



Comprehensive
Annual
Financial
Report

County of Accomack, Virginia
Fiscal Year Ended June 30, 2016



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COUNTY OF ACCOMACK, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

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Introductory Section



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COUNTY OF ACCOMACK FINANCE DEPARTMENT

Post Office Box 620
Accomack, Virginia 23301
(757) 787-5714
(757) 824-5403

Michael T Mason, CPA
Finance Director

finance@co.accomack.va.us

January 26, 2017

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

We are pleased to present the Comprehensive Annual Financial Report of the County of Accomack, Virginia, (the "County"), for the fiscal year ended June 30, 2016. This report was prepared by the County's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

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

The Reporting Entity. The County of Accomack's report includes all funds of the "primary government." In Virginia, cities and counties are distinct units of government; therefore, the County is responsible for providing all services normally provided by a local government. These services include public safety, social services, recreation and cultural activities and community development. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, "The Financial Reporting Entity," as amended by GASB No. 39, the County has identified 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.

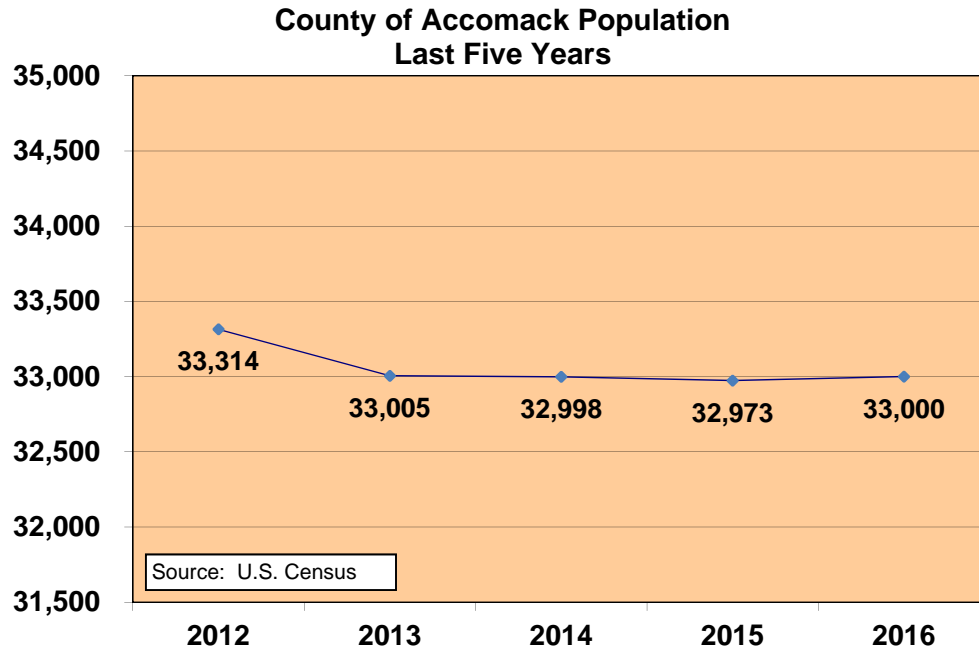
As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2016 has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

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

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

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

Population: The County had a population of 33,000 as of June 30, 2016, an increase of less than 1% from the previous year.



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

- 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.
- By providing centralized wastewater treatment in the Central Accomack area. The County has entered into a contract with the Town of Onancock that increases the wastewater treatment capacity along the Route 13 corridor stretching from the Town of Melfa to the Town of Onancock. The Town of Onancock is one of the few towns in Accomack County that has a wastewater treatment plant.

The manufacturing sector continues to account for the majority of jobs in the County, approximately 25% in 2015. 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.

Employment by Sector							
Calendar Year	Manufacturing	Accommodations and Food Service	Retail Trade	Public Administration	Health Care & Social Assistance	Other	Total
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
2012	3,076	1,241	1,343	1,230	1,180	4,577	12,647
2011	3,193	1,212	1,327	1,225	1,204	4,638	12,799

The retail trade sector makes up the second largest category of average employment representing 11% of jobs.

Health care/social assistance and Public Administration sectors make up the next two largest sectors. The health care sector is expected to grow significantly by the end of 2017 based on the relocation of Riverside Shore Memorial Hospital from Northampton County to Accomack County. Construction of this regional facility near the Town of Onley began late in 2013. It represents one of Riverside's largest projects to date and will result not only in a 136,000 square foot hospital but also a newly constructed cancer center and physician office building. The picture below is an artist's rendering of this project which is expected to be completed in 2017.



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.

Employment associated with The U.S. Navy Surface Combat Systems Center (SCSC), NASA Wallops Flight Facility, and NOAA Command and Data Acquisition Center, all located on Wallops Island, while not reflected in any one sector is worth noting. Average employment for these entities taken as a whole ranks third in the

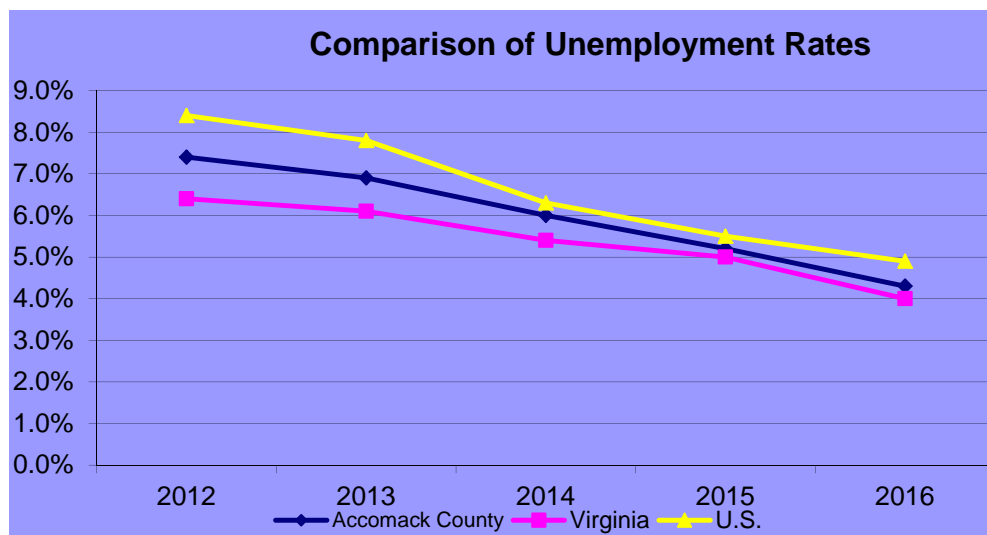
County with a large concentration of these jobs classified as high-skill and high-wage. In all, over 1,000 local military, civilian and contractor jobs are tied to these entities providing a variety of engineering, aerospace and naval operations services.

Future prospects for the Wallops Island area are high. This island is home to the Mid-Atlantic Regional Spaceport (MARS) whose mission is to develop and operate a multi user spaceport at the NASA Wallops Flight Facility which provides low cost, safe, reliable, "schedule friendly" space access to commercial, government, and academic users. In 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. In October 2016, Orbital successfully launched its ATK rocket with the Cygnus spacecraft onboard. This was Orbital ATK's sixth 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: Local unemployment rates decreased from the previous calendar year. Accomack County's unemployment rate (not seasonally adjusted) as of June 2016 is 4.3% well below that of the nation.



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

- Construction of the Wallops Research Park continued during fiscal year 2016. The Wallops Research Park represents a unique opportunity for significant investment and job creation from companies engaged in the aerospace and defense 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. During fiscal year 2015, the County received over \$3.7 million from the Commonwealth in the form of grants through the Transportation Partnership Opportunity Fund (TPOF) which were used to build a taxiway from the Wallops Flight Facility to the Wallops Research Park. Completion of this project is expected early in fiscal year 2017.

- 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 is fully funded and includes recreational fields, walking trails and other multi-use areas. Phase 1 is expected to be completed by the spring of 2017. The Park's master plan includes three additional phases which are all intended to build upon the initial improvements. Phase 2 includes permanent restrooms, a playground and a concession stand. Phase 3 and 4 add additional parking, athletic fields, walking trails and pavilions.



- Set aside an additional \$795,054 to the County's "Rainy Day"/Stabilization Committed Fund Balance bringing the total amount committed to \$9,210,477 or approximately 12.1% 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 2017 Fiscal Year, the Board of Supervisors adopted a Primary Government operating and capital budget of \$57,198,996 which is an increase of 5.5% from the previous year.

The 2017 budget does not include any property tax rate increase. The County's real estate tax rate continues to be among the lowest in Virginia as compared to similar counties. Specifics about the Fiscal Year 2017 property tax rates are set forth in the *Management Discussion and Analysis* section of this report.

Significant initiatives funded for Fiscal Year 2017 include:

- Expanding the County's Central Accomack sewer service area by adding a northern spur which will extend services to the Chesapeake Square area of the Town of Onley.
- Hiring of additional career emergency medical personnel to improve EMS response times at the southern end of the County and to provide additional backfill for the entire emergency response system
- Continued development of the Wallops Research Park and Central Recreation Park described above.
- Renovations to the County Health Department and Kegotank Elementary School.
- Construction of a new Public Works Office to be located adjacent to Central Recreation Park.
- Continued investment in the Eastern Shore Community College by satisfying the County's commitment to assist with the replacement of the Academic and Administration Building.
- Continued strategic contributions to County's "Rainy Day"/Stabilization Committed Fund Balance in line with the goal of it reaching 16.7% of governmental fund revenue of the primary government and School Board component unit by Fiscal Year 2021.

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, 2015. 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 operation of the County in a responsible and progressive manner.

Respectfully submitted,

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

Michael T. Mason, CPA
Finance Director



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
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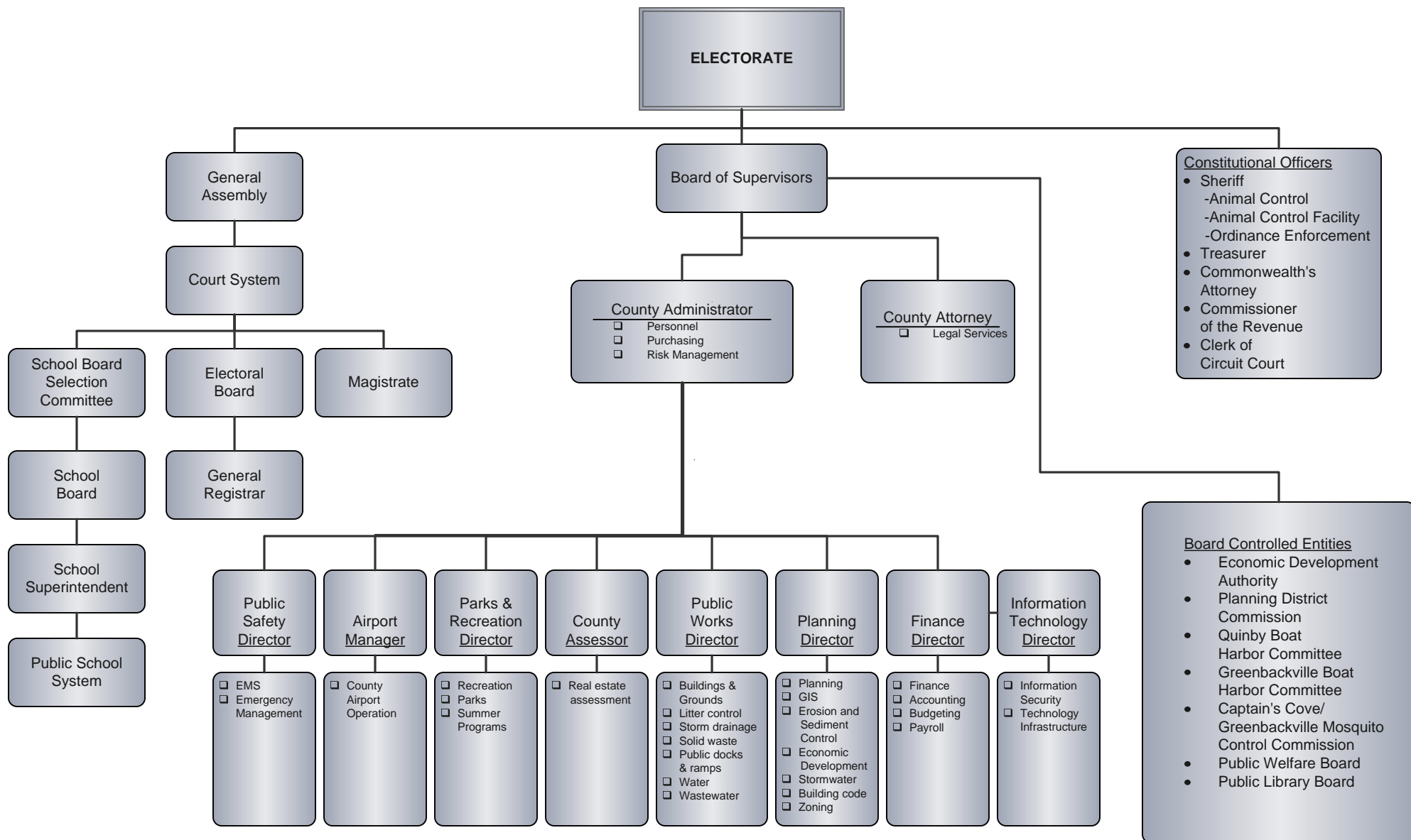
**County of Accomack
Virginia**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

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
Laura Belle Gordy, Vice-Chairperson	Election District 7
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
Donald L. Hart, Jr.	Election District 8
C. Reneta Major	Election District 9

Constitutional Officers

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

County Administrative Officers

Dr. Steven B. Miner	County Administrator
Celia J. Burge	County Attorney
Brent A. Hurdle	Director of Assessment
Michael T. Mason, CPA	Director of Finance
Ben T. Fox	Director of Information Technology
Richard L. Morrison	Director of Planning & Community Development
C. Ray Pruitt	Director of Public Safety
Stewart M. Hall	Director of Public Works

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
J. Travis Thornton	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

Mr. Warren Holland	Superintendent
Mike Tolbert	Chief of Management and Operations
Beth 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
Accomack, 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, 2016, 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, (179) 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, 2016, 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 24 to the financial statements, in 2016, the County adopted new accounting guidance, GASB Statement Nos. 79 Certain External Investment Pools and Pool Participants, 82 Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73. 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 21-32, 110-115, and 105-109 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.

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 (CFR) 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 January 26, 2017, on our consideration of the County of Accomack, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Accomack, Virginia's internal control over financial reporting and compliance.

Robinson, Farnell, Cox Associates
Charlottesville, Virginia
January 26, 2017



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, 2016. 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 \$37,031,784 (net position). Of this amount, \$12,834,695 (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 \$3,781,666 (11%). Net position of the governmental-type activities increased \$3,571,194 (13%) and net position of the business-type activities increased \$210,472 (4%).
- The County's unrestricted nets assets increased by \$2,141,907 (20%). Unrestricted net position of the governmental-type activities increased 2,131,025 (17%) and unrestricted net position of the business-type activities increased \$10,882 (1%).
- Program revenues of the County's business-type activities decreased by 23% to \$3,489,395 while expenses decreased by 12% to \$3,491,385. Note that one-time capital grants totaling \$1,048,914 received in the prior year from the Federal Aviation Administration and Virginia Department of Aviation for obstruction removal at the County Airport accounted for the majority of this decrease. Without these one-time revenues, the increase in program revenue is 1%.
- The General fund reported an ending fund balance of \$14,372,875, an increase of \$1,302,069 (10%). Of the ending fund balance, \$136,723 was nonspendable or restricted, \$9,210,477 was committed pursuant to the County's "Rainy Day"/Revenue Stabilization policy, \$3,221,067 was assigned to various projects and \$1,804,578 was unassigned.
 - The amount of General Fund ending fund balance committed pursuant to the County's "Rainy Day"/Revenue Stabilization Policy was equal to 12.1% of total General Fund Revenue and School Operating Revenue less contributions from the Primary Government.
 - The amount of General Fund ending fund balance available for expenditure (Committed Fund Balance + Assigned Fund Balance + Unassigned Fund Balance) was \$14,236,122 or 39% of total general fund expenditures.
- The County's outstanding debt increased by \$275,328 or 0.8% during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with

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

The County maintains 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 eight governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor funds is provided in the "Other Supplemental Information" section of the report.

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

Proprietary funds - The County maintains four enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its landfills, water/wastewater services and portions of its recreation activities 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 comparison schedules and presentation of combining financial statements for the discretely presented component unit School Board. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,031,784 at year-end.

The largest portion of the County's net position (58%) 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 (35%) is unrestricted meaning it may be used to meet the government's ongoing obligation.

County of Accomack, Virginia Net Position						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2014
Current and other assets	\$ 44,581,920	\$ 38,503,663	\$ 4,942,072	\$ 4,683,019	\$ 49,523,992	\$ 43,186,682
Capital assets	44,221,833	45,858,587	8,980,661	9,089,054	53,202,494	54,947,641
Total assets	88,803,753	84,362,250	13,922,733	13,772,073	102,726,486	98,134,323
Deferred Outflows of Resources	1,429,563	1,266,758	62,779	62,187	1,492,342	1,328,945
Current liabilities	8,544,370	8,313,184	2,887,727	744,402	11,432,097	9,057,586
Long -term liabilities	34,012,437	32,920,912	5,054,616	7,177,324	39,067,053	40,098,236
Total liabilities	42,556,807	41,234,096	7,942,343	7,921,726	50,499,150	49,155,822
Deferred Inflows of Resources	16,618,167	16,907,764	69,727	149,564	16,687,894	17,057,328
Net Position:						
Net investment in capital assets	13,323,383	12,266,262	8,016,703	7,817,113	21,340,086	20,083,375
Restricted	2,857,003	2,473,955	-	-	2,857,003	2,473,955
Unrestricted	14,877,956	12,746,931	(2,043,261)	(2,054,143)	12,834,695	10,692,788
Total net position	\$ 31,058,342	\$ 27,487,148	\$ 5,973,442	\$ 5,762,970	\$ 37,031,784	\$ 33,250,118

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

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

The County's net position increased by \$3,781,666 or 11% during the fiscal year. Governmental activities accounted for 94% of the total increase while business-type activities accounted for the remaining 6%.

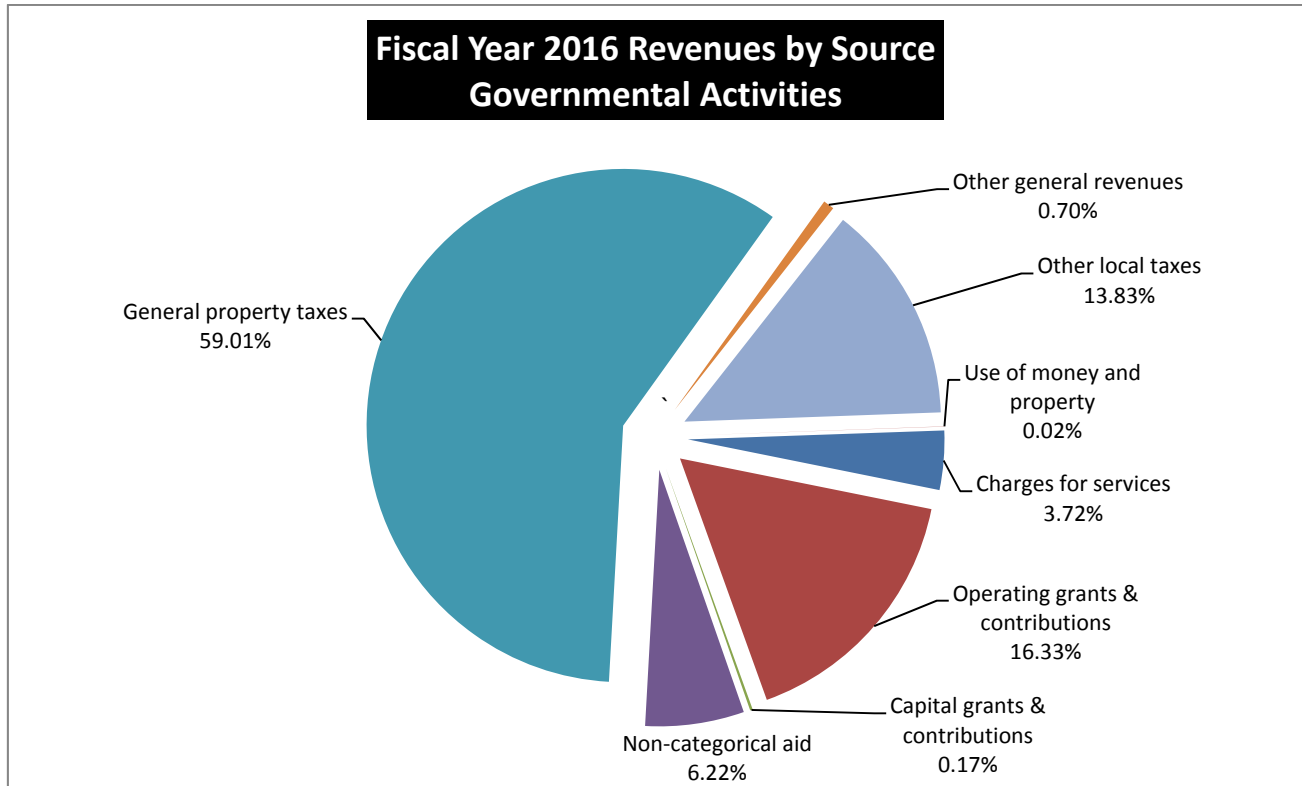
Governmental Activities - Governmental activities increased the County's net position by \$3,571,194 or 13% during the fiscal year. Key elements of this increase are as follows:

Accomack County, Virginia
Change in Net Position

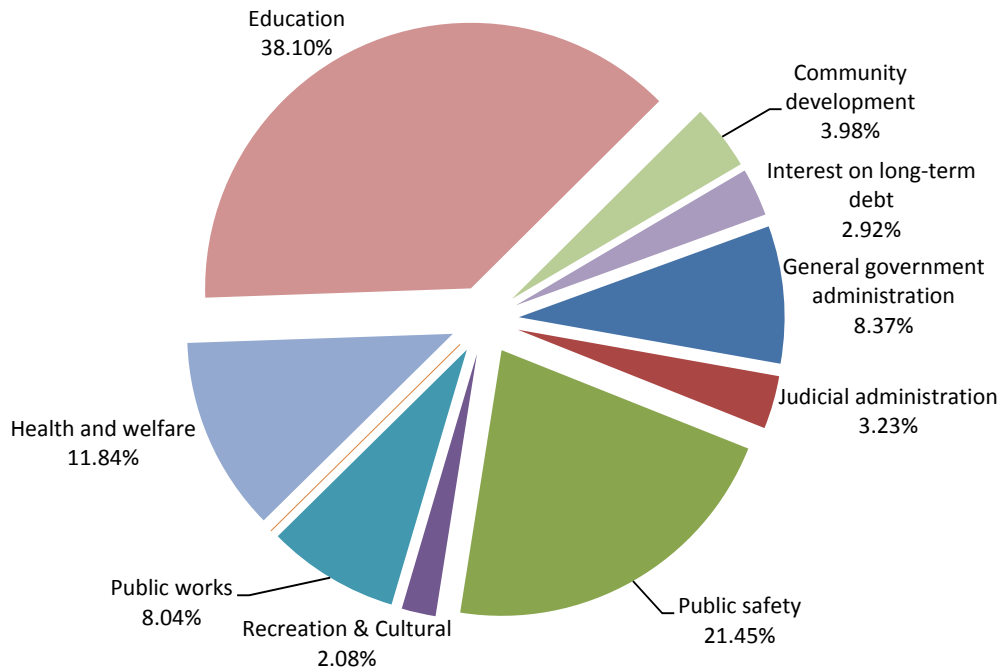
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 2,013,489	\$ 1,814,944	\$ 3,437,253	\$ 3,444,672	\$ 5,450,742	\$ 5,259,616
Operating grants & contributions	8,838,571	8,288,541	52,142	20,108	8,890,713	8,308,649
Capital grants & contributions	91,253	4,143,748	-	1,048,914	91,253	5,192,662
General Revenues:						
General property taxes	31,940,238	29,258,518	-	-	31,940,238	29,258,518
Other local taxes	7,483,566	7,529,238	-	-	7,483,566	7,529,238
Investment earnings	9,583	13,120	1,533	3,446	11,116	16,566
Non-categorical aid	3,367,776	3,368,175	-	-	3,367,776	3,368,175
Contribution from Airport Commission	-	-	-	-	-	-
Other general revenues	378,396	291,288	11,420	3,457	389,816	294,745
Total revenues	54,122,872	54,707,572	3,502,348	4,520,597	57,625,220	59,228,169
Expenses:						
General government administration	4,213,237	3,530,381	-	-	4,213,237	3,530,381
Judicial administration	1,626,300	1,523,767	-	-	1,626,300	1,523,767
Public safety	10,799,876	10,051,732	-	-	10,799,876	10,051,732
Public works	4,046,470	3,879,310	-	-	4,046,470	3,879,310
Health and welfare	5,961,155	5,899,788	-	-	5,961,155	5,899,788
Education	19,185,216	19,091,856	-	-	19,185,216	19,091,856
Parks, recreation and cultural	1,048,256	894,436	-	-	1,048,256	894,436
Community development	2,002,473	1,577,928	-	-	2,002,473	1,577,928
Interest on long-term debt	1,469,186	1,539,381	-	-	1,469,186	1,539,381
Business-type	-	-	3,491,385	3,975,396	3,491,385	3,975,396
Total expenses	50,352,169	47,988,579	3,491,385	3,975,396	53,843,554	51,963,975
Increase (decrease) in net position before transfers	3,770,703	6,718,993	10,963	545,201	3,781,666	7,264,194
Transfers	(199,509)	(164,935)	199,509	164,937	-	2
Increase (decrease) in net position	3,571,194	6,554,058	210,472	710,138	3,781,666	7,264,196
Net position-Beginning	27,487,148	20,933,090	5,762,970	5,052,832	33,250,118	25,985,922
Net position, June 30	\$ 31,058,342	\$ 27,487,148	\$ 5,973,442	\$ 5,762,970	\$ 37,031,784	\$ 33,250,118

- Property taxes are the largest single revenue source comprising 59% of total governmental revenues. Property taxes increased by \$2,681,720 or 9% during the fiscal year. A real estate tax rate increase along with a change in the billing cycle for public service corporation property taxes accounted for this increase.
- Operating grants for governmental activities is the second largest revenue source comprising 16% of governmental revenues. This revenue source increased by \$550,030 or 7% during the fiscal year.
- Capital grants and contributions decreased by \$4,052,495 or 98%. This large increase is due to the receipt of \$3,735,700 in grants in the prior year from the Virginia Transportation Partnership Opportunity Fund (TPOF) which were used to construct a taxiway in the Wallops Research Park which connects it with the NASA Wallops Flight Facility. No additional money from this grant was received in the current year.
- Other local taxes decreased by 1% primarily due to a decrease in local sales and use tax revenue.

- Education expense is the largest single category comprising 38% of total governmental expenses. Expenses for this category increased by \$93,360 or 0.5% from the previous year.
- Public safety expense is the second largest category comprising 21% of governmental expenses. Expenses for this category increased \$748,144 or 7% as compared to the previous year, due mostly to increased grant funded expenditures and increases in inmate incarceration costs.
- Community development expenses increased by \$419,963 or 27% from the prior year, due mostly to increase spending associated with new stormwater management compliance regulations.



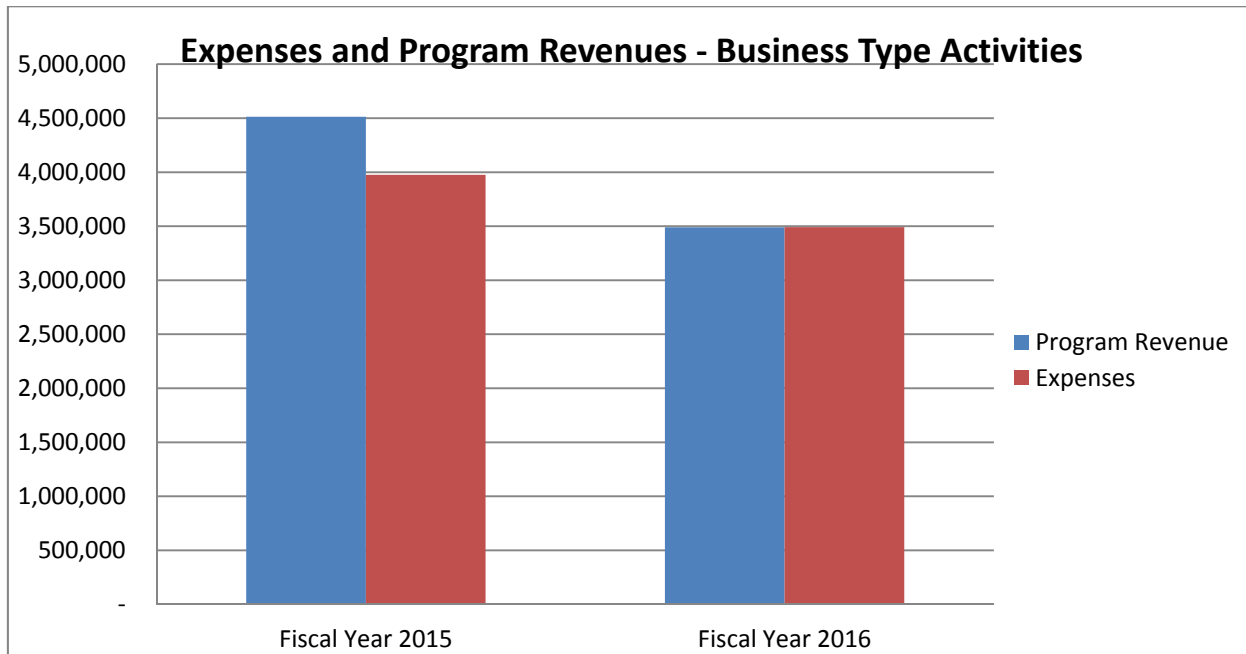
Fiscal Year 2016 Expenses by Function Governmental Activities



Business-type Activities - Business-type activities increased the County's net position by \$210,472 or 1% during the fiscal year.

Business-type revenues decreased by \$1,024,299 or 23%. Of this amount, \$1,048,914 was from capital grants received in the prior year for the purpose of removing obstructions surrounding the runway at the County Airport.

Business-type expenses decreased by 12% or \$484,011 as compared to the prior fiscal year. Landfill related expenses decreased by 14% or \$403,258 water and sewer related expenses decreased by 17% or \$40,165.



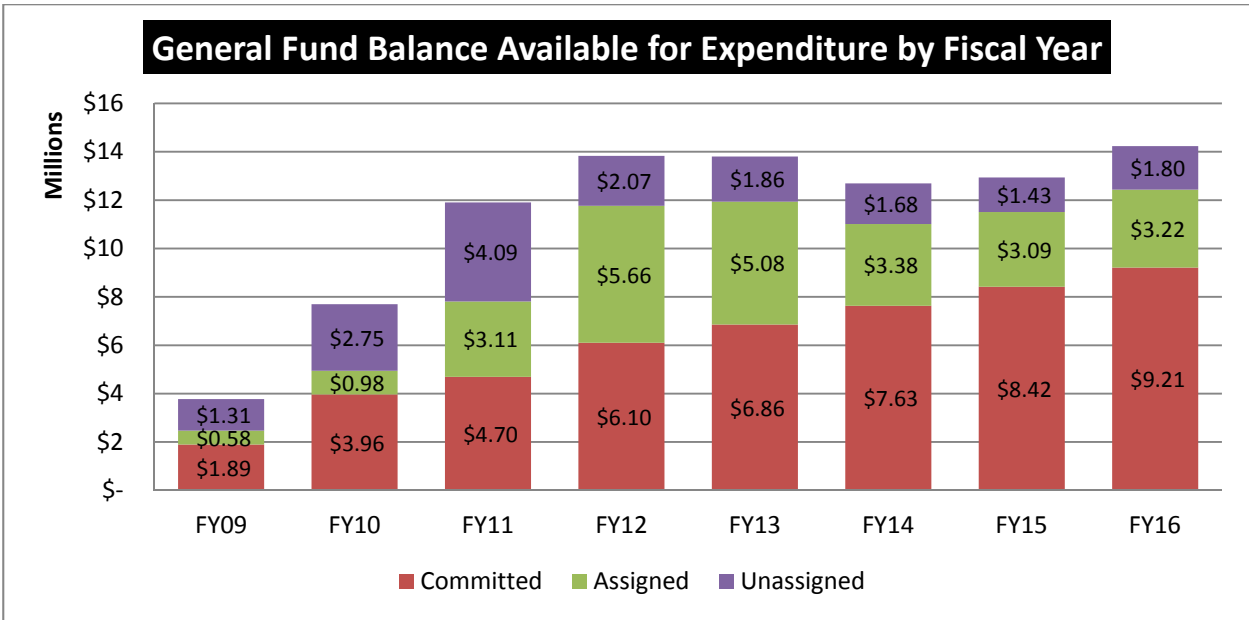
Financial Analysis of the County's Funds

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 \$22,248,392. Details are as follows:

- The General Fund accounted for 69% percent or \$14,372,875 of the combined ending governmental fund balance.
 - Approximately \$1,804,578 or 13% 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 \$9,210,477 or 64% is committed for a "Rainy Day" or Revenue Stabilization. This amount represents 12.1% of General Fund Revenue combined with School Operating Fund Revenue less revenue from the Primary Government.
 - Approximately \$3,221,067 or 22% 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 \$32,053, 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 \$1,302,069 or 10%. General Fund Committed Fund Balance increased by \$795,054 or 9%. The entire amount of committed fund balance, \$9,210,477, is associated with the County's "Rainy Day"/Revenue Stabilization Policy. The General Fund unassigned fund balance increased by \$395,665 or 28%.
- The County Debt Service Fund accounted for 5% or \$1,180,940 of the combined ending governmental fund balance. This entire balance is restricted for future debt service.
- The County Capital Projects Fund accounted for 20% or \$4,345,595 of the total governmental fund balance. Of this amount, \$3,908,832 is unspent bond proceeds restricted primarily for renovations of the County Health Department and Metompink Elementary School.

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 \$1,594,782 or 4.3%. The majority of the variance was due to budget amendments made to recognize other state and federal grant funds awarded to the County during the fiscal year.

For the most part, the original revenue budget held up favorably to actual revenues. Other than a budget increase of \$456,907 to reflect the one-time revenue increase associated with changing the public service corporation real and personal property tax billing frequency from an annual cycle to a semi-annual cycle. 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 \$2,184,473 or 6%. Significant individual adjustments making up this difference are explained as follows:

- General Government related amendments - The original budget was amended upward by \$367,467 to offset the impact of contracted legal services.
- Public Safety related amendments - The following budget increases were made to reflect:
 - Amendments totaling \$114,607 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 \$90,655 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 \$840,118, including \$220,144 to reflect the carryover of funds used for storm drainage control, \$192,179 for renovations and furnishing an office for Public Safety including a carryover, and \$180,138 to capture Garage service recoveries.
- Parks, Recreation and Cultural amendments - The original budget was increased by \$254,635 to recognize the carryover and acceptance of a grant award for the Summer Food/Playground Program.
- Education amendments - The original budget was increased by \$222,000 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 \$874,429 and a positive variance between actual expenditures and the final budget of \$2,215,233.

There was one significant negative budget variance (\$101,493) reported in the General Fund under public safety. This was due to unanticipated medical expenditures incurred during the last month of the fiscal year for inmates housed in the County's correctional facility.

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, 2016 amounts to \$53,202,494 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding, including unamortized bond premiums, of \$36,103,857. Of this amount, \$23,135,935 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 \$18,822,570 in debt reported on the County's Statement of Net position and an expense increase of \$1,882,833 reported on the County's Statement of Activities for the transfer of school property on which debt was retired during the fiscal year to the school board. The legislation affects the reporting of local school capital assets as well.

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

Economic Factors and Next Year's Budgets and Rates

Overall, General Fund revenues for fiscal year 2017 are forecast to increase slightly (0.8%) from those of FY16. Total General Fund expenditures, including capital expenditures, are forecast to decrease by 3.7%.

Property Tax Rates/Fees

The Fiscal Year 2017 budget includes an increase of \$0.030 per \$100 of assessed valuation in the real estate tax rate. This increase did not apply to the Town of Chincoteague. No other fee or tax increases were approved.

Below are the adopted property tax rates for calendar year 2015 (fiscal year 2016) and calendar year 2016 (fiscal year 2017):

2016 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

2015 Real Estate Tax Rates:

Chincoteague.....	\$0.490 per \$100 of assessed valuation
Captains Cove/Greenbackville	\$0.605 per \$100 of assessed valuation
All other County areas	\$0.580 per \$100 of assessed valuation

Operating Expenditures

Fiscal year 2017 operating expenditures are expected to increase slightly to provide a 3.0% wage increase for County and state-supported local positions (\$227,212) and to support the addition of nine full-time equivalents (FTE) in emergency medical service career staff (\$561,845). These additional FTEs will be used to decrease EMS response times at the southern end of the County and provide backfill for the entire service area. These are the two most significant planned operating cost increases for the fiscal year 2017 expenditure budget.

Capital Expenditures

The County is scheduled to begin renovations to the County Health Department building and improvements to Metompkin Elementary School in Fiscal Year 2017. Total cost for these projects is estimated at approximately \$4M with most of these funds derived from unspent bond proceeds currently available and accounted for in the County Capital Projects Fund. The County also plans to construct a new cell at the Northern Landfill to accept waste at a cost of slightly over \$2M. The County intends to issue approximately \$1.3 million in debt in FY17 to finance

landfill heavy equipment purchases.

Other Initiatives

The fiscal year 2017 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 \$806,980 for this purpose. With this increase, the amount committed is expected to reach 13.3% 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 5.2% as of June 2015 to 4.3% as of June 2016 but still continues to be above the state average. The current local unemployment rate does compare favorably to the national rate of 4.9%.

Unemployment Rates			
	June 2014	June 2015	June 2016
Accomack County	6.0%	5.2%	4.3%
Commonwealth of Virginia	5.4%	5.0%	4.0%
USA	6.3%	5.5%	4.9%

According to the Virginia Employment Commission, the number of persons employed decreased by 2% from 15,785 in June 2015 to 15,421 in June 2016.

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

Requests for Information

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

Basic Financial Statements



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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
AT JUNE 30, 2016

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
<u>Assets:</u>					
Cash and investments	\$ 20,320,635	\$ 4,698,747	\$ 25,019,382	\$ 13,004,740	\$ 1,014,941
Taxes receivable, net	17,497,073	-	17,497,073	-	-
Special assessments receivable, net	17,920	-	17,920	-	-
Accounts receivable, net	389,622	198,729	588,351	220,265	315,390
Loans receivable	-	-	-	-	245,400
Due from other governmental entities	2,411,601	9,169	2,420,770	2,671,801	18,548
Inventory	-	35,427	35,427	-	-
Prepaid items	-	-	-	-	21,397
Notes receivable	13,179	-	13,179	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	254,600
Investments	3,908,832	-	3,908,832	-	-
Capital assets (net of accumulated depreciation):					
Land	2,233,337	1,472,500	3,705,837	974,862	541,351
Buildings	25,638,732	833,488	26,472,220	30,441,369	649,036
Improvements other than buildings	5,738,085	4,999,014	10,737,099	1,146,150	94,037
Machinery and equipment	2,190,835	1,085,655	3,276,490	2,800,813	41,148
Intangibles	15,697	-	15,697	-	-
Construction in progress	8,405,147	590,004	8,995,151	-	43,889
Net pension asset	-	-	-	114,011	-
Total assets	88,780,695	13,922,733	102,703,428	51,374,011	3,239,737
<u>Deferred Outflows of Resources:</u>					
Deferred amount on refunding	354,623	15,042	369,665	-	-
Pension contributions subsequent to measurement date	1,035,572	45,901	1,081,473	3,871,236	77,646
Items relating to measurement of net pension liability	39,368	1,836	41,204	-	-
Pension changes in proportion	-	-	-	384,000	-
Total deferred outflows of resources	1,429,563	62,779	1,492,342	4,255,236	77,646
<u>Liabilities:</u>					
Accounts payable	1,852,184	212,115	2,064,299	2,051,021	61,688
Wages and benefits payable	122,243	4,735	126,978	4,049,518	28,214
Retainage payable	170,346	-	170,346	-	-
Due to other governmental entities	221,011	-	221,011	-	-
Accrued interest payable	577,676	1,232	578,908	-	-
Unearned revenue	84,017	5,999	90,016	735,363	105,810
Customer deposits	223,706	29,890	253,596	-	5,000
Long-term liabilities:					
Due within one year	5,270,129	2,633,756	7,903,885	1,915,686	144,282
Due in more than one year	34,012,437	5,054,616	39,067,053	45,467,185	128,663
Total liabilities	42,533,749	7,942,343	50,476,092	54,218,773	473,657
<u>Deferred Inflows of Resources:</u>					
Deferred property tax revenue	15,352,415	-	15,352,415	-	-
Items relating to measurement of net pension liability	1,265,752	69,727	1,335,479	4,811,144	124,995
Total deferred inflows of resources	16,618,167	69,727	16,687,894	4,811,144	124,995
<u>Net Position:</u>					
Net investment in capital assets	13,323,383	8,016,703	21,340,086	35,363,194	1,365,607
Restricted:					
Future debt service	1,180,940	-	1,180,940	-	699,607
Grant purposes	232,188	-	232,188	-	-
Public safety	1,361,623	-	1,361,623	-	-
Health and welfare	8,267	-	8,267	-	-
Judicial administration	41,880	-	41,880	-	-
Community development	32,105	-	32,105	-	-
Unrestricted	14,877,956	(2,043,261)	12,834,695	(38,763,864)	653,517
Total net position	\$ 31,058,342	\$ 5,973,442	\$ 37,031,784	\$ (3,400,670)	\$ 2,718,731

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	\$ 4,213,237	\$ 464,325	\$ 283,591	\$ -
Judicial administration	1,626,300	76,993	1,109,579	-
Public safety	10,799,876	470,058	2,644,596	-
Public works	4,046,470	330,896	20,302	-
Health and welfare	5,961,155	406,018	4,038,658	-
Education	19,185,216	-	-	-
Parks, recreation and cultural	1,048,256	63,915	116,302	91,253
Community development	2,002,473	201,284	625,543	-
Interest on long-term debt	1,469,186	-	-	-
Total governmental activities	<u>50,352,169</u>	<u>2,013,489</u>	<u>8,838,571</u>	<u>91,253</u>
Business-type activities:				
Landfill	2,548,558	2,944,380	-	-
Airport	670,222	242,236	52,142	-
Water and sewer	203,169	200,897	-	-
Parks and recreation	69,436	49,740	-	-
Total business-type activities	<u>3,491,385</u>	<u>3,437,253</u>	<u>52,142</u>	<u>-</u>
Total primary government	<u>53,843,554</u>	<u>5,450,742</u>	<u>8,890,713</u>	<u>91,253</u>
Component Units:				
School Board	55,686,856	907,092	38,693,961	-
Economic Development Authority	8,736	4,897	-	-
Public Library	861,237	34,445	563,681	-
Planning District Commission	1,218,880	1,131,768	90,101	-
Quinby Harbor Committee	54,307	15,804	-	-
Greenbackville Harbor Committee	9,593	18,940	-	-
Captain's Cove/Greenbackville Mosquito Control Commission	53,941	60,368	-	-
Total component units	<u>\$ 57,893,550</u>	<u>\$ 2,173,314</u>	<u>\$ 39,347,743</u>	<u>\$ -</u>

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

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
\$ (3,465,321)	\$ -	\$ (3,465,321)	\$ -	\$ -
(439,728)	-	(439,728)	-	-
(7,685,222)	-	(7,685,222)	-	-
(3,695,272)	-	(3,695,272)	-	-
(1,516,479)	-	(1,516,479)	-	-
(19,185,216)	-	(19,185,216)	-	-
(776,786)	-	(776,786)	-	-
(1,175,646)	-	(1,175,646)	-	-
(1,469,186)	-	(1,469,186)	-	-
(39,408,856)	-	(39,408,856)	-	-
-	395,822	395,822	-	-
-	(375,844)	(375,844)	-	-
-	(2,272)	(2,272)	-	-
-	(19,696)	(19,696)	-	-
-	(1,990)	(1,990)	-	-
(39,408,856)	(1,990)	(39,410,846)	-	-
-	-	-	(16,085,803)	-
-	-	-	-	(3,839)
-	-	-	-	(263,111)
-	-	-	-	2,989
-	-	-	-	(38,503)
-	-	-	-	9,347
-	-	-	-	6,427
-	-	-	(16,085,803)	(286,690)
31,940,238	-	31,940,238	-	-
3,583,326	-	3,583,326	-	-
994,827	-	994,827	-	-
1,069,085	-	1,069,085	-	-
1,836,328	-	1,836,328	-	-
-	-	-	18,662,179	435,610
3,367,776	-	3,367,776	-	-
9,583	11,347	20,930	1,206	2,553
-	1,533	1,533	-	(332,919)
378,396	73	378,469	328,013	39,437
(199,509)	199,509	-	-	-
42,980,050	212,462	43,192,512	18,991,398	144,681
3,571,194	210,472	3,781,666	2,905,595	(142,009)
27,487,148	5,762,970	33,250,118	(6,306,265)	2,860,740
\$ 31,058,342	\$ 5,973,442	\$ 37,031,784	\$ (3,400,670)	\$ 2,718,731

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

COUNTY OF ACCOMACK, VIRGINIA

BALANCE SHEET

GOVERNMENTAL FUNDS

AT JUNE 30, 2016

Exhibit 3

	Major Funds						
	General Fund	Virginia Public Assistance Fund	Comprehensive Youth Services Fund	County Capital Projects Fund	County Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments	\$ 15,121,100	\$ -	\$ -	\$ 535,681	\$ 1,432,236	\$ 3,231,619	\$ 20,320,636
Taxes receivable, net	12,492,976	-	-	-	2,249,112	2,754,986	17,497,074
Special assessments receivable, net	17,920	-	-	-	-	-	17,920
Accounts receivable, net	381,468	-	650	-	-	7,504	389,622
Notes receivable, net	-	-	-	-	-	13,179	13,179
Due from other governmental entities	1,566,188	245,013	363,649	236,751	-	-	2,411,601
Interfund receivables	300,732	-	-	-	-	-	300,732
Restricted assets:							
Investments	-	-	-	3,908,832	-	-	3,908,832
Total assets	29,880,384	245,013	364,299	4,681,264	3,681,348	6,007,288	44,859,596
Liabilities:							
Accounts payable	960,436	31,534	228,206	157,895	550	473,563	1,852,184
Wages and benefits payable	109,980	8,329	-	-	-	3,934	122,243
Due to other governmental entities	180,500	-	40,511	-	-	-	221,011
Retainage payable	-	-	-	170,346	-	-	170,346
Customer deposits	216,278	-	-	7,428	-	-	223,706
Interfund payables	-	205,150	95,582	-	-	-	300,732
Unearned revenue	25,190	-	-	-	-	58,827	84,017
Total liabilities	1,492,384	245,013	364,299	335,669	550	536,324	2,974,239
Deferred Inflows of Resources:							
Deferred property tax revenue	10,975,120	-	-	-	1,947,636	2,429,659	15,352,415
Unavailable revenue-property taxes	3,022,085	-	-	-	552,222	679,144	4,253,451
Unavailable revenue-notes receivable	-	-	-	-	-	13,179	13,179
Unavailable revenue-special assessments	17,920	-	-	-	-	-	17,920
Total deferred inflows of resources	14,015,125	-	-	-	2,499,858	3,121,982	19,636,965
Fund Balances:							
Nonspendable: Noncurrent advances	104,700	-	-	-	-	-	104,700
Restricted for:							
Debt service	-	-	-	-	1,180,940	-	1,180,940
Fire and rescue	-	-	-	-	-	1,321,804	1,321,804
Captain's Cove mosquito control	-	-	-	-	-	8,267	8,267
Law library	-	-	-	-	-	41,880	41,880
Drug seizures	-	-	-	-	-	38,503	38,503
Courthouse security	-	-	-	-	-	39,819	39,819
Rehabilitation projects	-	-	-	-	-	193,737	193,737
Wetlands mitigation	32,053	-	-	-	-	-	32,053
Committed to Rainy Day/Stabilization	9,210,477	-	-	-	-	-	9,210,477
Assigned to:							
Storm drainage	248,082	-	-	-	-	-	248,082
Fire and rescue	-	-	-	-	-	704,972	704,972
Building improvement or repair projects	283,767	-	-	-	-	-	283,767
Public boating facility improvement or repair	-	-	-	64,707	-	-	64,707
Subsequent year's expenditures	1,615,615	-	-	-	-	-	1,615,615
Information technology projects	105,775	-	-	-	-	-	105,775
County projects (Series 15 Bonds)	-	-	-	3,871,784	-	-	3,871,784
Wallops Research Park	-	-	-	79,803	-	-	79,803
Other purposes	967,828	-	-	329,301	-	-	1,297,129
Unassigned	1,804,578	-	-	-	-	-	1,804,578
Total fund balances	14,372,875	-	-	4,345,595	1,180,940	2,348,982	22,248,392
Total liabilities, deferred inflows of resources and fund balances	\$ 29,880,384	\$ 245,013	\$ 364,299	\$ 4,681,264	\$ 3,681,348	\$ 6,007,288	\$ 44,859,596

(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, 2016

Exhibit 4

Total fund balances - governmental funds (Exhibit 3) \$ 22,248,392

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	2,233,337	
Buildings, net of depreciation	6,816,161	
Improvements other than buildings, net of depreciation	5,738,085	
Machinery and equipment, net of depreciation	2,190,835	
Intangibles, net of amortization	15,697	
Construction in progress	8,405,147	
School Board capital assets, net of depreciation	18,822,570	
Total capital assets		44,221,832

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds. 2,418,056

Pension contributions subsequent to the measurement date will be a reduction to/increase in the net pension liability/asset in the next fiscal year and, therefore, are not reported in the funds. 1,035,572

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	(21,328,636)	
Qualified zone academy bonds	(193,396)	
Lease revenue bonds	(12,752,440)	
Accrued interest on debt	(577,676)	
Bond premiums and discounts, net of amortization	(850,385)	
Bond deferred charge on refunding	354,623	
Deferred outflows related to measurement of net pension liability	39,368	
Compensated absences	(1,807,968)	
Net OPEB obligation	(1,749,000)	
Net adjustment		(38,865,510)

Total net position - governmental activities (Exhibit 1) \$ 31,058,342

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 5

	Major Funds						
	General	Virginia	Comprehen-	County	County	Nonmajor	Total
	Fund	Public	sive Youth	Capital	Debt	Governmental	Governmental
	Fund	Assistance	Services	Projects	Service	Funds	Funds
Revenues:							
General property taxes	\$23,093,685	\$ -	\$ -	\$ -	\$4,132,404	\$4,979,085	\$32,205,174
Other local taxes	7,384,540	-	-	-	-	99,026	7,483,566
Permits, fees and licenses	345,515	-	-	-	-	117,611	463,126
Fines and forfeitures	54,318	-	-	-	-	-	54,318
Revenue from the use of money & property	325,996	-	-	1,325	-	60	327,381
Charges for services	509,555	-	-	-	-	-	509,555
Miscellaneous	118,575	5,707	123,838	200,000	-	26,511	474,631
Recovered costs	453,977	-	-	57,395	-	18,819	530,191
Intergovernmental	7,329,208	3,243,707	794,951	660,359	82,363	187,012	12,297,600
Total revenues	<u>39,615,369</u>	<u>3,249,414</u>	<u>918,789</u>	<u>919,079</u>	<u>4,214,767</u>	<u>5,428,124</u>	<u>54,345,542</u>
Expenditures:							
General government administration	4,289,367	-	-	748	-	-	4,290,115
Judicial administration	1,494,505	-	-	-	-	105,913	1,600,418
Public safety	6,726,364	-	-	-	-	4,457,112	11,183,476
Public works	3,655,599	-	-	902,353	-	-	4,557,952
Health and welfare	898,499	3,947,384	1,147,139	-	-	60,368	6,053,390
Education	16,811,765	-	-	8,609	-	-	16,820,374
Parks, recreation and cultural	927,064	-	-	119,202	-	-	1,046,266
Community development	1,093,126	-	-	1,340,037	-	194,891	2,628,054
Debt service:							
Principal	648,200	-	-	-	3,028,017	-	3,676,217
Interest	120,667	-	-	-	1,408,298	-	1,528,965
Total expenditures	<u>36,665,156</u>	<u>3,947,384</u>	<u>1,147,139</u>	<u>2,370,949</u>	<u>4,436,315</u>	<u>4,818,284</u>	<u>53,385,227</u>
Revenues over (under) expenditures	<u>2,950,213</u>	<u>(697,970)</u>	<u>(228,350)</u>	<u>(1,451,870)</u>	<u>(221,548)</u>	<u>609,840</u>	<u>960,315</u>
Other financing sources (uses):							
Lease revenue bonds issued	-	-	-	4,350,000	-	-	4,350,000
Transfers in	138,854	697,970	228,350	565,980	-	96,189	1,727,343
Transfers out	(1,786,998)	-	-	-	-	(139,854)	(1,926,852)
Total other financing sources (uses)	<u>(1,648,144)</u>	<u>697,970</u>	<u>228,350</u>	<u>4,915,980</u>	<u>-</u>	<u>(43,665)</u>	<u>4,150,491</u>
Net changes in fund balance	1,302,069	-	-	3,464,110	(221,548)	566,175	5,110,806
Fund balance, beginning of year	13,070,806	-	-	881,485	1,402,488	1,782,807	17,137,586
Fund balance, end of year	<u>\$14,372,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$4,345,595</u>	<u>\$1,180,940</u>	<u>\$2,348,982</u>	<u>\$22,248,392</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, 2016

Exhibit 6

Net changes in fund balances-governmental funds (Exhibit 5) \$ 5,110,806

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. The net effect is as follows:

Capital asset expenditures	2,111,030	
Depreciation on capital assets	(1,864,951)	
Net adjustment		246,079

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

(1,882,833)

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

(276,730)

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.

(619,723)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest payable	59,779	
Compensated absences	47,886	
Net OPEB obligation	(66,000)	
Net pension asset (liability)	(863,761)	
Change in pension contributions subsequent to measurement date	1,776,323	
Change in items related to measurement of net pension liability	39,368	
Net adjustment		993,595

Change in net position of governmental activities (Exhibit 2)

\$ 3,571,194

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AT JUNE 30, 2016

Exhibit 7

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
<u>Assets:</u>				
Current assets:				
Cash and investments	\$ 3,962,399	\$ 114,942	\$ 621,406	\$ 4,698,747
Accounts receivable (net of allowance for uncollectibles)	158,835	11,301	28,593	198,729
Due from other government entities	-	9,169	-	9,169
Inventory	-	35,427	-	35,427
Total current assets	4,121,234	170,839	649,999	4,942,072
Noncurrent assets:				
Capital Assets (net of accumulated depreciation):				
Land	211,664	1,260,836	-	1,472,500
Buildings	765,856	64,140	3,486	833,482
Improvements other than buildings	3,733,849	1,249,929	15,240	4,999,018
Machinery and equipment	1,046,735	24,645	14,277	1,085,657
Construction in progress	357,648	232,356	-	590,004
Total capital assets	6,115,752	2,831,906	33,003	8,980,661
Total assets	10,236,986	3,002,745	683,002	13,922,733
<u>Deferred Outflows of Resources:</u>				
Deferred amount on refunding	15,042	-	-	15,042
Pension contributions subsequent to measurement date	40,280	5,621	-	45,901
Items related to measurement of net pension liability	1,591	245	-	1,836
Total deferred outflows of resources	56,913	5,866	-	62,779
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	151,196	26,154	34,765	212,115
Wages and benefits payable	522	1,306	2,907	4,735
Unearned revenue	-	5,999	-	5,999
Accrued interest payable	1,232	-	-	1,232
Customer deposits	29,890	-	-	29,890
Compensated absences-current	73,453	10,854	-	84,307
General obligation bonds payable-current	320,000	-	-	320,000
Landfill closure/post closure care-current	2,229,449	-	-	2,229,449
Total current liabilities	2,805,742	44,313	37,672	2,887,727
Noncurrent liabilities:				
Compensated absences	9,078	1,341	-	10,419
General obligation bonds payable	659,000	-	-	659,000
Landfill closure/post closure care	4,357,176	-	-	4,357,176
Net pension liability	24,280	3,741	-	28,021
Total noncurrent liabilities	5,049,534	5,082	-	5,054,616
Total liabilities	7,855,276	49,395	37,672	7,942,343
<u>Deferred Inflow of Resources:</u>				
Items related to measurement of net pension liability	55,618	14,109	-	69,727
Total deferred inflows of resources	55,618	14,109	-	69,727
<u>Net Position:</u>				
Net investment in capital assets	5,151,794	2,831,906	33,003	8,016,703
Unrestricted	(2,768,789)	113,201	612,327	(2,043,261)
Total net position	\$ 2,383,005	\$ 2,945,107	\$ 645,330	\$ 5,973,442

(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, 2016

Exhibit 8

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Operating revenues:				
Use of property	\$ -	\$ 597	\$ -	\$ 597
Charges for services	2,910,224	232,849	250,637	3,393,710
Intergovernmental	-	52,142	-	52,142
Other operating revenue	34,156	8,790	73	43,019
Total operating revenues	<u>2,944,380</u>	<u>294,378</u>	<u>250,710</u>	<u>3,489,468</u>
Operating expenses:				
Personnel services and fringe benefits	644,101	118,017	21,439	783,557
Other operating expenses	1,440,432	253,588	238,897	1,932,917
Depreciation	436,993	298,617	12,269	747,879
Total operating expenses	<u>2,521,526</u>	<u>670,222</u>	<u>272,605</u>	<u>3,464,353</u>
Operating income (loss)	<u>422,854</u>	<u>(375,844)</u>	<u>(21,895)</u>	<u>25,115</u>
Nonoperating revenues (expenses):				
Interest income	11,347	-	-	11,347
Interest expense	(27,032)	-	-	(27,032)
Gain on the sale of assets	-	1,533	-	1,533
Total nonoperating revenues (expenses)	<u>(15,685)</u>	<u>1,533</u>	<u>-</u>	<u>(14,152)</u>
Income (loss) before transfers	<u>407,169</u>	<u>(374,311)</u>	<u>(21,895)</u>	<u>10,963</u>
Transfers:				
Transfers in	15,109	184,400	-	199,509
Total transfers	<u>15,109</u>	<u>184,400</u>	<u>-</u>	<u>199,509</u>
Changes in net position	422,278	(189,911)	(21,895)	210,472
Total net position, beginning of year	1,960,727	3,135,018	667,225	5,762,970
Total net position, end of year	<u>\$ 2,383,005</u>	<u>\$ 2,945,107</u>	<u>\$ 645,330</u>	<u>\$ 5,973,442</u>

(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, 2016

Exhibit 9

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Cash flows from operating activities:				
Receipts from customers	\$ 2,910,052	\$ 232,494	\$ 263,958	\$ 3,406,504
Payments to suppliers	(1,360,131)	(336,540)	(240,175)	(1,936,846)
Payments to employees and benefits paid on behalf of employees	(658,306)	(126,335)	(20,761)	(805,402)
Intergovernmental	-	52,142	-	52,142
Other receipts	34,156	8,790	73	43,019
Payments to General Fund for indirect services	245,924	-	-	245,924
Net cash provided by (used for) operating activities	1,171,695	(169,449)	3,095	1,005,341
Cash flows from noncapital financing activities:				
Transfer from the General Fund	15,109	174,092	-	189,201
Operating grant proceeds from the Commonwealth and Federal Government	-	30,459	-	30,459
Net cash provided by (used for) noncapital financing activities	15,109	204,551	-	219,660
Cash flows from capital and related financing activities:				
Purchase of capital assets	(581,603)	(30,717)	-	(612,320)
Capital Transfer from the General Fund	-	10,308	-	10,308
Capital grant proceeds from the Commonwealth and Federal Government	-	52,159	-	52,159
Proceeds from sale of capital assets	-	1,533	-	1,533
Principal payments on debt	(314,000)	-	-	(314,000)
Interest payments on debt	(20,774)	-	-	(20,774)
Net cash provided by (used for) capital and related financing activities	(916,377)	33,283	-	(883,094)
Cash flows from investing activities:				
Interest income	11,347	-	-	11,347
Net increase in cash and cash equivalents	281,774	68,385	3,095	353,254
Cash and cash equivalents, beginning of year	3,680,625	46,557	618,311	4,345,493
Cash and cash equivalents, end of year	\$ 3,962,399	\$ 114,942	\$ 621,406	\$ 4,698,747
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 422,854	\$ (375,844)	\$ (21,895)	\$ 25,115
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	436,993	298,617	12,269	747,879
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	(6,287)	(1,111)	13,321	5,923
(Increase) Decrease in inventory	-	(7,201)	-	(7,201)
(Increase) Decrease in pension contribution subsequent to measurement date	(4,643)	(130)	-	(4,773)
Increase (Decrease) in wages and benefits payable	(1,624)	(563)	678	(1,509)
Increase (Decrease) in accounts payable	(10,354)	(77,685)	(1,278)	(89,317)
Increase (Decrease) in prepaid rent	-	159	-	159
Increase (Decrease) in customer deposits	6,116	-	-	6,116
Increase (Decrease) in closure/post closure liabilities	334,615	-	-	334,615
Increase (Decrease) in compensated absences payable	27,768	1,354	-	29,122
Increase (Decrease) in net pension liability	35,109	5,775	-	40,884
Increase (Decrease) in items related to measurement of net pension liability	(68,852)	(12,820)	-	(81,672)
Total adjustments	311,848	(92,222)	12,721	232,347
Net cash provided (used for) by operating activities	\$ 1,171,695	\$ (169,449)	\$ 3,095	\$ 1,005,341

(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, 2016

Exhibit 10

	Other Postemployment Benefits Trust Fund	Agency Funds
<u>Assets:</u>		
Cash and investments held by Treasurer	\$ (16,395)	\$ 39,490
Cash and investments in custody of others	121,495	34,968
Total assets	<u>105,100</u>	<u>74,458</u>
<u>Liabilities:</u>		
Accounts payable	2,939	-
Amounts held for social service clients	-	39,490
Amounts held for others	-	34,968
Total liabilities	<u>2,939</u>	<u>74,458</u>
<u>Net Position:</u>		
Held in trust for other post employment benefits	102,161	-
Total net position	<u>\$ 102,161</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, 2016

Exhibit 11

	Other Postemployment Benefits Trust Fund
<u>Additions:</u>	
Contributions:	
Employer	\$ 94,361
Retiree	50,864
Total contributions	<u>145,225</u>
Investment earnings:	
Interest	<u>1</u>
Total investment earnings	<u>1</u>
Total additions	<u>145,226</u>
<u>Deductions</u>	
Health insurance credit payments	9,499
Benefits	94,313
Administrative expenses	164
Investments:	
Decrease in fair value of investments	<u>1,480</u>
Total deductions	<u>105,456</u>
Change in net position	39,770
Net position - beginning	<u>62,391</u>
Net position - ending	<u><u>\$ 102,161</u></u>

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016

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. Financial 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, 2016.

- 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 bond or enters into capital leases for its capital requirements and approves its annual budget. The School Board is reported as a governmental fund type. The School Board does not issue separate financial statements.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Financial Reporting Entity-continued

- 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.
- 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. 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.

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

B. Financial Reporting Entity-continued

- 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. 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.
- 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 2016, the County contributed \$604,353 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 2016, the County contributed \$178,286 to the Board for operations. Complete financial statements for the Commission may be obtained by contacting the Eastern Shore Community Services Board, P.O. Box 453, Nassawadox, Virginia 23413.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.
- **Comprehensive Youth Services Fund:** The Comprehensive Youth Services Fund accounts for and reports revenues and expenditures associated with the Comprehensive Services Act (CSA). The Comprehensive Services is a mandated Commonwealth program the purpose of which is to provide high quality, child centered, family focused, cost effective, community-based services to high-risk youth and their families. Revenues are

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Basis of Presentation-Fund Financial Statements-continued

primarily derived from intergovernmental funding including significant local funding from the County's General Fund.

- **County Capital Projects Fund:** The County Capital Projects Fund is used to account for 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.

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, War Memorial 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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Basis of Presentation-Fund Financial Statements-continued

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.

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 eligible 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.

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Budgetary Basis of Accounting

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

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

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

i. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term, highly liquid investments with a maturity date within three months of the date acquired by the County. This definition also applies to cash and cash equivalents used in the statement of cash flows. 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 (DCs) and external investment pools are measured at amortized cost. All other investments are reported at fair value. Investment in custody of others includes unspent bond proceeds and accumulated interest that the County intends to use for bond related construction projects.

ii. Receivables

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

iii. 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.

iv. 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. 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

v. 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 two items that qualify for reporting in this category. One item is a deferred charge on refunding resulting 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 debt or refunding debt. The other item is comprised of certain items related to the measurement of the net pension asset or liability. These include differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension plan investments and is comprised of contributions to the pension plan made during the current year and subsequent to the net pension asset or liability measurement date, which will be recognized as a reduction of the net pension asset or liability next fiscal year.

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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

vi. 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.

vii. 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.

viii. 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, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

ix. 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 2015 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.

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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. Revenues and Expenditures/Expenses-continued

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 2016 was equal to 46% 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.

v. Use of Estimates

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Pensions

For purposes of measuring the net pension liability, 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 Retirement Plan and the additions to/deductions from the County'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.

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 value of the positions in the external investment pools (Local Government Investment Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP is an amortized cost basis portfolio under the provisions of GASB Statement No. 79. There are no withdrawal limitations or restrictions imposed on participants.

The carrying amount of cash and investments of the Primary Government and the School Board Component Unit at June 30, 2016 is as follows:

Deposits with Financial Institutions	\$ 33,976,399
Investments	3,918,604
Petty Cash	6,452
Cash on hand	145,762
Total Cash and Investments of the Primary Government and School Board Component Unit	<u>\$ 38,047,217</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

2. DEPOSITS AND INVESTMENTS-continued

A reconciliation to the basic financial statements is as follows:

Primary Government Cash and Investments per Exhibit 1	\$ 28,928,214
School Board Component Unit Cash and Investments per Exhibit 1	13,004,740
Other Component Unit Cash and Investments per Exhibit 1	1,269,541
Fiduciary Funds Cash and Investments per Exhibit 10	179,558
Total Cash and Investments for the Reporting Entity	43,382,053
Less: Primary Government Restricted Cash and Investments held by Bond Trustee per Exhibit 1 not in the custody of the Treasurer	(3,908,832)
Less: Other Component Unit Cash and Investments per Exhibit 1 not in the custody of the Treasurer	(1,269,541)
Less: Fiduciary Funds Cash and Investments per Exhibit 10 not in the custody of the Treasurer	(156,463)
Total Cash and Investments in the custody of the Treasurer	\$ 38,047,217

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, 2016, 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	\$ 3,919,257

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, 2016, the County's entire investment portfolio was invested with State Treasurer's Local Investment Pool and State Non-Arbitrage Program both of which are managed in accordance with GASB "2a-7 like" requirements.

Interest Rate Risk

The County's investments as of June 30, 2016 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	\$ 3,919,257	\$ 3,919,257

Custodial Credit Risk

As of June 30, 2016, 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.

COUNTY OF ACCOMACK, VIRGINIA**NOTES TO FINANCIAL STATEMENTS**

At June 30, 2016 (Continued)

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, 2016 are as follows:

PRIMARY GOVERNMENT:

Type:	Major Funds			Total
	General Fund	School Debt Fund	Nonmajor Funds	
Taxes receivable	\$ 4,896,334	\$ 648,784	\$ 798,943	\$ 6,344,061
Special assessments receivable	1,991	-	-	1,991
Total Primary Government	<u>\$ 4,898,325</u>	<u>\$ 648,784</u>	<u>\$ 798,943</u>	<u>\$ 6,346,052</u>

4. NOTES RECEIVABLE**A. Primary Government:**

The County was awarded a community improvement grant from the Virginia Department of Housing and Community Development for the purpose of creating twenty-three jobs for low and moderate-income persons. A portion of the grant proceeds, \$186,009, was used to provide a low-interest loan to one area business. The term of the loan is twenty years payable in monthly installments to the Authority at an annual percentage rate of three percent. The loan is secured by a first Deed of Trust. All payments due the County are current as of June 30, 2016. The repayment schedule is as follows:

Year Ending June 30,	Note Receivable		
	Principal	Interest	Total
2017	12,150	229	12,379
2018	1,029	2	1,031
Total	<u>\$ 13,179</u>	<u>\$ 231</u>	<u>\$ 13,410</u>

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

5. DUE FROM OTHER GOVERNMENTAL ENTITIES

Amounts due from other governments at June 30, 2016 consisted of the following:

A. Primary Government:

	Major Governmental Funds				Total Primary Government Activities	Major Fund Airport Enterprise Fund	Total Primary Government
	General Fund	Comprehen- sive Youth Services Fund	Virginia Public Assistance Fund	County Capital Projects Fund			
Miscellaneous government entities:							
Eastern Shore Public Service Authority	\$ 104,700	\$ -	\$ -	\$ -	\$ 104,700	\$ -	\$ 104,700
County of Northampton, Virginia	-	36,250	-	-	36,250	-	36,250
Total due from misc governments	104,700	36,250	-	-	140,950	-	140,950
Commonwealth of Virginia:							
Local sales tax	845,901	-	-	-	845,901	-	845,901
Recordation tax	23,917	-	-	-	23,917	-	23,917
Constitutional officer shared expenses	313,632	-	-	-	313,632	-	313,632
Jail per diem for prisoner housing	49,324	-	-	-	49,324	-	49,324
Mobile home tax	7,523	-	-	-	7,523	-	7,523
Communications tax	162,497	-	-	-	162,497	-	162,497
Miscellaneous	12,307	-	-	-	12,307	-	12,307
Hazard Mitigation Grant Fund	-	-	-	49,579	49,579	-	49,579
Public assistance funds	-	-	83,523	-	83,523	-	83,523
Airport maintenance funds	-	-	-	-	-	9,169	9,169
Comprehensive services act reimbursements	-	327,399	-	-	327,399	-	327,399
Total due from the Commonwealth	1,415,101	327,399	83,523	49,579	1,875,602	9,169	1,884,771
Federal Government:							
Victim Witness Assistance Grant Program	7,853	-	-	-	7,853	-	7,853
Summer foods grant	38,534	-	-	-	38,534	-	38,534
Miscellaneous	-	-	-	1,250	1,250	-	1,250
Hazard Mitigation Grant Fund	-	-	-	185,922	185,922	-	185,922
Public assistance funds	-	-	161,490	-	161,490	-	161,490
Total due from the Federal Government	46,387	-	161,490	187,172	395,049	-	395,049
Total due from other governmental entities	\$ 1,566,188	\$ 363,649	\$ 245,013	\$ 236,751	\$ 2,411,601	\$ 9,169	\$ 2,420,770

School Board Component Unit:

Commonwealth of Virginia:	
State sales tax contribution	\$ 382,727
SOL web base	716,015
Miscellaneous	44,793
Total due from Commonwealth	1,143,535
Federal Government:	
Title I	781,578
Title II	33,500
Title III	63,494
Title VI	88,369
Title X	6,098
Title VI-B Special Education	341,350
Vocational education	81,834
Food services	132,043
Total due from Federal Government	1,528,266
Total due from other governmental entities	\$ 2,671,801

6. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2016 are as follows:

Governmental Funds:		
General Fund	\$ 300,732	\$ -
Comprehensive Youth Services Fund	-	95,582
Virginia Public Assistance Fund	-	205,150
Total Primary Government	\$ 300,732	\$ 300,732

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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

7. CAPITAL ASSETS

A. Primary Government:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,157,437	\$ 75,900	\$ -	\$ 2,233,337
Construction in progress	7,824,230	1,230,285	(649,368)	8,405,147
Total capital assets not being depreciated	9,981,667	1,306,185	(649,368)	10,638,484
Other capital assets:				
Buildings	11,097,623	156,083	-	11,253,706
School buildings	25,846,011	-	(2,792,066)	23,053,945
Improvements other than buildings	8,935,198	871,119	-	9,806,317
Machinery and equipment	6,913,003	416,480	(239,325)	7,090,158
Intangibles	1,128,106	10,530	-	1,138,636
Total other capital assets	53,919,941	1,454,212	(3,031,391)	52,342,762
Less accumulated depreciation:				
Buildings	(4,139,558)	(297,987)	-	(4,437,545)
School buildings	(4,670,753)	(469,855)	909,233	(4,231,375)
Improvements other than buildings	(3,528,706)	(539,526)	-	(4,068,232)
Machinery and equipment	(4,596,424)	(542,224)	239,326	(4,899,322)
Intangibles	(1,107,580)	(15,359)	-	(1,122,939)
Total accumulated depreciation	(18,043,021)	(1,864,951)	1,148,559	(18,759,413)
Total governmental activities, net	45,858,587	895,446	(2,532,200)	44,221,833
Business-type activities:				
Capital assets not being depreciated:				
Land	402,064	1,070,436	-	1,472,500
Construction in progress	1,604,353	51,519	(1,065,868)	590,004
Total capital assets not being depreciated	2,006,417	1,121,955	(1,065,868)	2,062,504
Other capital assets:				
Buildings	2,162,255	-	-	2,162,255
Improvements other than buildings	14,048,520	78,078	-	14,126,598
Motor vehicles and equipment	4,872,977	505,321	(32,383)	5,345,915
Intangibles	29,710	-	-	29,710
Total other capital assets	21,113,462	583,399	(32,383)	21,664,478
Less accumulated depreciation:				
Buildings	(1,245,714)	(83,059)	-	(1,328,773)
Improvements other than buildings	(8,627,882)	(499,698)	-	(9,127,580)
Motor vehicles and equipment	(4,127,519)	(165,122)	32,383	(4,260,258)
Intangibles	(29,710)	-	-	(29,710)
Total accumulated depreciation	(14,030,825)	(747,879)	32,383	(14,746,321)
Total business-type activities, net	9,089,054	957,475	(1,065,868)	8,980,661
Total primary government, net	\$ 54,947,641	\$ 1,852,921	\$ (3,598,068)	\$ 53,202,494

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

7. CAPITAL ASSETS - continued

Depreciation expense was charged to the primary government as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
General government administration	\$ 96,100	\$ -	\$ 96,100
Judicial administration	107,830	-	107,830
Public safety	275,449	-	275,449
Public works	443,141	-	443,141
Health and welfare	162,507	-	162,507
Education	469,855	-	469,855
Parks, recreation and cultural	273,333	-	273,333
Community development	36,736	-	36,736
Landfill	-	436,993	436,993
Airport	-	298,617	298,617
Water and sewer	-	9,844	9,844
Parks and recreation revolving	-	2,425	2,425
Total	<u>\$ 1,864,951</u>	<u>\$ 747,879</u>	<u>\$ 2,612,830</u>

B. School Board Component Unit:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 974,862	\$ -	\$ -	\$ 974,862
Total capital assets not being depreciated	<u>974,862</u>	<u>-</u>	<u>-</u>	<u>974,862</u>
Other capital assets:				
Buildings	60,342,876	2,792,066	-	63,134,942
Improvements other than buildings	3,771,660	-	-	3,771,660
Motor vehicles and equipment	11,825,620	774,750	(302,290)	12,298,080
Total other capital assets	<u>75,940,156</u>	<u>3,566,816</u>	<u>(302,290)</u>	<u>79,204,682</u>
Less accumulated depreciation:				
Buildings	(30,199,610)	(2,493,963)	-	(32,693,573)
Improvements other than buildings	(2,496,636)	(128,874)	-	(2,625,510)
Motor vehicles and equipment	(9,177,731)	(621,826)	302,290	(9,497,267)
Total accumulated depreciation	<u>(41,873,977)</u>	<u>(3,244,663)</u>	<u>302,290</u>	<u>(44,816,350)</u>
Total school board component unit, net	<u>\$ 35,041,041</u>	<u>\$ 322,153</u>	<u>\$ -</u>	<u>\$ 35,363,194</u>

Total depreciation expense charged to the School Board component unit was \$2,335,430.

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, 2016, is that debt and related assets in the amount of \$23,053,945 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, 2016 (Continued)

7. CAPITAL ASSETS - continued

C. Economic Development Authority Component Unit:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 315,445	\$ -	\$ -	\$ 315,445
Other capital assets:				
Improvements other than buildings	1,406,601	-	-	1,406,601
Motor vehicles and equipment	7,799	-	-	7,799
Total other capital assets	1,414,400	-	-	1,414,400
Less accumulated depreciation:				
Improvements other than buildings	(1,406,601)	-	-	(1,406,601)
Motor vehicles and equipment	(585)	(780)	-	(1,365)
Total accumulated depreciation	(1,407,186)	(780)	-	(1,407,966)
Total economic development authority component unit	\$ 322,659	\$ (780)	\$ -	\$ 321,879

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

8. 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, 2016 consisted of the following:

	General Fund	Special Revenue Funds - Nonmajor	Enterprise Funds	School Board Component Unit
Unearned Revenue				
Advance grant funding received	\$ 25,190	\$ 58,827	\$ -	\$ 735,363
Prepaid rent received	-	-	5,999	-
Total	\$ 25,190	\$ 58,827	\$ 5,999	\$ 735,363

9. COMPENSATED ABSENCES

Accrued compensated absences are as follows at June 30, 2016:

	Primary Government	School Board Component Unit
	Governmental Activities	Business-type Activities
Compensated Leave		
Annual	\$ 992,714	\$ 45,122
Sick	309,884	29,735
Compensatory	505,370	19,868
Total	\$ 1,807,968	\$ 94,726

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

10. 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, 2016 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:

<u>Year Ending June 30</u>	<u>Amount</u>
2017	20,174
2018	20,174
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>\$ 1,679,485</u>

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

11. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Amount due within 1 year
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,855,854	\$ 1,420,998	\$ 1,468,884	\$ 1,807,968	\$ 1,609,092
Virginia Public School Authority bonds	23,566,069	-	2,237,433	21,328,636	2,328,817
Lease revenue bonds	9,747,100	4,350,000	1,344,660	12,752,440	1,234,900
Qualified zone academy bonds	287,514	-	94,118	193,396	97,320
Deferred premiums and discounts, net	934,846	-	84,461	850,385	-
Net OPEB obligation	1,683,000	241,000	175,000	1,749,000	-
Net pension liability	(263,020)	4,432,331	3,568,570	600,741	-
Total governmental activities long-term obligations	37,811,363	10,444,329	8,973,126	39,282,566	5,270,129
Business-type Activities:					
Compensated absences	65,604	87,510	58,388	94,726	84,307
General Obligation Bonds	1,293,000	-	314,000	979,000	320,000
Landfill closure/postclosure	6,252,010	419,251	84,636	6,586,625	2,229,449
Net pension liability	(12,863)	207,311	166,427	28,021	-
Total business-type entities long-term obligations	7,597,751	714,072	623,451	7,688,372	2,633,756
Total primary government long-term obligations	45,409,114	11,158,401	9,596,577	46,970,938	7,903,885
School Board Component Unit:					
Compensated absences	1,964,759	1,670,071	1,748,636	1,886,194	1,678,714
Early retirement termination benefits	1,164,481	-	257,804	906,677	236,972
Net pension liability - Non-Professional plan	117,617	1,072,951	1,190,568	-	-
Net pension liability-Teacher Plan	42,854,000	9,824,000	9,100,000	43,578,000	-
Net OPEB obligation	880,000	285,000	153,000	1,012,000	-
Total School Board long-term obligations	\$ 46,980,857	\$ 12,852,022	\$ 12,450,008	\$ 47,382,871	\$ 1,915,686

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		
	VPSA Bonds		Qualified Zone Academy Bonds		Lease Revenue Bonds		General Obligation Bonds		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2017	\$ 2,328,817	\$ 997,540	\$ 97,320	\$ 8,499	\$ 1,234,900	\$ 399,160	\$ 320,000	\$ 15,070	\$ 5,401,306
2018	2,426,394	874,954	17,194	5,188	1,042,065	361,192	326,000	9,127	5,062,114
2019	1,329,454	779,112	18,122	4,260	1,036,316	333,984	333,000	3,064	3,837,312
2020	1,382,753	711,275	19,101	3,281	873,449	305,998	-	-	3,295,857
2021	1,446,753	640,448	41,659	2,250	689,770	280,273	-	-	3,101,153
2022-2026	8,224,463	2,032,951	-	-	3,803,994	1,043,040	-	-	15,104,448
2027-2031	4,190,002	342,216	-	-	3,217,053	392,898	-	-	8,142,169
2032-2036	-	-	-	-	854,893	26,128	-	-	881,021
Total	\$ 21,328,636	\$ 6,378,496	\$ 193,396	\$ 23,478	\$ 12,752,440	\$ 3,142,673	\$ 979,000	\$ 27,261	\$ 44,825,380

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

11. LONG-TERM OBLIGATIONS - continued

B. Details of long-term indebtedness as of June 30, 2016:

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	\$ 8,422,232	5.15% ¹	11/20/1997	7/15/2017	\$ 978,594
Virginia Public School Authority bond	School construction	8,305,000	5.17% ¹	11/20/1997	7/15/2017	1,275,000
Virginia Public School Authority bond	School construction	6,270,000	4.47% ¹	5/15/2003	7/15/2028	4,195,000
Virginia Public School Authority bond	School construction	12,170,000	4.69% ¹	11/6/2003	7/15/2028	8,180,000
Virginia Public School Authority bond	School construction	1,935,000	4.46% ¹	11/10/2005	7/15/2030	1,440,000
Virginia Public School Authority bond	School construction	9,370,000	4.28% ¹	11/10/2005	7/15/2025	5,260,042
Qualified zone academy bond	School construction	1,433,003	3.00% ²	12/31/2002	12/31/2016	81,007
Qualified zone academy bond	School construction	439,100	5.40% ²	12/30/2004	12/30/2020	112,389
Lease revenue bond	Waste collection centers	2,665,000	3.82% ¹	11/29/2006	10/1/2016	325,000
Lease revenue bond	Research park construction	3,765,000	4.10% ¹	8/14/2013	10/1/2032	3,715,000
Lease revenue bond	Various Projects	4,350,000	2.67% ¹	10/21/2015	6/15/2030	4,175,540
Lease revenue refunding bond	School construction	2,833,000	1.66% ¹	12/19/2013	3/1/2020	1,524,000
Lease revenue refunding bond	Office construction	4,031,900	2.93% ¹	12/19/2013	3/1/2028	3,012,900
Total governmental activities:						<u>34,274,472</u>
Business-type Activities:						
General obligation refunding bond	Landfill improvements	2,203,000	1.84% ¹	12/8/2011	12/15/2018	979,000
Total primary government						<u>\$ 35,253,472</u>

¹ True interest cost

² Imputed interest rate

12. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its North Landfill 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 \$6,586,625 reported as landfill closure and post-closure care liability at June 30, 2016, represents the cumulative amount reported to date based on the use of 99% of the estimated capacity of the North Landfill Cell Two. The County will recognize the remaining estimated North Landfill cost of closure and post-closure care of \$34,670 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 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The North Landfill Cell Two has sufficient capacity to continue accepting waste until early in fiscal year 2017. 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

13. UNAVAILABLE/DEFERRED REVENUE

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			
	General Fund	County Debt Service Fund	Nonmajor Special Revenue Funds	Total
Unavailable Revenues:				
Uncollected taxes	\$ 3,022,085	\$ 552,222	\$ 679,144	\$ 4,253,451
Note receivable not yet due	-	-	13,179	13,179
Special assessments not yet due	17,920	-	-	17,920
Total unavailable revenue	\$ 3,040,005	\$ 552,222	\$ 692,323	\$ 4,284,550
Deferred Revenue:				
Unbilled property taxes	\$ 8,719,602	\$ 1,593,323	\$ 1,962,618	\$ 12,275,543
Prepaid taxes	2,255,518	354,313	467,041	3,076,872
Total deferred revenue	\$ 10,975,120	\$ 1,947,636	\$ 2,429,659	\$ 15,352,415

14. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 were made up of the following:

	Transfers In	Transfers Out
Primary Government:		
Governmental funds:		
General fund	\$ 138,854	\$ 1,786,998
Virginia Public Assistance Fund	697,970	-
Comprehensive Youth Services Fund	228,350	-
County capital projects fund	565,980	-
Non-major governmental funds	96,189	139,854
Total governmental funds	1,727,343	1,926,852
Enterprise funds:		
Airport fund	184,400	-
Landfill fund	15,109	-
Total enterprise funds	199,509	-
Total Primary Government	\$ 1,926,852	\$ 1,926,852

The purpose of the interfund transfers is as follows:

Purpose	Amount
Finance pay-as-you-go capital projects	\$ 581,980
Satisfy grant local match requirements	228,350
Supplement operations and local match requirements of the Dept. of Social Services	697,970
Satisfy local share of hazardous duty supplement	138,854
Supplement operations of the County's Consolidated EMS Fund	36,045
Supplement operations of the County's Stormwater Ordinance Fund	44,144
Supplement operations of the Accomack County Landfill	15,109
Supplement operations of the Accomack County Airport	184,400
Total interfund transfers	\$ 1,926,852

The Primary Government also transferred \$16,770,737 to the School Board Component Unit, \$357,407 to the Eastern Shore Library Component Unit, \$99,639 to the Planning District Component Unit, \$7,500 to the Economic Development Authority and \$60,368 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.

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

15. 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.

16. 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.

17. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

A. Primary Government:

For the year ended June 30, 2016, the following expenditures exceeded appropriations:

Major Funds:

General Fund:	
Legal Services	\$ 3,291
Risk Management	2,284
Electoral Board	16,468
General District Court	89
Clerk of Circuit Court	8,533
Jail	101,493
Medical Examiner	360
Parks and Recreation	5,368
Comprehensive Youth Services Fund	15,123
Total General Fund	<u>\$ 153,009</u>

Nonmajor Funds:

Stormwater Ordinance Fund	\$ 35,388
Rehabilitation Projects Fund	16,258
Total Nonmajor Funds	<u>\$ 51,646</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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

18. SURETY BONDS

The following elected officials and County employees were covered by surety bonds at June 30, 2016:

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
Mary E. Parker, Director of Social Services	5,000

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

19. 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 accumulated 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, 2016 the County contributed \$94,361 to the Trust Fund. Expenses allocated to the Trust Fund during the fiscal year ended June 30, 2016 were \$103,976.

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.

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE

County:

A. 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

County-continued:

B. Funding Policy:

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

C. Annual OPEB Cost and Net OPEB Obligation:

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 235,000
Interest on net OPEB obligation	88,000
Adjustment to annual required contribution	<u>(82,000)</u>
Annual OPEB cost (expense)	\$ 241,000
Contribution made	<u>175,000</u>
Increase in net OPEB obligation	\$ 66,000
Net OPEB obligation-beginning of year	<u>1,683,000</u>
Net OPEB obligation-end of year	<u><u>\$ 1,749,000</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years are as follows:

Fiscal Year <u>Ended</u>	Annual Pension <u>Cost</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
June 30, 2014	651,000	14%	1,598,000
June 30, 2015	232,000	63%	1,683,000
June 30, 2016	241,000	73%	1,749,000

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

County-continued:

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, date of the most recent actuarial valuation, is as follows:

Actuarial accrued liability (AAL)	\$ 2,719,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	2,719,000
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	10,973,000
UAAL as a percentage of covered payroll	24.8%

E. Actuarial Methods and Assumptions

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

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

Cost Method

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

Interest Assumptions

In the July 1, 2014, actuarial valuation, the date of the most recent actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5.25 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50%, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being

COUNTY OF ACCOMACK, VIRGINIA**NOTES TO FINANCIAL STATEMENTS**

At June 30, 2016 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued**County-continued:**

amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2014, was thirty years.

	<u>Unfunded</u>
Discount rate	5.25%
Payroll growth	2.50%

School Board:**A. Plan Description:**

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

B. Funding Policy:

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

C. Annual OPEB Cost and Net OPEB Obligation:

The School Board's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$	301,000
Interest on net OPEB obligation		35,000
Adjustment to annual required contribution		(51,000)
Annual OPEB cost (expense)	\$	285,000
Contribution made		153,000
Increase in net OPEB obligation	\$	132,000
Net OPEB obligation-end of year		880,000
Net OPEB obligation-beginning of year	\$	1,012,000

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

School Board-continued:

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	\$ 239,000	60%	\$ 738,000
June 30, 2015	275,000	48%	880,000
June 30, 2016	285,000	54%	1,012,000

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014 is as follows:

Actuarial accrued liability (AAL)	\$ 2,229,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	2,229,000
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	28,829,000
UAAL as a percentage of covered payroll	7.7%

E. Actuarial Methods and Assumptions

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

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

Cost Method

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

School Board-continued:

Interest Assumptions

In the July 1, 2014, actuarial valuation, the date of the most recent actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50%, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2014, was 20 years.

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

21. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT

County:

A. Plan Description

The County began participating in the Health Insurance Credit Program in fiscal year 2015, a plan designed to assist retirees with the cost of health insurance coverage. This program is an agent and cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service. The credit amount and eligibility differs for state, school division, political subdivision, local officer, local social services department and general registrar retirees.

An employee of the County, who retires under VRS with at least 15 years of total creditable service under the System and is enrolled in a health insurance plan, is eligible to receive a monthly health insurance credit of \$1.50 per year of creditable service up to a maximum monthly credit of \$45. However, such credit shall not exceed the health insurance premium for the retiree. Disabled retirees automatically receive the maximum monthly health insurance credit of \$45.

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as discussed in Note 22.

B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended June 30, 2016 was .24% of annual covered payroll.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

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

C. OPEB Cost and Net OPEB Obligation

The annual cost of OPEB under Governmental Accounting Standards Board (GASB) 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, is based on the annual required contribution (ARC). The County is required to contribute the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid

on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For 2016, the County's contribution of \$13,030 was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 12,836	100%	\$ -
June 30, 2016	13,030	100%	-

D. Funding Status and Funding Progress

The funded status of the plan as of June 30, 2015, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 257,488
Actuarial value of plan assets	4,155
Unfunded actuarial accrued liability	253,333
Funded ration (actuarial value of plan assets / AAL)	1.61%
Covered payroll (active plan members)	5,259,213
UAAL as a percentage of covered payroll	4.82%

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

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

E. Actuarial Methods and Assumptions

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

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.0% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining closed amortization period at June 30, 2016 was 20 years.

The Retiree Health Insurance Credit benefit is based on a member's employer eligibility and his or her years of service. The monthly maximum credit amount cannot exceed the member's actual health insurance premium costs. The actuarial valuation for this plan assumes the maximum credit is payable for each eligible member. Since this benefit is a flat dollar amount multiplied by years of service and the maximum benefit is assumed, no assumption relating to healthcare cost trend rates is needed or applied.

School Board:

A. Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 22.

B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.06% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2016, 2015, and 2014 were \$275,815, \$273,013, and \$287,645, respectively and equaled the required contributions for each year.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN

Plan Description

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

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

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. 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 Contributions Component: (Cont.)</u> Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service. <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.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit (Cont.) An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.	Calculating the Benefit (Cont.)	Calculating the Benefit (Cont.) <u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
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%. Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. 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.	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. Sheriffs and regional jail superintendents: Same as Plan 1. Political subdivision hazardous duty employees: Same as Plan 1.	Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%. 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. Sheriffs and regional jail superintendents: Not applicable. Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Not applicable.

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Plan Description (Continued)

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

The system issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2014 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

			Component Unit
		Primary	School Board
		Government	Nonprofessional
Inactive members or their beneficiaries currently receiving benefits		146	77
Inactive members:			
Vested inactive members		25	21
Non-vested inactive members		77	49
Inactive members active elsewhere in VRS		90	13
Total inactive members		192	83
Active members		263	177
Total covered employees		601	337

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2016 was 10.08% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,081,473 and \$922,867 for the years ended June 30, 2016 and June 30, 2015, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2016 was 7.42% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Contributions (Continued)

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 \$212,780 and \$219,411 for the years ended June 30, 2016 and June 30, 2015, respectively.

Net Pension Liability (Asset)

The County's and Component Unit School Board's (nonprofessional) net pension liabilities (assets) were measured as of June 30, 2015. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2014, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

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, 2014, 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, 2015.

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

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

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

Largest 10 – Non-LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Actuarial Assumptions – General Employees (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:

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

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

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

Actuarial Assumptions – Public Safety Employees

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2014, 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, 2015.

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

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

Largest 10 – Non-LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) – LEOS:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Long-Term Expected Rate of Return

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

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Discount Rate

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

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2014	\$ 49,268,391	\$ 49,544,274	\$ (275,883)
Changes for the year:			
Service cost	\$ 1,164,856	\$ -	\$ 1,164,856
Interest	3,381,633	-	3,381,633
Changes in benefit terms	3,676		3,676
Differences between expected and actual experience	57,300	-	57,300
Contributions - employer	-	918,486	(918,486)
Contributions - employee	-	543,528	(543,528)
Net investment income	-	2,272,415	(2,272,415)
Benefit payments, including refunds of employee contributions	(1,918,709)	(1,918,709)	-
Administrative expenses	-	(31,130)	31,130
Other changes	-	(479)	479
Net changes	\$ 2,688,756	\$ 1,784,111	\$ 904,645
Balances at June 30, 2015	\$ 51,957,147	\$ 51,328,385	\$ 628,762

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Changes in Net Pension Liability (Asset) (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2014	\$ 11,258,749	\$ 11,141,132	\$ 117,617
Changes for the year:			
Service cost	\$ 295,580	\$ -	\$ 295,580
Interest	770,263	-	770,263
Differences between expected and actual experience	(433,562)	-	(433,562)
Contributions - employer	-	217,678	(217,678)
Contributions - employee	-	145,565	(145,565)
Net investment income	-	507,774	(507,774)
Benefit payments, including refunds of employee contributions	(509,990)	(509,990)	-
Administrative expenses	-	(7,000)	7,000
Other changes	-	(108)	108
Net changes	\$ 122,291	\$ 353,919	\$ (231,628)
Balances at June 30, 2015	\$ 11,381,040	\$ 11,495,051	\$ (114,011)

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

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
County			
Net Pension Liability (Asset)	\$ 7,262,198	\$ 628,762	\$ (4,905,059)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 1,152,202	\$ (114,011)	\$ (1,188,981)

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

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

For the year ended June 30, 2016, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$83,983 and (\$100,708), respectively. At June 30, 2016, 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	\$ 41,204	\$ -	\$ -	\$ 295,044
Change in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,335,481	-	297,100
Employer contributions subsequent to the measurement date	1,081,473	-	212,780	-
Total	\$ 1,122,677	\$ 1,335,481	\$ 212,780	\$ 592,144

\$1,081,473 and \$212,780 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, 2017. 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)
2017	\$ (507,636)	\$ (255,333)
2018	(507,636)	(255,333)
2019	(514,722)	(134,822)
2020	235,717	53,344
Thereafter	-	-

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

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

Each School Division's contractually required contribution rate for the year ended June 30, 2016 was 14.06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013 adjusted for the transfer in June 2015 of \$192,884,000 as an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarial rate for the Teacher Retirement Plan was 18.20%, however, it was reduced to 17.64% as a result of the transfer. 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. Based on the provisions of §51.1-145 of the Code of Virginia, as amended the contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2016. Contributions to the pension plan from the School Board were \$3,658,456 and \$3,734,610 for the years ended June 30, 2016 and June 30, 2015, respectively.

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

At June 30, 2016, the school division reported a liability of \$43,578,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 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, 2015 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2015, the school division's proportion was 0.34623% as compared to 0.35461% at June 30, 2014.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2016, the school division recognized pension expense of \$3,080,000. 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.

At June 30, 2016, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	\$ 600,000
Change in assumptions		-	-
Net difference between projected and actual earnings on pension plan investments		-	2,669,000
Changes in proportion and differences between employer contributions and proportionate share of contributions		384,000	950,000
Employer contributions subsequent to the measurement date		3,658,456	-
Total	\$	4,042,456	\$ 4,219,000

\$3,658,456 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, 2017. 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		
2017	\$	(1,293,000)
2018		(1,293,000)
2019		(1,293,000)
2020		207,000
Thereafter		(163,000)

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. 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, 2014, 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, 2015.

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

Long-Term Expected Rate of Return

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

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

22. PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

Discount Rate

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

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

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

		Rate		
		(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan				
Net Pension Liability (Asset)	\$	63,772,000	\$ 43,578,000	\$ 26,954,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2015 Comprehensive Annual Financial Report (CAFR). A copy of the 2015 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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2016 (Continued)

23. 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.

During FY 15, the School Board discontinued the Early Retirement Option Program for new entrants. Retired employees already enrolled in the program prior to its discontinuation, shall remain in the program until the earlier of the death of the retired employee, or participation by the retirement employee for seven years in the Early Retirement Option Program after retirement.

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, 2016, there were 75 employees enrolled in the Early Retirement Option Program. The liability recognized in the financial states as of June 30, 2016 was \$906,677 for the program.

24. ADOPTION OF ACCOUNTING PRINCIPLES

Governmental Accounting Standards Board Statement No. 79, Certain External Investment Pools and Pool Participants

The County implemented the provisions of the above Statement during the fiscal year ended June 30, 2016. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. There was no material impact on the County's financial statement as a result of the implementation of Statement No. 79. All required disclosures are located in Note 2.

Governmental Accounting Standards Board Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73

The County early implemented provisions of the above Statement during the fiscal year ended June 30, 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding 1) the presentation of payroll-related measures in required supplementary information, 2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and 3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. No restatement was required as a result of this implementation.

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 significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013 and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.
 - b. Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:
 - i. Largest 10 – Non-LEOS:
 1. Update mortality table
 2. Decrease in rates of service retirement
 3. Decrease in rates of disability retirement
 4. Reduce rates of salary increase by 0.25% per year
 - ii. Largest 10 – LEOS:
 1. Update mortality table
 2. Decrease in male rates of disability
 - iii. All Others (Non 10 largest) - Non-LEOS:
 1. Update mortality table
 2. Decrease in rates of service retirement
 3. Decrease in rates of disability retirement
 4. Reduce rates of salary increase by 0.25% per year
 - iv. All Others (Non 10 largest) – LEOS
 1. Update mortality table
 2. Adjustments to rates of service retirement for females
 3. Increase in rates of withdrawal
 4. Decrease in male and female rates of disability
 - v. Component Unit School Board – Professional Employees
 1. Update mortality table
 2. Adjustments to rates of service retirement
 3. Decrease in rates withdrawals for 3 through 9 years of service
 4. Decrease in rates of disability retirement
 5. Reduce rates of salary increase by 0.25% per year



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COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS
LAST THREE YEARS

Exhibit 12

Other Postemployment Benefits

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

Primary Government:

July 1, 2014	\$	-	\$ 2,719,000	2,719,000	0.0%	10,973,000	24.8%
July 1, 2012		-	6,195,000	6,195,000	0.0%	10,077,000	61.5%
July 1, 2010		-	5,280,000	5,280,000	0.0%	9,863,000	53.5%

Discretely Presented Component Unit-School Board:

July 1, 2014	\$	-	\$ 2,229,000	\$ 2,229,000	0.0%	\$ 28,829,000	7.7%
July 1, 2012		-	1,997,000	1,997,000	0.0%	26,292,000	7.6%
July 1, 2010		-	2,329,000	2,329,000	0.0%	25,252,000	9.2%

Virginia Retirement System - Health Insurance Credit

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

Primary Government:

June 30, 2015	\$	4,155	\$ 257,488	\$ 253,333	1.6%	\$ 5,259,213	4.8%
June 30, 2014		-	149,898	149,898	0.0%	5,436,192	2.8%

The County's first Health Insurance Credit program valuation was June 30, 2014, so only two valuations are available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF COMPONENTS OF AND CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 13

	<u>2014</u>	<u>2015</u>
Total pension liability		
Service Cost	\$ 1,133,269	\$ 1,164,856
Interest	3,205,991	3,381,633
Changes of benefit terms	-	3,676
Differences between expected and actual experience	-	57,300
Benefit payments, including refunds of employee contributions	(1,741,471)	(1,918,709)
Net change in total pension liability	<u>2,597,789</u>	<u>2,688,756</u>
Total pension liability - beginning	<u>46,670,602</u>	<u>49,268,391</u>
Total pension liability - ending (a)	<u><u>\$ 49,268,391</u></u>	<u><u>\$ 51,957,147</u></u>
 Plan fiduciary net position		
Contributions - employer	\$ 912,155	\$ 918,486
Contributions - employee	538,436	543,528
Net investment income	6,800,749	2,272,415
Benefit payments, including refunds of employee contributions	(1,741,471)	(1,918,709)
Administrative expense	(36,498)	(31,130)
Other	358	(479)
Net change in plan fiduciary net position	<u>6,473,729</u>	<u>1,784,111</u>
Plan fiduciary net position - beginning	<u>43,070,545</u>	<u>49,544,274</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 49,544,274</u></u>	<u><u>\$ 51,328,385</u></u>
 County's net pension liability (asset) - ending (a) - (b)	 \$ (275,883)	 \$ 628,762
 Plan fiduciary net position as a percentage of the total pension liability (asset)	 100.56%	 98.79%
 Covered payroll	 \$ 10,773,964	 \$ 10,896,299
 County's net pension liability as a percentage of covered payroll	 -2.56%	 5.77%

This schedule is intended to show information for 10 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 COMPONENTS OF AND CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
COMPONENT UNIT SCHOOL BOARD (nonprofessional)
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 14

	<u>2014</u>	<u>2015</u>
Total pension liability		
Service Cost	\$ 317,109	\$ 295,580
Interest	730,383	770,263
Differences between expected and actual experience	-	(433,562)
Benefit payments, including refunds of employee contributions	(445,583)	(509,990)
Net change in total pension liability	601,909	122,291
Total pension liability - beginning	10,656,840	11,258,749
Total pension liability - ending (a)	<u>\$ 11,258,749</u>	<u>\$ 11,381,040</u>
 Plan fiduciary net position		
Contributions - employer	\$ 266,876	\$ 217,678
Contributions - employee	149,754	145,565
Net investment income	1,525,205	507,774
Benefit payments, including refunds of employee contributions	(445,583)	(509,990)
Administrative expense	(8,164)	(7,000)
Other	81	(108)
Net change in plan fiduciary net position	1,488,169	353,919
Plan fiduciary net position - beginning	9,652,963	11,141,132
Plan fiduciary net position - ending (b)	<u>\$ 11,141,132</u>	<u>\$ 11,495,051</u>
 School Board Component Unit's net pension liability (asset) - ending (a) - (b)	\$ 117,617	\$ (114,011)
 Plan fiduciary net position as a percentage of the total pension liability (asset)	98.96%	101.00%
 Covered payroll	\$ 2,985,035	\$ 2,953,111
 School Board Component Unit's net pension liability (asset) as a percentage of covered payroll	3.94%	-3.86%

This schedule is intended to show information for 10 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 YEAR ENDED JUNE 30, 2016

Exhibit 15

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:					
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%
2008	18,975	18,975	-	9,986,681	0.19%
2007	17,755	17,755	-	9,344,903	0.19%
Component Unit School Board (nonprofessional):					
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%
2008	236,662	236,662	-	3,314,591	7.14%
2007	236,016	236,016	-	3,305,540	7.14%
Component Unit School Board (professional):					
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 YEAR ENDED JUNE 30, 2016*

Exhibit 16

	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.34623%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 43,578,000
Employer's Covered Payroll	\$ 25,755,930
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	59.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.7068%

This schedule is intended to show information for 10 years. However, information prior to the 2015 valuation is not available. Additional years will be included as they become available.

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 17
Page 1 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 21,624,414	\$ 22,149,414	\$ 23,093,685	\$ 944,271
Other local taxes	7,464,675	7,471,117	7,384,540	(86,577)
Permits, fees and licenses	291,350	291,350	345,515	54,165
Fines and forfeitures	75,000	75,000	54,318	(20,682)
Revenue from the use of money and property	360,654	360,654	325,996	(34,658)
Charges for services	363,288	386,862	509,555	122,693
Miscellaneous	-	103,000	118,575	15,575
Recovered costs	143,659	546,579	453,977	(92,602)
Intergovernmental	6,823,118	7,356,964	7,329,208	(27,756)
Total revenues	37,146,158	38,740,940	39,615,369	874,429
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	151,984	151,984	125,897	26,087
General and financial administration:				
County administrator	554,664	548,160	512,639	35,521
Human resources	107,785	82,991	81,449	1,542
Legal services	241,440	608,907	612,198	(3,291)
Commissioner of the revenue	300,933	308,125	299,123	9,002
County assessor	679,650	693,936	578,044	115,892
Treasurer	538,332	615,727	557,922	57,805
Central accounting	470,691	478,032	416,351	61,681
Information technology	636,759	710,089	638,076	72,013
Risk management	241,732	253,732	256,016	(2,284)
Total general and financial administration	3,771,986	4,299,699	3,951,818	347,881
Board of elections:				
Electoral board	48,628	54,359	70,827	(16,468)
Registrar	156,959	160,508	140,825	19,683
Total board of elections	205,587	214,867	211,652	3,215
Total general government administration	4,129,557	4,666,550	4,289,367	377,183
Judicial administration:				
Courts:				
Circuit court	88,361	88,512	71,066	17,446
General district court	11,471	11,471	11,560	(89)
Chief magistrate	16,938	16,938	8,308	8,630
Juvenile and domestic relations court	13,650	13,650	7,328	6,322
Clerk of the circuit court	428,484	493,402	501,935	(8,533)
Sheriff court services	432,431	400,160	396,864	3,296
Commissioner of accounts	214	214	-	214
Victim and witness assistance	62,095	71,076	65,308	5,768
Total courts	1,053,644	1,095,423	1,062,369	33,054
Commonwealth's attorney	429,380	442,007	432,136	9,871
Total judicial administration	1,483,024	1,537,430	1,494,505	42,925
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,101,763	2,474,100	2,428,411	45,689

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

Exhibit 17
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	\$ 262,958	\$ 2,152
Emergency medical services	238,477	328,636	269,126	59,510
Payments to 911 commission	633,722	626,722	604,353	22,369
Total fire and rescue services	1,137,309	1,220,468	1,136,437	84,031
Correction and detention:				
Jail	2,225,029	2,061,764	2,163,257	(101,493)
Juvenile probation	129,680	129,943	93,174	36,769
Community correction	-	90,655	90,655	-
Total correction and detention	2,354,709	2,282,362	2,347,086	(64,724)
Other protection:				
Building and zoning	495,512	508,902	400,276	108,626
Ordinance enforcement	63,790	65,538	54,252	11,286
Animal control	111,978	115,485	108,562	6,923
Regional animal control facility	103,406	103,557	78,656	24,901
S.P.C.A. supplement	5,921	6,302	6,302	-
Emergency management	81,767	145,325	136,036	9,289
Medical examiner	-	-	360	(360)
E.S. Coalition Against Domestic Violence supplement	20,000	20,000	20,000	-
Cleanup/disposal of hazardous materials	13,000	11,156	9,986	1,170
Total other protection	895,374	976,265	814,430	161,835
Total public safety	6,489,155	6,953,195	6,726,364	226,831
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Storm drainage	189,223	409,367	155,349	254,018
Sanitation and waste removal:				
General operations	197,610	201,832	207,772	(5,940)
Refuse disposal	1,000,000	1,000,000	964,781	35,219
Refuse collection	623,789	636,395	642,640	(6,245)
Maintenance garage	184,927	370,948	298,249	72,699
Litter control	271,256	351,618	324,812	26,806
Total sanitation and waste removal	2,277,582	2,560,793	2,438,254	122,539
Maintenance of buildings and grounds:				
Buildings and grounds	1,110,872	1,447,635	1,061,996	385,639
Total public works	3,577,677	4,417,795	3,655,599	762,196
Health and welfare:				
Health:				
Local health department supplement	529,465	529,465	529,465	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	560,436	560,436	560,436	-
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, 2016 (continued)

Exhibit 17
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	\$ 133,347	\$ 11,178
Area agency on aging supplement	23,430	26,430	26,430	-
Total welfare	167,955	170,955	159,777	11,178
Total health and welfare	906,677	909,677	898,499	11,178
Education:				
Contribution to School Board component unit	16,770,737	16,770,737	16,770,737	-
Community College supplement	263,028	485,028	41,028	444,000
Total education	17,033,765	17,255,765	16,811,765	444,000
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	318,449	351,035	356,403	(5,368)
Summer food program	-	254,635	114,889	139,746
Boating facilities	45,053	45,053	38,732	6,321
Total parks and recreation	363,502	650,723	510,024	140,699
Cultural enrichment:				
Translator television	74,457	74,457	59,633	14,824
Contribution to Public Library component unit	357,407	357,407	357,407	-
Total cultural enrichment	431,864	431,864	417,040	14,824
Total parks, recreation and cultural	795,366	1,082,587	927,064	155,523
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	-	64,463	62,335	2,128
Planning	412,106	373,288	337,477	35,811
Enterprise Zone incentives	25,000	25,000	-	25,000
Tourism Commission supplement	86,853	93,295	93,295	-
Chamber of Commerce supplement	173,323	173,575	162,584	10,991
Star Transit public transportation supplement	156,000	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	18,666	-
Town of Parksley War Memorial	-	3,000	3,000	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	963,973	1,020,112	946,182	73,930
Environmental management:				
Johnsongrass/gypsy moth control program	12,066	12,066	9,364	2,702
Soil and Water Conservation District supplement	21,154	21,154	15,866	5,288
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	62,940	62,940	54,950	7,990
Cooperative extension program	91,793	93,432	91,994	1,438
Total community development	1,118,706	1,176,484	1,093,126	83,358
Nondepartmental:				
Contingency	310,570	29,487	-	29,487

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

Exhibit 17
Page 4 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Debt service	\$ 771,419	\$ 771,419	\$ 768,867	\$ 2,552
Total expenditures	36,615,916	38,800,389	36,665,156	2,135,233
Revenues over (under) expenditures	530,242	(59,449)	2,950,213	3,009,662
Other Financing Sources (Uses):				
Payment to bond escrow agent	-	(795,054)	-	795,054
Transfers in	128,760	138,854	138,854	-
Transfers out	(1,501,976)	(2,235,346)	(1,786,998)	448,348
Total other financing sources (uses)	(1,373,216)	(2,891,546)	(1,648,144)	1,243,402
Net changes in fund balance	(842,974)	(2,950,995)	1,302,069	4,253,064
Fund balance, beginning of year	13,070,806	13,070,806	13,070,806	-
Fund balance, end of year	\$ 12,227,832	\$ 10,119,811	\$ 14,372,875	\$ 4,253,064

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, 2016

Exhibit 18

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 5,707	\$ 5,707
Intergovernmental	3,336,958	3,413,262	3,243,707	(169,555)
Total revenues	3,336,958	3,413,262	3,249,414	(163,848)
Expenditures:				
Health and welfare:				
Welfare administration	3,213,913	3,286,045	3,255,509	30,536
Public assistance	627,032	632,332	556,091	76,241
Fuel administrator	39,057	39,057	803	38,254
Local only administration	65,984	76,671	134,981	(58,310)
Service pass-through	145,667	145,667	-	145,667
Total expenditures	4,091,653	4,179,772	3,947,384	232,388
Revenues over (under) expenditures	(754,695)	(766,510)	(697,970)	68,540
Other financing sources (uses):				
Transfers in	754,695	766,510	697,970	(68,540)
Total other financing sources (uses)	754,695	766,510	697,970	(68,540)
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
COMPREHENSIVE YOUTH SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 19

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 100,274	\$ 100,274	\$ 123,838	\$ 23,564
Intergovernmental	778,826	778,826	794,951	16,125
Total revenues	879,100	879,100	918,789	39,689
Expenditures:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families program	1,132,016	1,132,016	1,147,139	(15,123)
Total expenditures	1,132,016	1,132,016	1,147,139	(15,123)
Revenues over (under) expenditures	(252,916)	(252,916)	(228,350)	24,566
Other financing sources (uses):				
Transfers in	252,916	252,916	228,350	(24,566)
Total other financing sources (uses)	252,916	252,916	228,350	(24,566)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -



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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.
- **Consolidated Emergency Medical Services Fund**-Accounts for revenues derived from a special property tax levied on all residents of the County except for those located in the Town of Chincoteague. Expenditures are restricted for use on fire and rescue services.
- **Consolidated Fire and Rescue Service Fund**-This fund was created as a result of consolidating Fire and Rescue District Special Revenue Funds 2,3,4 and 5. It accounts for general tax revenues designated to provide operational funding to County volunteer fire and rescue companies.

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AT JUNE 30, 2016**

	Special Revenue				
	Law Library Fund	Stormwater Ordinance Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund
<u>Assets:</u>					
Cash and investments	\$ 41,655	\$ 62,194	\$ 39,065	\$ 35,873	\$ 120,832
Receivables (net):					
Taxes, including penalties	-	-	-	-	-
Accounts / other	846	-	-	6,658	-
Notes receivable	-	-	-	-	-
Total assets	<u>42,501</u>	<u>62,194</u>	<u>39,065</u>	<u>42,531</u>	<u>120,832</u>
<u>Liabilities:</u>					
Accounts payable	621	62,142	562	-	4,275
Wages payable	-	-	-	2,712	-
Unearned revenues	-	-	-	-	58,827
Total liabilities	<u>621</u>	<u>62,142</u>	<u>562</u>	<u>2,712</u>	<u>63,102</u>
<u>Deferred Inflows of Resources:</u>					
Deferred property tax revenue	-	-	-	-	-
Deferred note receivable collections	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Restricted for:					
Fire and Rescue	-	-	-	-	57,730
Mosquito Control	-	-	-	-	-
Judicial Administration	-	-	13,881	-	-
Courthouse Security	-	-	-	39,819	-
Law Library	41,880	-	-	-	-
Law Enforcement	-	-	24,622	-	-
Community Development	-	52	-	-	-
Assigned to:					
Fire and Rescue	-	-	-	-	-
Total fund balances	<u>41,880</u>	<u>52</u>	<u>38,503</u>	<u>39,819</u>	<u>57,730</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,501</u>	<u>\$ 62,194</u>	<u>\$ 39,065</u>	<u>\$ 42,531</u>	<u>\$ 120,832</u>

Exhibit 20

Special Revenue				
Rehabilitation Projects Fund	Captains Cove Greenbackville Mosquito Control Fund	Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 196,776	\$ 30,867	\$ 1,529,564	\$ 1,174,793	\$ 3,231,619
-	34,117	1,929,499	791,370	2,754,986
-	-	-	-	7,504
13,179	-	-	-	13,179
209,955	64,984	3,459,063	1,966,163	6,007,288
-	18,548	13,832	373,583	473,563
-	-	1,222	-	3,934
-	-	-	-	58,827
-	18,548	15,054	373,583	536,324
3,091	29,584	1,703,235	693,749	2,429,659
13,179	-	-	-	13,179
-	8,585	476,700	193,859	679,144
16,270	38,169	2,179,935	887,608	3,121,982
-	-	1,264,074	-	1,321,804
-	8,267	-	-	8,267
-	-	-	-	13,881
-	-	-	-	39,819
-	-	-	-	41,880
-	-	-	-	24,622
193,685	-	-	-	193,737
-	-	-	704,972	704,972
193,685	8,267	1,264,074	704,972	2,348,982
\$ 209,955	\$ 64,984	\$ 3,459,063	\$ 1,966,163	\$ 6,007,288

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	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	7,964	-	-	91,062	-	-
Permits, fees and licenses	-	117,611	-	-	-	-
Revenue from the use of money and property	-	-	17	-	14	29
Miscellaneous	-	-	-	-	14,132	12,379
Recovered costs	-	-	-	-	-	10,428
Intergovernmental	-	-	24,253	-	30,000	-
Total revenues	7,964	117,611	24,270	91,062	44,146	22,836
Expenditures:						
Judicial administration	3,197	-	5,430	97,286	-	-
Public safety	-	-	34,771	-	85,921	-
Health and welfare	-	-	-	-	-	-
Community development	-	178,633	-	-	-	16,258
Total expenditures	3,197	178,633	40,201	97,286	85,921	16,258
Revenues over (under) expenditures	4,767	(61,022)	(15,931)	(6,224)	(41,775)	6,578
Other financing sources (uses):						
Transfers in	-	44,144	-	-	16,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	44,144	-	-	16,000	-
Net change in fund balances	4,767	(16,878)	(15,931)	(6,224)	(25,775)	6,578
Fund balance, beginning of year	37,113	16,930	54,434	46,043	83,505	187,107
Fund balance, end of year	\$ 41,880	\$ 52	\$ 38,503	\$ 39,819	\$ 57,730	\$ 193,685

Exhibit 21

Special Revenue			
Captains Cove Greenbackville Mosquito Control Fund	Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 52,802	\$ 3,373,112	\$ 1,553,171	\$ 4,979,085
-	-	-	99,026
-	-	-	117,611
-	-	-	60
-	-	-	26,511
-	8,391	-	18,819
-	91,578	41,181	187,012
52,802	3,473,081	1,594,352	5,428,124
-	-	-	105,913
-	2,735,700	1,600,720	4,457,112
60,368	-	-	60,368
-	-	-	194,891
60,368	2,735,700	1,600,720	4,818,284
(7,566)	737,381	(6,368)	609,840
-	36,045	-	96,189
-	(139,854)	-	(139,854)
-	(103,809)	-	(43,665)
(7,566)	633,572	(6,368)	566,175
15,833	630,502	711,340	1,782,807
\$ 8,267	\$ 1,264,074	\$ 704,972	\$ 2,348,982

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, 2016

	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	7,964	964
Permits, privilege fees and licenses	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	7,000	7,000	7,964	964
Expenditures:				
Judicial administration	7,000	44,113	3,197	40,916
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	7,000	44,113	3,197	40,916
Revenues over (under) expenditures	-	(37,113)	4,767	41,880
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	(37,113)	4,767	41,880
Fund balance, beginning of year	37,113	37,113	37,113	-
Fund balance, end of year	\$ 37,113	\$ -	\$ 41,880	\$ 41,880

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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
56,116	56,116	117,611	61,495	-	-	-	-
-	-	-	-	-	-	17	17
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,000	2,000	24,253	22,253
56,116	56,116	117,611	61,495	2,000	2,000	24,270	22,270
-	-	-	-	-	18,237	5,430	12,807
-	-	-	-	2,000	38,197	34,771	3,426
-	-	-	-	-	-	-	-
125,945	143,245	178,633	(35,388)	-	-	-	-
125,945	143,245	178,633	(35,388)	2,000	56,434	40,201	16,233
(69,829)	(87,129)	(61,022)	26,107	-	(54,434)	(15,931)	38,503
69,829	70,199	44,144	(26,055)	-	-	-	-
-	-	-	-	-	-	-	-
69,829	70,199	44,144	(26,055)	-	-	-	-
-	(16,930)	(16,878)	52	-	(54,434)	(15,931)	38,503
16,930	16,930	16,930	-	54,434	54,434	54,434	-
\$ 16,930	\$ -	\$ 52	\$ 52	\$ 54,434	\$ -	\$ 38,503	\$ 38,503

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, 2016 (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	91,062	11,062
Permits, privilege fees and licenses	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	80,000	80,000	91,062	11,062
Expenditures:				
Judicial administration	80,000	126,043	97,286	28,757
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	80,000	126,043	97,286	28,757
Revenues over (under) expenditures	-	(46,043)	(6,224)	39,819
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	(46,043)	(6,224)	39,819
Fund balance, beginning of year	46,043	46,043	46,043	-
Fund balance, end of year	\$ 46,043	\$ -	\$ 39,819	\$ 39,819

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		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	14	14	-	-	29	29
13,700	14,076	14,132	56	-	-	12,379	12,379
-	-	-	-	-	-	10,428	10,428
60,000	88,828	30,000	(58,828)	-	-	-	-
73,700	102,904	44,146	(58,758)	-	-	22,836	22,836
-	-	-	-	-	-	-	-
88,700	206,144	85,921	120,223	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	16,258	(16,258)
88,700	206,144	85,921	120,223	-	-	16,258	(16,258)
(15,000)	(103,240)	(41,775)	61,465	-	-	6,578	6,578
16,000	16,000	16,000	-	-	-	-	-
-	-	-	-	-	-	-	-
16,000	16,000	16,000	-	-	-	-	-
1,000	(87,240)	(25,775)	61,465	-	-	6,578	6,578
83,505	83,505	83,505	-	187,107	187,107	187,107	-
\$ 84,505	\$ (3,735)	\$ 57,730	\$ 61,465	\$ 187,107	\$ 187,107	\$ 193,685	\$ 6,578

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, 2016 (continued)

Captains Cove Greenbackville Mosquito Control Fund			
	Budgeted Amounts		Variance From Final Budget Positive (Negative)
	Original	Final	Actual
Revenues:			
General property taxes	\$ 53,631	\$ 53,631	\$ 52,802
Other local taxes	-	-	-
Permits, privilege fees and licenses	-	-	-
Revenue from the use of money and property	-	-	-
Miscellaneous	-	-	-
Recovered costs	-	-	-
Intergovernmental	-	-	-
Total revenues	53,631	53,631	52,802
Expenditures:			
Judicial administration	-	-	-
Public safety	-	-	-
Health and welfare	53,631	69,464	60,368
Community development	-	-	-
Total expenditures	53,631	69,464	60,368
Revenues over (under) expenditures	-	(15,833)	(7,566)
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balance	-	(15,833)	(7,566)
Fund balance, beginning of year	15,833	15,833	15,833
Fund balance, end of year	\$ 15,833	\$ -	\$ 8,267

Consolidated EMS 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		
\$ 2,767,203	\$ 2,931,203	\$ 3,373,112	\$ 441,909	\$ 1,471,398	\$ 1,521,898	\$ 1,553,171	\$ 31,273
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	8,391	8,391	-	-	-	-	-
64,964	91,116	91,578	462	41,188	41,188	41,181	(7)
2,832,167	3,030,710	3,473,081	442,371	1,512,586	1,563,086	1,594,352	31,266
-	-	-	-	-	-	-	-
2,870,891	2,971,129	2,735,700	235,429	1,512,586	2,223,926	1,600,720	623,206
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,870,891	2,971,129	2,735,700	235,429	1,512,586	2,223,926	1,600,720	623,206
(38,724)	59,581	737,381	677,800	-	(660,840)	(6,368)	654,472
-	36,045	36,045	-	-	-	-	-
-	(139,854)	(139,854)	-	-	-	-	-
-	(103,809)	(103,809)	-	-	-	-	-
(38,724)	(44,228)	633,572	677,800	-	(660,840)	(6,368)	654,472
630,502	630,502	630,502	-	711,340	711,340	711,340	-
\$ 591,778	\$ 586,274	\$ 1,264,074	\$ 677,800	\$ 711,340	\$ 50,500	\$ 704,972	\$ 654,472

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, 2016 (continued)

Exhibit 22
Page 4

	Total Nonmajor Governmental Funds			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ 4,292,232	\$ 4,506,732	\$ 4,979,085	\$ 472,353
Other local taxes	87,000	87,000	99,026	12,026
Permits, privilege fees and licenses	56,116	56,116	117,611	61,495
Revenue from the use of money and property	-	-	60	60
Miscellaneous	13,700	14,076	26,511	12,435
Recovered costs	-	8,391	18,819	10,428
Intergovernmental	168,152	223,132	187,012	(36,120)
Total revenues	4,617,200	4,895,447	5,428,124	532,677
Expenditures:				
Judicial administration	87,000	188,393	105,913	82,480
Public safety	4,474,177	5,439,396	4,457,112	982,284
Health and welfare	53,631	69,464	60,368	9,096
Community development	125,945	143,245	194,891	(51,646)
Total expenditures	4,740,753	5,840,498	4,818,284	1,022,214
Revenues over (under) expenditures	(123,553)	(945,051)	609,840	1,554,891
Other financing sources (uses):				
Transfers in	85,829	122,244	96,189	(26,055)
Transfers out	-	(139,854)	(139,854)	-
Total other financing sources (uses)	85,829	(17,610)	(43,665)	(26,055)
Net changes in fund balance	(37,724)	(962,661)	566,175	1,528,836
Fund balance, beginning of year	1,782,807	1,782,807	1,782,807	-
Fund balance, end of year	\$ 1,745,083	\$ 820,146	\$ 2,348,982	\$ 1,528,836

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, 2016

Exhibit 23

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 3,892,689	\$ 4,028,689	\$ 4,132,404	\$ 103,715
Intergovernmental	82,376	82,376	82,363	(13)
Total revenues	<u>3,975,065</u>	<u>4,111,065</u>	<u>4,214,767</u>	<u>103,702</u>
Expenditures:				
Debt Service:				
Principal	2,853,558	3,028,018	3,028,017	1
Interest and fiscal charges	1,338,908	1,414,402	1,408,298	6,104
Total expenditures	<u>4,192,466</u>	<u>4,442,420</u>	<u>4,436,315</u>	<u>6,105</u>
Revenues over (under) expenditures	<u>(217,401)</u>	<u>(331,355)</u>	<u>(221,548)</u>	<u>109,807</u>
Net changes in fund balance	(217,401)	(331,355)	(221,548)	109,807
Fund balance, beginning of year	1,402,488	1,402,488	1,402,488	-
Fund balance, end of year	<u>\$ 1,185,087</u>	<u>\$ 1,071,133</u>	<u>\$ 1,180,940</u>	<u>\$ 109,807</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, 2016

Exhibit 24

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 1,325	\$ 1,325
Miscellaneous revenue	-	-	200,000	200,000
Recovered costs	-	90,011	57,395	(32,616)
Intergovernmental	-	1,844,445	660,359	(1,184,086)
Total revenues	-	1,934,456	919,079	(1,015,377)
Expenditures:				
General government administration	165,000	102,763	748	102,015
Public safety	-	-	-	-
Public works	-	3,429,556	902,353	2,527,203
Education	-	1,500,000	8,609	1,491,391
Parks and recreation	70,000	348,228	119,202	229,026
Community development	50,000	2,630,585	1,340,037	1,290,548
Total expenditures	285,000	8,011,132	2,370,949	5,640,183
Revenues over (under) expenditures	(285,000)	(6,076,676)	(1,451,870)	4,624,806
Other financing sources (uses):				
Lease revenue bonds issued	-	4,350,000	4,350,000	-
Transfers in	235,000	896,319	565,980	(330,339)
Total other financing sources (uses)	235,000	5,246,319	4,915,980	(330,339)
Net changes in fund balance	(50,000)	(830,357)	3,464,110	4,294,467
Fund balance, beginning of year	881,485	881,485	881,485	-
Fund balance, end of year	\$ 831,485	\$ 51,128	\$ 4,345,595	\$ 4,294,467

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, 2016

Exhibit 25

	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	\$ 610,302	\$ 11,104	\$ 621,406
Accounts receivable (net of allowance for uncollectibles)	28,593	-	28,593
Total current assets	638,895	11,104	649,999
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	3,486	-	3,486
Improvements other than buildings	15,240	-	15,240
Machinery and equipment	3,313	10,964	14,277
Total capital assets	22,039	10,964	33,003
Total assets	660,934	22,068	683,002
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	27,391	7,374	34,765
Wages and benefits payable	-	2,907	2,907
Total current liabilities	27,391	10,281	37,672
<u>Net Position:</u>			
Net investment in capital assets	22,039	10,964	33,003
Unrestricted	611,504	823	612,327
Total net position	\$ 633,543	\$ 11,787	\$ 645,330

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 26

	Business-type Activities - Enterprise Funds		
	Nonmajor		
	Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Operating revenues:			
Charges for services	\$ 200,897	\$ 49,740	\$ 250,637
Other operating revenue	-	73	73
Total operating revenues	200,897	49,813	250,710
Operating expenses:			
Personnel services and fringe benefits	-	21,439	21,439
Other operating expenses	193,325	45,572	238,897
Depreciation	9,844	2,425	12,269
Total operating expenses	203,169	69,436	272,605
Operating income (loss)	(2,272)	(19,623)	(21,895)
Changes in net position	(2,272)	(19,623)	(21,895)
Total net position, beginning of year	635,815	31,410	667,225
Total net position, end of year	\$ 633,543	\$ 11,787	\$ 645,330

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 27

	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	\$ 214,218	\$ 49,740	\$ 263,958
Payments to suppliers	(196,172)	(44,003)	(240,175)
Payments to employees and benefits paid on behalf of employees	-	(20,761)	(20,761)
Other receipts	-	73	73
Net cash provided by (used for) operating activities	18,046	(14,951)	3,095
Net increase (decrease) in cash and cash equivalents	18,046	(14,951)	3,095
Cash and cash equivalents, beginning of year	592,256	26,055	618,311
Cash and cash equivalents, end of year	\$ 610,302	\$ 11,104	\$ 621,406
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (2,272)	\$ (19,623)	\$ (21,895)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	9,844	2,425	12,269
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	13,321	-	13,321
Increase (Decrease) in accrued payroll costs	-	678	678
Increase (Decrease) in accounts payable	(2,847)	1,569	(1,278)
Total adjustments	10,474	2,247	12,721
Net cash provided by (used for) operating activities	\$ 18,046	\$ (14,951)	\$ 3,095

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.
- **War Memorial Fund**-The War Memorial Fund is established to accounts for citizen donations for memorial service commemorations.
- **Sheriff Canteen Fund**-The Sheriff Canteen Fund accounts for funds held on behalf of inmates of the County jail.

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF NET POSITION
 AGENCY FUNDS
 AT JUNE 30, 2016

Exhibit 28

	Agency Funds		
	Special Welfare Fund	Sheriff Canteen Fund	Total Agency Funds
<u>Assets:</u>			
Cash & investments held by Treasurer	\$ 39,490	\$ -	\$ 39,490
Cash & investments in custody of others	-	34,968	34,968
Total assets	<u>39,490</u>	<u>34,968</u>	<u>74,458</u>
<u>Liabilities:</u>			
Amounts held for social service clients	39,490	-	39,490
Amounts held for others	-	34,968	34,968
Total liabilities	<u>\$ 39,490</u>	<u>\$ 34,968</u>	<u>\$ 74,458</u>

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 29

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Special Welfare Fund:				
<u>Assets:</u>				
Cash and investments	\$ 39,204	\$ 70,845	\$ 70,559	\$ 39,490
<u>Liabilities:</u>				
Amount held for social service clients	39,204	\$ 70,845	\$ 70,559	39,490
War Memorial Fund:				
<u>Assets:</u>				
Cash and investments	3,044	-	3,044	-
<u>Liabilities:</u>				
Amount held for War Memorial ceremonies	3,044	-	3,044	-
Sheriff Canteen Fund:				
<u>Assets:</u>				
Cash and investments	32,329	213,606	210,967	34,968
<u>Liabilities:</u>				
Amount held for others	32,329	213,606	210,967	34,968
Totals-All Agency Funds:				
<u>Assets:</u>				
Cash and investments	74,577	284,451	284,570	74,458
<u>Liabilities:</u>				
Amount held for social service clients	39,204	70,845	70,559	39,490
Amount held for others	32,329	213,606	210,967	34,968
Amount held for War Memorial ceremonies	3,044	-	3,044	-
Total Liabilities	\$ 74,577	\$ 284,451	\$ 284,570	\$ 74,458



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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, 2016

Exhibit 30

	Governmental Activities
<u>Assets:</u>	
Cash and investments	\$ 13,004,740
Accounts receivable, net	220,265
Due from other governmental entities	2,671,801
Capital Assets (net of accumulated depreciation):	
Land	974,862
Buildings	30,441,369
Improvements other than buildings	1,146,150
Machinery and equipment	2,800,813
Net pension asset	114,011
Total assets	<u>51,374,011</u>
<u>Deferred Outflows of Resources:</u>	
Pension contributions subsequent to measurement date	3,871,236
Pension changes in proportion	384,000
Total deferred outflows of resources	<u>4,255,236</u>
<u>Liabilities:</u>	
Accounts payable	2,051,021
Wages and benefits payable	4,049,518
Unearned revenue	735,363
Noncurrent liabilities:	
Due within one year	1,915,686
Due in more than one year	45,467,185
Total liabilities	<u>54,218,773</u>
<u>Deferred Inflows of Resources:</u>	
Items relating to measurement of net pension liability	<u>4,811,144</u>
<u>Net Position:</u>	
Investment in capital assets	35,363,194
Unrestricted	(38,763,864)
Total net position	<u>\$ (3,400,670)</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2016

Exhibit 31

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	\$ 55,686,856	\$ 907,092	\$ 38,693,961	\$ -	\$ (16,085,803)
Total governmental activities	<u>\$ 55,686,856</u>	<u>\$ 907,092</u>	<u>\$ 38,693,961</u>	<u>\$ -</u>	<u>(16,085,803)</u>

General Revenues:	
Contribution from local government	18,662,179
Investment earnings	1,206
Miscellaneous	328,013
Total general revenues and transfers	<u>18,991,398</u>
Change in net position	2,905,595
Net position, beginning of year	(6,306,265)
Net position, end of year	<u>\$ (3,400,670)</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
COMBINING BALANCE SHEET-GOVERNMENTAL FUNDS
AT JUNE 30, 2016

Exhibit 32

	Major Funds	Nonmajor Fund	Total
	School Operating Fund	School Cafeteria Fund	Governmental Funds
<u>Assets:</u>			
Cash and investments	\$ 11,390,333	\$ 1,614,407	\$ 13,004,740
Accounts receivable, net	220,265	-	220,265
Due from the Commonwealth	1,143,535	-	1,143,535
Due from the Federal Government	1,396,223	132,043	1,528,266
Total assets	<u>14,150,356</u>	<u>1,746,450</u>	<u>15,896,806</u>
<u>Liabilities:</u>			
Accounts payable	1,970,253	80,768	2,051,021
Wages and benefits payable	4,049,518	-	4,049,518
Unearned revenue	735,363	-	735,363
Total liabilities	<u>6,755,134</u>	<u>80,768</u>	<u>6,835,902</u>
<u>Fund Balances:</u>			
Restricted:			
Education	7,395,222	-	7,395,222
Assigned:			
Food Services	-	1,665,682	1,665,682
Total fund balances	<u>7,395,222</u>	<u>1,665,682</u>	<u>9,060,904</u>
Total liabilities and fund balances	<u>\$ 14,150,356</u>	<u>\$ 1,746,450</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	49,263,938	
Improvements other than buildings, net of depreciation	1,146,150	
Machinery and equipment, net of depreciation	2,800,813	
School Board capital assets in primary government, net of depreciation	(18,822,569)	
Total capital assets		35,363,194

The net pension asset is not an available resource and, therefore, is not reported in the funds. 114,011

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

Items related to measurement of pension liability (4,811,144)

Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year and, therefore, are not reported in the funds. 3,871,236

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

Compensated absences	(1,886,194)	
Net OPEB obligation	(1,012,000)	
Net termination benefit obligation	(906,677)	
Net pension liability-VRS Teacher Retirement Plan	(43,578,000)	
Adjustment for changes in proportionate share of net pension liability	384,000	
Net adjustment		(46,998,871)
Total net position		<u>\$ (3,400,670)</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, 2016

Exhibit 33

	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	\$ -	\$ -	\$ 1,206	\$ 1,206
Charges for services	156,652	-	426,161	582,813
Miscellaneous	328,013	-	-	328,013
Recovered costs	324,279	-	-	324,279
From the local government	16,770,737	8,609	-	16,779,346
From the Commonwealth	31,236,147	-	50,272	31,286,419
From the Federal Government	4,511,539	-	2,228,003	6,739,542
Total revenues	53,327,367	8,609	2,705,642	56,041,618
Expenditures:				
Education:				
Instruction	37,942,530	-	-	37,942,530
Administration of schools	1,399,028	-	-	1,399,028
Attendance and health services	1,431,082	-	-	1,431,082
Operation and maintenance services	4,969,405	8,758	-	4,978,163
Pupil transportation services	3,562,937	-	-	3,562,937
Technology Services	2,776,555	-	-	2,776,555
Food services	80,583	-	3,037,001	3,117,584
Total expenditures	52,162,120	8,758	3,037,001	55,207,879
Revenues over (under) expenditures	1,165,247	(149)	(331,359)	833,739
Net changes in fund balance	1,165,247	(149)	(331,359)	833,739
Fund balance, beginning of year	6,229,975	149	1,997,041	8,227,165
Fund balance, end of year	\$ 7,395,222	\$ -	\$ 1,665,682	\$ 9,060,904
Net changes in fund balance per above				\$ 833,739

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	774,750	
Depreciation on capital assets	(2,335,430)	
Net adjustment		(1,560,680)
School Board capital assets are jointly owned by the County and the School Board. The County share of School Board assets is in proportion to the debt owed on such by the County. The transfers to the School Board are affected by the relationship of the debt to assets on a year to year basis. The net transfer resulting from this relationship decreased the transfers to the School Board.		1,882,833
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in deferred inflows of resources related to the measurement of the net pension liability		2,229,491
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	78,565	
Net OPEB obligation	(132,000)	
Net termination benefit obligation	257,804	
Net pension liability-Nonprofessional retirement plan	231,628	
Net pension liability-VRS Teacher retirement plan	(724,000)	
Change in deferred outflows of resources related to pensions-VRS Teacher retirement plan	(185,154)	
Change in deferred outflows of resources related to pensions-Nonprofessional retirement plan	(6,631)	
Net adjustment		(479,788)
Change in net position of governmental activities		\$ 2,905,595

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, 2016

Exhibit 34

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 124,000	\$ 124,000	\$ 156,652	\$ 32,652
Miscellaneous	-	-	328,013	328,013
Recovered costs	288,776	288,776	324,279	35,503
From the local government	16,770,737	16,770,737	16,770,737	-
From the Commonwealth	28,956,607	36,603,329	31,236,147	(5,367,182)
From the Federal Government	1,771,162	3,720,050	4,511,539	791,489
Total revenues	47,911,282	57,506,892	53,327,367	(4,179,525)
Expenditures:				
Education:				
Instruction	32,788,202	38,213,334	37,942,530	270,804
Administration of schools	1,138,560	1,266,533	1,399,028	(132,495)
Attendance and health services	1,365,417	1,536,918	1,431,082	105,836
Operation and maintenance services	5,338,060	7,225,597	4,969,405	2,256,192
Pupil transportation services	3,118,774	4,176,940	3,562,937	614,003
Technology services	2,319,999	3,158,973	2,776,555	382,418
Food services	-	10,480	80,583	(70,103)
Contingency	-	1,918,117	-	1,918,117
Total expenditures	46,069,012	57,506,892	52,162,120	5,344,772
Revenues over (under) expenditures	1,842,270	-	1,165,247	1,165,247
Net changes in fund balance	1,842,270	-	1,165,247	1,165,247
Fund balance, beginning of year	6,229,975	6,229,975	6,229,975	-
Fund balance, end of year	\$ 8,072,245	\$ 6,229,975	\$ 7,395,222	\$ 1,165,247

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION-AGENCY FUNDS
AT JUNE 30, 2016

Exhibit 35

	School Activities Fund
<u>Assets:</u>	
Cash and investments in custody of others	\$ 736,205
<u>Liabilities:</u>	
Amounts held for school activities	\$ 736,205

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, 2016

Exhibit 36

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
School Activities Fund:				
<u>Assets:</u>				
Cash and investments in custody of others	\$ 592,820	\$ 1,495,749	\$ 1,352,364	\$ 736,205
<u>Liabilities:</u>				
Amounts held for school activities	\$ 592,820	\$ 1,495,749	\$ 1,352,364	\$ 736,205

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, 2016

	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	\$ 594,114	\$ 238,818	\$ 43,344	\$ 48,244	\$ 49,359
Restricted cash and cash equivalents	254,600	-	-	-	-
Accounts receivables, net	315,390	-	-	-	-
Loan receivables	245,400	-	-	-	-
Due from other governmental entities	-	-	-	18,548	-
Prepaid expenses	21,397	-	-	-	-
Capital Assets (net of accumulated depreciation):					
Land	106,807	119,099	-	-	-
Buildings	19,995	629,041	-	-	-
Improvements other than buildings	71,801	-	22,236	-	-
Machinery and equipment	33,277	927	-	-	510
Construction in progress	-	40,035	-	-	-
Net pension asset	-	3,854	-	-	-
Total assets	1,662,781	1,031,774	65,580	66,792	49,869
<u>Deferred Outflows:</u>					
Pension contributions subsequent to measurement date	63,062	14,584	-	-	-
<u>Liabilities:</u>					
Accounts payable	54,233	5,541	714	1,200	-
Wages and benefits payable	8,083	20,131	-	-	-
Escrow funds held	-	-	-	-	-
Unearned revenues	92,205	-	13,605	-	-
Noncurrent liabilities:					
Due in more than one year-compensated absences	130,742	13,540	-	-	-
Due in more than one year-Net pension liability	128,663	-	-	-	-
Total liabilities	413,926	39,212	14,319	1,200	-
<u>Deferred Inflows:</u>					
Items related to measurement of net pension liability	92,480	32,515	-	-	-
<u>Net Position:</u>					
Net investment in capital assets	231,880	162,988	22,236	-	510
Restricted	500,000	199,607	-	-	-
Unrestricted	487,557	612,036	29,025	65,592	49,359
Total net position	\$ 1,219,437	\$ 974,631	\$ 51,261	\$ 65,592	\$ 49,869

Exhibit 37

Component Units	
Economic Development Authority	Total Nonmajor Discretely Presented Component Units
\$ 41,062	\$ 1,014,941
-	254,600
-	315,390
-	245,400
-	18,548
-	21,397
315,445	541,351
-	649,036
-	94,037
6,434	41,148
-	40,035
-	3,854
362,941	3,239,737
-	77,646
-	61,688
-	28,214
5,000	5,000
-	105,810
-	144,282
-	128,663
5,000	473,657
-	124,995
321,879	739,493
-	699,607
36,062	1,279,631
\$ 357,941	\$ 2,718,731

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, 2016

	Component Units			
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund
Operating revenues:				
Operating grants and contributions	\$ 90,101	\$ 266,195	\$ -	\$ -
Use of property	38,400	270	-	-
Charges for services	1,093,368	34,175	15,804	60,368
Miscellaneous	-	39,437	-	-
Recovered costs	-	-	-	-
Total operating revenues	1,221,869	340,077	15,804	60,368
Operating expenses:				
General and administration	176,684	-	-	-
Contractual services	-	75,223	8,607	53,367
Personnel	-	437,768	-	-
Materials and supplies	-	107,203	-	-
Other operating expenses	-	54,604	31,471	574
Project expenses	1,087,678	-	-	-
Contribution	-	154,134	-	-
Depreciation	21,247	32,305	14,229	-
Total operating expenses	1,285,609	861,237	54,307	53,941
Operating income (loss)	(63,740)	(521,160)	(38,503)	6,427
Nonoperating revenues (expenses):				
Contributions from local government	90,424	482,299	-	-
Investment earnings	2,473	-	10	-
State grants	-	152,873	-	-
GASB 68 pension benefit	66,729	-	-	-
Gain (loss) on sale of assets	-	(332,919)	-	-
Total nonoperating revenues (expenses)	159,626	302,253	10	-
Changes in net position	95,886	(218,907)	(38,493)	6,427
Total net position, beginning of year	1,123,551	1,193,538	89,754	59,165
Total net position, end of year	\$ 1,219,437	\$ 974,631	\$ 51,261	\$ 65,592

Exhibit 38

Component Units		
Greenbackville Harbor Committee	Economic Development Authority	Total Nonmajor Discretely Presented Component Units
\$ -	\$ -	\$ 356,296
-	-	38,670
18,940	-	1,222,655
-	-	39,437
-	4,897	4,897
18,940	4,897	1,661,955
-	-	176,684
8,814	3,469	149,480
-	4,487	442,255
-	-	107,203
269	-	86,918
-	-	1,087,678
-	-	154,134
510	780	69,071
9,593	8,736	2,273,423
9,347	(3,839)	(611,468)
-	7,500	580,223
58	12	2,553
-	-	152,873
-	-	66,729
-	-	(332,919)
58	7,512	469,459
9,405	3,673	(142,009)
40,464	354,268	2,860,740
\$ 49,869	\$ 357,941	\$ 2,718,731

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CASH FLOWS
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit 39

	<u>Component Units</u>
	Economic Development Authority
Cash flows from operating activities:	
Payments to suppliers	\$ (3,469)
Payments to employees and benefits paid on behalf of employees	(4,487)
Other receipts	4,897
Net cash provided by (used for) operating activities	<u>(3,059)</u>
Cash flows from noncapital financing activities:	
Operating subsidy from Primary Government	<u>7,500</u>
Cash flows from capital and related financing activities:	
Proceeds from the sale of capital assets	<u>5,000</u>
Cash flows from investing activities:	
Interest income	<u>12</u>
Net increase (decrease) in cash and cash equivalents	9,453
Cash and cash equivalents at beginning of the year	31,609
Cash and cash equivalents at end of year	<u><u>41,062</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	(3,839)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	780
Net cash provided by (used for) operating activities	<u><u>\$ (3,059)</u></u>

Supporting Schedules

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

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	\$ 12,468,905	\$ 12,459,405	\$ 12,668,982	\$ 209,577
Real and personal public service taxes	1,131,635	1,588,542	1,754,062	165,520
Personal property taxes	5,585,636	5,663,229	5,785,361	122,132
Machinery and tools taxes	1,858,238	1,858,238	2,128,217	269,979
Penalties - all taxes	280,000	280,000	326,310	46,310
Interest - all taxes	300,000	300,000	430,753	130,753
Total general property taxes	21,624,414	22,149,414	23,093,685	944,271
Other local taxes:				
Local sales and use taxes	3,776,096	3,776,096	3,583,326	(192,770)
Consumers' utility and consumption taxes	1,102,000	1,102,000	1,069,085	(32,915)
Public service corporation license taxes	75,000	75,000	55,518	(19,482)
Communications tax	1,055,762	1,055,762	994,827	(60,935)
Motor vehicle licenses	558,017	558,017	653,617	95,600
Bank stock taxes	30,000	30,000	36,571	6,571
Taxes on recordation and wills	250,000	250,000	313,446	63,446
Hotel and motel room taxes	535,000	541,442	594,173	52,731
Business, professional and occupational license taxes	60,000	60,000	58,730	(1,270)
Other local taxes	22,800	22,800	25,247	2,447
Total other local taxes	7,464,675	7,471,117	7,384,540	(86,577)
Permits, Privilege Fees and Licenses:				
Animal licenses	11,000	11,000	9,477	(1,523)
Building permits	183,000	183,000	231,776	48,776
Health department permits	30,000	30,000	28,840	(1,160)
Land use application fees	15,750	15,750	32,250	16,500
Zoning permits	22,500	22,500	26,217	3,717
Erosion & sediment control	10,000	10,000	6,125	(3,875)
Other licenses and permits	19,100	19,100	10,830	(8,270)
Total permits, privilege fees and licenses	291,350	291,350	345,515	54,165
Fines and forfeitures	75,000	75,000	54,318	(20,682)
Revenue from use of money and property:				
From use of money	9,500	9,500	8,240	(1,260)
From use of property	351,154	351,154	317,756	(33,398)
Total revenue from use of money and property	360,654	360,654	325,996	(34,658)
Charges for services:				
General government administration charges	210,633	210,633	279,845	69,212
Judicial administration charges	2,000	2,000	3,094	1,094
Public safety charges	65,655	85,839	78,929	(6,910)
Public works charges	85,000	88,390	147,687	59,297
Total charges for services	363,288	386,862	509,555	122,693
Miscellaneous revenue	-	103,000	118,575	15,575

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

Schedule 1
Page 2 of 8

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	\$ 156,966	\$ 142,180	\$ (14,786)
Judicial administration	20,125	20,125	17,933	(2,192)
Public safety	34,434	34,944	24,305	(10,639)
Public works	3,000	183,138	183,209	71
Nondepartmental (Insurance recoveries)	-	151,406	86,350	(65,056)
Total recovered costs	143,659	546,579	453,977	(92,602)
Total revenue from local sources	30,323,040	31,383,976	32,286,161	902,185
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	12,000	12,000	11,721	(279)
Rolling stock tax	2,000	2,000	-	(2,000)
Mobile home titling tax	40,000	40,000	40,408	408
Tax on deeds (grantor)	72,000	72,000	82,543	10,543
Personal Property Tax Relief Act	2,866,680	2,866,680	2,866,236	(444)
Total noncategorical aid	2,992,680	2,992,680	3,000,908	8,228
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	348,548	354,021	334,043	(19,978)
Sheriff	2,516,747	2,558,918	2,544,791	(14,127)
Commissioner of the revenue	107,078	108,852	107,442	(1,410)
Treasurer	118,007	120,006	119,173	(833)
Registrar / electoral board	41,607	41,607	53,476	11,869
Clerk of circuit court	275,033	302,165	301,435	(730)
Jail	170,169	170,169	216,036	45,867
Total shared expenses	3,577,189	3,655,738	3,676,396	20,658
Other categorical aid:				
Litter control	-	20,352	20,302	(50)
"Four for Life" program	-	71,469	11,443	(60,026)
Juvenile crime control act	39,418	39,418	36,269	(3,149)
Victim / witness assistance grant	50,831	52,356	52,356	-
Community corrections grant	-	90,655	90,655	-
Hazardous materials response grants	5,000	5,000	5,000	-
Other	4,000	37,709	4,827	(32,882)
Total other categorical aid	99,249	316,959	220,852	(96,107)
Total revenue from the Commonwealth	6,669,118	6,965,377	6,898,156	(67,221)
Revenue from the Federal Government:				
Payments in lieu of taxes	26,000	26,000	29,238	3,238

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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 the Federal Government: (continued)				
Noncategorical aid:				
Refuge revenue sharing	\$ 88,000	\$ 88,000	\$ 87,258	\$ (742)
Indirect costs	40,000	40,000	61,401	21,401
Total noncategorical aid	128,000	128,000	148,659	20,659
Categorical aid:				
Summer food service program	-	141,752	116,302	(25,450)
Emergency management assistance	-	7,500	56,046	48,546
Homeland security related grants	-	54,202	42,988	(11,214)
Selective enforcement grant	-	25,280	25,281	1
Victim / witness assistance grant	-	7,853	7,853	-
Other	-	1,000	4,685	3,685
Total categorical aid	-	237,587	253,155	15,568
Total revenue from the Federal Government	154,000	391,587	431,052	39,465
Total General Fund	37,146,158	38,740,940	39,615,369	874,429
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue	-	-	5,707	5,707
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Welfare	1,429,862	1,442,389	1,078,652	(363,737)
Revenue from the Federal Government:				
Categorical aid:				
Welfare	1,907,096	1,970,873	2,165,055	194,182
Total categorical aid	1,907,096	1,970,873	2,165,055	194,182
Total Virginia Public Assistance Fund	3,336,958	3,413,262	3,249,414	(163,848)
Comprehensive Youth Services Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
From Northampton County	100,274	100,274	123,838	23,564
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act pooled services grants	759,205	759,205	745,196	(14,009)
Comprehensive Services Act Trust Fund grant	19,621	19,621	19,620	(1)
Total categorical aid from the Commonwealth	778,826	778,826	764,816	(14,010)
Revenue from the Federal Government:				
Categorical aid:				
Comprehensive Services Act pooled services grants	-	-	30,135	30,135
Total Comprehensive Youth Services Fund	879,100	879,100	918,789	39,689

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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	\$ 7,964	\$ 964
Stormwater Ordinance Fund:				
Revenue from local sources:				
Permits, Privilege Fees and Licenses:				
Stormwater permits	56,116	56,116	117,611	61,495
Total Stormwater Ordinance Fund	56,116	56,116	117,611	61,495
Drug Seizures Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	17	17
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Drug forfeitures and seizures	-	-	24,253	24,253
Revenue from the Federal Government:				
Categorical aid:				
Drug forfeitures and seizures	2,000	2,000	-	(2,000)
Total Drug Seizures Fund	2,000	2,000	24,270	22,270
Courthouse Security Fund:				
Revenue from local sources:				
Other local taxes:				
Court security fees	80,000	80,000	91,062	11,062
Total Courthouse Security Fund	80,000	80,000	91,062	11,062
Fire Programs Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	14	14
Miscellaneous revenue:				
Contributions	7,000	7,376	7,376	-
From Northampton County	6,700	6,700	6,700	-
Other	-	-	56	56
Total miscellaneous revenue	13,700	14,076	14,132	56
Total revenue from local sources	13,700	14,076	14,146	70
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Fire programs grant	60,000	88,828	30,000	(58,828)
Total Fire Programs Fund	73,700	102,904	44,146	(58,758)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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)				
Rehabilitation Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	\$ -	\$ -	\$ 29	\$ 29
Miscellaneous revenue:				
From Truss-Tech	-	-	12,379	12,379
Recovered costs:				
Grant project income	-	-	10,428	10,428
Total revenue from local sources	-	-	22,836	22,836
Total Rehabilitation Projects Fund	-	-	22,836	22,836
Greenbackville - Captain's Cove Mosquito Control Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	52,631	52,631	51,822	(809)
Penalties - all taxes	500	500	440	(60)
Interest - all taxes	500	500	540	40
Total Greenbackville Mosquito Control Fund	53,631	53,631	52,802	(829)
Consolidated Emergency Medical Services Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	2,293,145	2,153,145	2,669,061	515,916
Public service taxes	254,568	556,561	428,651	(127,910)
Personal property taxes	116,670	118,677	152,918	34,241
Machinery and tools taxes	42,820	42,820	48,774	5,954
Penalties - all taxes	28,000	28,000	33,849	5,849
Interest - all taxes	32,000	32,000	39,859	7,859
Total general property taxes	2,767,203	2,931,203	3,373,112	441,909
Recovered costs:				
Insurance recoveries	-	8,391	8,391	-
Total revenue from local sources	2,767,203	2,939,594	3,381,503	441,909
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	64,964	64,964	65,427	463
Categorical Aid:				
Rescue squad assistance fund grant	-	26,152	26,151	(1)
Total revenue from the Commonwealth	64,964	91,116	91,578	462
Total Consolidated Emergency Medical Services Fund	2,832,167	3,030,710	3,473,081	442,371
Consolidated Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,200,095	1,200,095	1,231,347	31,252
Public service taxes	103,614	152,976	159,353	6,377
Personal property taxes	91,310	92,448	91,342	(1,106)
Machinery and tools taxes	27,379	27,379	30,578	3,199
Penalties - all taxes	20,000	20,000	17,223	(2,777)
Interest - all taxes	29,000	29,000	23,328	(5,672)
Total revenue from local sources	1,471,398	1,521,898	1,553,171	31,273

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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	\$ 41,181	\$ (7)
Total Consolidated Fire and Rescue Fund	1,512,586	1,563,086	1,594,352	31,266
Total Special Revenue Funds	8,833,258	9,187,809	9,596,327	408,518
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	-	-	1,325	1,325
Recovered costs:				
From Hazard mitigation grant homeowners	-	90,011	29,953	(60,058)
From Quinby Boat Harbor Committee	-	-	27,442	27,442
Total recovered costs	-	90,011	57,395	(32,616)
Miscellaneous Revenue:				
Proffers	-	-	200,000	200,000
Total revenue from local sources	-	90,011	258,720	168,709
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Harbor improvement grants	-	97,069	42,253	(54,816)
Hazard mitigation project	-	360,046	119,812	(240,234)
Total revenue from the Commonwealth	-	457,115	162,065	(295,050)
Revenue from the Federal Government:				
Categorical aid:				
Harbor improvement grants	-	37,159	49,000	11,841
Hazard mitigation project	-	1,350,171	449,294	(900,877)
Total revenue from the Federal Government	-	1,387,330	498,294	(889,036)
Total County Capital Projects Fund	-	1,934,456	919,079	(1,015,377)
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	3,292,829	3,292,829	3,340,082	47,253
Public service taxes	280,380	416,380	430,696	14,316
Personal property taxes	173,921	173,921	187,132	13,211
Machinery and tools taxes	53,559	53,559	60,810	7,251
Penalties - all taxes	42,000	42,000	46,001	4,001
Interest - all taxes	50,000	50,000	67,683	17,683
Total revenue from local sources	3,892,689	4,028,689	4,132,404	103,715
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	82,376	82,376	82,363	(13)
Total County Debt Service Fund	3,975,065	4,111,065	4,214,767	103,702
Total revenue-Primary Government	49,954,481	53,974,270	54,345,542	371,272

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	\$ 24,000	\$ 24,000	\$ 43,164	\$ 19,164
Health services	100,000	100,000	113,488	13,488
Total charges for services	124,000	124,000	156,652	32,652
Miscellaneous revenue:				
Miscellaneous	-	-	328,013	328,013
Recovered costs:				
Project Graduation - Portsmouth	200,000	200,000	22,579	(177,421)
Dual enrollment	50,000	50,000	146,117	96,117
Miscellaneous	38,776	38,776	155,583	116,807
Total recovered costs	288,776	288,776	324,279	35,503
Revenue from local government:				
Contribution from Accomack County, Virginia	16,770,737	16,770,737	16,770,737	-
Total revenue from local sources	17,183,513	17,183,513	17,579,681	396,168
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Sales tax contribution	3,479,143	4,895,890	4,890,484	(5,406)
Basic school aid	14,587,021	14,587,021	15,302,963	715,942
Textbooks	304,364	304,364	-	(304,364)
Education of the gifted	148,671	148,671	154,561	5,890
Remedial education	835,086	835,086	932,611	97,525
Remedial summer school	55,099	55,099	-	(55,099)
Special education	2,049,757	2,049,757	2,130,971	81,214
School breakfast	-	-	316,423	316,423
Vocational education	458,665	458,665	539,880	81,215
Social Security	948,962	948,962	986,561	37,599
Retirement	1,875,781	1,875,781	1,950,102	74,321
Group life insurance	60,101	60,101	62,482	2,381
Governor's School	7,101	7,101	7,101	-
Special Education - homebound	25,432	25,432	35,281	9,849
Special Education - private tuition	11,564	11,564	12,055	491
Vocational education-equipment	-	-	8,680	8,680
Vocational education-occupational	66,240	66,240	-	(66,240)
Industry based certification	5,000	5,000	6,042	1,042
Salary supplement	264,211	264,211	274,082	9,871
At risk	1,180,995	1,180,995	1,227,947	46,952
Trans courses	15,717	15,717	15,717	-
Four year old preschool program	460,173	460,173	487,242	27,069
Mentor teacher program	6,099	6,099	5,462	(637)
English as a second language	534,567	534,567	510,159	(24,408)
K-3 initiative	826,412	826,412	826,412	-
Educational technology grant	518,800	518,800	98,962	(419,838)
Reading intervention	122,611	122,611	120,567	(2,044)
Career prep academy	-	-	227,256	227,256
SOL algebra readiness	109,035	109,035	104,743	(4,292)
Other	-	-	1,401	1,401
State carryforward	-	6,229,975	-	(6,229,975)
Total revenue from the Commonwealth	28,956,607	36,603,329	31,236,147	(5,367,182)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
School Operating Fund: (continued)				
Revenue from the Federal Government:				
Categorical aid:				
Vocational Education	\$ 182,730	\$ 182,730	\$ 96,364	\$ (86,366)
Title I-Migrant education	280,309	280,309	290,883	10,574
Title I-School improvement	721,745	1,721,745	2,603,440	881,695
Title II	288,983	288,983	253,658	(35,325)
Title III	90,175	90,175	88,570	(1,605)
Title VI	98,169	98,169	93,301	(4,868)
Title VI-B Special Education	104,051	1,052,939	1,072,496	19,557
Title X	5,000	5,000	12,827	7,827
Total revenue from the Federal Government	1,771,162	3,720,050	4,511,539	791,489
Total School Operating Fund	47,911,282	57,506,892	53,327,367	(4,179,525)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	1,200	1,200	1,206	6
Charges for services:				
Meal charges	430,000	430,000	426,161	(3,839)
Total revenue from local sources	431,200	431,200	427,367	(3,833)
Revenue from the Commonwealth:				
Categorical aid:				
School food payments	50,500	50,500	50,272	(228)
Revenue from the Federal Government:				
Categorical aid:				
School food payments	2,376,300	2,376,300	2,228,003	(148,297)
Total School Cafeteria Fund	2,858,000	2,858,000	2,705,642	(152,358)
Total Special Revenue Funds	50,769,282	60,364,892	56,033,009	(4,331,883)
Capital Projects Fund:				
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from local government:				
Contribution from Accomack County (interest rate subsidy)	-	1,500,000	8,609	(1,491,391)
Total School Capital Projects Fund	-	1,500,000	8,609	(1,491,391)
Total revenue-School Board Component Unit	50,769,282	61,864,892	56,041,618	(5,823,274)
Grand total revenue-Primary Government and School Board Component Unit	\$ 100,723,763	\$ 115,839,162	\$ 110,387,159	\$ (5,452,003)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
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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	\$ 151,984	\$ 151,984	\$ 125,897	\$ 26,087
General and financial administration:				
County administrator	554,664	548,160	512,639	35,521
Human Resources	107,785	82,991	81,449	1,542
Legal services	241,440	608,907	612,198	(3,291)
Commissioner of the revenue	300,933	308,125	299,123	9,002
County assessor	679,650	693,936	578,044	115,892
Treasurer	538,332	615,727	557,922	57,805
Finance	470,691	478,032	416,351	61,681
Information technology	636,759	710,089	638,076	72,013
Risk management	241,732	253,732	256,016	(2,284)
Total general and financial administration	3,771,986	4,299,699	3,951,818	347,881
Board of elections:				
Electoral board	48,628	54,359	70,827	(16,468)
Registrar	156,959	160,508	140,825	19,683
Total board of elections	205,587	214,867	211,652	3,215
Total general government administration	4,129,557	4,666,550	4,289,367	377,183
Judicial administration:				
Courts:				
Circuit court	88,361	88,512	71,066	17,446
General district court	11,471	11,471	11,560	(89)
Chief magistrate	16,938	16,938	8,308	8,630
Juvenile and domestic relations court	13,650	13,650	7,328	6,322
Clerk of the circuit court	428,484	493,402	501,935	(8,533)
Sheriff court services	432,431	400,160	396,864	3,296
Commissioner of accounts	214	214	-	214
Victim and witness assistance	62,095	71,076	65,308	5,768
Total courts	1,053,644	1,095,423	1,062,369	33,054
Commonwealth's attorney	429,380	442,007	432,136	9,871
Total judicial administration	1,483,024	1,537,430	1,494,505	42,925
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,101,763	2,474,100	2,428,411	45,689
Fire and rescue services:				
Volunteer fire and rescue	265,110	265,110	262,958	2,152
Emergency medical services	238,477	328,636	269,126	59,510
Payments to 911 commission	633,722	626,722	604,353	22,369
Total fire and rescue services	1,137,309	1,220,468	1,136,437	84,031
Correction and detention:				
Jail	2,225,029	2,061,764	2,163,257	(101,493)
Juvenile probation	129,680	129,943	93,174	36,769
Community correction	-	90,655	90,655	-
Total correction and detention	2,354,709	2,282,362	2,347,086	(64,724)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (Continued)

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Public safety: (continued)				
Other protection:				
Building and zoning	\$ 495,512	\$ 508,902	\$ 400,276	\$ 108,626
Ordinance Enforcement	63,790	65,538	54,252	11,286
Animal control	111,978	115,485	108,562	6,923
Regional animal control facility	103,406	103,557	78,656	24,901
S.P.C.A. supplement	5,921	6,302	6,302	-
Emergency management	81,767	145,325	136,036	9,289
Medical examiner	-	-	360	(360)
E.S. Coalition Against Domestic Violence supplement	20,000	20,000	20,000	-
Cleanup/disposal of hazardous materials	13,000	11,156	9,986	1,170
Total other protection	895,374	976,265	814,430	161,835
Total public safety	6,489,155	6,953,195	6,726,364	226,831
Public works:				
Maintenance of streets, bridges and sidewalks:				
Storm drainage	189,223	409,367	155,349	254,018
Sanitation and waste removal:				
General operations	197,610	201,832	207,772	(5,940)
Refuse disposal	1,000,000	1,000,000	964,781	35,219
Refuse collection	623,789	636,395	642,640	(6,245)
Maintenance garage	184,927	370,948	298,249	72,699
Litter control	271,256	351,618	324,812	26,806
Total sanitation and waste removal	2,277,582	2,560,793	2,438,254	122,539
Maintenance of buildings and grounds:				
Buildings and grounds	1,110,872	1,447,635	1,061,996	385,639
Total public works	3,577,677	4,417,795	3,655,599	762,196
Health and welfare:				
Health:				
Local health department supplement	529,465	529,465	529,465	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	560,436	560,436	560,436	-
Mental health and mental retardation:				
Community services board supplement	178,286	178,286	178,286	-
Welfare:				
Property tax relief for seniors and disabled veterans	144,525	144,525	133,347	11,178
Area agency on aging supplement	23,430	26,430	26,430	-
Total welfare	167,955	170,955	159,777	11,178
Total health and welfare	906,677	909,677	898,499	11,178
Education:				
Contribution to School Board component unit	16,770,737	16,770,737	16,770,737	-
Community College supplement	263,028	485,028	41,028	444,000
Total education	17,033,765	17,255,765	16,811,765	444,000

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (Continued)

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 318,449	\$ 351,035	\$ 356,403	\$ (5,368)
Summer food program	-	254,635	114,889	139,746
Boating facilities	45,053	45,053	38,732	6,321
Total parks and recreation	363,502	650,723	510,024	140,699
Cultural enrichment:				
Translator television	74,457	74,457	59,633	14,824
Contribution to Public Library component unit	357,407	357,407	357,407	-
Total cultural enrichment	431,864	431,864	417,040	14,824
Total parks, recreation and cultural	795,366	1,082,587	927,064	155,523
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	-	64,463	62,335	2,128
Planning	412,106	373,288	337,477	35,811
Enterprise Zone incentives	25,000	25,000	-	25,000
Tourism Commission supplement	86,853	93,295	93,295	-
Wallops Research Park	173,323	173,575	162,584	10,991
Star Transit public transportation supplement	156,000	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	18,666	-
Town of Parksley War Memorial	-	3,000	3,000	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	963,973	1,020,112	946,182	73,930
Environmental management:				
Johnsongrass/gypsy moth control program	12,066	12,066	9,364	2,702
Soil and Water Conservation District supplement	21,154	21,154	15,866	5,288
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	62,940	62,940	54,950	7,990
Cooperative extension program	91,793	93,432	91,994	1,438
Total community development	1,118,706	1,176,484	1,093,126	83,358
Nondepartmental:				
Contingency	235,570	9,487	-	9,487
Reserve for COLA	-	20,000	-	20,000
Compensation alignment	75,000	-	-	-
Total nondepartmental	310,570	29,487	-	29,487
Debt service:				
Principal	648,200	648,200	648,200	-
Interest and fiscal charges	123,219	123,219	120,667	2,552
Total debt service	771,419	771,419	768,867	2,552
Total General Fund	36,615,916	38,800,389	36,665,156	2,135,233

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare/social services:				
Welfare administration	\$ 3,213,913	\$ 3,286,045	\$ 3,255,509	\$ 30,536
Public assistance	627,032	632,332	556,091	76,241
Fuel administration	39,057	39,057	803	38,254
Local only administration	65,984	76,671	134,981	(58,310)
Service pass-through	145,667	145,667	-	145,667
Total welfare/social services	4,091,653	4,179,772	3,947,384	232,388
Comprehensive Youth Services Fund:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families	1,132,016	1,132,016	1,147,139	(15,123)
Total welfare	1,132,016	1,132,016	1,147,139	(15,123)
Law Library Fund:				
Judicial administration:				
Courts:				
Law library books	7,000	44,113	3,197	40,916
Stormwater Ordinance Fund:				
Community development:				
Environmental management:				
Stormwater ordinance	125,945	143,245	178,633	(35,388)
Drug Seizures Fund:				
Judicial administration:				
Commonwealth's attorney	-	18,237	5,430	12,807
Public safety:				
Law enforcement and traffic control:				
Sheriff	2,000	38,197	34,771	3,426
Total drug seizures fund	2,000	56,434	40,201	16,233
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	176,144	55,921	120,223
Total fire and rescue services	88,700	206,144	85,921	120,223
Rehabilitation Projects Fund:				
Community development:				
Planning and community development:				
CDBG program income costs	-	-	3,879	(3,879)
Truss Tech Grant	-	-	12,379	(12,379)
Total planning and community development	-	-	16,258	(16,258)
Captains Cove/Greenbackville Mosquito Control				
Health and welfare:				
Health:				
Contribution to mosquito control commission	53,631	69,464	60,368	9,096
Consolidated Emergency Medical Services:				
Public safety:				
Fire and Rescue Services:				
Emergency Medical Services	2,870,891	2,971,129	2,735,700	235,429

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Services:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	\$ 1,512,586	\$ 2,223,926	\$ 1,600,720	\$ 623,206
Courthouse Security Fund:				
Judicial administration:				
Courts:				
Court security	80,000	126,043	97,286	28,757
Total Special Revenue Funds	9,964,422	11,152,286	9,912,807	1,239,479
Capital Project Funds:				
County Capital Projects Fund:				
General government administration:				
Records management system implementation	50,000	50,000	-	50,000
VOIP telephone system	-	48,920	748	48,172
Voting equipment	115,000	3,843	-	3,843
Total general government administration	165,000	102,763	748	102,015
Public works:				
Graingeville convenience center construction	-	426,378	399,999	26,379
Chincoteague convenience center improvements	-	-	153	(153)
Tasley convenience center improvements	-	53,178	32,308	20,870
Building improvements	-	2,950,000	469,893	2,480,107
Total public works	-	3,429,556	902,353	2,527,203
Education:				
Contribution of School Board Component Unit	-	1,500,000	8,609	1,491,391
Parks, recreation and cultural				
Old NASA Ferry dock improvements	70,000	70,000	-	70,000
Central Park phase 2	-	130,000	-	130,000
Pitt's Creek improvements	-	51,159	55,233	(4,074)
Harborton barge facilities	-	97,069	63,969	33,100
Total parks, recreation and cultural	70,000	348,228	119,202	229,026
Community development:				
Derelect building removal program	50,000	50,000	-	50,000
Hazard mitigation grant	-	1,800,228	599,058	1,201,170
Wallops research park	-	780,357	740,979	39,378
Total community development	50,000	2,630,585	1,340,037	1,290,548
Total County capital projects fund	285,000	8,011,132	2,370,949	5,640,183
Debt Service Funds:				
County Debt Service Fund:				
Debt Service:				
Principal	2,853,558	3,028,018	3,028,017	1
Interest and fiscal charges	1,338,908	1,414,402	1,408,298	6,104
Total County Debt Service Fund	4,192,466	4,442,420	4,436,315	6,105
Total expenditures-Primary Government	51,057,804	62,406,227	53,385,227	9,021,000

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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	\$25,616,780	\$30,971,912	\$ 30,013,317	\$ 958,595
Guidance services	1,253,378	1,253,378	1,264,196	(10,818)
Homebound instruction	114,448	114,448	81,543	32,905
Improvement of instruction	1,617,433	1,687,433	2,494,193	(806,760)
Media services	761,919	761,919	675,208	86,711
Office of the principal	3,424,244	3,424,244	3,414,073	10,171
Total instruction costs	32,788,202	38,213,334	37,942,530	270,804
Administration of schools:				
Board services	58,137	58,137	70,061	(11,924)
Executive administration services	384,863	434,863	445,302	(10,439)
Personnel services	280,783	358,756	435,299	(76,543)
Fiscal services	414,777	414,777	448,366	(33,589)
Total administration of schools	1,138,560	1,266,533	1,399,028	(132,495)
Attendance and health services:				
Attendance services	39,071	39,071	44,136	(5,065)
Health services	664,498	835,999	971,038	(135,039)
Psychological services	253,885	253,885	205,609	48,276
Speech/audiology services	407,963	407,963	210,299	197,664
Total attendance and health services	1,365,417	1,536,918	1,431,082	105,836
Operation and maintenance services:				
Management and direction	156,126	156,126	195,477	(39,351)
Building services	5,016,435	6,271,072	4,561,307	1,709,765
Grounds services	114,999	702,767	76,861	625,906
Equipment services	4,000	4,000	2,467	1,533
Vehicle services (other than pupil transportation)	46,500	91,632	133,293	(41,661)
Total operation and maintenance services	5,338,060	7,225,597	4,969,405	2,256,192
Pupil transportation services:				
Management and direction	105,201	105,201	137,181	(31,980)
Vehicle operation services	2,529,140	3,587,306	2,933,780	653,526
Vehicle maintenance services	484,433	484,433	491,976	(7,543)
Total pupil transportation services	3,118,774	4,176,940	3,562,937	614,003
Food Services:				
Food services	-	10,480	80,583	(70,103)
Technology services:				
Classroom instruction	1,427,125	2,264,289	1,711,355	552,934
Classroom support	-	-	67,791	(67,791)
Instructional support	887,874	889,684	970,887	(81,203)
Administration	5,000	5,000	23,629	(18,629)
Pupil transportation	-	-	2,893	(2,893)
Total technology services	2,319,999	3,158,973	2,776,555	382,418
Contingency	-	1,918,117	-	1,918,117
Total school operating fund	46,069,012	57,506,892	52,162,120	5,344,772

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016 (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	\$ 3,037,001	\$ (179,001)
School Capital Projects Fund:				
Education:				
Capital outlay:				
School construction/renovation	1,625,932	-	8,758	(8,758)
Total expenditures-School Board Component Unit	50,552,944	60,364,892	55,207,879	5,157,013
Grand total expenditures-Primary Government and School Board Component Unit	\$ 101,610,748	\$ 122,771,119	\$ 108,593,106	\$ 14,178,013

Statistical Section



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Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends	174
These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	
Revenue Capacity	178
These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	
Debt Capacity	184
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.	
Demographic and Economic Information	186
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	
Operating Information	188
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.	

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 5,695,836	\$ 5,309,326	\$ 4,553,418	\$ 3,495,270	\$ 2,465,664	\$ 2,537,440	\$ 3,943,220	\$ 6,875,692	\$12,266,262	\$13,323,383
Restricted	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003
Unrestricted	8,676,001	6,991,452	5,749,276	11,496,365	15,554,168	16,447,789	15,455,876	14,182,780	12,746,931	14,877,956
Total governmental activities net position	<u>\$16,378,701</u>	<u>\$13,817,842</u>	<u>\$11,664,822</u>	<u>\$15,851,376</u>	<u>\$19,409,351</u>	<u>\$20,322,412</u>	<u>\$20,500,822</u>	<u>\$23,485,088</u>	<u>\$27,487,148</u>	<u>\$31,058,342</u>
Business-type activities:										
Net investment in capital assets	\$ 2,254,741	\$ 2,994,885	\$ 2,960,129	\$ 2,441,845	\$ 2,108,712	\$ 1,542,541	\$ 5,334,897	\$ 6,902,698	\$ 7,817,113	\$ 8,016,703
Unrestricted	(2,809,545)	(3,617,763)	(3,218,137)	(2,832,415)	(2,436,917)	(1,696,621)	(1,164,425)	(1,713,962)	(2,054,143)	(2,043,261)
Total business-type activities net position	<u>\$ (554,804)</u>	<u>\$ (622,878)</u>	<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>
Primary government:										
Net investment in capital assets	\$ 7,950,577	\$ 8,304,211	\$ 7,513,547	\$ 5,937,115	\$ 4,574,376	\$ 4,079,981	\$ 9,278,117	\$13,778,390	\$20,083,375	\$21,340,086
Restricted	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003
Unrestricted	5,866,456	3,373,689	2,531,139	8,663,950	13,117,251	14,751,168	14,291,451	12,468,818	10,692,788	12,834,695
Total primary government net position	<u>\$15,823,897</u>	<u>\$13,194,964</u>	<u>\$11,406,814</u>	<u>\$15,460,806</u>	<u>\$19,081,146</u>	<u>\$20,168,332</u>	<u>\$24,671,294</u>	<u>\$28,673,824</u>	<u>\$33,250,118</u>	<u>\$37,031,784</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Government:										
Expenses										
Governmental activities:										
General government administration	\$ 3,721,445	\$ 3,580,942	\$ 3,384,895	\$ 3,442,672	\$ 3,176,953	\$ 3,339,183	\$ 3,585,175	\$ 3,498,049	\$ 3,530,381	\$ 4,213,237
Judicial administration	1,445,432	1,527,924	1,611,685	1,513,759	1,541,877	1,442,643	1,573,104	1,557,904	1,523,767	1,626,300
Public safety	8,180,462	8,789,314	9,328,794	8,958,985	8,982,920	9,141,427	10,579,063	10,083,890	10,051,732	10,799,876
Public works	3,236,614	3,454,908	3,390,696	3,416,523	3,303,409	3,382,833	3,721,236	3,586,061	3,879,310	4,046,470
Health and welfare	8,013,244	8,086,910	8,145,021	7,491,729	5,652,391	5,681,716	5,839,666	5,719,077	5,899,788	5,961,155
Education	16,228,512	16,641,938	17,749,642	17,431,304	18,095,238	18,511,045	18,475,654	18,708,789	19,091,856	19,185,216
Parks, recreation and cultural	888,283	1,017,040	889,457	901,358	1,038,188	1,037,589	1,014,589	961,633	894,436	1,048,256
Community development	1,508,436	2,525,015	3,405,964	1,832,561	1,657,666	4,106,234	1,430,468	1,599,584	1,577,928	2,002,473
Interest on long-term debt	2,401,860	2,336,032	2,218,681	2,178,880	2,042,318	1,927,969	1,700,378	1,761,930	1,539,381	1,469,186
Total governmental activities expenses	45,624,288	47,960,023	50,124,835	47,167,771	45,490,960	48,570,639	47,919,333	47,476,917	47,988,579	50,352,169
Business-type activities:										
Landfill	2,350,625	3,271,543	2,409,034	3,006,263	2,522,546	2,783,554	2,126,739	2,579,104	2,951,816	2,548,558
Airport	-	-	-	-	-	-	375,864	825,992	731,287	670,222
Water and Sewer	-	-	63,189	246,816	236,253	126,703	153,116	596,534	243,334	203,169
Parks and recreation expenses	63,085	56,322	66,903	74,618	76,628	64,896	81,476	56,470	48,959	69,436
Total business-type activities expenses	2,413,710	3,327,865	2,539,126	3,327,697	2,835,427	2,975,153	2,737,195	4,058,100	3,975,396	3,491,385
Total primary government expenses	48,037,998	51,287,888	52,663,961	50,495,468	48,326,387	51,545,792	50,656,528	51,535,017	51,963,975	53,843,554
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	346,970	377,763	317,584	304,994	363,578	294,422	303,205	455,246	429,272	464,325
Judicial administration	153,144	146,069	105,652	99,318	95,242	96,434	94,495	100,293	89,168	76,993
Public safety	841,787	835,719	561,323	650,444	431,555	603,751	601,672	417,064	452,767	470,058
Public works	111,011	101,685	112,334	129,267	115,016	129,728	157,961	248,997	207,649	330,896
Health and welfare	417,954	370,942	345,336	308,474	339,200	313,962	296,399	300,016	433,837	406,018
Education	199,909	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural	99,919	80,146	84,709	81,704	283,305	93,772	96,514	227,902	72,419	63,915
Community development	55,262	204,832	121,442	188,553	57,156	77,943	64,579	66,137	129,832	201,284
Operating grants and contributions	11,329,693	11,500,081	12,240,597	10,180,279	8,437,999	7,655,170	8,116,557	9,481,299	8,288,541	8,838,571
Capital grants and contributions	359,685	-	-	398,973	160,367	2,965,210	271,414	785,074	4,143,748	91,253
Total governmental activities program revenues	13,915,334	13,617,237	13,888,977	12,342,006	10,283,418	12,230,392	10,002,796	12,082,028	14,247,233	10,943,313
Business-type activities:										
Charges for services:										
Landfill	3,002,824	2,887,533	2,687,525	2,719,422	2,587,858	2,556,568	2,764,529	2,423,020	2,832,220	2,944,380
Airport	-	-	-	-	-	-	143,170	319,374	288,003	242,236
Water and Sewer	-	-	47,751	194,458	223,069	203,836	218,395	215,641	270,507	200,897
Parks and recreation	66,748	63,979	62,611	62,750	52,753	61,826	55,165	63,196	53,942	49,740
Operating grants and contributions - Airport	-	-	-	-	-	-	14,652	149,934	20,108	52,142
Capital grants and contributions - Airport	-	-	-	-	-	-	-	-	1,048,914	-
Total business-type activities program revenues	3,069,572	2,951,512	2,797,887	2,976,630	2,863,680	2,822,230	3,195,911	3,171,165	4,513,694	3,489,395
Total primary government program revenues	16,984,906	16,568,749	16,686,864	15,318,636	13,147,098	15,052,622	13,198,707	15,253,193	18,760,927	14,432,708

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

Table 2
Page 2 of 2

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Primary Government:										
Net (Expense)/Revenue¹										
Governmental activities	(31,708,954)	(34,342,786)	(36,235,858)	(34,825,765)	(35,207,542)	(36,340,247)	(37,916,537)	(35,394,889)	(33,741,346)	(39,408,856)
Business-type activities	655,862	655,862	(376,353)	(351,067)	28,253	(152,923)	458,716	(886,935)	538,298	(1,990)
Total primary government net expense	(31,053,092)	(33,686,924)	(36,612,211)	(35,176,832)	(35,179,289)	(36,493,170)	(37,457,821)	(36,281,824)	(33,203,048)	(39,410,846)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes:										
General property taxes	19,143,135	21,985,812	21,354,527	23,360,447	29,221,909	27,583,562	28,500,128	28,872,306	29,258,518	31,940,238
Local sales and use taxes	2,808,207	3,036,498	2,966,467	2,998,382	2,863,318	3,623,339	3,618,865	3,358,791	3,579,831	3,583,326
Consumer utility taxes	1,671,949	1,269,586	916,728	941,541	1,043,339	986,409	1,089,368	1,005,667	1,144,722	1,069,085
Communication taxes	-	389,331	1,077,981	1,012,995	987,303	1,087,470	1,052,114	1,034,212	1,025,176	994,827
Other local taxes	2,156,184	2,003,950	1,762,776	1,664,831	1,291,448	1,591,001	1,592,735	1,775,122	1,779,509	1,836,328
Grants and contributions not restricted to specific programs	3,815,820	3,446,722	3,531,512	3,454,660	3,349,305	3,320,843	3,319,642	3,365,464	3,368,175	3,367,776
Investment earnings	343,247	532,916	253,241	80,515	8,272	1,967	10,954	22,857	13,120	9,583
Gain on sale of capital assets	551,206	-	-	-	-	-	-	-	-	-
Other revenue	286,082	74,060	71,468	536,582	368,768	596,723	189,259	845,326	291,288	378,396
Transfers	(113,150)	(120,627)	(152,773)	32,885	(121,343)	(25,800)	(1,134,135)	(1,900,590)	(164,935)	(199,509)
Total governmental activities	30,662,680	32,618,248	31,781,927	34,082,838	39,012,319	38,765,514	38,238,930	38,379,155	40,295,404	42,980,050
Business-type activities:										
Investment earnings	90,894	112,375	105,506	37,129	7,047	8,312	9,985	4,311	3,446	11,347
Gain on sale of capital assets	200	4,943	-	-	90,115	-	-	-	-	1,533
Other revenue	-	-	-	151,865	-	-	2,770,557	298	3,457	73
Transfers	113,150	120,627	152,773	(32,885)	121,343	25,800	1,134,135	1,900,590	164,937	199,509
Total business-type activities	204,244	237,945	258,279	156,109	218,505	34,112	3,914,677	1,905,199	171,840	212,462
Total primary government	30,866,924	32,856,193	32,040,206	34,238,947	39,230,824	38,799,626	42,153,607	40,284,354	40,467,244	43,192,512
Change in Net Position										
Governmental activities	(1,046,274)	(1,724,538)	(4,453,931)	(742,927)	3,804,777	2,425,267	322,393	2,984,266	6,554,058	3,571,194
Business-type activities	860,106	893,807	(118,074)	(194,958)	246,758	(118,811)	4,373,393	1,018,264	710,138	210,472
Total primary government	\$ (186,168)	\$ (830,731)	\$ (4,572,005)	\$ (937,885)	\$ 4,051,535	\$ 2,306,456	\$ 4,695,786	\$ 4,002,530	\$ 7,264,196	\$ 3,781,666

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Nondisposable	\$ 171,346	\$ 129,700	\$ 129,700	\$ 129,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700
Restricted	259,869	253,247	251,251	3,265	5,792	9,603	24,890	30,326	31,047	32,053
Committed	1,714,000	1,224,827	1,894,000	3,964,000	4,695,521	6,100,065	6,860,389	7,632,118	8,415,423	9,210,477
Assigned	3,673,749	3,046,938	575,043	982,567	3,113,920	5,663,962	5,077,891	3,376,508	3,093,131	3,221,067
Unassigned	983,821	-	1,307,812	2,751,457	4,093,028	2,066,357	1,862,007	1,680,028	1,426,505	1,804,578
Total general fund	<u>6,802,785</u>	<u>4,654,712</u>	<u>4,157,806</u>	<u>7,830,989</u>	<u>12,012,961</u>	<u>13,944,687</u>	<u>13,929,877</u>	<u>12,823,680</u>	<u>13,070,806</u>	<u>14,372,875</u>
All Other Governmental Funds:										
Restricted	5,704,835	4,469,619	3,147,073	3,264,378	2,732,804	2,792,758	2,485,291	5,475,920	3,032,136	2,824,950
Assigned	303,965	146,987	121,865	101,786	445,376	83,910	17,810	874,755	1,034,644	5,050,567
Total other governmental funds	<u>6,008,800</u>	<u>4,616,606</u>	<u>3,268,938</u>	<u>3,366,164</u>	<u>3,178,180</u>	<u>2,876,668</u>	<u>2,503,101</u>	<u>6,350,675</u>	<u>4,066,780</u>	<u>7,875,517</u>
Total governmental funds	<u>\$12,811,585</u>	<u>\$ 9,271,318</u>	<u>\$ 7,426,744</u>	<u>\$11,197,153</u>	<u>\$15,191,141</u>	<u>\$16,821,355</u>	<u>\$16,432,978</u>	<u>\$19,174,355</u>	<u>\$17,137,586</u>	<u>\$22,248,392</u>

COUNTY OF ACCOMACK, VIRGINIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Table 4

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
General property taxes	\$20,359,076	\$20,689,469	\$23,190,998	\$28,520,895	\$28,064,416	\$27,099,918	\$28,514,924	\$29,203,123	\$29,317,410	\$32,205,174
Other local taxes	6,699,365	6,723,952	6,617,749	6,185,408	6,946,687	6,999,466	7,353,082	7,173,792	7,529,238	7,483,566
Permits, fees and licenses	479,797	485,367	441,802	443,079	330,675	292,070	345,459	429,010	474,442	463,126
Fines and forfeitures	58,090	81,648	66,245	74,527	75,136	74,866	71,617	76,395	65,622	54,318
Revenue from the use of money and property	886,586	587,270	441,458	344,055	340,938	355,759	361,817	368,898	339,413	327,381
Charges for services	787,281	705,018	490,462	435,862	384,621	411,358	410,393	450,270	406,926	509,555
Miscellaneous	650,369	522,304	923,529	756,411	791,820	254,129	349,418	973,391	381,084	474,631
Recovered costs	173,434	335,331	194,925	234,332	487,134	471,604	404,211	482,952	354,927	530,191
Intergovernmental	14,876,814	14,709,267	15,465,434	13,684,196	11,772,915	13,809,384	11,547,042	13,491,118	15,800,464	12,297,600
Total revenues	44,970,812	44,839,626	47,832,602	50,678,765	49,194,342	49,768,554	49,357,963	52,648,949	54,669,526	54,345,542
Expenditures										
General government administration	3,693,455	3,625,175	3,231,156	3,529,339	3,027,586	3,233,212	3,446,289	3,624,767	3,784,605	4,290,115
Judicial administration	1,350,755	1,463,896	1,524,039	1,379,897	1,433,434	1,335,238	1,450,005	1,511,769	1,487,014	1,600,418
Public safety	7,966,410	8,632,187	8,931,578	8,759,597	8,826,388	8,875,289	10,984,465	11,672,064	10,510,653	11,183,476
Public works	3,971,185	4,301,146	3,875,609	3,257,691	3,758,181	3,395,947	3,834,542	3,893,852	4,212,124	4,557,952
Health and welfare	7,868,626	7,947,256	7,917,925	7,315,878	5,490,104	5,483,394	5,571,278	5,730,164	5,907,665	6,053,390
Education	13,528,120	13,975,115	15,124,559	14,853,300	15,583,300	16,035,534	16,035,534	16,304,689	16,709,372	16,820,374
Parks, recreation and cultural	876,450	968,194	882,326	1,229,808	1,001,101	1,273,121	885,719	1,486,121	1,425,756	1,046,266
Community development	2,256,961	2,400,500	3,337,174	1,724,416	1,565,892	4,046,635	1,526,050	2,872,289	7,558,117	2,628,054
Debt service:										
Principal	2,237,395	2,528,867	2,616,138	2,357,292	2,395,373	2,469,866	3,119,689	3,304,267	3,343,822	3,676,217
Interest	2,514,418	2,384,784	2,269,556	2,290,587	2,093,191	2,012,299	1,758,634	1,709,446	1,602,232	1,528,965
Total expenditures	46,263,775	48,227,120	49,710,060	46,697,805	45,174,550	48,160,535	48,612,205	52,109,428	56,541,360	53,385,227
Excess of revenues over (under) expenditures	(1,292,963)	(3,387,494)	(1,877,458)	3,980,960	4,019,792	1,608,019	745,758	539,521	(1,871,834)	960,315
Other Financing Sources (Uses)										
Issuance of debt (includes premiums/discounts)	2,807,741	-	-	4,314,000	-	4,263,000	-	10,904,973	-	4,350,000
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agents	-	-	-	(4,403,208)	-	(4,263,000)	-	(6,802,527)	-	-
Transfers in	3,812,738	4,175,569	3,327,871	2,753,223	1,091,580	1,324,601	1,351,662	2,032,221	2,104,275	1,727,343
Transfers out	(3,933,365)	(4,328,342)	(3,294,987)	(2,874,566)	(1,117,380)	(1,643,941)	(2,485,797)	(3,932,811)	(2,269,210)	(1,926,852)
Total other financing sources (uses)	2,687,114	(152,773)	32,884	(210,551)	(25,800)	(319,340)	(1,134,135)	2,201,856	(164,935)	4,150,491
Net change in fund balances	\$ 1,394,151	\$ (3,540,267)	\$ (1,844,574)	\$ 3,770,409	\$ 3,993,992	\$ 1,288,679	\$ (388,377)	\$ 2,741,377	\$ (2,036,769)	\$ 5,110,806
Debt service as a % of noncapital expenditures	10.7%	10.5%	10.0%	10.2%	10.3%	9.5%	10.4%	10.4%	10.2%	10.2%

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
2007	1,644,028,102	253,967,441	300,592,990	90,746,130	2,107,842,403	0.770	2,198,588,533	95.87%
2008	3,347,392,430	401,704,706	676,800,600	291,567,300	4,134,330,436	0.380	4,425,897,736	93.41%
2009	3,375,157,810	527,353,676	660,766,200	292,741,800	4,270,535,886	0.450	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%

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

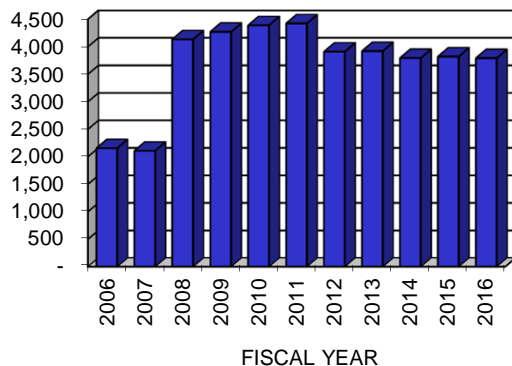
Table 5B

Fiscal Year Ending June 30,	Motor Vehicles & Other	Mobile Homes	Machinery & Tools	Total Taxable Assessed Value	Total Direct Personal Property Tax Rate
2007	250,925,206	37,176,644	17,818,455	305,920,305	3.30
2008	270,757,469	35,525,219	20,052,659	326,335,347	3.30
2009	281,876,699	37,296,708	20,079,299	339,252,706	3.30
2010	238,849,342	41,811,733	19,133,642	299,794,717	3.75
2011	267,566,954	40,019,511	19,421,352	327,007,817	3.75
2012	273,560,910	31,692,295	17,919,794	323,172,999	3.72
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	303,996,890	29,194,660	20,668,398	353,859,948	3.72

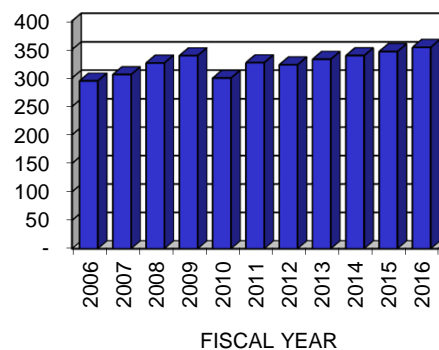
Source: Accomack County Finance Office

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	2007					2008					2009					2010				
	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	0.49	0.49	0.49	0.49	0.49	0.25	0.25	0.25	0.25	0.25	0.28	0.28	0.28	0.28	0.28	0.30	0.30	0.30	0.30	0.30
Debt Service	0.11	0.11	0.11	0.11	0.11	0.05	0.05	0.05	0.05	0.05	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Emergency Medical Service	0.06	0.06	0.06	0.06	-	0.03	0.03	0.03	0.03	-	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-
Fire and Rescue	0.07	0.04	0.04	0.05	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-
Mosquito Control ²	0.04	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-
Total real property direct rates	0.77	0.70	0.70	0.71	0.60	0.38	0.35	0.35	0.36	0.30	0.45	0.42	0.42	0.43	0.35	0.48	0.45	0.45	0.46	0.38
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.13	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06
Town of Saxis	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.12	-	-	-	-
Town of Hallwood	0.14	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.09	-	-	-	-
Town of Bloxom	-	0.12	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.10	-	-	-
Town of Parksley	-	0.35	-	-	-	-	0.18	-	-	-	-	0.18	-	-	-	-	0.25	-	-	-
Town of Tangier	0.45	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.35	-	-	-	-
Town of Accomac	-	-	0.07	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	0.05	-	-	-
Town of Onley	-	-	0.08	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	0.08	-	-	-
Town of Onancock	-	-	0.34	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	0.20	-	-	-
Town of Melfa	-	-	-	0.07	-	-	-	-	0.03	-	-	-	-	0.03	-	-	-	-	0.05	-
Town of Wachapreague	-	-	-	0.22	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.15	-
Town of Keller	-	-	-	0.13	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-
Town of Painter	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.06	-
Town of Belle Haven	-	-	-	0.04	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.085	-
Personal Property																				
County Direct Rates:																				
General	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.48	3.48	3.48	3.48	3.48
Debt Service	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.10	0.10	0.10	0.06
Emergency Medical Service	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.09	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	-	0.08	0.05	0.05	0.05	-
Total personal prop. direct rates	3.30	3.27	3.27	3.27	3.16	3.30	3.27	3.27	3.27	3.16	3.30	3.27	3.27	3.27	3.16	3.75	3.72	3.72	3.72	3.54
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	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.48	-	-	-	-
Town of Bloxom	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	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	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	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.

Table 6

2011					2012					2013					2014					2015					2016					
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	
0.30	0.30	0.30	0.30	0.30	0.38	0.38	0.38	0.38	0.38	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		
0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	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		
0.05	0.05	0.05	0.05	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.090	0.090	0.090	0.090	-	0.090	0.090	0.090	0.090	-	0.090	0.090	0.090	0.090	-	
0.03	0.02	0.02	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-	-
0.48	0.45	0.45	0.46	0.38	0.55	0.53	0.53	0.53	0.47	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	0.605	0.580	0.580	0.580	0.490	
-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	
0.12	-	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	
0.09	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	
-	0.10	-	-	-	-	0.10	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	
-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.29	-	-	-	-	0.29	-	-	-	
0.35	-	-	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	
-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.09	-	-	-	-	0.09	-	-	
-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	
-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	
-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.06	-	-	-	-	0.06	-	
-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.16	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	
-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	
-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	
-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	
3.48	3.48	3.48	3.48	3.48	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	0.06	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	-	
0.08	0.05	0.05	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3.75	3.72	3.72	3.72	3.54	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	-	-	-	-	
-	0.30	-	-	-	-	0.30	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	
-	0.80	-	-	-	-	0.80	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	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	-	
-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	-	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	2016			2007		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹
Commonwealth Chesapeake Company	\$ 142,704,428	1	3.37%	\$ 32,175,243	1	1.28%
A&N Electric Cooperative	82,195,879	2	1.94%	12,372,508	7	0.49%
Perdue Farms Inc.	23,313,119	3	0.55%	29,188,062	2	1.17%
Tyson Farms Inc.	19,870,440	4	0.47%	19,952,912	4	0.80%
Old Dominion Electric Cooperative	19,401,672	5	0.46%	-	-	-
Verizon Virginia Inc.	19,017,794	6	0.45%	18,636,829	5	0.74%
Delmarva Power	18,861,380	7	0.44%	17,603,352	6	0.70%
Wal-Mart	12,053,024	8	0.28%	-	-	-
Tull, Edward Lunn	8,400,500	9	0.20%	-	-	-
Chincoteague Hotel LLC	7,928,122	10	0.19%	6,767,483	10	0.27%
Shore Land Investments LLC	-	-	-	21,276,610	3	0.85%
Sunset Bay LLC	-	-	-	11,043,400	8	0.44%
Richard F. Hall Jr.	-	-	-	8,684,939	9	0.35%

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 SIX FISCAL YEARS

Table 8

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
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	362,533	4,515,120	3,905,489	86.5%	-	3,905,489	86.5%
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	79,472	9,749,507	9,185,938	94.2%	-	9,185,938	94.2%
2016	Real Estate-Special Assess.	12/2015	4,116	-	4,116	2,742	66.6%	-	2,742	66.6%
2016	Personal Property-Regular	03/2016	164,948	2,167	162,781	129,016	79.3%	-	129,016	79.3%
2016	Personal Property-Regular	06/2016	5,114,678	119,141	4,995,537	3,686,183	73.8%	-	3,686,183	73.8%
2016	Real Estate-Public Svc. Corp. ⁴	06/2016	863,998	-	863,998	856,085	99.1%	-	856,085	99.1%
2016	Personal Property-Public Svc. Corp. ⁴	06/2016	46,964	-	46,964	46,052	98.1%	-	46,052	98.1%
2016	Real Estate-Regular	06/2016	10,174,102	71,518	10,102,584	9,006,032	89.1%	-	9,006,032	89.1%
	Total		\$ 32,862,663	\$ 634,832	\$ 32,227,831	\$ 28,604,762	88.8%	\$ -	\$ 28,604,762	88.8%
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	359,985	4,226,073	3,613,511	85.5%	260,988	3,874,498	91.7%
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	83,785	9,670,027	9,086,273	94.0%	241,317	9,327,590	96.5%
2015	Real Estate-Special Assess.	12/2014	4,172	90	4,082	2,293	56.2%	586	2,879	70.5%
2015	Personal Property-Regular	03/2015	164,969	33,919	131,050	92,254	70.4%	14,613	106,867	81.5%
2015	Personal Property-Regular	06/2015	5,015,816	205,709	4,810,108	3,426,729	71.2%	878,091	4,304,820	89.5%
2015	Real Estate-Regular	06/2015	9,828,979	80,720	9,748,259	8,279,637	84.9%	1,019,193	9,298,831	95.4%
2015	Total		\$ 31,141,309	\$ 764,207	\$ 30,377,102	\$ 26,270,465	86.5%	\$ 2,432,523	\$ 28,702,987	94.5%
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	382,449	4,199,558	3,631,896	86.5%	296,673	3,928,569	93.5%
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	86,400	9,214,652	8,671,064	94.1%	317,048	8,988,113	97.5%
2014	Real Estate-Special Assess.	12/2013	4,172	90	4,082	2,378	58.2%	755	3,133	76.7%
2014	Personal Property-Regular	03/2014	162,951	7,853	155,098	110,950	71.5%	26,143	137,093	88.4%
2014	Personal Property-Regular	06/2014	4,751,142	243,858	4,507,285	3,398,176	75.4%	779,416	4,177,592	92.7%
2014	Real Estate-Regular	06/2014	9,753,812	85,203	9,668,609	8,566,104	88.6%	810,022	9,376,127	97.0%
2014	Total		\$ 30,213,495	\$ 805,853	\$ 29,407,642	\$ 26,023,025	88.5%	\$ 2,245,961	\$ 28,268,986	96.1%
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	408,406	3,952,947	3,435,520	86.9%	304,847	3,740,367	94.6%
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	86,487	9,194,440	8,557,067	93.1%	479,898	9,036,965	98.3%
2013	Real Estate-Special Assess.	12/2012	4,172	90	4,082	1,966	48.2%	1,513	3,479	85.2%
2013	Personal Property-Regular	04/2013	230,699	14,893	215,806	157,646	73.1%	42,719	200,365	92.8%
2013	Personal Property-Regular	06/2013	4,723,284	266,898	4,456,386	3,198,351	71.8%	974,879	4,173,230	93.6%
2013	Real Estate-Regular	06/2013	9,301,052	85,132	9,215,920	8,052,980	87.4%	967,318	9,020,298	97.9%
2013	Total		\$ 29,657,411	\$ 861,905	\$ 28,795,506	\$ 25,141,673	87.3%	\$ 2,788,955	\$ 27,930,628	97.0%
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	460,101	3,891,240	3,370,153	86.6%	313,741	3,683,894	94.7%
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	76,965	8,893,602	8,281,800	93.1%	477,503	8,759,303	98.5%
2012	Real Estate-Special Assess.	12/2011	4,172	90	4,082	1,776	43.5%	1,769	3,545	86.8%
2012	Personal Property-Regular	02/2012	155,361	16,385	138,976	106,708	76.8%	20,398	127,106	91.5%
2012	Personal Property-Regular	06/2012	4,497,340	295,578	4,201,762	3,179,983	75.7%	798,139	3,978,122	94.7%
2012	Real Estate-Regular	06/2012	9,280,927	114,453	9,166,474	8,084,420	88.2%	967,236	9,051,655	98.7%
2012	Total		\$ 28,770,176	\$ 963,571	\$ 27,806,605	\$ 24,519,902	88.2%	\$ 2,594,174	\$ 27,114,076	97.5%
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	494,905	4,031,865	3,461,327	85.8%	322,356	3,783,683	93.8%
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	71,713	8,836,185	8,190,243	92.7%	515,397	8,705,641	98.5%
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	90	4,082	2,051	50.3%	1,493	3,545	86.8%
2011	Personal Property-Regular	06/2011	4,397,670	343,607	4,054,064	3,126,275	77.1%	714,499	3,840,774	94.7%
2011	Personal Property-Regular	06/2011	145,034	4,013	141,022	89,230	63.3%	44,922	134,152	95.1%
2011	Real Estate-Regular	06/2011	8,970,567	98,086	8,872,481	7,777,688	87.7%	976,550	8,754,238	98.7%
2011	Total		\$ 28,515,019	\$ 1,012,413	\$ 27,502,606	\$ 24,193,760	88.0%	\$ 2,591,153	\$ 26,784,913	97.4%

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

Fiscal Year	Governmental Activities					Business-type Activities				
	General Obligation Bonds									
	Literary Fund Loans	Va. Public School Authority Bonds	Qualified Zone Academy Bonds	Lease Revenue Bonds	Capital Leases	General Obligation Bonds ²	Capital Leases	Total Primary Government	Per Capita ¹	Percentage of Personal Income ¹
2007	\$ 5,676,492	\$ 38,727,015	\$ 938,032	\$ 6,125,000	\$ 99,000	\$ 2,725,000	\$ -	\$ 54,290,539	\$ 1,571	3.82%
2008	5,215,983	37,073,904	865,787	5,815,000	66,000	2,395,000	-	51,431,674	1,514	3.43%
2009	4,755,474	35,350,933	791,129	5,490,000	33,000	2,045,000	-	48,465,536	1,450	3.24%
2010	4,294,965	33,567,305	713,974	5,748,000	-	2,112,000	-	46,436,244	1,400	3.04%
2011	3,834,456	31,712,181	634,234	5,748,000	-	2,112,000	-	44,040,871	1,323	2.85%
2012	3,373,947	29,785,242	551,816	5,748,000	-	2,203,000	-	41,662,005	1,251	2.56%
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	2.35%
2015 ³	-	24,235,524	289,027	10,010,978	-	1,293,000	-	35,828,529	1,087	2.05%
2016 ³	-	21,942,094	193,841	12,988,922	-	979,000	-	36,103,857	1,094	*

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

* Unavailable

¹ See Table 11 for population and personal income data.

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

³ Fiscal Years 2013-2016 have been adjusted to reflect the related unamortized premiums. Detailed premium information was not available for prior years.

Reconciliation of Fiscal Year 2016 Total Debt reported in this table to Note 11 Long-Term Obligations:

Total Primary Government Debt reported above	<u>\$ 36,103,857</u>
Debt Obligations for Governmental Activities reported in Note 11:	
Virginia Public School Bonds outstanding principal	\$ 21,328,636
Lease Revenue Bonds outstanding principal	12,752,440
Qualified Zone Academy Bonds outstanding principal	193,396
Unamortized premiums	850,385
Debt Obligations for Business-type Activities reported in Note 11:	
General Obligation Bonds outstanding principal	979,000
Total Debt Obligations Reported in Note 11	<u>\$ 36,103,857</u>

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
2007	\$ 45,341,539	\$ 1,746,995	\$ 43,594,544	1.81%	\$ 1,262
2008	43,155,674	1,263,817	41,891,857	0.94%	1,233
2009	40,897,536	1,113,942	39,783,594	0.87%	1,191
2010	38,576,244	859,741	37,716,503	0.80%	1,137
2011	36,180,871	1,389,519	34,791,352	0.74%	1,045
2012	33,711,005	1,337,183	32,373,822	0.76%	972
2013 ⁴	29,038,961	1,101,726	27,937,235	0.66%	846
2014 ⁴	26,824,837	1,616,021	25,208,816	0.61%	764
2015 ⁴	24,524,551	1,402,488	23,122,063	0.56%	701
2016 ⁴	22,135,935	1,180,940	20,954,995	0.51%	635

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

¹ Excludes general obligation bonds of business-type activities, 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 2013-2016 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
2006	35,192	\$1,341,900	\$28,134	4.20%	5,414
2007	34,553	\$1,420,200	\$30,823	4.10%	5,370
2008	33,970	\$1,500,400	\$32,927	5.00%	5,193
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	33,000	N/A	N/A	4.30%	5,349

N/A - Not available

¹ Source: Years 2007-2015 U.S. Census Bureau Mid Year Estimates/Year 2016 estimated

² Source: U.S. Bureau of Economic Analysis

³ Source: Accomack County School Board as of October 2016

⁴ Source: Virginia Employment Commission/2016 unemployment rate as of June 2016

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

Table 12

Employer	2016			2007		
	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	5.34%
Tyson Foods, Inc.	1000+	2	6.48%	1000+	2	5.34%
Accomack County School Board	1000+	3	6.48%	500-999	3	4.27%
County of Accomack	250-499	4	1.62%	250-499	4	1.33%
National Aeronautics & Space Administration	250-499	5	1.62%	250-499	5	1.33%
LJT Associates	100-248	6	0.65%	-	-	-
Walmart	100-249	7	0.65%	-	-	-
Eastern Shore Community Services	100-249	8	0.65%	100-249	6	0.53%
Riverside Regional Medical Center	100-249	9	0.65%	-	-	-
Eastern Shore Rural Health System	100-249	10	0.65%	-	-	-
Shore Memorial Hospital	-	-	-	100-249	7	0.53%
Byrd Food	-	-	-	100-249	8	0.53%
The Cube Corporation	-	-	-	100-249	9	0.53%
Intrepid USA, Inc.	-	-	-	100-249	10	0.53%
			<u>25.94%</u>			<u>20.28%</u>

Source: Virginia Employment Commission

¹Percentage of total County employment based on total employment as of June 30.

COUNTY OF ACCOMACK, VIRGINIA
AUTHORIZED FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS¹

Table 13

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government administration										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	9.0	9.0	11.0	11.0	11.0	10.0	10.0	10.0	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	25.0	27.0	27.0	27.5	33.5	32.0	30.0	32.0	32.0	30.0
Judicial administration										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	18.3	18.3	18.3	19.8	19.8	17.8	17.8	15.8	15.8	15.8
Other	2.0	3.0	3.0	3.0	2.0	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	64.7	64.7	63.7	62.7	62.7	63.7	63.7	63.7	63.7
Firefighters and emergency medical personnel	22.5	22.5	28.5	31.5	31.5	31.5	35.0	38.0	41.5	43.5
Other	12.5	12.5	14.5	14.0	13.0	13.0	13.0	13.0	13.0	12.0
Public Works										
Refuse collection and litter control	19.0	21.8	22.3	23.2	23.2	23.2	20.9	24.4	24.4	25.2
Refuse disposal	14.7	15.4	15.4	14.5	14.5	14.5	13.5	13.5	13.5	14.5
Building and grounds	14.8	14.8	14.8	14.8	14.8	14.8	14.3	14.3	14.3	14.3
Wastewater treatment	0.0	0.0	0.0	0.0	1.0	1.0	1.0	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	64.0	64.0	55.0	55.0	55.0	55.0
Other	6.0	6.0	6.0	5.0	3.0	3.0	0.0	0.0	0.0	0.0
Parks, recreation and cultural	6.0	6.0	6.0	5.0	5.0	5.0	4.5	4.8	4.8	5.3
Community development²	5.0	7.0	8.0	8.0	9.0	6.5	11.0	12.0	12.0	13.5
Total primary government	<u>286.5</u>	<u>295.0</u>	<u>306.5</u>	<u>308.0</u>	<u>311.0</u>	<u>304.5</u>	<u>295.2</u>	<u>302.0</u>	<u>304.5</u>	<u>307.2</u>

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Assessor										
Taxable real estate number of parcels	38,689	39,134	39,440	39,620	39,707	39,786	39,800	39,844	39,847	39,895
Tax-exempt real estate number of parcels	898	917	921	932	936	940	941	943	955	962
Number of parcels enrolled in land use program	1,569	1,642	1,720	1,970	1,995	2,005	1,977	1,873	1,837	1,462
Commissioner of Revenue										
Mobile homes	4,219	4,214	4,214	3,512	3,418	3,253	3,169	3,152	3,139	3,092
Personal Property Tax Relief Act (PPTRA) qualifying vehicles	35,831	33,206	34,886	34,551	35,762	29,327	23,808	24,846	25,330	24,572
PPTRA tax credit percentages (vehicle value <\$1,000;\$1,000-\$20,000)	100% ; 51%	100% ; 51%	100%;51%	100%;51%	100%;51%	100%;49%	100%;49%	100%;49%	100%;46%	100%;46%
Finance										
Vendor checks issued	11,131	10,542	10,149	10,203	10,049	10,117	9,555	9,844	8,234	8,681
Annual County payroll checks/direct deposits	7,766	8,236	8,323	8,736	6,658	9,019	9,072	9,133	8,725	8,675
Annual School Board payroll checks/direct deposits	25,721	25,402	26,220	26,886	26,908	27,270	28,271	26,728	26,060	28,856
Treasurer										
Real estate bills created	74,014	76,178	76,617	77,399	78,926	79,026	79,092	79,152	79,042	79,184
Personal property bills created	38,540	35,365	37,419	65,899	67,789	66,814	66,378	68,132	68,579	68,710
Judicial Administration										
Clerk of Court										
Deed book recordings	7,588	5,886	5,611	5,311	5,085	4,781	5,374	5,203	4,497	6,159
Judgments	4,364	2,648	3,264	2,922	3,338	2,869	2,706	2,420	2,705	2,032
Public Safety										
Fire and Emergency Services										
Emergency responses ¹	2,979	3,230	2,605	3,798	3,635	4,490	4,751	5,542	5,887	4,635
Patients transported ¹	2,134	2,264	1,751	2,597	2,508	2,582	2,724	2,882	3,350	2,428
Fire responses ¹	322	387	253	343	370	361	406	247	281	216
EMS turn-out time when fully staffed ¹	2 minutes	2 minutes	< 2 minutes	< 2 minutes	2.4 minutes	3.8 minutes	3.2 minutes	2.4 minutes	2.7 minutes	2.3 minutes
EMS drive time when fully staffed ¹	< 12 minutes	< 12 minutes	< 7 minutes	< 7 minutes	11.3 minutes	15.6 minutes	11.6 minutes	12.1 minutes	13.27 minutes	12.53 minutes
EMS response time when fully staffed ¹	< 14 minutes	< 15 minutes	< 7 minutes	< 7 minutes	13 minutes	19.2 minutes	16.6 minutes	15.3 minutes	16.39 minutes	16.17 minutes
Jail										
Average daily inmate population	116	104	96	96	87	81	104	104	104	106
Sheriff's Office										
Physical arrests	788	837	864	671	893	1,038	1,673	1,262	1,450	1,563
Traffic violations	629	436	478	456	469	934	577	637	500	356
Health and Welfare										
Comprehensive Services Act										
Youth receiving services	121	121	121	67	55	20	21	23	45	32
Social Services										
Food Stamp Recipients	4,042	4,290	4,326	5,506	6,490	7,236	6,986	10,332	10,088	9,291
Households receiving Heating Assistance	1,631	3,414	3,217	3,231	2,899	2,749	2,737	3,057	1,672	1,821
Households receiving Cooling Assistance	394	453	426	739	944	718	608	842	756	1,314
Community Development										
Building permits issued	1,073	924	918	861	723	692	729	663	631	692
Other Funds										
Landfills										
Billable tons of refuse disposed	52,711	48,746	43,108	39,154	38,466	37,028	39,614	35,484	43,474	42,289
Tons of recycled materials ²	7,931	11,656	17,425	8,769	8,448	9,062	12,346	5,828	16,617	N/A

Sources: Various county departments.

¹Accomack County fire and rescue services are provided by county career staff and volunteers. The data above excludes volunteers. These times are in the 90th percentiles.

²This information is reported on a calendar year basis.

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

Table 15

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units ¹	35	38	41	43	51	48	53	48	52	51
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	30	31	33	33	35	36	37	39	39	40
Square foot in buildings	186,893	187,037	187,373	187,373	151,849	153,049	153,149	161,549	162,797	164,297
Refuse collection sites (staffed) ²	2	3	4	5	6	6	6	6	6	7
Refuse collection sites (unstaffed) ²	16	14	4	4	1	1	-	-	-	-
Active landfills	2	2	2	2	2	2	1	1	1	1
Solid waste transfer stations	-	-	-	-	-	-	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	18
Tennis courts	1	1	1	1	1	1	1	1	1	1
Fishing/boating facilities:										
Dock and/or ramp facilities	15	15	15	15	15	15	15	15	15	15
Low impact water access site	9	9	9	9	9	9	9	9	9	9
Pier or bulkhead only	3	3	3	3	3	3	3	3	3	3
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	2,775	2,775	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	2,750	2,750	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	525	525	575	575	575	575
School buses	108	107	110	109	110	110	110	110	111	111

Component Units

Industrial Development Park										
Acreeage available for sale	261.28	261.28	261.28	261.28	261.28	261.28	261.28	259.28	259.28	259.28

Sources: Various County departments.

¹Includes process server vehicles.

²This information does not include the County's active landfill.

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
Accomac, 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, 2016, 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 January 26, 2017. 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, Farnell, Cox Associates

Charlottesville, Virginia

January 26, 2017

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, 2016. 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 \$719,793 in federal awards which is not included in the schedule during the year ended Financial Statement June 30, 2016. 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, 2016.

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

January 26, 2017

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2016

Page 1

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Department of Justice:			
<u>Direct Payments:</u>			
Inmate Social Security Bounty	N/A	16.000	\$ 1,000
<u>Pass Through Payments:</u>			
Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16-A3320VU11	16.738	185
Crime Victim Assistance	N/A	16.575	7,853
Total Department of Justice			<u>9,038</u>
Department of Transportation:			
<u>Direct Payments:</u>			
Airport Improvement Program	N/A	20.106	11,491
<u>Pass Through Payments:</u>			
Virginia Department of Transportation:			
State and Community Highway Safety	OP1554349 & OP1655366	20.600	1,517
Alcohol Open Container Requirements	154AL1554349 & 154AL1655298	20.607	23,764
Total Department of Transportation			<u>36,772</u>
Department of Homeland Security:			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services:			
State Homeland Security Program	N/A	97.073	42,988
Emergency Management Performance Grants	N/A	97.042	7,500
Hazard Mitigation Grant	N/A	97.039	449,294
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A	97.036	48,546
Total Department of Homeland Security			<u>548,328</u>
Department of Agriculture:			
<u>Direct Payments:</u>			
Summer Food Service Program for Children	N/A	10.559	116,302
Food Distribution	N/A	10.559	1,069
			<u>117,371</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	424,802
Total Department of Agriculture			<u>542,173</u>
Department of Health and Human Services:			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting Safe and Stable Families	950112	93.556	9,845
Temporary Assistance for Needy Families	0400111/0400112	93.558	460,486
Refugee and Entrant Assistance - State Administered Programs	0500110/0500111	93.566	504
Low-Income Home Energy Assistance	0600411/0600412	93.568	54,472
Child Care and Development Block Grant (Child Care and Development Fund Cluster)	0770111/0770112	93.575	(126)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Child Care and Development Fund Cluster)	0760111/0760112	93.596	69,456
Chafee Education and Training Vouchers Program	9160109	93.599	843
Stephanie Tubbs Jones Child Welfare Services Program	0900111/0900112	93.645	2,360
Foster Care-Title IV-E	1100111/1100112	93.658	232,821
Adoption Assistance	1120111/1120112	93.659	63,632
Social Services Block Grant	1000110/1000111	93.667	353,952
Chafee Foster Care Independence Program	9150111/9150112	93.674	3,494
Children's Health Insurance Program	0540111/0540112	93.767	18,858
Medical Assistance Program	1200111/1200112	93.778	561,192
Total Department of Social Services			<u>1,831,789</u>
Total Department of Health and Human Services			<u>\$ 1,831,789</u>

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, 2016

Page 2

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT - CONTINUED:			
U.S. Election Assistance Commission:			
<u>Pass Through Payments:</u>			
Virginia Election Commission:			
Help America Vote Act Requirements Payments	N/A	90.401	\$ 3,500
Department of the Interior:			
<u>Direct Payments:</u>			
Chesapeake Bay Gateways Network	N/A	15.930	49,000
Chincoteague Wildlife Refuge	N/A	15.000	87,258
Total Department of the Interior			<u>136,258</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS - PRIMARY GOVERNMENT			<u>3,107,858</u>
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	80,347
Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555/2010/2011	10.555	1,671,725
			<u>1,752,072</u>
School Breakfast Program (Child Nutrition Cluster)	10.553/2010/2011	10.553	540,991
Summer Food Service Program for Children (Child Nutrition Cluster)	N/A	10.559	15,287
Total Department of Agriculture			<u>2,308,350</u>
Department of Education:			
<u>Pass Through Payments:</u>			
Department of Education:			
Title I Grants to Local Educational Agencies	S010A120046/S011A130046	84.010	1,937,543
Migrant Education - State Grant Program	S011A120047/S011A130047	84.011	290,883
Special Education - Grants to States (Special Education Cluster)	H027A120107/H027A130107	84.027	1,008,236
Career and Technical Education - Basic Grants to States	V048A120046/V048A130046	84.048	96,364
Special Education - Preschool Grants (Special Education Cluster)	H173A120112/H173A130112	84.173	64,260
Education for Homeless Children and Youth	NA	84.196	12,827
Rural Education	S358B120046	84.358	93,301
English Language Acquisition Grants	T365A120046	84.365	88,570
Supporting Effective Instruction State Grant (Formerly Improving Teacher Quality State Grant)	S367A110044/S367A120044	84.367	253,658
School Improvement Grants	S377A130047	84.377	665,897
Total Department of Education			<u>4,511,539</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS COMPONENT UNIT-SCHOOL BOARD			<u>6,819,889</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			<u>\$ 9,927,747</u>

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 For The Year Ended June 30, 2016

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, 2016. 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 - 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	\$ 431,052
Virginia Public Assistance Fund	2,165,055
Comprehensive Youth Services Fund	30,135
Airport	11,491
County Capital Projects Fund	<u>498,294</u>

Total primary government \$ 3,136,027

Component Unit School Board:

School Operating Fund	\$ 4,511,539
School Cafeteria Fund	<u>2,228,003</u>
Total component unit School Board	\$ <u>6,739,542</u>

Total federal expenditures per basic financial statements \$ 9,875,569

Payments in lieu of taxes \$ (29,238)

Non-cash expenditures - value of donated commodities \$ 81,416

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 9,927,747

COUNTY OF ACCOMACK, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

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>
93.778	Medical Assistance Program
93.558	Temporary Assistance For Needy Families
84.027/84.173	Special Education Cluster

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.