	15,000	-
Net change in fund balances	5,792	-	28,041	(18,039)	4,782	7,135
Fund balance, beginning of year	46,321	-	19,790	27,866	29,128	201,438
Fund balance, end of year	\$ 52,113	\$ -	\$ 47,831	\$ 9,827	\$ 33,910	\$ 208,573

Exhibit 30

Special Revenue			
Captains Cove Greenbackville Mosquito Control Fund	Comprehen- sive Youth Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 51,582	\$ -	\$ 1,565,104	\$ 1,616,686
-	-	-	87,572
-	-	-	11,142
-	-	-	68
-	153,701	-	167,401
-	-	-	8,029
-	935,266	41,179	1,123,278
51,582	1,088,967	1,606,283	3,014,176
-	-	-	104,638
-	-	1,322,391	1,460,295
44,206	1,286,055	-	1,330,261
-	-	-	166,403
44,206	1,286,055	1,322,391	3,061,597
7,376	(197,088)	283,892	(47,421)
-	197,088	-	366,400
-	197,088	-	366,400
7,376	-	283,892	318,979
6,909	-	351,595	683,047
\$ 14,285	\$ -	\$ 635,487	\$ 1,002,026

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Law Library Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	7,000	7,000	8,005	1,005
Permits, privilege fees and licenses	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	7,000	7,000	8,005	1,005
Expenditures:				
Judicial administration	7,000	53,321	2,213	51,108
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	7,000	53,321	2,213	51,108
Revenues over (under) expenditures	-	(46,321)	5,792	52,113
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	(46,321)	5,792	52,113
Fund balance, beginning of year	46,321	46,321	46,321	-
Fund balance, end of year	\$ 46,321	\$ -	\$ 52,113	\$ 52,113

Stormwater Ordinance Fund				Drug Seizures Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
80,903	80,903	11,142	(69,761)	-	-	-	-
-	-	-	-	-	-	7	7
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,000	55,774	56,047	273
80,903	80,903	11,142	(69,761)	2,000	55,774	56,054	280
-	-	-	-	-	46,297	4,819	41,478
-	-	-	-	2,000	29,267	23,194	6,073
-	-	-	-	-	-	-	-
178,589	160,842	165,454	(4,612)	-	-	-	-
178,589	160,842	165,454	(4,612)	2,000	75,564	28,013	47,551
(97,686)	(79,939)	(154,312)	(74,373)	-	(19,790)	28,041	47,831
97,686	67,769	154,312	86,543	-	-	-	-
97,686	67,769	154,312	86,543	-	-	-	-
-	(12,170)	-	12,170	-	(19,790)	28,041	47,831
-	-	-	-	19,790	19,790	19,790	-
\$ -	\$ (12,170)	\$ -	\$ 12,170	\$ 19,790	\$ -	\$ 47,831	\$ 47,831

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

	Courthouse Security Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	80,000	80,000	79,567	(433)
Permits, privilege fees and licenses	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	80,000	80,000	79,567	(433)
Expenditures:				
Judicial administration	80,000	107,866	97,606	10,260
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	80,000	107,866	97,606	10,260
Revenues over (under) expenditures	-	(27,866)	(18,039)	9,827
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	(27,866)	(18,039)	9,827
Fund balance, beginning of year	27,866	27,866	27,866	-
Fund balance, end of year	\$ 27,866	\$ -	\$ 9,827	\$ 9,827

Fire Programs Fund				Rehabilitation Projects Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6	6	-	-	55	55
13,700	13,700	13,700	-	-	-	-	-
-	-	-	-	-	-	8,029	8,029
59,000	136,956	90,786	(46,170)	-	33,000	-	(33,000)
72,700	150,656	104,492	(46,164)	-	33,000	8,084	(24,916)
-	-	-	-	-	-	-	-
88,700	199,519	114,710	84,809	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	33,000	949	32,051
88,700	199,519	114,710	84,809	-	33,000	949	32,051
(16,000)	(48,863)	(10,218)	38,645	-	-	7,135	7,135
15,000	15,000	15,000	-	-	-	-	-
15,000	15,000	15,000	-	-	-	-	-
(1,000)	(33,863)	4,782	38,645	-	-	7,135	7,135
29,128	29,128	29,128	-	201,438	201,438	201,438	-
\$ 28,128	\$ (4,735)	\$ 33,910	\$ 38,645	\$ 201,438	\$ 201,438	\$ 208,573	\$ 7,135

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Captains Cove Greenbackville Mosquito Control Fund			
	Budgeted Amounts		Variance From Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
General property taxes	\$ 53,408	\$ 53,408	\$ 51,582
Other local taxes	-	-	-
Permits, privilege fees and licenses	-	-	-
Revenue from the use of money and property	-	-	-
Miscellaneous	-	-	-
Recovered costs	-	-	-
Intergovernmental	-	-	-
Total revenues	53,408	53,408	51,582
Expenditures:			
Judicial administration	-	-	-
Public safety	-	-	-
Health and welfare	53,408	60,317	44,206
Community development	-	-	-
Total expenditures	53,408	60,317	44,206
Revenues over (under) expenditures	-	(6,909)	7,376
Other financing sources (uses):			
Transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balance	-	(6,909)	7,376
Fund balance, beginning of year	6,909	6,909	6,909
Fund balance, end of year	\$ 6,909	\$ -	\$ 14,285

Comprehensive Youth Services Fund				Consolidated Fire & Rescue Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 1,494,639	\$ 1,494,639	\$ 1,565,104	\$ 70,465
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100,274	100,274	153,701	53,427	-	-	-	-
-	-	-	-	-	-	-	-
778,826	778,826	935,266	156,440	41,188	41,188	41,179	(9)
879,100	879,100	1,088,967	209,867	1,535,827	1,535,827	1,606,283	70,456
-	-	-	-	-	-	-	-
-	-	-	-	1,535,827	1,887,422	1,322,391	565,031
1,132,016	1,132,016	1,286,055	(154,039)	-	-	-	-
-	-	-	-	-	-	-	-
1,132,016	1,132,016	1,286,055	(154,039)	1,535,827	1,887,422	1,322,391	565,031
(252,916)	(252,916)	(197,088)	55,828	-	(351,595)	283,892	635,487
252,916	252,916	197,088	(55,828)	-	-	-	-
252,916	252,916	197,088	(55,828)	-	-	-	-
-	-	-	-	-	(351,595)	283,892	635,487
-	-	-	-	351,595	351,595	351,595	-
\$ -	\$ -	\$ -	\$ -	\$ 351,595	\$ -	\$ 635,487	\$ 635,487

COUNTY OF ACCOMACK, VIRGINIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Exhibit 31
Page 4

	Total Nonmajor Governmental Funds			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ 1,548,047	\$ 1,548,047	\$ 1,616,686	\$ 68,639
Other local taxes	87,000	87,000	87,572	572
Permits, privilege fees and licenses	80,903	80,903	11,142	(69,761)
Revenue from the use of money and property	-	-	68	68
Miscellaneous	113,974	113,974	167,401	53,427
Recovered costs	-	-	8,029	8,029
Intergovernmental	881,014	1,045,744	1,123,278	77,534
Total revenues	2,710,938	2,875,668	3,014,176	138,508
Expenditures:				
Judicial administration	87,000	207,484	104,638	102,846
Public safety	1,626,527	2,116,208	1,460,295	655,913
Health and welfare	1,185,424	1,192,333	1,330,261	(137,928)
Community development	178,589	193,842	166,403	27,439
Total expenditures	3,077,540	3,709,867	3,061,597	648,270
Revenues over (under) expenditures	(366,602)	(834,199)	(47,421)	786,778
Other financing sources (uses):				
Transfers in	365,602	335,685	366,400	30,715
Total other financing sources (uses)	365,602	335,685	366,400	30,715
Net changes in fund balance	(1,000)	(498,514)	318,979	817,493
Fund balance, beginning of year	683,047	683,047	683,047	-
Fund balance, end of year	\$ 682,047	\$ 184,533	\$ 1,002,026	\$ 817,493

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 32

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 4,014,012	\$ 4,014,012	\$ 3,799,225	\$ (214,787)
Intergovernmental	82,376	82,376	82,359	(17)
Total revenues	<u>4,096,388</u>	<u>4,096,388</u>	<u>3,881,584</u>	<u>(214,804)</u>
Expenditures:				
Debt Service:				
Principal	3,315,153	3,315,153	3,315,153	-
Interest and fiscal charges	1,167,190	1,167,190	1,165,554	1,636
Total expenditures	<u>4,482,343</u>	<u>4,482,343</u>	<u>4,480,707</u>	<u>1,636</u>
Revenues over (under) expenditures	<u>(385,955)</u>	<u>(385,955)</u>	<u>(599,123)</u>	<u>(213,168)</u>
Net changes in fund balance	(385,955)	(385,955)	(599,123)	(213,168)
Fund balance, beginning of year	863,859	863,859	863,859	-
Fund balance, end of year	<u>\$ 477,904</u>	<u>\$ 477,904</u>	<u>\$ 264,736</u>	<u>\$ (213,168)</u>

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 33

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 170	\$ 170
Miscellaneous revenue	-	-	229,812	229,812
Intergovernmental	-	335,000	335,000	-
Total revenues	-	335,000	564,982	229,982
Expenditures:				
General government administration	-	73,080	9,393	63,687
Public safety	522,500	563,000	-	563,000
Public works	1,737,000	3,692,695	2,369,703	1,322,992
Education	-	-	459,875	(459,875)
Parks and recreation	140,000	1,373,587	1,158,309	215,278
Community development	-	250,000	192,730	57,270
Total expenditures	2,399,500	5,952,362	4,190,010	1,762,352
Revenues over (under) expenditures	(2,399,500)	(5,617,362)	(3,625,028)	1,992,334
Other financing sources (uses):				
Transfers in	2,399,500	3,198,702	775,013	(2,423,689)
Total other financing sources (uses)	2,399,500	3,198,702	775,013	(2,423,689)
Net changes in fund balance	-	(2,418,660)	(2,850,015)	(431,355)
Fund balance, beginning of year	2,954,291	2,954,291	2,954,291	-
Fund balance, end of year	\$ 2,954,291	\$ 535,631	\$ 104,276	\$ (431,355)

Nonmajor Proprietary Funds

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

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

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
AT JUNE 30, 2018

Exhibit 34

	Business-type Activities - Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
<u>Assets:</u>			
Current assets:			
Cash and investments	\$ 468,453	\$ 5,105	\$ 473,558
Accounts receivable (net of allowance for uncollectibles)	33,016	2,872	35,888
Total current assets	501,469	7,977	509,446
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	1,877	-	1,877
Machinery and equipment	209,726	7,898	217,624
Total capital assets	211,603	7,898	219,501
Total assets	713,072	15,875	728,947
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	35,246	4,015	39,261
Wages and benefits payable	-	2,380	2,380
Total current liabilities	35,246	6,395	41,641
<u>Net Position:</u>			
Investment in capital assets	211,603	7,898	219,501
Unrestricted	466,223	1,582	467,805
Total net position	\$ 677,826	\$ 9,480	\$ 687,306

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 35

	Business-type Activities - Enterprise Funds		
	Nonmajor		
	Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Operating revenues:			
Charges for services	\$ 278,763	\$ 37,280	\$ 316,043
Other operating revenue	-	1,105	1,105
Total operating revenues	278,763	38,385	317,148
Operating expenses:			
Personnel services and fringe benefits	-	9,188	9,188
Other operating expenses	483,806	28,995	512,801
Depreciation	20,858	998	21,856
Total operating expenses	504,664	39,181	543,845
Operating income (loss)	(225,901)	(796)	(226,697)
Transfers:			
Transfers in	367,809	-	367,809
Total transfers	367,809	-	367,809
Changes in net position	141,908	(796)	141,112
Total net position, beginning of year	535,918	10,276	546,194
Total net position, end of year	\$ 677,826	\$ 9,480	\$ 687,306

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 36

	Business-type Activities-Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 274,453	\$ 35,978	\$ 310,431
Payments to suppliers	(701,435)	(29,368)	(730,803)
Payments to employees and benefits paid on behalf of employees	-	(7,366)	(7,366)
Other receipts	-	1,105	1,105
Net cash provided by (used for) operating activities	(426,982)	349	(426,633)
Cash flows from noncapital financing activities:			
Transfer from (to) the General Fund	367,807	-	367,807
Net cash provided by (used for) noncapital financing activities	367,807	-	367,807
Cash flows from capital and related financing activities:			
Purchase of capital assets	(1)	-	(1)
Net cash provided by (used for) capital and related financing activities	(1)	-	(1)
Net increase (decrease) in cash and cash equivalents	(59,176)	349	(58,827)
Cash and cash equivalents, beginning of year	527,629	4,756	532,385
Cash and cash equivalents, end of year	\$ 468,453	\$ 5,105	\$ 473,558
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (225,901)	\$ (796)	\$ (226,697)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	20,858	998	21,856
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	(4,310)	(1,302)	(5,612)
Increase (Decrease) in accrued payroll costs	-	1,822	1,822
Increase (Decrease) in accounts payable	(217,629)	(373)	(218,002)
Total adjustments	(221,939)	147	(221,792)
Net cash provided by (used for) operating activities	\$ (426,982)	\$ 349	\$ (426,633)

Agency Funds

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

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

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF NET POSITION
 AGENCY FUNDS
 AT JUNE 30, 2018

Exhibit 37

	Agency Funds		
	Special Welfare Fund	Sheriff Canteen Fund	Total Agency Funds
<u>Assets:</u>			
Cash and investments held by Treasurer	\$ 41,337	\$ -	\$ 41,337
Cash and investments in custody of others	-	173,108	173,108
Total assets	<u>41,337</u>	<u>173,108</u>	<u>214,445</u>
<u>Liabilities:</u>			
Amounts held for social service clients	41,337	-	41,337
Amounts held for others	-	173,108	173,108
Total liabilities	<u>\$ 41,337</u>	<u>\$ 173,108</u>	<u>\$ 214,445</u>

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 38

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Special Welfare Fund:				
<u>Assets:</u>				
Cash and investments	\$ 38,141	\$ 68,225	\$ 65,029	\$ 41,337
<u>Liabilities:</u>				
Amount held for social service clients	38,141	68,225	65,029	41,337
Sheriff Canteen Fund:				
<u>Assets:</u>				
Cash and investments	81,388	306,000	214,280	173,108
<u>Liabilities:</u>				
Amount held for others	81,388	306,000	214,280	173,108
Totals-All Agency Funds:				
<u>Assets:</u>				
Cash and investments	119,529	374,225	279,309	214,445
<u>Liabilities:</u>				
Amount held for social service clients	38,141	68,225	65,029	41,337
Amount held for others	81,388	306,000	214,280	173,108
Total Liabilities	\$ 119,529	\$ 374,225	\$ 279,309	\$ 214,445



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Discretely Presented Component Unit School Board

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

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF NET POSITION
AT JUNE 30, 2018

Exhibit 39

	Governmental Activities
<u>Assets:</u>	
Cash and investments	\$ 6,547,509
Accounts receivable, net	127,155
Due from other governmental entities	2,485,635
Capital Assets (net of accumulated depreciation):	
Land	974,862
Buildings	34,703,134
Improvements other than buildings	1,771,378
Machinery and equipment	6,056,366
Construction in progress	85,000
Net pension asset	902,712
Total assets	<u>53,653,751</u>
<u>Deferred Outflows of Resources:</u>	
Pension deferrals	5,682,861
OPEB deferrals	659,624
Total deferred outflows of resources	<u>6,342,485</u>
<u>Liabilities:</u>	
Accounts payable	3,515,554
Wages and benefits payable	4,705,222
Unearned revenue	95,613
Noncurrent liabilities:	
Due within one year	2,042,918
Due in more than one year	52,120,349
Total liabilities	<u>62,479,656</u>
<u>Deferred Inflows of Resources:</u>	
Pension deferrals	6,089,101
OPEB deferrals	431,805
Total deferred inflows of resources	<u>6,520,906</u>
<u>Net Position:</u>	
Investment in capital assets	43,590,740
Unrestricted	(52,595,066)
Total net position	<u>\$ (9,004,326)</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2018

Exhibit 40

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Discretely Presented Component Unit-School Board:					
Governmental activities:					
Education	\$ 55,977,006	\$ 1,299,577	\$ 39,590,302	\$ -	\$ (15,087,127)
Total governmental activities	<u>\$ 55,977,006</u>	<u>\$ 1,299,577</u>	<u>\$ 39,590,302</u>	<u>\$ -</u>	<u>(15,087,127)</u>

General Revenues:	
Contribution from local government	18,934,709
Investment earnings	5,966
Miscellaneous	404,305
Total general revenues and transfers	<u>19,344,980</u>
Change in net position	4,257,853
Net position, beginning of year, as restated	<u>(13,262,179)</u>
Net position, end of year	<u>\$ (9,004,326)</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
COMBINING BALANCE SHEET-GOVERNMENTAL FUNDS
AT JUNE 30, 2018

Exhibit 41

	Major Funds		Nonmajor Fund	Total Governmental Funds
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	
Assets:				
Cash and investments	\$ 5,948,784	\$ 2	\$ 598,723	\$ 6,547,509
Accounts receivable, net	127,155	-	-	127,155
Due from the Commonwealth	699,352	-	-	699,352
Due from the Federal Government	1,668,447	-	117,836	1,786,283
Total assets	<u>8,443,738</u>	<u>2</u>	<u>716,559</u>	<u>9,160,299</u>
Liabilities:				
Accounts payable	3,432,900	-	82,654	3,515,554
Wages and benefits payable	4,705,222	-	-	4,705,222
Unearned revenue	95,613	-	-	95,613
Total liabilities	<u>8,233,735</u>	<u>-</u>	<u>82,654</u>	<u>8,316,389</u>
Fund Balances:				
Restricted:				
Education	210,003	2	-	210,005
Assigned:				
Food Services	-	-	633,905	633,905
Total fund balances	<u>210,003</u>	<u>2</u>	<u>633,905</u>	<u>843,910</u>
Total liabilities and fund balances	<u>\$ 8,443,738</u>	<u>\$ 2</u>	<u>\$ 716,559</u>	

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

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

Land	974,862	
Buildings, net of depreciation	48,722,815	
Improvements other than buildings, net of depreciation	1,771,378	
Machinery and equipment, net of depreciation	6,056,366	
Construction in progress	85,000	
School Board capital assets in primary government, net of depreciation	<u>(14,019,681)</u>	
Total capital assets		43,590,740

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

Net pension asset	902,712	
Deferred inflows related to pensions	(6,089,101)	
Deferred inflows related to OPEB	<u>(431,805)</u>	
Total other long-term assets		(5,618,194)

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

Compensated absences	(2,103,501)	
Net OPEB liability	(9,339,299)	
Net termination benefit obligation	(456,467)	
Net pension liability	(42,264,000)	
Deferred outflows related to pensions	5,682,861	
Deferred outflows related to OPEB	<u>659,624</u>	
Net adjustment		(47,820,782)
Total net position		<u>\$ (9,004,326)</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 42

	Major Funds		Nonmajor Fund	Total
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Governmental Funds
Revenues:				
Revenue from the use of money and property	\$ -	\$ 2	\$ 5,964	\$ 5,966
Charges for services	901,939	-	397,638	1,299,577
Miscellaneous	480,374	-	-	480,374
Recovered costs	329,200	-	-	329,200
From the local government	16,370,471	459,875	-	16,830,346
From the Commonwealth	33,469,093	-	47,166	33,516,259
From the Federal Government	4,092,960	-	1,981,083	6,074,043
Total revenues	<u>55,644,037</u>	<u>459,877</u>	<u>2,431,851</u>	<u>58,535,765</u>
Expenditures:				
Education:				
Instruction	39,861,627	-	-	39,861,627
Administration of schools	1,124,231	-	-	1,124,231
Attendance and health services	1,521,126	-	-	1,521,126
Operation and maintenance services	9,001,821	459,875	-	9,461,696
Pupil transportation services	4,212,875	-	-	4,212,875
Technology Services	4,035,997	-	-	4,035,997
Food services	7,318	-	3,130,488	3,137,806
Total expenditures	<u>59,764,995</u>	<u>459,875</u>	<u>3,130,488</u>	<u>63,355,358</u>
Revenues over (under) expenditures	<u>(4,120,958)</u>	<u>2</u>	<u>(698,637)</u>	<u>(4,819,593)</u>
Net changes in fund balance	(4,120,958)	2	(698,637)	(4,819,593)
Fund balance, beginning of year	4,330,961	-	1,332,542	5,663,503
Fund balance, end of year	<u>\$ 210,003</u>	<u>\$ 2</u>	<u>\$ 633,905</u>	<u>\$ 843,910</u>
Net changes in fund balance per above				\$ (4,819,593)

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

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

Capital asset expenditures	7,014,003	
Depreciation on capital assets	<u>(2,194,476)</u>	
Net adjustment		4,819,527
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.		(76,069)
School Board capital assets are jointly owned by the County and the School Board. The County share of School Board assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship decreased the transfers to the School Board.		2,104,363
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(104,337)	
OPEB expense	(21,380)	
Net termination benefit obligation	199,698	
Pension expense	<u>2,155,644</u>	
Net adjustment		2,229,625
Change in net position of governmental activities		<u>\$ 4,257,853</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SCHOOL OPERATING FUND
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 43

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 128,706	\$ 1,083,449	\$ 901,939	\$ (181,510)
Miscellaneous	40,070	492,106	480,374	(11,732)
Recovered costs	244,000	244,000	329,200	85,200
From the local government	17,301,627	17,301,627	16,370,471	(931,156)
From the Commonwealth	31,487,360	33,328,148	33,469,093	140,945
From the Federal Government	182,730	4,395,401	4,092,960	(302,441)
Total revenues	49,384,493	56,844,731	55,644,037	(1,200,694)
Expenditures:				
Education:				
Instruction	35,717,187	40,281,190	39,861,627	419,563
Administration of schools	1,181,312	1,123,612	1,124,231	(619)
Attendance and health services	1,536,972	1,507,741	1,521,126	(13,385)
Operation and maintenance services	5,367,060	9,815,841	9,001,821	814,020
Pupil transportation services	3,348,104	3,930,280	4,212,875	(282,595)
Technology services	2,232,558	4,439,684	4,035,997	403,687
Food services	1,300	7,600	7,318	282
Total expenditures	49,384,493	61,105,948	59,764,995	1,340,953
Revenues over (under) expenditures	-	(4,261,217)	(4,120,958)	140,259
Other financing sources (uses):				
Transfers in	-	226,764	-	(226,764)
Total other financing sources (uses)	-	226,764	-	(226,764)
Net changes in fund balance	-	(4,034,453)	(4,120,958)	(86,505)
Fund balance, beginning of year	4,330,961	4,330,961	4,330,961	-
Fund balance, end of year	\$ 4,330,961	\$ 296,508	\$ 210,003	\$ (86,505)

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION-AGENCY FUNDS
AT JUNE 30, 2018

Exhibit 44

	School Activities Fund
<u>Assets:</u>	
Cash and investments in custody of others	\$ 779,327
<u>Liabilities:</u>	
Amounts held for school activities	\$ 779,327

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES-AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 45

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
School Activities Fund:				
<u>Assets:</u>				
Cash and investments in custody of others	\$ 733,196	\$ 1,454,532	\$ 1,408,401	\$ 779,327
<u>Liabilities:</u>				
Amounts held for school activities	\$ 733,196	\$ 1,454,532	\$ 1,408,401	\$ 779,327

Nonmajor Discretely Presented Component Units

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

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
AT JUNE 30, 2018

	Component Units				
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund	Greenbackville Harbor Committee
<u>Assets:</u>					
Cash and investments	\$ 573,736	\$ 1,204,107	\$ 58,557	\$ 91,774	\$ 74,593
Restricted cash and cash equivalents	346,294	-	-	-	-
Accounts receivables, net	438,683	-	-	-	-
Loan receivables	153,706	-	-	-	-
Due from other governmental entities	-	-	-	11,401	-
Inventories	-	187,400	-	-	-
Prepaid expenses	21,709	-	-	-	-
Unconditional promises to give	-	108,075	-	-	-
Capital Assets (net of accumulated depreciation):					
Land	106,807	119,099	-	-	-
Buildings	9,656	566,621	-	-	-
Improvements other than buildings	62,068	-	-	-	-
Machinery and equipment	41,707	28,751	-	-	-
Construction in progress	-	283,927	-	-	-
Net pension asset	297,729	-	-	-	-
Total assets	2,052,095	2,497,980	58,557	103,175	74,593
<u>Deferred Outflows of Resources:</u>					
Pension deferrals	28,713	11,199	-	-	-
Total deferred outflows of resources	28,713	11,199	-	-	-
<u>Liabilities:</u>					
Accounts payable	99,318	9,904	546	2,100	-
Wages and benefits payable	7,318	8,210	-	-	-
Unearned revenues	85,853	-	15,135	-	-
Noncurrent liabilities:					
Due in more than one year-compensated absences	138,845	16,984	-	-	-
Due in more than one year-Net pension liability	-	789	-	-	-
Total liabilities	331,334	35,887	15,681	2,100	-
<u>Deferred Inflows of Resources:</u>					
Items related to measurement of net pension liability	242,696	15,200	-	-	-
<u>Net Position:</u>					
Investment in capital assets	220,238	998,398	-	-	-
Restricted	500,000	1,613,268	-	-	-
Unrestricted	786,540	(153,574)	42,876	101,075	74,593
Total net position	\$ 1,506,778	\$ 2,458,092	\$ 42,876	\$ 101,075	\$ 74,593

Exhibit 46

Component Units	
Economic Development Authority	Total Nonmajor Discretely Presented Component Units
\$ 94,083	\$ 2,096,850
-	346,294
-	438,683
16,875	170,581
-	11,401
-	187,400
-	21,709
-	108,075
301,678	527,584
-	576,277
-	62,068
4,874	75,332
-	283,927
-	297,729
417,510	5,203,910
-	39,912
-	39,912
573	112,441
-	15,528
-	100,988
-	155,829
-	789
573	385,575
-	257,896
306,552	1,525,188
-	2,113,268
110,385	961,895
\$ 416,937	\$ 4,600,351

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018

	Component Units			
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund
Operating revenues:				
Operating grants and contributions	\$ 82,601	\$ 366,425	\$ -	\$ -
Use of property	38,700	8,428	-	-
Charges for services	1,125,859	21,203	19,767	44,206
Miscellaneous	-	2,098	-	-
Recovered costs	-	23,040	-	-
Total operating revenues	1,247,160	421,194	19,767	44,206
Operating expenses:				
General and administration	15,520	-	-	-
Contractual services	-	112,260	7,981	64,061
Personnel	-	456,558	-	-
Materials and supplies	-	142,619	-	-
Other operating expenses	-	157,388	3,824	-
Project expenses	1,304,733	-	-	-
Depreciation	20,469	35,258	12,152	-
Total operating expenses	1,340,722	904,083	23,957	64,061
Operating income (loss)	(93,562)	(482,889)	(4,190)	(19,855)
Nonoperating revenues (expenses):				
Contributions from local government	97,924	517,266	-	-
Investment earnings	10,240	-	9	-
State grants	-	165,002	-	-
GASB 68 pension benefit	172,974	-	-	-
Gain (loss) on sale of assets	1,515	-	-	-
Total nonoperating revenues (expenses)	282,653	682,268	9	-
Changes in net position	189,091	199,379	(4,181)	(19,855)
Total net position, beginning of year	1,317,687	2,258,713	47,057	120,930
Total net position, end of year	\$ 1,506,778	\$ 2,458,092	\$ 42,876	\$ 101,075

Exhibit 47

Component Units		
Greenbackville Harbor Committee	Economic Development Authority	Total Nonmajor Discretely Presented Component Units
\$ -	\$ -	\$ 449,026
-	-	47,128
20,440	-	1,231,475
-	-	2,098
-	4,659	27,699
20,440	4,659	1,757,426
-	-	15,520
6,989	1,632	192,923
-	2,263	458,821
-	-	142,619
1,403	-	162,615
-	-	1,304,733
-	780	68,659
8,392	4,675	2,345,890
12,048	(16)	(588,464)
-	7,500	622,690
74	30	10,353
-	-	165,002
-	-	172,974
-	-	1,515
74	7,530	972,534
12,122	7,514	384,070
62,471	409,423	4,216,281
\$ 74,593	\$ 416,937	\$ 4,600,351

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CASH FLOWS
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018

Exhibit 48

	<u>Component Units</u>
	Economic Development Authority
Cash flows from operating activities:	
Receipts from customers	\$ 5,625
Payments to suppliers	(1,059)
Payments to employees and benefits paid on behalf of employees	(2,263)
Other receipts	4,659
Net cash provided by (used for) operating activities	<u>6,962</u>
Cash flows from noncapital financing activities:	
Operating subsidy from Primary Government	<u>7,500</u>
Cash flows from investing activities:	
Interest income	<u>30</u>
Net increase (decrease) in cash and cash equivalents	14,492
Cash and cash equivalents at beginning of the year	79,591
Cash and cash equivalents at end of year	<u><u>94,083</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	(16)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	780
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	5,625
Increase (decrease) in accounts payable	573
Total adjustments	<u>6,198</u>
Net cash provided by (used for) operating activities	<u><u>\$ 6,962</u></u>

Supporting Schedules

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Schedule 1
Page 1 of 8

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 12,595,519	\$ 12,595,519	\$ 12,711,087	\$ 115,568
Real and personal public service taxes	1,357,698	1,624,698	2,080,596	455,898
Personal property taxes	6,166,190	6,166,190	5,720,871	(445,319)
Machinery and tools taxes	1,993,558	1,993,558	2,326,062	332,504
Penalties - all taxes	290,000	290,000	271,253	(18,747)
Interest - all taxes	320,000	320,000	264,926	(55,074)
Total general property taxes	22,722,965	22,989,965	23,374,795	384,830
Other local taxes:				
Local sales and use taxes	3,528,225	3,528,225	3,746,741	218,516
Consumers' utility and consumption taxes	1,105,000	1,105,000	1,164,856	59,856
Public service corporation license taxes	60,000	60,000	56,257	(3,743)
Communications tax	1,006,779	1,006,779	940,038	(66,741)
Motor vehicle licenses	644,012	644,012	576,225	(67,787)
Bank stock taxes	36,000	36,000	34,880	(1,120)
Taxes on recordation and wills	330,000	330,000	339,444	9,444
Hotel and motel room taxes	595,000	607,934	665,569	57,635
Business, professional and occupational license taxes	55,000	55,000	56,995	1,995
Other local taxes	23,800	23,800	23,030	(770)
Total other local taxes	7,383,816	7,396,750	7,604,035	207,285
Permits, Privilege Fees and Licenses:				
Animal licenses	11,000	11,000	7,841	(3,159)
Building permits	200,000	200,000	221,960	21,960
Health department permits	28,870	28,870	36,990	8,120
Land use application fees	34,050	34,050	40,650	6,600
Zoning permits	22,500	22,500	37,420	14,920
Erosion & sediment control	10,000	10,000	12,288	2,288
Wetlands fees	5,000	5,000	-	(5,000)
Other licenses and permits	11,100	11,100	3,745	(7,355)
Total permits, privilege fees and licenses	322,520	322,520	360,894	38,374
Fines and forfeitures	70,000	70,000	57,413	(12,587)
Revenue from use of money and property:				
From use of money	11,500	11,500	6,520	(4,980)
From use of property	320,511	386,256	355,005	(31,251)
Total revenue from use of money and property	332,011	397,756	361,525	(36,231)
Charges for services:				
General government administration charges	210,633	210,633	243,127	32,494
Judicial administration charges	2,000	2,000	3,052	1,052
Public safety charges	59,655	59,655	165,802	106,147
Public works charges	95,000	95,000	88,274	(6,726)
Total charges for services	367,288	367,288	500,255	132,967
Miscellaneous revenue	-	2,000	101,944	99,944

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from local sources:				
Recovered costs:				
General government administration	\$ 86,100	\$ 87,657	\$ 46,826	\$ (40,831)
Judicial administration	17,846	17,846	19,179	1,333
Public safety	35,288	35,288	22,675	(12,613)
Public works	3,000	154,078	154,078	-
Health and welfare	-	24,524	24,524	-
Nondepartmental (Insurance recoveries)	-	24,076	29,196	5,120
Total recovered costs	142,234	343,469	296,478	(46,991)
Total revenue from local sources	31,340,834	31,889,748	32,657,339	767,591
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	13,500	13,500	35,408	21,908
Rolling stock tax	2,500	2,500	1,997	(503)
Mobile home titling tax	45,000	45,000	54,194	9,194
Tax on deeds (grantor)	78,000	78,000	86,197	8,197
Personal Property Tax Relief Act	2,866,680	2,866,680	2,866,078	(602)
Total noncategorical aid	3,005,680	3,005,680	3,043,874	38,194
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	332,944	341,179	341,179	-
Sheriff	2,517,184	2,607,625	2,607,625	-
Commissioner of the revenue	107,099	109,738	109,738	-
Treasurer	119,484	119,484	121,769	2,285
Registrar / electoral board	42,440	42,440	42,317	(123)
Clerk of circuit court	279,924	300,723	300,723	-
Jail	211,062	211,062	197,360	(13,702)
Total shared expenses	3,610,137	3,732,251	3,720,711	(11,540)
Other categorical aid:				
Litter control	-	19,519	19,519	-
"Four for Life" program	-	67,669	31,851	(35,818)
Juvenile crime control act	36,268	36,268	36,269	1
Victim / witness assistance grant	93,233	26,124	20,983	(5,141)
Community corrections grant	-	92,127	94,876	2,749
State homeland security grants	-	55,890	-	(55,890)
Other	11,000	39,867	11,276	(28,591)
Total other categorical aid	140,501	337,464	214,774	(122,690)
Total revenue from the Commonwealth	6,756,318	7,075,395	6,979,359	(96,036)
Revenue from the Federal Government:				
Payments in lieu of taxes	28,000	28,000	28,330	330

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Federal Government: (continued)				
Noncategorical aid:				
Refuge revenue sharing	\$ 88,000	\$ 88,000	\$ 80,627	\$ (7,373)
Indirect costs	50,000	50,000	58,237	8,237
Total noncategorical aid	138,000	138,000	138,864	864
Categorical aid:				
Summer food service program	-	201,640	66,110	(135,530)
Emergency management assistance	-	7,500	15,000	7,500
Homeland security related grants	-	130,706	192,911	62,205
Selective enforcement grant	-	-	16,089	16,089
Victim / witness assistance grant	-	78,370	39,763	(38,607)
Other	-	7,219	7,091	(128)
Total categorical aid	-	425,435	336,964	(88,471)
Total revenue from the Federal Government	166,000	591,435	504,158	(87,277)
Total General Fund	38,263,152	39,556,578	40,140,856	584,278
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue	-	-	7,580	7,580
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Welfare	1,441,492	1,508,708	980,854	(527,854)
Revenue from the Federal Government:				
Categorical aid:				
Welfare	1,909,423	1,900,554	2,041,455	140,901
Total categorical aid	1,909,423	1,900,554	2,041,455	140,901
Total Virginia Public Assistance Fund	3,350,915	3,409,262	3,029,889	(379,373)
Comprehensive Youth Services Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
From Northampton County	100,274	100,274	153,701	53,427
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act pooled services grants	759,205	759,205	902,608	143,403
Comprehensive Services Act Trust Fund grant	19,621	19,621	24,839	5,218
Total categorical aid from the Commonwealth	778,826	778,826	927,447	148,621
Revenue from the Federal Government:				
Categorical aid:				
Comprehensive Services Act pooled services grants	-	-	7,819	7,819
Total Comprehensive Youth Services Fund	879,100	879,100	1,088,967	209,867

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Law Library Fund:				
Revenue from local sources:				
Other local taxes:				
Taxes on recordation and wills	\$ 7,000	\$ 7,000	\$ 8,005	\$ 1,005
Stormwater Ordinance Fund:				
Revenue from local sources:				
Permits, Privilege Fees and Licenses:				
Stormwater permits	80,903	80,903	11,142	(69,761)
Total Stormwater Ordinance Fund	80,903	80,903	11,142	(69,761)
Drug Seizures Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	7	7
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Drug forfeitures and seizures	-	53,774	55,774	2,000
Revenue from the Federal Government:				
Categorical aid:				
Drug forfeitures and seizures	2,000	2,000	273	(1,727)
Total Drug Seizures Fund	2,000	55,774	56,054	280
Courthouse Security Fund:				
Revenue from local sources:				
Other local taxes:				
Court security fees	80,000	80,000	79,567	(433)
Total Courthouse Security Fund	80,000	80,000	79,567	(433)
Fire Programs Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	6	6
Miscellaneous revenue:				
Contributions	7,000	7,000	7,000	-
From Northampton County	6,700	6,700	6,700	-
Total miscellaneous revenue	13,700	13,700	13,700	-
Total revenue from local sources	13,700	13,700	13,706	6
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Fire programs grant	59,000	136,956	90,786	(46,170)
Total Fire Programs Fund	72,700	150,656	104,492	(46,164)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Rehabilitation Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	\$ -	\$ -	\$ 55	\$ 55
Recovered costs:				
Grant project income	-	-	8,029	8,029
Total revenue from local sources	-	-	8,084	8,084
Revenue from the Commonwealth:				
Categorical Aid:				
Neighborhood planning grants	-	33,000	-	(33,000)
Total Rehabilitation Projects Fund	-	33,000	8,084	(24,916)
Greenbackville - Captain's Cove Mosquito Control Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	52,408	52,408	51,011	(1,397)
Penalties - all taxes	500	500	309	(191)
Interest - all taxes	500	500	262	(238)
Total Greenbackville Mosquito Control Fund	53,408	53,408	51,582	(1,826)
Consolidated Emergency Medical Services Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	3,046,243	3,046,243	3,197,208	150,965
Public service taxes	415,326	415,326	673,509	258,183
Personal property taxes	154,306	154,306	149,020	(5,286)
Machinery and tools taxes	47,069	47,069	52,974	5,905
Penalties - all taxes	28,000	28,000	36,155	8,155
Interest - all taxes	32,000	32,000	36,013	4,013
Total general property taxes	3,722,944	3,722,944	4,144,879	421,935
Total revenue from local sources	3,722,944	3,722,944	4,144,879	421,935
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	64,964	64,964	65,592	628
Categorical Aid:				
Rescue squad assistance fund grant	-	62,040	60,477	(1,563)
Total revenue from the Commonwealth	64,964	127,004	126,069	(935)
Total Consolidated Emergency Medical Services Fund	3,787,908	3,849,948	4,270,948	421,000
Consolidated Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,212,064	1,212,064	1,218,136	6,072
Public service taxes	125,685	125,685	194,609	68,924
Personal property taxes	95,566	95,566	88,793	(6,773)
Machinery and tools taxes	29,324	29,324	33,434	4,110
Penalties - all taxes	12,000	12,000	14,483	2,483
Interest - all taxes	20,000	20,000	15,649	(4,351)
Total revenue from local sources	1,494,639	1,494,639	1,565,104	70,465

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Fund: (continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	\$ 41,188	\$ 41,188	\$ 41,179	\$ (9)
Total Consolidated Fire and Rescue Fund	1,535,827	1,535,827	1,606,283	70,456
Total Special Revenue Funds	9,849,761	10,134,878	10,315,013	180,135
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	-	-	170	170
Miscellaneous Revenue:				
From Eastern Shore Public Library	-	-	229,812	229,812
Total revenue from local sources	-	-	229,982	229,982
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Harbor improvement grants	-	300,000	300,000	-
Playground equipment grant	-	35,000	35,000	-
Total revenue from the Commonwealth	-	335,000	335,000	-
Total County Capital Projects Fund	-	335,000	564,982	229,982
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	3,325,317	3,325,317	2,990,113	(335,204)
Public service taxes	340,318	340,318	480,715	140,397
Personal property taxes	197,930	197,930	180,333	(17,597)
Machinery and tools taxes	58,447	58,447	66,856	8,409
Penalties - all taxes	42,000	42,000	36,785	(5,215)
Interest - all taxes	50,000	50,000	44,423	(5,577)
Total revenue from local sources	4,014,012	4,014,012	3,799,225	(214,787)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	82,376	82,376	82,359	(17)
Total County Debt Service Fund	4,096,388	4,096,388	3,881,584	(214,804)
Total revenue-Primary Government	52,209,301	54,122,844	54,902,435	779,591

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	\$ 28,706	\$ 28,706	\$ 29,236	\$ 530
Medicaid	-	954,743	872,703	(82,040)
Health services	100,000	100,000	-	(100,000)
Total charges for services	128,706	1,083,449	901,939	(181,510)
Miscellaneous revenue:				
Donations	-	-	2,500	2,500
Miscellaneous	40,070	492,106	477,874	(14,232)
Total miscellaneous revenue	40,070	492,106	480,374	(11,732)
Recovered costs:				
Dual enrollment	65,000	65,000	-	(65,000)
Miscellaneous	179,000	179,000	329,200	150,200
Total recovered costs	244,000	244,000	329,200	85,200
Revenue from local government:				
Contribution from Accomack County, Virginia	17,301,627	17,301,627	16,370,471	(931,156)
Total revenue from local sources	17,714,403	19,121,182	18,081,984	(1,039,198)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Sales tax contribution	4,975,979	4,981,967	5,013,848	31,881
Basic school aid	15,625,180	15,674,796	15,640,752	(34,044)
Education of the gifted	160,181	160,743	160,743	-
Remedial education	1,061,232	1,095,544	1,095,544	-
Special education	1,909,096	1,915,793	1,915,793	-
School breakfast	358,871	360,130	360,130	-
Vocational education	457,660	459,265	459,265	-
Social Security	993,776	997,262	997,262	-
Retirement	2,278,493	2,286,486	2,373,711	87,225
Group life insurance	68,649	68,890	68,890	-
Governor's School	7,101	7,101	7,101	-
Special Education - homebound	25,084	15,484	15,483	(1)
Special Education - private tuition	12,434	37,479	12,449	(25,030)
Vocational education-equipment	-	-	14,763	14,763
Vocational education-occupational	71,722	71,722	47,991	(23,731)
Industry based certification	5,000	5,000	5,710	710
Salary supplement	160,270	160,510	160,510	-
At risk	1,258,054	1,262,846	1,289,065	26,219
Trans courses	15,717	15,717	16,587	870
Four year old preschool program	487,242	500,566	500,566	-
Mentor teacher program	9,478	4,757	4,757	-
English as a second language	562,141	518,010	538,718	20,708
K-3 initiative	-	-	848,022	848,022
Lottery	858,048	1,744,120	900,062	(844,058)
Educational technology grant	-	644,634	653,221	8,587
Reading intervention	125,952	130,222	250,074	119,852
Career prep academy	-	92,352	-	(92,352)
SOL algebra readiness	-	107,831	107,831	-
Other	-	8,921	10,245	1,324
Total revenue from the Commonwealth	31,487,360	33,328,148	33,469,093	140,945

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
School Operating Fund: (continued)				
Revenue from the Federal Government:				
Categorical aid:				
Vocational Education	\$ 182,730	\$ 182,730	\$ 127,949	\$ (54,781)
Title I-Migrant education	-	2,371,609	2,160,889	(210,720)
Title I-School improvement	-	290,804	272,589	(18,215)
Title II	-	263,725	249,414	(14,311)
Title III	-	89,844	77,971	(11,873)
Title IV	-	48,067	43,015	(5,052)
Title VI	-	88,279	122,648	34,369
Title VI-B Special Education	-	1,060,343	1,038,485	(21,858)
Total revenue from the Federal Government	182,730	4,395,401	4,092,960	(302,441)
Total School Operating Fund	49,384,493	56,844,731	55,644,037	(1,200,694)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	1,200	1,200	5,964	4,764
Charges for services:				
Meal charges	421,000	421,000	397,638	(23,362)
Total revenue from local sources	422,200	422,200	403,602	(18,598)
Revenue from the Commonwealth:				
Categorical aid:				
School food payments	55,881	55,881	47,166	(8,715)
Revenue from the Federal Government:				
Categorical aid:				
School food payments	2,379,919	2,379,919	1,981,083	(398,836)
Total School Cafeteria Fund	2,858,000	2,858,000	2,431,851	(426,149)
Total Special Revenue Funds	2,858,000	2,858,000	2,431,851	(426,149)
Capital Projects Fund:				
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	-	-	2	2
Revenue from local government:				
Contribution from Accomack County	-	-	459,875	459,875
Total School Capital Projects Fund	-	-	459,877	459,877
Total revenue-School Board Component Unit	52,242,493	59,702,731	58,535,765	(1,166,966)
Grand total revenue-Primary Government and School Board Component Unit	\$ 104,451,794	\$ 113,825,575	\$ 113,438,200	\$ (387,375)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 149,216	\$ 149,216	\$ 131,037	\$ 18,179
General and financial administration:				
County administrator	505,267	494,468	402,447	92,021
Human Resources	240,713	245,704	240,571	5,133
Legal services	213,482	217,482	220,063	(2,581)
Commissioner of the revenue	308,650	311,289	309,957	1,332
County assessor	596,134	596,134	498,223	97,911
Treasurer	549,224	550,781	500,982	49,799
Finance	549,973	554,042	474,070	79,972
Information technology	962,175	1,078,151	993,234	84,917
Risk management	284,054	308,054	306,546	1,508
Total general and financial administration	4,209,672	4,356,105	3,946,093	410,012
Board of elections:				
Electoral board	48,628	48,628	45,944	2,684
Registrar	154,230	154,230	145,625	8,605
Total board of elections	202,858	202,858	191,569	11,289
Total general government administration	4,561,746	4,708,179	4,268,699	439,480
Judicial administration:				
Courts:				
Circuit court	86,009	86,009	74,007	12,002
General district court	11,471	11,471	10,047	1,424
Chief magistrate	16,938	16,938	6,499	10,439
Juvenile and domestic relations court	13,650	13,650	5,355	8,295
Clerk of the circuit court	443,870	464,669	453,619	11,050
Sheriff court services	489,481	425,267	425,267	-
Commissioner of accounts	214	214	-	214
Victim and witness assistance	93,237	104,498	88,640	15,858
Total courts	1,154,870	1,122,716	1,063,434	59,282
Commonwealth's attorney	392,044	400,279	399,545	734
Total judicial administration	1,546,914	1,522,995	1,462,979	60,016
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,262,832	2,635,332	2,628,244	7,088
Fire and rescue services:				
Volunteer fire and rescue	265,110	265,110	203,208	61,902
Emergency medical services	275,287	342,956	303,978	38,978
Payments to 911 commission	581,152	594,152	569,651	24,501
Total fire and rescue services	1,121,549	1,202,218	1,076,837	125,381
Correction and detention:				
Jail	2,190,769	1,982,769	1,976,717	6,052
Juvenile probation	125,043	125,043	120,965	4,078
Community correction	-	92,127	92,127	-
Total correction and detention	2,315,812	2,199,939	2,189,809	10,130

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (Continued)

Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Public safety: (continued)				
Other protection:				
Building and zoning	\$ 428,041	\$ 439,828	\$ 332,886	\$ 106,942
Ordinance Enforcement	65,276	65,276	54,035	11,241
Animal control	114,851	100,387	98,445	1,942
Regional animal control facility	105,879	105,879	75,459	30,420
S.P.C.A. supplement	5,921	6,288	6,307	(19)
Emergency management	116,467	317,218	262,136	55,082
Medical examiner	5,000	5,000	420	4,580
E.S. Coalition Against Domestic Violence supplement	20,000	20,000	20,000	-
Cleanup/disposal of hazardous materials	7,000	35,510	22,621	12,889
Total other protection	868,435	1,095,386	872,309	223,077
Total public safety	6,568,628	7,132,875	6,767,199	365,676
Public works:				
Maintenance of streets, bridges and sidewalks:				
Storm drainage	188,837	488,274	162,304	325,970
Street paving	-	207,500	205,452	2,048
Total maintenance of streets, bridges and sidewalks	188,837	695,774	367,756	328,018
Sanitation and waste removal:				
General operations	209,353	213,934	241,384	(27,450)
Refuse disposal	1,000,000	1,000,000	961,408	38,592
Refuse collection	601,304	601,304	631,578	(30,274)
Maintenance garage	235,000	386,078	360,980	25,098
Litter control	370,427	391,946	327,037	64,909
Total sanitation and waste removal	2,416,084	2,593,262	2,522,387	70,875
Maintenance of buildings and grounds:				
Buildings and grounds	1,053,652	1,139,272	1,072,875	66,397
Total public works	3,658,573	4,428,308	3,963,018	465,290
Health and welfare:				
Health:				
Local health department supplement	562,204	586,903	586,903	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	593,175	617,874	617,874	-
Mental health and mental retardation:				
Community services board supplement	178,286	178,286	178,286	-
Welfare:				
Property tax relief for seniors, disabled and veterans	144,525	144,525	141,722	2,803
Area agency on aging supplement	23,430	23,430	23,430	-
Total welfare	167,955	167,955	165,152	2,803
Total health and welfare	939,416	964,115	961,312	2,803
Education:				
Contribution to School Board component unit	17,301,627	17,301,627	16,370,471	931,156
Community College supplement	41,028	41,028	41,028	-
Total education	17,342,655	17,342,655	16,411,499	931,156

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (Continued)

Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 345,697	\$ 365,197	\$ 373,563	\$ (8,366)
Summer food program	-	228,528	86,890	141,638
Boating facilities	49,818	99,718	30,683	69,035
Total parks and recreation	395,515	693,443	491,136	202,307
Cultural enrichment:				
Translator television	74,457	149,457	54,814	94,643
Contribution to Public Library component unit	389,707	389,707	389,707	-
Total cultural enrichment	464,164	539,164	444,521	94,643
Total parks, recreation and cultural	859,679	1,232,607	935,657	296,950
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	70,703	70,703	70,703	-
E.S. of VA Housing Alliance supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	7,500	7,500	-
Erosion and sediment	80,628	99,547	106,528	(6,981)
Planning	417,999	507,054	355,135	151,919
Enterprise Zone incentives	-	25,000	7,852	17,148
Tourism Commission supplement	86,853	99,787	99,787	-
Wallops Research Park	195,245	195,245	166,426	28,819
Star Transit public transportation supplement	176,800	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	18,666	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	1,068,216	1,214,124	1,023,219	190,905
Environmental management:				
Johnsongrass/gypsy moth control program	12,277	12,277	6,063	6,214
Soil and Water Conservation District supplement	21,154	21,154	10,577	10,577
Contribution to Planning Dist. Commission component unit	27,221	27,221	27,221	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	70,651	70,651	53,860	16,791
Cooperative extension program	93,593	93,593	74,989	18,604
Total community development	1,232,460	1,378,368	1,152,068	226,300
Nondepartmental:				
Contingency	264,080	11,450	-	11,450
Total nondepartmental	264,080	11,450	-	11,450
Debt service:				
Principal	170,500	170,500	170,500	-
Interest and fiscal charges	78,806	78,806	74,272	4,534
Total debt service	249,306	249,306	244,772	4,534
Total General Fund	37,223,457	38,970,858	36,167,203	2,803,655

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (Continued)

Schedule 2
Page 4 of 7

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare/social services:				
Welfare administration	\$ 3,180,868	\$ 3,286,998	\$ 3,101,432	\$ 185,566
Public assistance	675,265	669,562	445,352	224,210
Fuel administration	39,057	39,057	-	39,057
Local only administration	79,731	193,144	161,528	31,616
CSA coordinator	-	30,000	-	30,000
Pass-through	150,293	-	-	-
Total welfare/social services	4,125,214	4,218,761	3,708,312	510,449
Comprehensive Youth Services Fund:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families	1,132,016	1,132,016	1,286,055	(154,039)
Total welfare	1,132,016	1,132,016	1,286,055	(154,039)
Law Library Fund:				
Judicial administration:				
Courts:				
Law library books	7,000	53,321	2,213	51,108
Stormwater Ordinance Fund:				
Community development:				
Environmental management:				
Stormwater ordinance	178,589	160,842	165,454	(4,612)
Drug Seizures Fund:				
Judicial administration:				
Commonwealth's attorney	-	46,297	4,819	41,478
Public safety:				
Law enforcement and traffic control:				
Sheriff	2,000	29,267	23,194	6,073
Total drug seizures fund	2,000	75,564	28,013	47,551
Fire Programs Fund:				
Public safety:				
Fire and rescue services:				
Payments to fire companies	30,000	30,000	30,000	-
Fire training center and other	58,700	169,519	84,710	84,809
Total fire and rescue services	88,700	199,519	114,710	84,809
Rehabilitation Projects Fund:				
Community development:				
Planning and community development:				
CDBG program income costs	-	-	949	(949)
CDBG Neighborhood grants	-	33,000	-	33,000
Total planning and community development	-	33,000	949	32,051
Captains Cove/Greenbackville Mosquito Control				
Health and welfare:				
Health:				
Contribution to mosquito control commission	53,408	60,317	44,206	16,111
Consolidated Emergency Medical Services:				
Public safety:				
Fire and Rescue Services:				
Emergency Medical Services	3,549,479	3,611,519	3,406,554	204,965

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (Continued)

Schedule 2
Page 5 of 7

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Services:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	\$ 1,535,827	\$ 1,887,422	\$ 1,322,391	\$ 565,031
Courthouse Security Fund:				
Judicial administration:				
Courts:				
Court security	80,000	107,866	97,606	10,260
Total Special Revenue Funds	10,752,233	11,540,147	10,176,463	1,363,684
Capital Project Funds:				
County Capital Projects Fund:				
General government administration:				
Records management system implementation	-	50,000	-	50,000
VOIP telephone system	-	23,080	9,393	13,687
Total general government administration	-	73,080	9,393	63,687
Public safety:				
Building permit software	80,000	80,000	-	80,000
Jail and Sheriff's roof	250,000	250,000	-	250,000
Sheriff's office application, support and IT equipment	192,500	233,000	-	233,000
Total public safety	522,500	563,000	-	563,000
Public works:				
Convenience center improvements	230,000	260,000	12,895	247,105
Heavy equipment	488,000	488,000	293,359	194,641
Building improvements	1,019,000	2,887,695	2,006,449	881,246
Sheriff's office emergency generator	-	57,000	57,000	-
Total public works	1,737,000	3,692,695	2,369,703	1,322,992
Education:				
Contribution to School Board Component Unit	-	-	459,875	(459,875)
Parks, recreation and cultural				
Old NASA Ferry dock improvements	-	207,000	631	206,369
Quinby and Greenbackville Harbor improvements	140,000	477,713	359,435	118,278
Central Park phase 2	-	539,896	521,364	18,532
Regional Library project	-	-	229,812	(229,812)
Wallops Research Park construction	-	48,978	38,778	10,200
Hammocks boating facilities	-	100,000	8,289	91,711
Total parks, recreation and cultural	140,000	1,373,587	1,158,309	215,278
Community development:				
Derelict building removal program	-	150,000	92,730	57,270
Solar energy facility	-	100,000	100,000	-
Total community development	-	250,000	192,730	57,270
Total County capital projects fund	2,399,500	5,952,362	4,190,010	1,762,352
Debt Service Funds:				
County Debt Service Fund:				
Debt Service:				
Principal	3,315,153	3,315,153	3,315,153	-
Interest and fiscal charges	1,167,190	1,167,190	1,165,554	1,636
Total County Debt Service Fund	4,482,343	4,482,343	4,480,707	1,636
Total expenditures-Primary Government	54,857,533	60,945,710	55,014,383	5,931,327

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (Continued)

Schedule 2
Page 6 of 7

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
School Operating Fund:				
Education:				
Instruction Costs:				
Classroom instruction	\$ 29,082,628	\$ 32,994,761	\$ 32,361,219	\$ 633,542
Guidance services	1,170,107	1,145,107	1,241,387	(96,280)
Homebound instruction	63,750	63,750	48,646	15,104
Improvement of instruction	1,043,702	1,735,272	1,933,766	(198,494)
Media services	813,500	795,500	796,992	(1,492)
Office of the principal	3,543,500	3,546,800	3,479,617	67,183
Total instruction costs	35,717,187	40,281,190	39,861,627	419,563
Administration of schools:				
Board services	56,743	39,293	41,006	(1,713)
Executive administration services	418,089	374,789	391,151	(16,362)
Personnel services	252,033	266,033	264,267	1,766
Fiscal services	454,447	443,497	427,807	15,690
Total administration of schools	1,181,312	1,123,612	1,124,231	(619)
Attendance and health services:				
Attendance services	100,094	97,544	96,893	651
Health services	681,128	653,622	679,104	(25,482)
Psychological services	307,000	305,100	293,340	11,760
Speech/audiology services	448,750	451,475	451,789	(314)
Total attendance and health services	1,536,972	1,507,741	1,521,126	(13,385)
Operation and maintenance services:				
Management and direction	219,827	219,827	213,187	6,640
Building services	4,887,306	7,692,503	7,313,357	379,146
Grounds services	199,852	1,419,962	1,068,664	351,298
Vehicle services (other than pupil transportation)	60,075	60,075	76,167	(16,092)
Building replacement	-	423,474	330,446	93,028
Total operation and maintenance services	5,367,060	9,815,841	9,001,821	814,020
Pupil transportation services:				
Management and direction	158,892	522,361	159,289	363,072
Vehicle operation services	2,700,662	2,873,766	3,451,793	(578,027)
Vehicle maintenance services	488,550	534,153	601,793	(67,640)
Total pupil transportation services	3,348,104	3,930,280	4,212,875	(282,595)
Food Services:				
Food services	1,300	7,600	7,318	282
Technology services:				
Classroom instruction	1,473,469	3,239,795	2,817,672	422,123
Instructional support	731,839	922,839	996,308	(73,469)
Administration	22,500	32,500	46,168	(13,668)
Pupil transportation	1,250	1,250	5,164	(3,914)
Attendance and health	3,500	173,300	12,316	160,984
Operations and maintenance	-	70,000	158,369	(88,369)
Total technology services	2,232,558	4,439,684	4,035,997	403,687
Total school operating fund	49,384,493	61,105,948	59,764,995	1,340,953

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018 (Continued)

Schedule 2
Page 7 of 7

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
School Cafeteria Fund:				
Education:				
School Food Services:				
Operating costs	\$ 2,858,000	\$ 2,858,000	\$ 3,130,488	\$ (272,488)
School Capital Projects Fund:				
Education:				
Capital outlay:				
School construction/renovation	-	-	459,875	(459,875)
Total expenditures-School Board Component Unit	52,242,493	63,963,948	63,355,358	608,590
Grand total expenditures-Primary Government and School Board Component Unit	\$ 107,100,026	\$ 124,909,658	\$ 118,369,741	\$ 6,539,917

Statistical Section



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Statistical Section

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Financial Trends These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	220
Revenue Capacity These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	224
Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future. Note that no legal debt margin information is presented as the Code of Virginia only sets legal debt limits for towns and cities. Counties have no legal debt limit imposed by law. Also note that pledged revenue information is not presented as the County has not issued any revenue backed debt.	231
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	233
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.	235

Sources: Unless otherwise noted, the information in these schedules is derived from comprehensive annual financial reports for the relevant year.

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

Table 1

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Net investment in capital assets	\$ 4,553,418	\$ 3,495,270	\$ 2,465,664	\$ 2,537,440	\$ 3,943,220	\$ 6,875,692	\$12,266,262	\$13,323,383	\$13,614,036	\$14,908,428
Restricted	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003	3,090,508	3,263,176
Unrestricted	5,749,276	11,496,365	15,554,168	16,447,789	15,455,876	14,182,780	12,746,931	14,877,956	15,740,171	16,980,146
Total governmental activities net position	<u>\$11,664,822</u>	<u>\$15,851,376</u>	<u>\$19,409,351</u>	<u>\$20,322,412</u>	<u>\$20,500,822</u>	<u>\$23,485,088</u>	<u>\$27,487,148</u>	<u>\$31,058,342</u>	<u>\$32,444,715</u>	<u>\$35,151,750</u>
Business-type activities:										
Net investment in capital assets	\$ 2,960,129	\$ 2,441,845	\$ 2,108,712	\$ 1,542,541	\$ 5,334,897	\$ 6,902,698	\$ 7,817,113	\$ 8,016,703	\$10,949,377	\$11,015,840
Unrestricted	(3,218,137)	(2,832,415)	(2,436,917)	(1,696,621)	(1,164,425)	(1,713,962)	(2,054,143)	(2,043,261)	(5,228,893)	(5,408,946)
Total business-type activities net position	<u>\$ (258,008)</u>	<u>\$ (390,570)</u>	<u>\$ (328,205)</u>	<u>\$ (154,080)</u>	<u>\$ 4,170,472</u>	<u>\$ 5,188,736</u>	<u>\$ 5,762,970</u>	<u>\$ 5,973,442</u>	<u>\$ 5,720,484</u>	<u>\$ 5,606,894</u>
Primary government:										
Net investment in capital assets	\$ 7,513,547	\$ 5,937,115	\$ 4,574,376	\$ 4,079,981	\$ 9,278,117	\$13,778,390	\$20,083,375	\$21,340,086	\$24,563,413	\$25,924,268
Restricted	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003	3,090,508	3,263,176
Unrestricted	2,531,139	8,663,950	13,117,251	14,751,168	14,291,451	12,468,818	10,692,788	12,834,695	10,511,278	11,571,200
Total primary government net position	<u>\$11,406,814</u>	<u>\$15,460,806</u>	<u>\$19,081,146</u>	<u>\$20,168,332</u>	<u>\$24,671,294</u>	<u>\$28,673,824</u>	<u>\$33,250,118</u>	<u>\$37,031,784</u>	<u>\$38,165,199</u>	<u>\$40,758,644</u>

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

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

Table 2
Page 1 of 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary Government:										
Expenses										
Governmental activities:										
General government administration	\$ 3,384,895	\$ 3,442,672	\$ 3,176,953	\$ 3,339,183	\$ 3,585,175	\$ 3,498,049	\$ 3,530,381	\$ 4,213,237	\$ 4,176,949	\$ 4,235,991
Judicial administration	1,611,685	1,513,759	1,541,877	1,442,643	1,573,104	1,557,904	1,523,767	1,626,300	1,698,149	1,524,872
Public safety	9,328,794	8,958,985	8,982,920	9,141,427	10,579,063	10,083,890	10,051,732	10,799,876	12,137,511	11,411,784
Public works	3,390,696	3,416,523	3,303,409	3,382,833	3,721,236	3,586,061	3,879,310	4,046,470	4,295,837	4,434,819
Health and welfare	8,145,021	7,491,729	5,652,391	5,681,716	5,839,666	5,719,077	5,899,788	5,961,155	6,163,082	5,945,902
Education	17,749,642	17,431,304	18,095,238	18,511,045	18,475,654	18,708,789	19,091,856	19,185,216	19,514,650	19,334,027
Parks, recreation and cultural	889,457	901,358	1,038,188	1,037,589	1,014,589	961,633	894,436	1,048,256	1,271,895	1,239,140
Community development	3,405,964	1,832,561	1,657,666	4,106,234	1,430,468	1,599,584	1,577,928	2,002,473	1,877,300	1,884,504
Interest on long-term debt	2,218,681	2,178,880	2,042,318	1,927,969	1,700,378	1,761,930	1,539,381	1,469,186	1,337,937	1,134,137
Total governmental activities expenses	50,124,835	47,167,771	45,490,960	48,570,639	47,919,333	47,476,917	47,988,579	50,352,169	52,473,310	51,145,176
Business-type activities:										
Landfill	2,409,034	3,006,263	2,522,546	2,783,554	2,126,739	2,579,104	2,951,816	2,548,558	3,401,827	3,569,289
Airport	-	-	-	-	375,864	825,992	731,287	670,222	700,391	691,014
Water and Sewer	63,189	246,816	236,253	126,703	153,116	596,534	243,334	203,169	314,703	504,664
Parks and recreation expenses	66,903	74,618	76,628	64,896	81,476	56,470	48,959	69,436	54,955	39,181
Total business-type activities expenses	2,539,126	3,327,697	2,835,427	2,975,153	2,737,195	4,058,100	3,975,396	3,491,385	4,471,876	4,804,148
Total primary government expenses	52,663,961	50,495,468	48,326,387	51,545,792	50,656,528	51,535,017	51,963,975	53,843,554	56,945,186	55,949,324
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	317,584	304,994	363,578	294,422	303,205	455,246	429,272	464,325	396,076	340,487
Judicial administration	105,652	99,318	95,242	96,434	94,495	100,293	89,168	76,993	108,135	81,468
Public safety	561,323	650,444	431,555	603,751	601,672	417,064	452,767	470,058	508,284	490,759
Public works	112,334	129,267	115,016	129,728	157,961	248,997	207,649	330,896	269,613	242,352
Health and welfare	345,336	308,474	339,200	313,962	296,399	300,016	433,837	406,018	398,651	455,688
Parks, recreation and cultural	84,709	81,704	283,305	93,772	96,514	227,902	72,419	63,915	72,873	72,873
Community development	121,442	188,553	57,156	77,943	64,579	66,137	129,832	201,284	120,274	33,380
Operating grants and contributions	12,240,597	10,180,279	8,437,999	7,655,170	8,116,557	9,481,299	8,288,541	8,838,571	8,929,145	8,437,334
Capital grants and contributions	-	398,973	160,367	2,965,210	271,414	785,074	4,143,748	91,253	39,520	335,000
Total governmental activities program revenues	13,888,977	12,342,006	10,283,418	12,230,392	10,002,796	12,082,028	14,247,233	10,943,313	10,842,571	10,489,341
Business-type activities:										
Charges for services:										
Landfill	2,687,525	2,719,422	2,587,858	2,556,568	2,764,529	2,423,020	2,832,220	2,944,380	3,209,523	2,892,852
Airport	-	-	-	-	143,170	319,374	288,003	242,236	253,556	295,816
Water and Sewer	47,751	194,458	223,069	203,836	218,395	215,641	270,507	200,897	217,078	278,763
Parks and recreation	62,611	62,750	52,753	61,826	55,165	63,196	53,942	49,740	53,444	38,385
Operating grants and contributions - Airport	-	-	-	-	14,652	149,934	20,108	52,142	33,597	28,595
Capital grants and contributions - Airport	-	-	-	-	-	-	1,048,914	-	47,703	451,081
Total business-type activities program revenues	2,797,887	2,976,630	2,863,680	2,822,230	3,195,911	3,171,165	4,513,694	3,489,395	3,814,901	3,985,492
Total primary government program revenues	16,686,864	15,318,636	13,147,098	15,052,622	13,198,707	15,253,193	18,760,927	14,432,708	14,657,472	14,474,833

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

Table 2
Page 2 of 2

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary Government:										
Net (Expense)/Revenue¹										
Governmental activities	(36,235,858)	(34,825,765)	(35,207,542)	(36,340,247)	(37,916,537)	(35,394,889)	(33,741,346)	(39,408,856)	(41,630,739)	(40,655,835)
Business-type activities	(376,353)	(351,067)	28,253	(152,923)	458,716	(886,935)	538,298	(1,990)	(656,975)	(818,656)
Total primary government net expense	(36,612,211)	(35,176,832)	(35,179,289)	(36,493,170)	(37,457,821)	(36,281,824)	(33,203,048)	(39,410,846)	(42,287,714)	(41,474,491)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes:										
General property taxes	21,354,527	23,360,447	29,221,909	27,583,562	28,500,128	28,872,306	29,258,518	31,940,238	32,114,931	33,963,969
Local sales and use taxes	2,966,467	2,998,382	2,863,318	3,623,339	3,618,865	3,358,791	3,579,831	3,583,326	3,659,682	3,746,741
Consumer utility taxes	916,728	941,541	1,043,339	986,409	1,089,368	1,005,667	1,144,722	1,069,085	1,105,834	1,164,856
Communication taxes	1,077,981	1,012,995	987,303	1,087,470	1,052,114	1,034,212	1,025,176	994,827	970,374	940,038
Other local taxes	1,762,776	1,664,831	1,291,448	1,591,001	1,592,735	1,775,122	1,779,509	1,836,328	1,866,503	1,839,972
Grants and contributions not restricted to specific programs	3,531,512	3,454,660	3,349,305	3,320,843	3,319,642	3,365,464	3,368,175	3,367,776	3,423,576	3,400,198
Investment earnings	253,241	80,515	8,272	1,967	10,954	22,857	13,120	9,583	8,463	46,368
Other revenue	71,468	536,582	368,768	596,723	189,259	845,326	291,288	378,396	61,481	329,248
Transfers	(152,773)	32,885	(121,343)	(25,800)	(1,134,135)	(1,900,590)	(164,935)	(199,509)	(193,732)	(758,393)
Total governmental activities	31,781,927	34,082,838	39,012,319	38,765,514	38,238,930	38,379,155	40,295,404	42,980,050	43,017,112	44,672,997
Business-type activities:										
Investment earnings	105,506	37,129	7,047	8,312	9,985	4,311	3,446	11,347	20,285	11,662
Gain on sale of capital assets	-	-	90,115	-	-	-	-	1,533	190,000	-
Other revenue	-	151,865	-	-	2,770,557	298	3,457	73	-	-
Transfers	152,773	(32,885)	121,343	25,800	1,134,135	1,900,590	164,937	199,509	193,732	758,393
Total business-type activities	258,279	156,109	218,505	34,112	3,914,677	1,905,199	171,840	212,462	404,017	770,055
Total primary government	32,040,206	34,238,947	39,230,824	38,799,626	42,153,607	40,284,354	40,467,244	43,192,512	43,421,129	45,443,052
Change in Net Position										
Governmental activities	(4,453,931)	(742,927)	3,804,777	2,425,267	322,393	2,984,266	6,554,058	3,571,194	1,386,373	4,017,162
Business-type activities	(118,074)	(194,958)	246,758	(118,811)	4,373,393	1,018,264	710,138	210,472	(252,958)	(48,601)
Total primary government	<u>\$ (4,572,005)</u>	<u>\$ (937,885)</u>	<u>\$ 4,051,535</u>	<u>\$ 2,306,456</u>	<u>\$ 4,695,786</u>	<u>\$ 4,002,530</u>	<u>\$ 7,264,196</u>	<u>\$ 3,781,666</u>	<u>\$ 1,133,415</u>	<u>\$ 3,968,561</u>

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

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

Table 3

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Nonspendable	\$ 129,700	\$ 129,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700
Restricted	251,251	3,265	5,792	9,603	24,890	30,326	31,047	32,053	32,053	33,123
Committed	1,894,000	3,964,000	4,695,521	6,100,065	6,860,389	7,632,118	8,415,423	9,210,477	10,017,457	10,836,542
Assigned	575,043	982,567	3,113,920	5,663,962	5,077,891	3,376,508	3,093,131	3,221,067	4,505,194	6,268,339
Unassigned	1,307,812	2,751,457	4,093,028	2,066,357	1,862,007	1,680,028	1,426,505	1,804,578	2,312,267	1,253,151
Total general fund	<u>4,157,806</u>	<u>7,830,989</u>	<u>12,012,961</u>	<u>13,944,687</u>	<u>13,929,877</u>	<u>12,823,680</u>	<u>13,070,806</u>	<u>14,372,875</u>	<u>16,971,671</u>	<u>18,495,855</u>
All Other Governmental Funds:										
Restricted	3,147,073	3,264,378	2,732,804	2,792,758	2,485,291	5,475,920	3,032,136	2,824,950	3,058,455	3,230,053
Assigned	121,865	101,786	445,376	83,910	17,810	874,755	1,034,644	5,050,567	3,305,886	739,763
Total other governmental funds	<u>3,268,938</u>	<u>3,366,164</u>	<u>3,178,180</u>	<u>2,876,668</u>	<u>2,503,101</u>	<u>6,350,675</u>	<u>4,066,780</u>	<u>7,875,517</u>	<u>6,364,341</u>	<u>3,969,816</u>
Total governmental funds	<u>\$ 7,426,744</u>	<u>\$11,197,153</u>	<u>\$15,191,141</u>	<u>\$16,821,355</u>	<u>\$16,432,978</u>	<u>\$19,174,355</u>	<u>\$17,137,586</u>	<u>\$22,248,392</u>	<u>\$23,336,012</u>	<u>\$22,465,671</u>

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

Table 4

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
General property taxes	\$23,190,998	\$28,520,895	\$28,064,416	\$27,099,918	\$28,514,924	\$29,203,123	\$29,317,410	\$32,205,174	\$32,945,616	\$28,790,706
Other local taxes	6,617,749	6,185,408	6,946,687	6,999,466	7,353,082	7,173,792	7,529,238	7,483,566	7,602,393	7,691,607
Permits, fees and licenses	441,802	443,079	330,675	292,070	345,459	429,010	474,442	463,126	364,692	372,036
Fines and forfeitures	66,245	74,527	75,136	74,866	71,617	76,395	65,622	54,318	84,220	57,413
Revenue from the use of money and property	441,458	344,055	340,938	355,759	361,817	368,898	339,413	327,381	336,728	361,763
Charges for services	490,462	435,862	384,621	411,358	410,393	450,270	406,926	509,555	440,922	500,255
Miscellaneous	923,529	756,411	791,820	254,129	349,418	973,391	381,084	474,631	189,950	4,651,616
Recovered costs	194,925	234,332	487,134	471,604	404,211	482,952	354,927	530,191	513,209	304,507
Intergovernmental	15,465,434	13,684,196	11,772,915	13,809,384	11,547,042	13,491,118	15,800,464	12,297,600	12,392,241	12,172,532
Total revenues	47,832,602	50,678,765	49,194,342	49,768,554	49,357,963	52,648,949	54,669,526	54,345,542	54,869,971	54,902,435
Expenditures										
General government administration	3,231,156	3,529,339	3,027,586	3,233,212	3,446,289	3,624,767	3,784,605	4,290,115	3,975,056	4,278,092
Judicial administration	1,524,039	1,379,897	1,433,434	1,335,238	1,450,005	1,511,769	1,487,014	1,600,418	1,541,907	1,567,617
Public safety	8,931,578	8,759,597	8,826,388	8,875,289	10,984,465	11,672,064	10,510,653	11,183,476	11,817,851	11,634,048
Public works	3,875,609	3,257,691	3,758,181	3,395,947	3,834,542	3,893,852	4,212,124	4,557,952	5,151,776	6,332,721
Health and welfare	7,917,925	7,315,878	5,490,104	5,483,394	5,571,278	5,730,164	5,907,665	6,053,390	5,881,513	5,999,885
Education	15,124,559	14,853,300	15,583,300	16,035,534	16,035,534	16,304,689	16,709,372	16,820,374	17,150,107	16,871,374
Parks, recreation and cultural	882,326	1,229,808	1,001,101	1,273,121	885,719	1,486,121	1,425,756	1,046,266	1,074,410	2,093,966
Community development	3,337,174	1,724,416	1,565,892	4,046,635	1,526,050	2,872,289	7,558,117	2,628,054	1,678,827	1,511,201
Debt service:										
Principal	2,616,138	2,357,292	2,395,373	2,469,866	3,119,689	3,304,267	3,343,822	3,676,217	3,910,930	3,485,653
Interest	2,269,556	2,290,587	2,093,191	2,012,299	1,758,634	1,709,446	1,602,232	1,528,965	1,406,242	1,239,826
Total expenditures	49,710,060	46,697,805	45,174,550	48,160,535	48,612,205	52,109,428	56,541,360	53,385,227	53,588,619	55,014,383
Excess of revenues over (under) expenditures	(1,877,458)	3,980,960	4,019,792	1,608,019	745,758	539,521	(1,871,834)	960,315	1,281,352	(111,948)
Other Financing Sources (Uses)										
Issuance of debt (includes premiums/discounts)	-	4,314,000	-	4,263,000	-	10,904,973	-	4,350,000	-	-
Payments to refunded bond escrow agents	-	(4,403,208)	-	(4,263,000)	-	(6,802,527)	-	-	-	-
Transfers in	3,327,871	2,753,223	1,091,580	1,324,601	1,351,662	2,032,221	2,104,275	1,727,343	2,427,762	1,948,596
Transfers out	(3,294,987)	(2,874,566)	(1,117,380)	(1,643,941)	(2,485,797)	(3,932,811)	(2,269,210)	(1,926,852)	(2,621,494)	(2,706,989)
Total other financing sources (uses)	32,884	(210,551)	(25,800)	(319,340)	(1,134,135)	2,201,856	(164,935)	4,150,491	(193,732)	(758,393)
Net change in fund balances	\$ (1,844,574)	\$ 3,770,409	\$ 3,993,992	\$ 1,288,679	\$ (388,377)	\$ 2,741,377	\$ (2,036,769)	\$ 5,110,806	\$ 1,087,620	\$ (870,341)
Debt service as a % of noncapital expenditures	10.0%	10.2%	10.3%	9.5%	10.4%	10.4%	10.2%	10.2%	10.3%	9.3%

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

Table 5A

Fiscal Year Ending June 30,	Residential Property	Commercial Property	Agricultural Property	Less Land Use Value Reduction	Total Taxable Assessed Value	Total Direct Real Property Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2009	3,375,157,810	527,353,676	660,766,200	292,741,800	4,270,535,886	0.450	4,563,277,686	93.58%
2010	3,363,432,110	660,176,147	657,001,700	290,503,900	4,390,106,057	0.480	4,680,609,957	93.79%
2011	3,380,611,410	678,014,822	657,292,500	291,946,100	4,423,972,632	0.480	4,715,918,732	93.81%
2012	2,924,021,460	636,396,590	624,792,100	274,869,000	3,910,341,150	0.550	4,185,210,150	93.43%
2013	2,932,083,560	638,622,345	620,948,600	270,528,700	3,921,125,805	0.550	4,191,654,505	93.55%
2014	2,744,011,700	683,547,550	494,192,400	127,309,000	3,794,442,650	0.605	3,921,751,650	96.75%
2015	2,766,112,100	684,978,350	494,890,600	125,088,100	3,820,892,950	0.605	3,945,981,050	96.83%
2016	2,715,931,400	667,447,926	501,728,300	93,490,200	3,791,617,426	0.635	3,885,107,626	97.59%
2017	2,729,710,800	681,463,717	509,588,300	92,379,500	3,828,383,317	0.635	3,920,762,817	97.64%
2018	2,666,968,100	860,280,283	523,945,300	84,232,500	3,966,961,183	0.635	4,051,193,683	97.92%

Source: Accomack County Finance Office

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

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

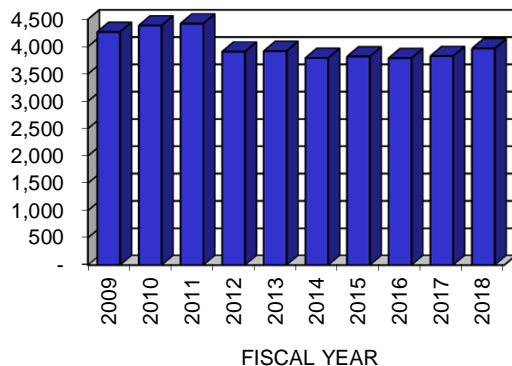
Table 5B

Fiscal Year Ending June 30,	Motor Vehicles & Other	Mobile Homes	Machinery & Tools	Total Taxable Assessed Value	Total Direct Personal Property Tax Rate
2009	281,876,699	37,296,708	20,079,299	339,252,706	3.30
2010	238,849,342	41,811,733	19,133,642	299,794,717	3.75
2011	267,566,954	40,019,511	19,421,352	327,007,817	3.75
2012	273,560,910	31,692,295	17,919,794	323,172,999	3.72
2013	280,470,080	30,525,805	21,945,775	332,941,660	3.72
2014	287,138,572	29,964,327	22,255,434	339,358,333	3.72
2015	292,169,603	29,721,982	24,593,224	346,484,809	3.72
2016	301,471,966	29,194,660	20,668,398	351,335,024	3.72
2017	311,113,331	29,253,592	21,042,517	361,409,440	3.72
2018	323,346,910	25,264,307	19,649,014	368,260,231	3.72

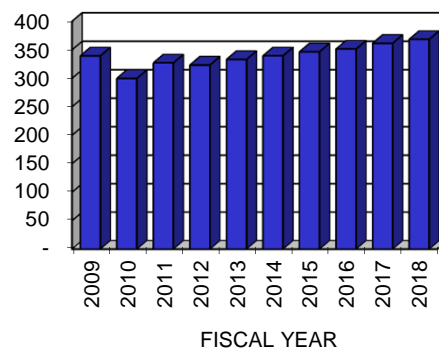
Source: Accomack County Finance Office

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

Taxable Assessed Value of Real Property
(in millions)



Taxable Assessed Value of Personal Property
(in millions)



COUNTY OF ACCOMACK, VIRGINIA

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

LAST TEN FISCAL YEARS

Type of tax	2009					2010					2011					2012				
	District Number					District Number					District Number					District Number				
	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
Real Property																				
County Direct Rates:																				
General	0.28	0.28	0.28	0.28	0.28	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.38	0.38	0.38	0.38	0.38
Debt Service	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09
Emergency Medical Service	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-	0.06	0.06	0.06	0.06	-
Fire and Rescue	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	-	-	-	-	-
Mosquito Control ²	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-
Total real property direct rates	0.45	0.42	0.42	0.43	0.35	0.48	0.45	0.45	0.46	0.38	0.48	0.45	0.45	0.46	0.38	0.55	0.53	0.53	0.53	0.47
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06
Town of Saxis	0.20	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	-	0.17	-	-	-
Town of Hallwood	0.06	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-	-	0.15	-	-	-	-
Town of Bloxom	-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-
Town of Parksley	-	0.18	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-
Town of Tangier	0.25	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	-	-	0.35	-	-
Town of Accomac	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-
Town of Onley	-	-	0.05	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-
Town of Onancock	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-
Town of Melfa	-	-	-	0.03	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-
Town of Wachapreague	-	-	-	0.13	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-
Town of Keller	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-
Town of Painter	-	-	-	0.04	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-
Town of Belle Haven	-	-	-	0.10	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-
Personal Property																				
Overlapping Governments:																				
General	3.10	3.10	3.10	3.10	3.10	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.53	3.53	3.53	3.53	3.53
Debt Service	0.06	0.06	0.06	0.06	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.10
Emergency Medical Service	0.06	0.06	0.06	0.06	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-
Fire and Rescue	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	-	-	-	-	-
Total personal prop. direct rates	3.30	3.27	3.27	3.27	3.16	3.75	3.72	3.72	3.72	3.54	3.75	3.72	3.72	3.72	3.54	3.72	3.72	3.72	3.72	3.63
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
Town of Saxis	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	-	0.50	-	-	-
Town of Hallwood	0.45	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
Town of Bloxom	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-
Town of Parksley	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-
Town of Tangier	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Accomac	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
Town of Onley	-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-
Town of Onancock	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
Town of Melfa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Wachapreague	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Keller	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-
Town of Painter	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
Town of Belle Haven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

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

2013					2014					2015					2016					2017					2018				
District Number					District Number					District Number					District Number					District Number					District Number				
2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
0.38	0.38	0.38	0.38	0.38	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.405	0.405	0.405	0.405	0.405	
0.09	0.09	0.09	0.09	0.09	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.075	0.075	0.075	0.075	0.075		
0.06	0.06	0.06	0.06	-	0.090	0.090	0.090	0.090	-	0.090	0.090	0.090	0.090	-	0.120	0.120	0.120	0.120	-	0.120	0.120	0.120	0.120	-	0.130	0.130	0.130	0.130	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
0.02	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-
0.55	0.53	0.53	0.53	0.47	0.605	0.580	0.580	0.580	0.490	0.605	0.580	0.580	0.580	0.490	0.635	0.610	0.610	0.610	0.490	0.635	0.610	0.610	0.610	0.490	0.635	0.610	0.610	0.610	0.480
-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07
-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-
0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-
-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-
-	0.25	-	-	-	-	0.25	-	-	-	-	0.29	-	-	-	-	0.29	-	-	-	-	0.32	-	-	-	-	0.32	-	-	-
-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.40	-	-	-	-	0.40	-	-
-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-	0.09	-	-	-	-	0.09	-	-	-
-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	0.08	-	-	-	-	0.08	-	-	-
-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	0.32	-	-	-	-	0.32	-	-	-
-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.06	-	-	-	-	0.09	-	-	-	0.09	-	-	-	-	-	0.09	-
-	-	-	0.16	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	0.13	-	-	-	-	-	0.13	-
-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	0.12	-	-	-	-	-	0.12	-
-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	0.10	-	-	-	-	-	0.10	-
-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	0.085	-	-	-	-	-	0.085	-
3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53
0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63
-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-
0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-
-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-
-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-
-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	0.16	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	0.13	-	-	-	-	0.13	-	-
-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	0.15	-	-	-	-	0.15	-	-
-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	0.30	-	-	-	-	0.30	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Table 7

Taxpayer	2018				2009			
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹		Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹	
Commonwealth Chesapeake Company	\$ 123,961,913	1	2.86%		\$ 185,833,141	1	3.79%	
A&N Electric Cooperative	85,165,197	2	1.96%		68,073,590	2	1.39%	
Perdue Farms Inc.	22,631,912	3	0.52%		29,311,002	4	0.60%	
Tyson Farms Inc.	20,301,846	4	0.47%		21,682,922	7	0.44%	
Old Dominion Electric Cooperative	26,211,632	5	0.60%		-	-	-	
Verizon Virginia Inc.	18,206,152	6	0.42%		34,993,969	3	0.71%	
Delmarva Power	19,285,788	7	0.44%		11,665,979	10	0.24%	
Wal-Mart	11,157,846	8	0.26%		-	-	-	
Chincoteague Hotel LLC	9,513,965	9	0.22%		-	-	-	
Tull, Edward Lunn	8,348,227	10	0.19%		-	-	-	
Captains Cove	-	-	-		28,205,450	5	0.58%	
Sustainable Conservation Inc.	-	-	-		25,320,400	6	0.52%	
Shore Land Investments LLC	-	-	-		19,238,791	8	0.39%	
Richard F. Hall Jr.	-	-	-		12,459,881	9	0.25%	

Source: Accomack County Finance Office

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

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

Table 8
Page 1 of 2

Fiscal Year Levied	Property Tax Type	Month / Year Due	Original Levy ³	Adjustments	Adjusted Levy	Collected within the Fiscal Year of Levy		Collected in Subsequent Periods	Total Collections	
						Amount	Percent of Adjusted Levy		Amount	Percent of Adjusted Levy
2018	Personal Property-Public Svc. Corp.	12/2017	42,988	6,028	36,960	36,960	100.0%	-	36,960	100.0%
2018	Personal Property-Regular	12/2017	5,362,590	403,522	4,959,068	4,178,908	84.3%	-	4,178,908	84.3%
2018	Real Estate-Public Svc. Corp.	12/2017	1,787,627	(187,700)	1,975,327	1,975,327	100.0%	-	1,975,327	100.0%
2018	Real Estate-Regular	12/2017	10,184,855	10,730	10,174,125	9,652,025	94.9%	-	9,652,025	94.9%
2018	Real Estate-Special Assess.	12/2017	4,172	-	4,172	2,167	51.9%	-	2,167	0.0%
2018	Personal Property-Regular	03/2018	169,693	1,215	168,478	128,749	76.4%	-	128,749	76.4%
2018	Personal Property-Regular	06/2018	5,504,655	143,401	5,361,254	3,917,067	73.1%	-	3,917,067	73.1%
2018	Real Estate-Public Svc. Corp. ⁴	06/2018	1,410,673	-	1,410,673	1,074,116	76.1%	-	1,074,116	76.1%
2018	Personal Property-Public Svc. Corp. ⁴	06/2018	37,506	-	37,506	37,469	99.9%	-	37,469	99.9%
2018	Real Estate-Regular	06/2018	10,058,743	4,186	10,054,558	8,989,582	89.4%	-	8,989,582	89.4%
	Total		\$ 34,563,502	\$ 381,383	\$ 34,182,119	\$ 29,992,370	87.7%	\$ -	\$ 29,992,370	87.7%
2017	Personal Property-Public Svc. Corp.	12/2016	43,800	-	43,800	43,800	100.0%	-	43,800.00	100.0%
2017	Personal Property-Regular	12/2016	5,164,557	396,692	4,767,865	4,127,858	86.6%	149,493.99	4,277,351.65	89.7%
2017	Real Estate-Public Svc. Corp.	12/2016	923,300	(29,816)	953,116	953,116	100.0%	-	953,116.00	100.0%
2017	Real Estate-Regular	12/2016	10,174,102	86,065	10,088,038	9,611,265	95.3%	198,675.11	9,809,939.80	97.2%
2017	Real Estate-Special Assess.	12/2016	4,172	-	4,172	2,268	54.4%	408.48	2,676.48	0.0%
2017	Personal Property-Regular	03/2017	222,105	21,033	201,072	141,387	70.3%	13,432.62	154,819.62	77.0%
2017	Personal Property-Regular	06/2017	5,298,107	239,071	5,059,036	3,797,030	75.1%	522,345.11	4,319,375.00	85.4%
2017	Real Estate-Public Svc. Corp. ⁴	06/2017	893,813	46,543	847,270	847,270	100.0%	-	847,269.60	100.0%
2017	Personal Property-Public Svc. Corp. ⁴	06/2017	42,988	-	42,988	42,988	100.0%	-	42,988.00	100.0%
2017	Real Estate-Regular	06/2017	10,185,171	9,348	10,175,823	9,096,150	89.4%	668,199.94	9,764,349.94	96.0%
	Total		\$ 32,952,115	\$ 768,936	\$ 32,183,179	\$ 28,663,131	89.1%	\$ 1,552,555	\$ 30,215,686	93.9%
2016	Personal Property-Public Svc. Corp.	12/2015	93,927	-	93,927	93,927	100.0%	-	93,927	100.0%
2016	Personal Property-Regular	12/2015	4,877,654	423,580	4,454,073	3,905,489	87.7%	275,719	4,181,208	93.9%
2016	Real Estate-Public Svc. Corp.	12/2015	1,693,297	-	1,693,297	1,693,297	100.0%	-	1,693,297	100.0%
2016	Real Estate-Regular	12/2015	9,828,979	84,202	9,744,777	9,185,938	94.3%	408,329	9,594,267	98.5%
2016	Real Estate-Special Assess.	12/2015	4,116	-	4,116	2,742	66.6%	302	3,045	74.0%
2016	Personal Property-Regular	03/2016	164,948	5,331	159,617	129,016	80.8%	15,169	144,185	90.3%
2016	Personal Property-Regular	06/2016	5,114,678	254,455	4,860,223	3,686,183	75.8%	788,883	4,475,067	92.1%
2016	Real Estate-Public Svc. Corp. ⁴	06/2016	863,998	29,487	834,511	834,511	100.0%	-	834,511	100.0%
2016	Personal Property-Public Svc. Corp. ⁴	06/2016	46,964	912	46,052	46,052	100.0%	-	46,052	100.0%
2016	Real Estate-Regular	06/2016	10,174,102	87,074	10,087,029	9,006,032	89.3%	875,737	9,881,769	98.0%
	Total		\$ 32,862,663	\$ 885,041	\$ 31,977,621	\$ 28,583,187	89.4%	\$ 2,364,141	\$ 30,947,328	96.8%
2015	Real Estate-Roll Back Taxes	10/2014	628	-	628	628	100.0%	-	628	100.0%
2015	Personal Property-Public Svc. Corp.	12/2014	88,216	-	88,216	86,019	97.5%	2,197	88,216	100.0%
2015	Personal Property-Regular	12/2014	4,586,058	378,898	4,207,160	3,613,511	85.9%	362,076	3,975,587	94.5%
2015	Real Estate-Public Svc. Corp.	12/2014	1,698,659	-	1,698,659	1,683,121	99.1%	15,539	1,698,659	100.0%
2015	Real Estate-Regular	12/2014	9,753,812	87,522	9,666,290	9,086,273	94.0%	481,367	9,567,640	99.0%
2015	Real Estate-Special Assess.	12/2014	4,172	89	4,083	2,293	56.2%	719	3,012	73.8%
2015	Personal Property-Regular	03/2015	164,969	35,099	129,869	92,254	71.0%	23,576	115,830	89.2%
2015	Personal Property-Regular	06/2015	5,015,816	263,645	4,752,171	3,426,729	72.1%	1,081,182	4,507,911	94.9%
2015	Real Estate-Regular	06/2015	9,828,979	85,387	9,743,592	8,279,637	85.0%	1,337,915	9,617,553	98.7%
	Total		\$ 31,141,309	\$ 850,641	\$ 30,290,668	\$ 26,270,465	86.7%	\$ 3,304,571	\$ 29,575,035	97.6%
2014	Real Estate-Roll Back Taxes	08/2013	1,957	-	1,957	1,957	100.0%	-	1,957	100.0%
2014	Personal Property-Public Svc. Corp.	12/2013	79,229	-	79,229	78,033	98.5%	1,196	79,229	100.0%
2014	Personal Property-Regular	12/2013	4,582,007	395,395	4,186,612	3,631,896	86.8%	335,055	3,966,951	94.8%
2014	Real Estate-Public Svc. Corp.	12/2013	1,577,174	-	1,577,174	1,562,467	99.1%	14,707	1,577,174	100.0%
2014	Real Estate-Regular	12/2013	9,301,052	88,918	9,212,134	8,671,064	94.1%	467,021	9,138,085	99.2%
2014	Real Estate-Special Assess.	12/2013	4,172	89	4,083	2,378	58.2%	755	3,133	76.7%
2014	Personal Property-Regular	03/2014	162,951	8,348	154,603	110,950	71.8%	28,990	139,940	90.5%
2014	Personal Property-Regular	06/2014	4,751,142	271,434	4,479,709	3,398,176	75.9%	837,248	4,235,424	94.5%
2014	Real Estate-Regular	06/2014	9,753,812	88,813	9,664,999	8,566,104	88.6%	1,012,791	9,578,895	99.1%
	Total		\$ 30,213,495	\$ 852,995	\$ 29,360,500	\$ 26,023,025	88.6%	\$ 2,697,763	\$ 28,720,787	97.8%
2013	Real Estate-Roll Back Taxes	09/2012	2,721	-	2,721	2,721	100.0%	-	2,721	100.0%
2013	Personal Property-Public Svc. Corp.	12/2012	86,264	-	86,264	85,075	98.6%	1,189	86,264	100.0%
2013	Personal Property-Regular	12/2012	4,361,353	413,346	3,948,007	3,435,520	87.0%	331,323	3,766,843	95.4%
2013	Real Estate-Public Svc. Corp.	12/2012	1,666,940	-	1,666,940	1,650,347	99.0%	16,593	1,666,940	100.0%
2013	Real Estate-Regular	12/2012	9,280,927	113,489	9,167,438	8,557,067	93.3%	560,959	9,118,025	99.5%
2013	Real Estate-Special Assess.	12/2012	4,172	89	4,083	1,966	48.2%	1,513	3,479	85.2%
2013	Personal Property-Regular	04/2013	230,699	14,906	215,792	157,646	73.1%	44,907	202,553	93.9%
2013	Personal Property-Regular	06/2013	4,723,284	279,034	4,444,249	3,198,351	72.0%	1,006,075	4,204,426	94.6%
2013	Real Estate-Regular	06/2013	9,301,052	87,323	9,213,729	8,052,980	87.4%	1,095,247	9,148,227	99.3%
	Total		\$ 29,657,411	\$ 908,187	\$ 28,749,223	\$ 25,141,673	87.5%	\$ 3,057,804	\$ 28,199,477	98.1%

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

Table 8
Page 2 of 2

Fiscal Year Levied	Property Tax Type	Month / Year Due	Original Levy ³	Adjustments	Adjusted Levy	Collected within the Fiscal Year of Levy		Collected in Subsequent Periods	Total Collections	
						Amount	Percent of Adjusted Levy		Amount	Percent of Adjusted Levy
2012	Real Estate-Roll Back Taxes	09/2011	5,487	-	5,487	5,487	100.0%	-	5,487	100.0%
2012	Personal Property-Public Svc. Corp.	12/2011	80,442	-	80,442	79,925	99.4%	516	80,442	100.0%
2012	Personal Property-Regular	12/2011	4,351,341	465,513	3,885,828	3,370,153	86.7%	368,576	3,738,729	96.2%
2012	Real Estate-Public Svc. Corp.	12/2011	1,424,539	-	1,424,539	1,409,649	99.0%	14,873	1,424,522	100.0%
2012	Real Estate-Regular	12/2011	8,970,567	93,634	8,876,933	8,281,800	93.3%	551,660	8,833,460	99.5%
2012	Real Estate-Special Assess.	12/2011	4,172	89	4,083	1,776	43.5%	1,769	3,545	86.8%
2012	Personal Property-Regular	02/2012	155,361	16,411	138,950	106,708	76.8%	22,359	129,067	92.9%
2012	Personal Property-Regular	06/2012	4,497,340	300,900	4,196,440	3,179,983	75.8%	823,369	4,003,353	95.4%
2012	Real Estate-Regular	06/2012	9,280,927	115,043	9,165,884	8,084,420	88.2%	1,036,821	9,121,241	99.5%
2012	Total		\$ 28,770,176	\$ 991,590	\$ 27,778,586	\$ 24,519,902	88.3%	\$ 2,819,943	\$ 27,339,845	98.4%
2011	Personal Property-Public Svc. Corp.	12/2010	79,299	-	79,299	78,783	99.3%	516	79,299	100.0%
2011	Personal Property-Regular	12/2010	4,526,770	502,255	4,024,515	3,461,327	86.0%	422,686	3,884,013	96.5%
2011	Real Estate-Public Svc. Corp.	12/2010	1,468,489	-	1,468,489	1,453,043	98.9%	15,420	1,468,463	100.0%
2011	Real Estate-Regular	12/2010	8,907,898	73,711	8,834,187	8,190,243	92.7%	591,632	8,781,875	99.4%
2011	Real Estate-Roll Back Taxes	12/2010	15,119	-	15,119	15,119	100.0%	-	15,119	100.0%
2011	Real Estate-Special Assess.	03/2011	4,172	89	4,083	2,051	50.2%	1,493	3,545	86.8%
2011	Personal Property-Regular	06/2011	4,397,670	349,035	4,048,635	3,126,275	77.2%	771,407	3,897,682	96.3%
2011	Personal Property-Regular	06/2011	145,034	4,273	140,761	89,230	63.4%	47,210	136,440	96.9%
2011	Real Estate-Regular	06/2011	8,970,567	100,314	8,870,253	7,777,688	87.7%	1,053,944	8,831,633	99.6%
2011	Total		\$ 28,515,019	\$ 1,029,677	\$ 27,485,342	\$ 24,193,760	88.0%	\$ 2,904,309	\$ 27,098,069	98.6%

⁽¹⁾ This schedule is prepared using the cash basis of accounting. Only eight years of information is available. Additional years will be added as they become available.

⁽²⁾ Does not include penalty or interest.

⁽³⁾ Levy is net of senior/disabled tax relief, veterans tax relief and relief provided by the Personal Property Tax Relief Act (PPTRA). The PPTRA provides personal property tax relief to owners of personal use vehicles via a tax credit that appears on the citizen's tax bill. Localities receive a fixed amount of restricted State for this program which is intended to reimburse the County for tax relief granted. Additional information on the PPTRA is found in the notes to the financial statements.

⁽⁴⁾ The County changed the billing frequency for Public Service Corp real estate and personal property taxes from annually to semi-annually in Fiscal Year 2016.

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

Table 9

	Governmental Activities				Business-type Activities				
	General Obligation Bonds								
	Literary	Va. Public	Qualified				Total		Percentage
Fiscal	Fund	School	Zone	Lease	General	Capital	Primary	Per	of Personal
Year	Loans	Authority	Academy	Revenue	Obligation	Leases	Government	Capita	Income
		Bonds	Bonds	Bonds	Bonds ²			¹	¹
2009	4,755,474	35,350,933	791,129	5,490,000	2,045,000	33,000	48,465,536	1,450	3.23%
2010	4,294,965	33,567,305	713,974	5,748,000	2,112,000	-	46,436,244	1,400	3.10%
2011	3,834,456	31,712,181	634,234	5,748,000	2,112,000	-	44,040,871	1,323	2.88%
2012	3,373,947	29,785,242	551,816	5,748,000	2,203,000	-	41,662,005	1,251	2.69%
2013 ³	2,913,438	28,568,687	470,274	5,214,399	1,905,000	-	39,071,798	1,184	2.40%
2014 ³	-	26,443,695	381,142	11,138,973	1,602,000	-	39,565,810	1,199	2.43%
2015 ³	-	24,235,524	289,027	10,010,978	1,293,000	-	35,828,529	1,087	2.13%
2016 ³	-	21,942,094	193,841	12,988,922	979,000	-	36,103,857	1,096	2.07%
2017 ³	-	19,557,283	96,076	11,486,519	659,000	1,240,313	33,039,191	1,015	2.53%
2018 ³	-	16,573,425	78,882	10,225,582	333,000	972,596	28,889,479	887	2.18%

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

¹ See Table 11 for population and personal income data.

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

³ Fiscal Years 2013-2018 have been adjusted to reflect the related unamortized premiums. Detailed premium information was not available for prior years.

COUNTY OF ACCOMACK, VIRGINIA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING¹
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ending June 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property ^{2,3}	Per Capita ³
2009	42,942,536	1,113,942	41,828,594	0.91%	1,252
2010	40,688,244	859,741	39,828,503	0.84%	1,201
2011	38,292,871	1,389,519	36,903,352	0.78%	1,109
2012	35,914,005	1,337,183	34,576,822	0.82%	1,038
2013 ⁴	30,943,961	1,101,726	29,842,235	0.70%	904
2014 ⁴	28,426,837	1,616,021	26,810,816	0.65%	812
2015 ⁴	25,817,551	1,402,488	24,415,063	0.59%	740
2016 ⁴	23,114,935	1,180,940	21,933,995	0.53%	666
2017 ⁴	20,312,359	863,859	19,448,500	0.47%	598
2018 ⁴	16,985,307	599,123	16,386,184	0.38%	503

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

¹ Excludes lease revenue bonds and capital leases.

² Includes real and personal property estimated actual taxable value.

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

⁴ Fiscal Years 2013-2018 have been adjusted to reflect the related unamortized premiums. Detailed premium information was not available for prior years.

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

Table 11

Year	Population ¹	Personal Income (expressed in thousands) ²	Per Capita Personal Income ²	Unemployment Rate ⁴	School Enrollment ³
2009	33,415	\$1,498,000	\$33,122	6.60%	5,016
2010	33,165	\$1,529,700	\$33,593	7.10%	5,056
2011	33,287	\$1,546,000	\$34,181	7.30%	5,030
2012	33,314	\$1,626,900	\$35,733	6.90%	5,092
2013	33,005	\$1,627,200	\$37,628	6.50%	5,132
2014	32,998	\$1,681,000	\$36,960	5.70%	5,310
2015	32,973	\$1,745,300	\$38,683	5.20%	5,326
2016	32,947	\$1,304,585	\$39,412	4.60%	5,349
2017	32,545	\$1,324,623	\$40,701	4.30%	5,229
2018	32,572	N/A	N/A	3.80%	5,016

N/A - Not available

¹ Source: Years 2009-2017 U.S. Census Bureau Mid Year Estimates/Year 2018 estimated

² Source: U.S. Bureau of Economic Analysis

³ Source: Accomack County School Board

⁴ Source: Virginia Employment Commission/2018 unemployment rate as of June 2018

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

Table 12

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment ¹	Employees	Rank	Percentage of Total County Employment ¹
Perdue Farms, Inc.	1000+	1	6.48%	1000+	1	5.31%
Tyson Foods, Inc.	1000+	2	6.48%	1000+	2	5.31%
Accomack County School Board	1000+	3	6.48%	500-999	3	2.66%
Riverside Regional Medical Center	500-999	4	3.24%	-	-	-
County of Accomack	250-499	5	1.62%	100-249	5	0.53%
National Aeronautics & Space Administration	250-499	6	1.62%	100-249	6	0.53%
LJT Associates	250-499	7	1.62%	-	-	-
Walmart	100-249	8	0.65%	-	-	-
Eastern Shore Community Services	100-249	9	0.65%	100-249	8	0.53%
Eastern Shore Rural Health System	100-249	10	0.65%	-	-	-
Kings Choice	-	-	-	250-249	4	1.33%
The Cube Corporation	-	-	-	100-249	7	0.53%
Northrop Grumman Technical Services	-	-	-	100-249	9	0.53%
Shore Memorial Hospital	-	-	-	100-249	10	0.53%
			<u>29.48%</u>			<u>17.80%</u>

Source: Virginia Employment Commission

¹Percentage of total County employment based on total employment as of March 31.

COUNTY OF ACCOMACK, VIRGINIA

AUTHORIZED FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS¹

Table 13

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government administration										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	11.0	11.0	11.0	10.0	10.0	10.0	9.0	9.0	9.0	9.0
Elections	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other	27.0	27.5	33.5	32.0	30.0	32.0	32.0	30.0	29.0	30.0
Judicial administration										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	18.3	19.8	19.8	17.8	17.8	15.8	15.8	15.8	15.8	15.8
Other	3.0	3.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Public Safety										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	64.7	63.7	62.7	62.7	63.7	63.7	63.7	63.7	63.7	64.7
Firefighters and emergency medical personnel	28.5	31.5	31.5	31.5	35.0	38.0	41.5	43.5	52.5	52.5
Other	14.5	14.0	13.0	13.0	13.0	13.0	13.0	12.5	11.5	11.5
Public Works										
Refuse collection and litter control	22.3	23.2	23.2	23.2	20.9	24.4	24.4	25.2	25.2	25.2
Refuse disposal	15.4	14.5	14.5	14.5	13.5	13.5	13.5	14.5	14.5	14.5
Building and grounds	14.8	14.8	14.8	14.8	14.3	14.3	14.3	14.3	14.3	14.3
Wastewater treatment	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Storm drainage	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health and welfare										
Social services and welfare	64.0	64.0	64.0	64.0	55.0	55.0	55.0	55.0	55.0	55.0
Other	6.0	5.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Parks, recreation and cultural	6.0	5.0	5.0	5.0	4.5	4.8	4.8	5.3	5.3	5.3
Community development²	8.0	8.0	9.0	6.5	11.0	12.0	12.0	13.5	13.5	13.5
Total primary government	306.5	308.0	311.0	304.5	295.2	302.0	304.5	307.7	314.7	316.8

Source: Accomack County Finance Office

¹Temporary and seasonal employees and School Board employees are excluded from this table.

² The Airport Commission was abolished by the Board of Supervisors effective 1/1/2013. All FTE previously controlled by the Commission are now under the control of the Primary Government and are reported as such.

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

Table 14

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Assessor										
Taxable real estate number of parcels	39,440	39,620	39,707	39,786	39,800	39,844	39,847	39,895	39,851	39,854
Tax-exempt real estate number of parcels	921	932	936	940	941	943	955	962	968	972
Number of parcels enrolled in land use program	1,720	1,970	1,995	2,005	1,977	1,873	1,837	1,462	1,427	1,301
Commissioner of Revenue										
Mobile homes	4,214	3,512	3,418	3,253	3,169	3,152	3,139	3,092	3,949	3,912
Personal Property Tax Relief Act (PPTRA) qualifying vehicles	34,886	34,551	35,762	29,327	23,808	24,846	25,330	24,572	38,174	37,749
PPTRA tax credit percentages (vehicle value <\$1,000;\$1,000-\$20,000)	100%;51%	100%;51%	100%;51%	100%;49%	100%;49%	100%;49%	100%;46%	100%;46%	100%;44%	100%;44%
Finance										
Vendor checks issued	10,149	10,203	10,049	10,117	9,555	9,844	8,234	8,681	8,987	9,716
Annual County payroll checks/direct deposits	8,323	8,736	6,658	9,019	9,072	9,133	8,725	8,675	8,746	8,097
Annual School Board payroll checks/direct deposits	26,220	26,886	26,908	27,270	28,271	26,728	26,060	28,856	27,605	27,346
Treasurer										
Real estate bills created	76,617	77,399	78,926	79,026	79,092	79,152	79,042	79,184	79,180	79,138
Personal property bills created	37,419	65,899	67,789	66,814	66,378	68,132	68,579	68,710	68,621	66,022
Judicial Administration										
Clerk of Court										
Deed book recordings	5,611	5,311	5,085	4,781	5,374	5,203	4,497	6,159	4,997	4,946
Judgments	3,264	2,922	3,338	2,869	2,706	2,420	2,705	2,032	1,450	1,818
Public Safety										
Fire and Emergency Services										
Emergency responses ¹	2,605	3,798	3,635	4,490	4,751	5,542	5,887	4,635	5,860	6,498
Patients transported ¹	1,751	2,597	2,508	2,582	2,724	2,882	3,350	2,428	2,521	3,003
Fire responses ¹	253	343	370	361	406	247	281	216	327	355
EMS turn-out time when fully staffed ^d	< 2 minutes	< 2 minutes	2.4 minutes	3.8 minutes	3.2 minutes	2.4 minutes	2.7 minutes	2.3 minutes	2.54 minutes	2.55 minutes
EMS drive time when fully staffed ^d	< 7 minutes	< 7 minutes	11.3 minutes	15.6 minutes	11.6 minutes	12.1 minutes	13.27 minutes	12.53 minutes	13.30 minutes	13.0 minutes
EMS response time when fully staffed ^d	< 7 minutes	< 7 minutes	13 minutes	19.2 minutes	16.6 minutes	15.3 minutes	16.39 minutes	16.17 minutes	16.14 minutes	16.03 minutes
Jail										
Average daily inmate population	96	96	87	81	104	104	104	106	100	105
Sheriff's Office										
Physical arrests	864	671	893	1,038	1,673	1,262	1,450	1,563	1,830	1,917
Traffic violations	478	456	469	934	577	637	500	356	910	639
Health and Welfare										
Comprehensive Services Act										
Youth receiving services	121	67	55	20	21	23	45	32	29	32
Social Services										
Food Stamp Recipients	4,326	5,506	6,490	7,236	6,986	10,332	10,088	9,291	8,724	9,308
Households receiving Heating Assistance	3,217	3,231	2,899	2,749	2,737	3,057	1,672	1,821	1,680	1,664
Households receiving Cooling Assistance	426	739	944	718	608	842	756	1,314	1,110	533
Community Development										
Building permits issued	918	861	723	692	729	663	631	692	753	727
Other Funds										
Landfills										
Billable tons of refuse disposed	43,108	39,154	38,466	37,028	39,614	35,484	43,474	42,289	44,905	40,721
Tons of recycled materials ²	17,425	8,769	8,448	9,062	12,346	5,828	16,617	23,274	40,620	N/A

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

Table 15

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units ¹	41	43	51	48	53	48	52	51	51	52
Fire training centers	1	1	1	1	1	1	1	1	1	1
Animal control facilities	1	1	1	1	1	1	1	1	1	1
Public Works										
County owned buildings	33	33	35	36	37	39	39	40	45	44
Square footage in buildings	187,373	187,373	151,849	153,049	153,149	161,549	162,797	164,297	167,094	169,316
Refuse collection sites (staffed) ²	4	5	6	6	6	6	6	7	7	7
Refuse collection sites (unstaffed) ²	4	4	1	1	-	-	-	-	-	-
Active landfills	2	2	2	2	1	1	1	1	1	1
Solid waste transfer stations	-	-	-	-	1	1	1	1	1	1
Refuse collection vehicles ²	4	4	4	4	4	4	4	4	4	4
Parks, Recreation and Cultural										
Athletic fields	18	18	18	18	18	18	18	18	18	20
Tennis courts	1	1	1	1	1	1	1	1	1	1
Fishing/boating facilities:										
Dock and/or ramp facilities	15	15	15	15	15	15	15	15	15	15
Low impact water access site	9	9	9	9	9	9	9	9	9	9
Pier or bulkhead only	3	3	3	3	3	3	3	3	3	3
Community Development										
Number of T-hangar buildings	2	2	2	2	2	2	2	2	2	2
Number of T-hangar units	18	18	18	18	18	18	18	18	18	18
Length of runway	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'
Education										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Elementary school capacity	2,775	2,775	2,775	2,775	2,975	2,975	2,975	2,975	2,975	2,975
Secondary schools	4	4	4	4	4	4	4	4	4	4
Secondary school capacity	2,750	2,750	2,750	2,750	2,900	2,900	2,900	2,900	2,900	2,900
Combined schools	2	2	2	2	2	2	2	2	2	2
Combined school capacity	525	525	525	525	575	575	575	575	575	575
School buses	110	109	110	110	110	110	111	111	119	110
Component Units										
Industrial Development Park										
Acreage available for sale	261.28	261.28	261.28	261.28	261.28	259.28	259.28	259.28	247.21	247.21

Sources: Various County departments.

¹Includes process server vehicles.

²This information does not include the County's active landfill.



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Compliance Section



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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 Accomack, Virginia
Accomack, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Accomack, Virginia, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County of Accomack, Virginia's basic financial statements, and have issued our report thereon dated February 27, 2019. Our report includes a reference to other auditors who audited the financial statements of Accomack-Northampton Planning District Commission, as described in our report on the County of Accomack, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Accomack, 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.

Robinson, Fanned, Cox Associates

Charlottesville, Virginia

February 27, 2019

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 the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited County of Accomack, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Accomack, Virginia's major federal programs for the year ended June 30, 2018. County of Accomack, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

County of Accomack, Virginia's basic financial statements include the operations of the Accomack-Northampton Planning District Commission, which received \$703,447 in federal awards which is not included in the schedule during the year ended June 30, 2018. Our audit, described below, did not include the operations of Accomack-Northampton Planning District Commission because the component unit engaged other auditors to perform an audit of compliance in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of County of Accomack, 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Accomack, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, County of Accomack, 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, 2018.

Report on Internal Control Over Compliance

Management of County of Accomack, 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 Accomack, 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Accomack, Virginia's internal control over compliance.

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
February 27, 2019

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2018

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Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Department of Justice:			
<u>Pass Through Payments:</u>			
Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16-A3320VU11	16.738	\$ 5,321
Asset Forfeitures	N/A	16.000	273
Crime Victim Assistance	N/A	16.575	39,763
Total Department of Justice			<u>45,357</u>
Department of Transportation:			
<u>Direct Payments:</u>			
Airport Improvement Program	N/A	20.106	381,263
<u>Pass Through Payments:</u>			
Virginia Department of Transportation:			
Alcohol Open Container Requirements	154AL1757139	20.607	3,703
National Priority Safety Programs	M6OT1858283	20.616	12,386
Total Department of Transportation			<u>397,352</u>
Department of Homeland Security:			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services:			
Emergency Management Performance Grants	N/A	97.042	15,000
Homeland Security Grant Program	N/A	97.067	194,681
Total Department of Homeland Security			<u>209,681</u>
Department of Agriculture:			
<u>Direct Payments:</u>			
Summer Food Service Program for Children	N/A	10.559	66,110
Food Distribution	N/A	10.559	1,157
Total			<u>67,267</u>
<u>Pass Through Payments:</u>			
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Programs	0010111/0010112/0040111/0040112	10.561	460,190
Total Department of Agriculture			<u>527,457</u>
Department of Health and Human Services:			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting Safe and Stable Families	950112	93.556	14,897
Temporary Assistance for Needy Families	0400111/0400112	93.558	406,937
Refugee and Entrant Assistance - State Administered Programs	0500110/0500111	93.566	634
Low-Income Home Energy Assistance	0600411/0600412	93.568	60,157
Child Care and Development Block Grant (Child Care and Development Fund Cluster)	0770111/0770112	93.575	(363)

Note: This schedule does not include Federal award expenditures of the Accomack-Northampton Planning District Commission.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2018

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Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT - CONTINUED:			
Department of Health and Human Services - continued :			
<u>Pass Through Payments - continued:</u>			
Department of Social Services - continued:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Child Care and Development Fund Cluster)	0760111/0760112	93.596	\$ 69,650
Total Child Care and Development Fund Cluster			69,287
Chafee Education and Training Vouchers Program	9160109	93.599	56
Stephanie Tubbs Jones Child Welfare Services Program	0900111/0900112	93.645	1,483
Foster Care-Title IV-E	1100111/1100112	93.658	218,226
Adoption Assistance	1120111/1120112	93.659	88,041
Social Services Block Grant	1000110/1000111	93.667	294,999
Chafee Foster Care Independence Program	9150111/9150112	93.674	3,268
Children's Health Insurance Program	0540111/0540112	93.767	18,893
Medical Assistance Program	1200111/1200112	93.778	470,443
Total Department of Social Services			1,647,321
Total Department of Health and Human Services			1,647,321
Department of the Interior:			
<u>Direct Payments:</u>			
Chincoteague Wildlife Refuge	N/A	15.000	80,627
Total Department of the Interior			80,627
TOTAL EXPENDITURE OF FEDERAL AWARDS - PRIMARY GOVERNMENT			2,907,795
COMPONENT UNIT-SCHOOL BOARD:			
Department of Agriculture:			
<u>Pass Through Payments:</u>			
Virginia Department of Agriculture and Consumer Services: Food Distribution (Child Nutrition Cluster)	10.555/2010/2011	10.555	73,833
Department of Education: National School Lunch Program (Child Nutrition Cluster)	10.555/2010/2011	10.555	1,458,302
			1,532,135
School Breakfast Program (Child Nutrition Cluster)	10.553/2010/2011	10.553	522,780
Total Department of Agriculture			2,054,915
Department of Education:			
<u>Pass Through Payments:</u>			
Department of Education:			
Title I Grants to Local Educational Agencies	S010A120046/S011A130046	84.010	2,166,237
Migrant Education - State Grant Program	S011A120047/S011A130047	84.011	265,285
Special Education Cluster:			
Special Education - Grants to States (Special Education Cluster)	H027A120107/H027A130107	84.027	1,005,648
Special Education - Preschool Grants (Special Education Cluster)	H173A120112/H173A130112	84.173	32,837
Total special education cluster			1,038,485
Career and Technical Education - Basic Grants to States	V048A120046/V048A130046	84.048	127,949
Rural Education	S358B120046	84.358	122,649
English Language Acquisition Grants	T365A120046	84.365	77,971
Supporting Effective Instruction State Grant (Formerly Improving Teacher Quality State Grants)	S367A110044/S367A120044	84.367	249,414
Student Support and Academic Enrichment Grants	N/A	84.424	43,015
School Improvement Grants	S377A130047	84.377	1,956
Total Department of Education			4,092,961
TOTAL EXPENDITURES OF FEDERAL AWARDS COMPONENT UNIT-SCHOOL BOARD			6,147,876
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			\$ 9,055,671

See accompanying notes to schedule of expenditures of federal awards.

Note: This schedule does not include Federal award expenditures of the Accomack-Northampton Planning District Commission.

COUNTY OF ACCOMACK, VIRGINIA
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Accomack, Virginia under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the Schedule presents only a selected portion of the operations of the County of Accomack, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Accomack, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 7 - 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	\$ 504,158
Virginia Public Assistance Fund	2,041,455
Airport	381,263
Nonmajor Funds	<u>8,092</u>
Total primary government	\$ <u>2,934,968</u>

Component Unit School Board:

School Operating Fund	\$ 4,092,960
School Cafeteria Fund	<u>1,981,083</u>
Total component unit school board	\$ <u>6,074,043</u>

Total federal expenditures per basic financial
statements

\$ 9,009,011

Payments in lieu of taxes

\$ (28,330)

Non-cash expenditures - value of donated commodities

\$ 74,990

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 9,055,671

COUNTY OF ACCOMACK, VIRGINIA
Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Programs

Dollar threshold used to distinguish between Type A
and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

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