



Comprehensive



Annual

Financial

Report

County of Accomack, Virginia

Fiscal Year Ended June 30, 2014



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**COUNTY OF ACCOMACK, VIRGINIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2014**

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Prepared by:

Accomack County Finance Department  
Accomack County, Virginia

Cover: Photograph taken by Zach Frailey ([www.uprootedphotographer.com](http://www.uprootedphotographer.com)).



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**County of Accomack, Virginia**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2014**

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## Comprehensive Annual Financial Report

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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

December 19, 2014

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, 2014. 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 eight discretely presented component units. This GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of this primary government. Based on GASB Statement 14, as amended by GASB No. 39, as interpreted by Virginia's Auditor of Public Accounts, the School Board is a legally separate organization providing educational services to the public whose board is appointed by a School Board Selection Committee and is fiscally dependent on the local government.

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

**Internal and Budgetary Controls:** The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from

unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

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

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

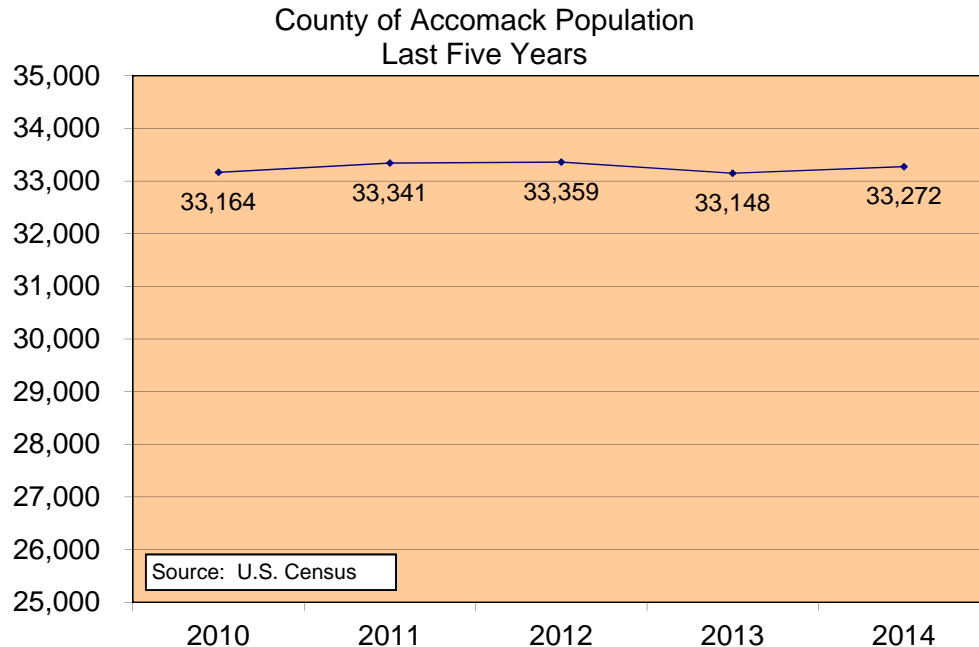
As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2014 has been completed and no material 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 33,272 as of June 30, 2014, 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:

- Beginning construction of 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.
- Continuing to pursue wastewater treatment options in the Central Accomack area. Current options include negotiating with the Town of Onancock for increased wastewater treatment capacity, construction of a County treatment facility and privatization. Note that the Town of Onancock is one of the few towns in Accomack County that currently provides water and wastewater services.

The manufacturing sector continues to account for the majority of jobs in the County, approximately 24% in 2013. 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
2013	3,000	1,221	145	1,250	1,282	5,813	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
2010	3,451	1,172	1,278	1,214	1,241	4,951	13,307
2009	3,528	1,171	1,138	1,162	1,310	5,383	13,692

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

Health care/social assistance and Public Administration sectors make up the next two largest sectors. The health care sector is expected to grow significantly by 2017 based on plans announced by Riverside Shore Memorial Hospital to relocate from Northampton County to Accomack County.



The accommodations/food services sector is significantly impacted by tourism which is a major economic engine in the County. Those that seek a more relaxed vacation far from the crowds with access to pristine beaches, wildlife and other outdoor activities are beginning to discover Accomack. In fact, the Town on Chincoteague, Accomack's largest incorporated town, was named one of America's Best Little Beach Towns by Travel and Leisure Magazine in 2013.

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.

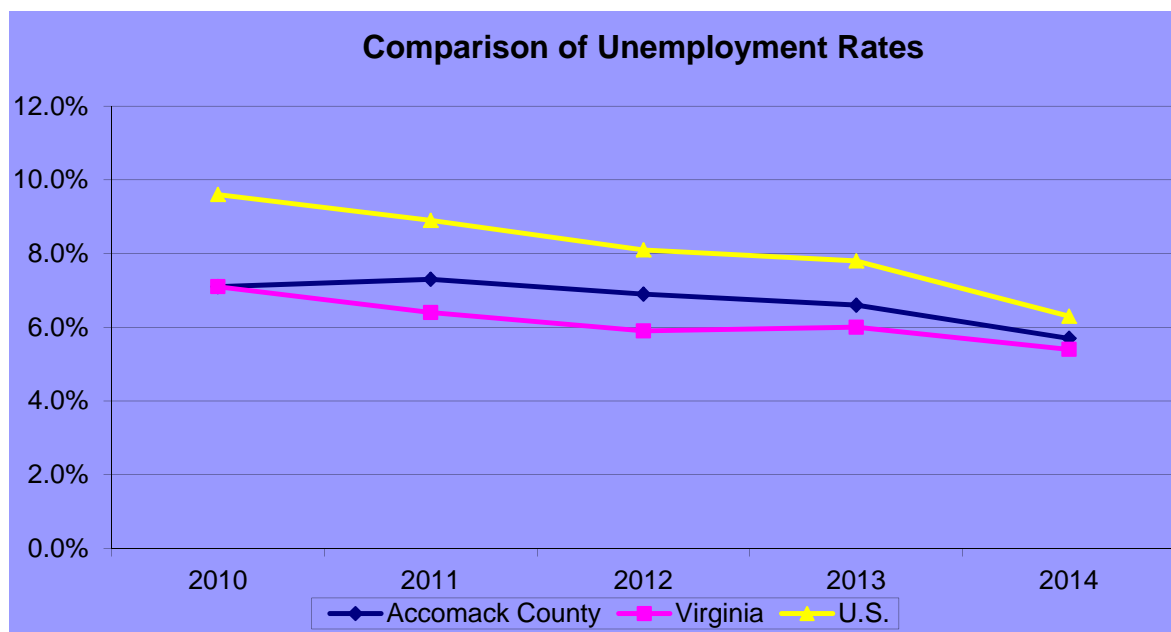
Future prospects for the Wallops Island area are high. This island is home to the Mid-Atlantic Regional Spaceport (MARS) whose mission is to develop and operate a multi user spaceport at the NASA Wallops Flight Facility which provides low cost, safe, reliable, "schedule friendly" space access to commercial, 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. Also during September 2013, NASA launched the LADEE Mission to the Moon from MARS. Wallops Island's location of roughly 38 degrees north latitude makes it an ideal site to send loads into inclined orbits - between the equator and the poles - at a reduced expense.

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

*Unemployment:* Local unemployment rates decreased from the previous calendar year. Accomack County's unemployment rate as of June 2014 is 5.7% well below that of the nation.



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

- Began development of the Wallops Research Park, to be located on land adjacent to NASA's Wallops Flight Facility (WFF). This park will contain not only all the necessary utilities to make it suitable for development but will also provide park inhabitants access to the NASA runway through a taxiway originating from the interior of the park. It's proximity not only to NASA, but also to U.S. Navy Surface Combat Systems Center, makes the park a prime location for many businesses. The County issued bonds during the fiscal year for this purpose in addition to being awarded a \$4



million grant from the Commonwealth which is being used to build a taxiway from the WFF to the Park.



- Began the development of the County's first recreational park to be located in the Central Accomack Area. The park will contain recreational fields, walking trails and other multi-use areas.
- Set aside an additional \$771,729 to the County's "Rainy Day"/Stabilization Committed Fund Balance bringing the total amount committed to \$7,632,118 or approximately 10.9% of governmental fund revenue of the primary government and School Board component unit.

**Prospects for the Future.** For the 2015 Fiscal Year, the Board of Supervisors adopted a Primary Government operating and capital budget of \$53,141,309 which is an increase of 2% from the previous year.

The 2015 budget does include a real estate tax increase. Even with this 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 2015 tax increase are set forth in the *Management Discussion and Analysis* section of this report.

Significant projects funded for Fiscal Year 2015 include:

- Continued construction of the Wallops Research Park described above. This project is scheduled to be completed by January 2015.

- Continued development of the Central Accomack Recreation Park described above. This project is expected to be completed by January 2015.
- Set aside local matching funds for a new Eastern Shore Community College which will allow for the replacement of the existing facility.

**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, 2013. 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  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Accomack  
Virginia**

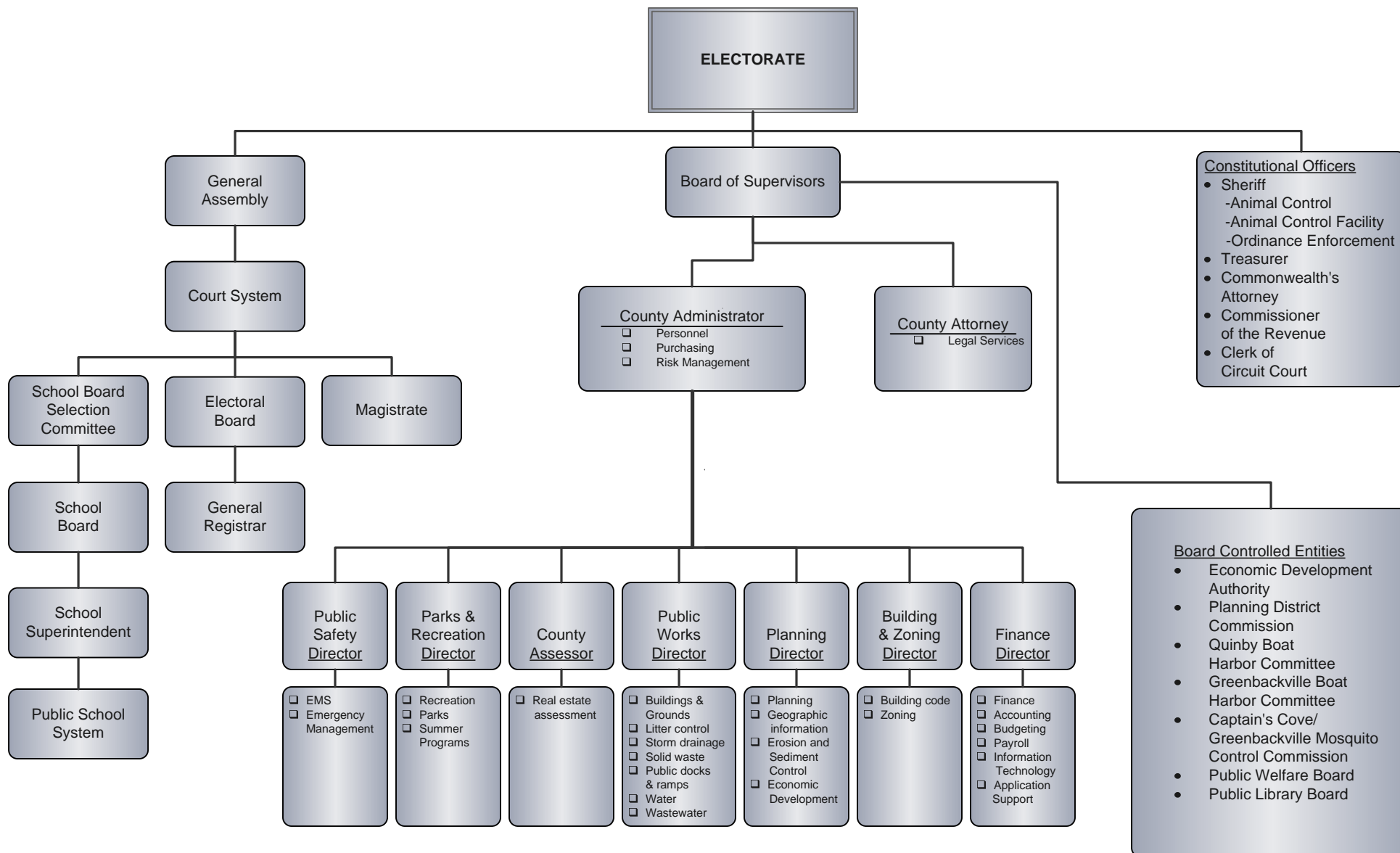
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO

# COUNTY OF ACCOMACK, VIRGINIA ORGANIZATION CHART



# **County of Accomack, Virginia**

## **Principal Officials**

### **Board of Supervisors**

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

### **Constitutional Officers**

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

### **County Administrative Officers**

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

**County of Accomack, Virginia**  
**Principal Officials**  
(continued)

<b>School Board</b>
---------------------

Margaret T. Miles, Chairperson	Election District 4
J. Travis Thornton, Vice-Chairperson	Election District 1
Audrey A. Furness	Election District 2
Aaron E. Kane	Election District 3
Camesha A. Handy	Election District 5
Paul C. Bull	Election District 6
Shannon Wessells	Election District 7
Dr. Ronnie E. Holden	Election District 8
Naudya D. Mapp	Election District 9

<b>School Board Administrative Officers</b>
---

Kregg Cuellar, Ed.D.	Superintendent
Dr. Rhonda Hall	Assistant Superintendent
Beth O. Charnock, CPA	Chief Operating Officer

## **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 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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Accomack-Northampton Planning District Commission which represent 3 percent, 3 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-30, budgetary comparison information, and schedule of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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 December 19, 2014, 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  
December 19, 2014



## 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, 2014. 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 \$28,673,824 (net position). Of this amount, \$12,468,818 (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 \$4,002,530 (16%). Net position of the governmental-type activities increased \$2,984,266 (15%) and net position of the business-type activities increased \$1,018,264 (24%). This 24% increase was mostly due to a one-time capital transfer (\$1,660,579) related to solid waste collection activities from governmental-type activities to the business-type activities.
- The County's unrestricted nets assets decreased by \$1,822,633 (13%). Unrestricted net position of the governmental-type activities decreased \$1,273,096 (8%) and unrestricted net position of the business-type activities decreased \$549,537 (47%).
- Program revenues of the County's business-type activities decreased by 1% to \$3,171,165 while expenses increased by 48% to \$4,058,100. Note that a one-time change in estimated Landfill Closure/Post Closure liability recognized in FY13 decreased expenses by \$723,937 and that the revenues and expenses reported for the Airport Enterprise Fund for FY13 only reflected six months of operation. The effect of these adjustments must be removed to allow for comparison of the current year to the prior year. Once removed, program revenues decreased by 11% and program expenses increased by 5%.
- The General fund reported an ending fund balance of \$12,823,680, a decrease of \$1,106,197 (8%). Of the ending fund balance, \$135,026 was nonspendable or restricted, \$7,632,118 was committed pursuant to the County's "Rainy Day" /Revenue Stabilization policy, \$3,376,508 was assigned to various projects and \$1,680,028 was unassigned.
  - The amount of General Fund ending fund balance committed pursuant to the County's "Rainy Day" /Revenue Stabilization Policy was equal to 10.9% 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 \$12,688,654 or 36 percent of total general fund expenditures.
- The County's outstanding debt increased by \$302,198 or .8 percent during the current fiscal year.

## Overview of the Financial Statements

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

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

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

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

The statement of net 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. Note that the Accomack County Airport Commission was abolished by the Primary Government as of January 1, 2013. Operation of the County Airport is now reported as a business-type activity in the Government-wide financial statements.

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

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as Governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus

on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

**Other information** - In addition to the basic financial 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 \$28,673,824 at year-end.

The largest portion of the County's net position (48%) 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 (44%) 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 39,625,231	\$ 37,423,554	\$ 4,097,242	\$ 7,187,238	\$ 43,722,473	\$ 44,610,792
Capital assets	41,374,780	40,666,091	8,477,622	7,205,857	49,852,402	47,871,948
Total assets	81,000,011	78,089,645	12,574,864	14,393,095	93,574,875	92,482,740
Deferred Outflows of Resources	415,415	443,931	27,076	34,040	442,491	477,971
Current liabilities	7,816,161	8,400,691	607,002	3,531,626	8,423,163	11,932,317
Long -term liabilities	36,421,371	36,506,164	6,806,202	6,725,037	43,227,573	43,231,201
Total liabilities	44,237,532	44,906,855	7,413,204	10,256,663	51,650,736	55,163,518
Deferred Inflows of Resources	13,692,806	13,125,899	-	-	13,692,806	13,125,899
Net Position:						
Net investment in capital assets	6,875,692	3,943,220	6,902,698	5,334,897	13,778,390	9,278,117
Restricted	2,426,616	1,101,726	-	-	2,426,616	1,101,726
Unrestricted	14,182,780	15,455,876	(1,713,962)	(1,164,425)	12,468,818	14,291,451
Total net position	\$ 23,485,088	\$ 20,500,822	\$ 5,188,736	\$ 4,170,472	\$ 28,673,824	\$ 24,671,294

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

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

The County's net position increased by \$4,002,530 or 16% during the fiscal year. Business-type activities accounted for 75% of the total increase while governmental activities accounted for the remaining 25%.

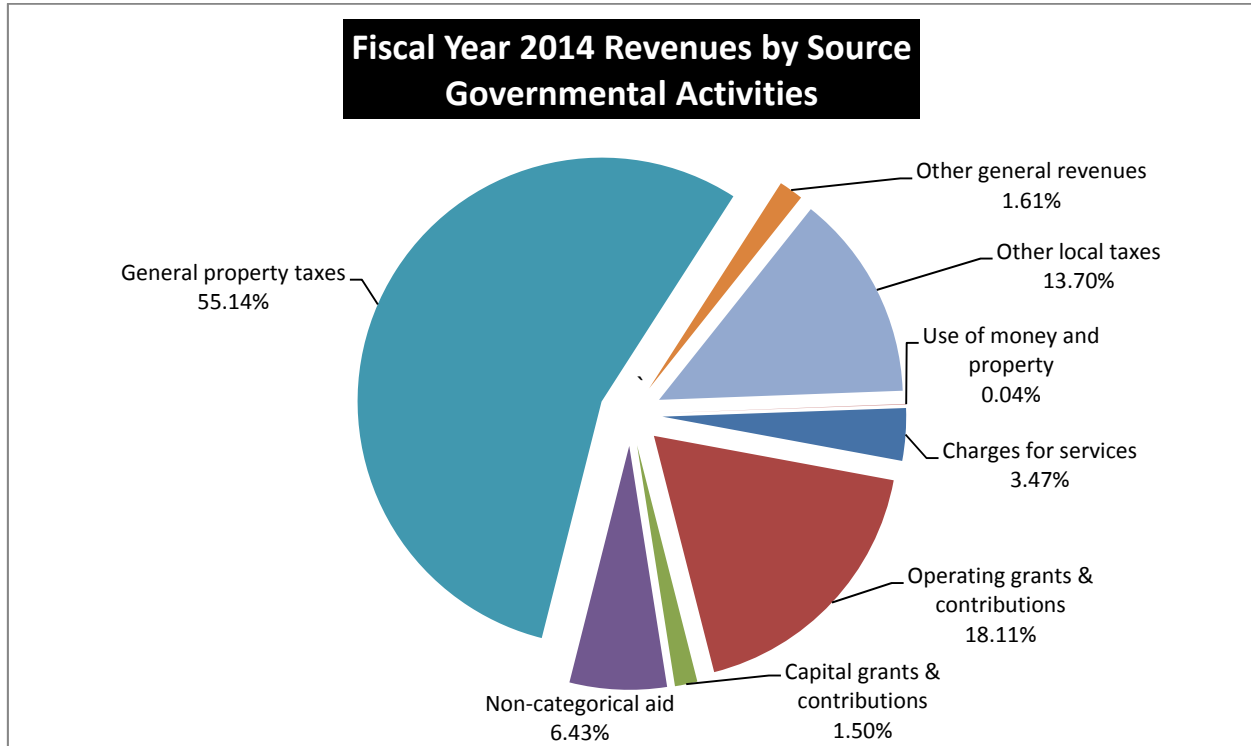
**Governmental Activities** - Governmental activities increased the County's net position by \$2,984,266 or 12% during the fiscal year. Key elements of this increase are as follows:

**Accomack County, Virginia**  
**Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 1,815,655	\$ 1,614,825	\$ 3,021,231	\$ 3,181,259	\$ 4,836,886	\$ 4,796,084
Operating grants & contributions	9,481,299	8,116,557	149,934	14,652	9,631,233	8,131,209
Capital grants & contributions	785,074	271,414	-	-	785,074	271,414
General Revenues:						
General property taxes	28,872,306	28,500,128	-	-	28,872,306	28,500,128
Other local taxes	7,173,792	7,353,082	-	-	7,173,792	7,353,082
Investment earnings	22,857	10,954	4,311	9,985	27,168	20,939
Non-categorical aid	3,365,464	3,319,642	-	-	3,365,464	3,319,642
Contribution from Airport Commission	-	-	-	2,770,557	-	2,770,557
Other general revenues	845,326	189,259	298	-	845,624	189,259
Total revenues	52,361,773	49,375,861	3,175,774	5,976,453	55,537,547	55,352,314
Expenses:						
General government administration	3,498,049	3,585,175	-	-	3,498,049	3,585,175
Judicial administration	1,557,904	1,573,104	-	-	1,557,904	1,573,104
Public safety	10,083,890	10,579,063	-	-	10,083,890	10,579,063
Public works	3,586,061	3,721,236	-	-	3,586,061	3,721,236
Health and welfare	5,719,077	5,839,666	-	-	5,719,077	5,839,666
Education	18,708,789	18,475,654	-	-	18,708,789	18,475,654
Parks, recreation and cultural	961,633	1,014,589	-	-	961,633	1,014,589
Community development	1,599,584	1,430,468	-	-	1,599,584	1,430,468
Interest on long-term debt	1,761,930	1,700,378	-	-	1,761,930	1,700,378
Business-type	-	-	4,058,100	2,737,195	4,058,100	2,737,195
Total expenses	47,476,917	47,919,333	4,058,100	2,737,195	51,535,017	50,656,528
Increase (decrease) in net position before transfers	4,884,856	1,456,528	(882,326)	3,239,258	4,002,530	4,695,786
Transfers	(1,900,590)	(1,134,135)	1,900,590	1,134,135	-	-
Increase (decrease) in net position	2,984,266	322,393	1,018,264	4,373,393	4,002,530	4,695,786
Net position, July 1	20,500,822	20,178,429	4,170,472	(202,921)	24,671,294	19,975,508
Net position, June 30	\$ 23,485,088	\$ 20,500,822	\$ 5,188,736	\$ 4,170,472	\$ 28,673,824	\$ 24,671,294

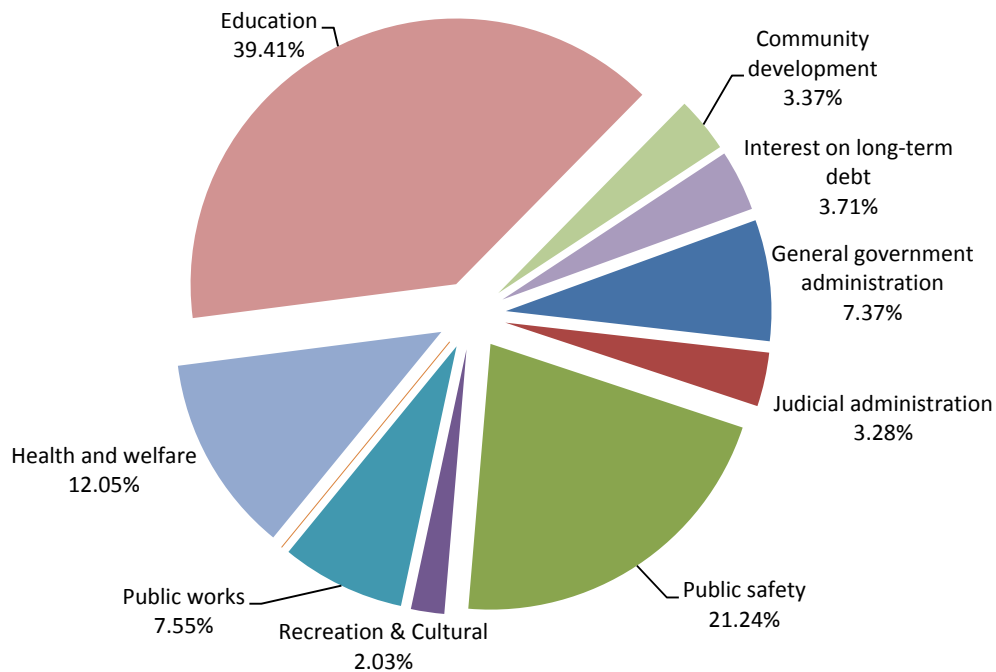
- Property taxes are the largest single revenue source comprising 55% of total governmental revenues. Property taxes increased by \$372,178 or 1% during the fiscal year.
- Operating grants for governmental activities is the second largest revenue source comprising 18% of governmental revenues. This revenue source increased by \$1,364,742 or 17% during the fiscal year principally due to the receipt of FEMA funds intended to reimburse the County for damages to County facilities from Hurricane Sandy and Hurricane Irene (\$333,545), grant funding from the Virginia Fire Programs Fund which was used to construct an addition to the County's Fire Training Center (500,732) and Federal grant funding to elevate homes located in flood-prone areas (\$372,965).
- Capital grants and contributions increased by 189% due to:
  - The receipt of \$264,300 in grants from the Virginia Transportation Partnership Opportunity Fund (TPOF) for the creation of a taxiway from the NASA Wallops Flight Facility to the Wallops Research Park which is presently under construction; and,
  - The receipt of \$520,774 in grants from the Virginia Port Authority and Virginia Marine Resources Commission for improvements at the Greenbackville Boat Harbor.

- Other local taxes decreased by 2% primarily due to a decrease in local sales and use tax revenue.
- Education expense is the largest single category comprising 39% of total governmental expenses. Expenses for this category increased by \$233,135 or 1% from the previous year.
- Public safety expense is the second largest category comprising 21% of governmental expenses. Expenses for this category decreased \$495,173 or 5% from the previous year.
- Community development expenses increased \$169,116 or 12% from the prior year.





### Fiscal Year 2014 Expenses by Function Governmental Activities

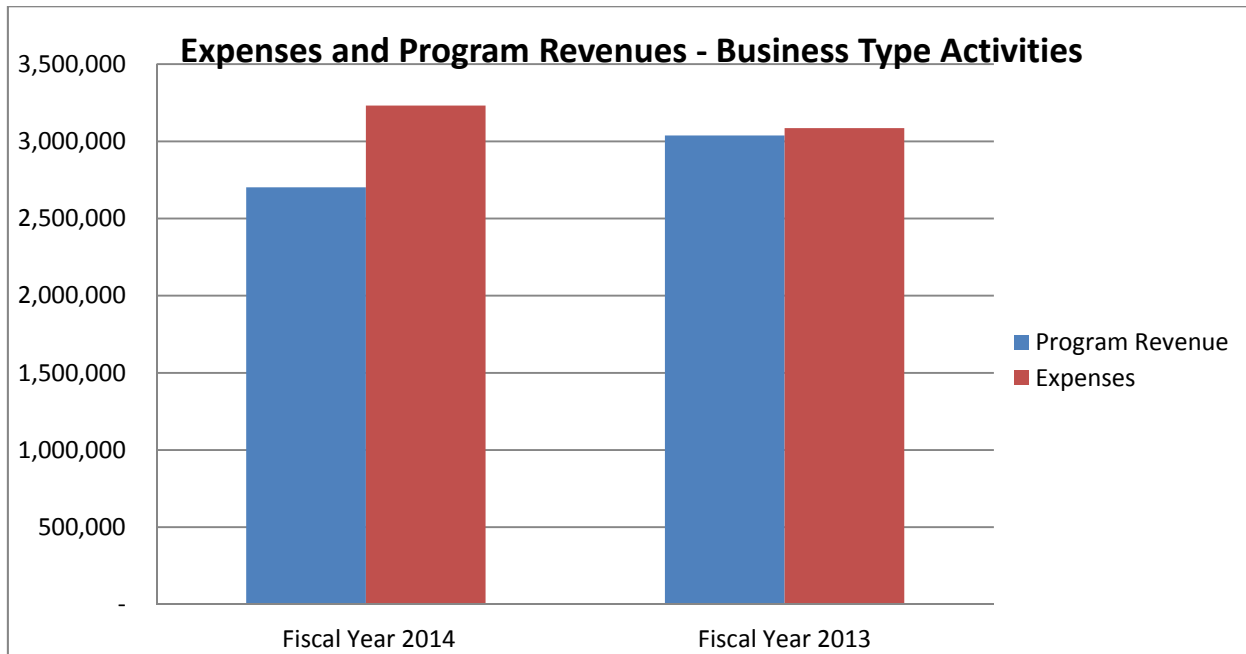


**Business-type Activities** - Business-type activities increased the County's net position by \$1,018,264 or 4% during the fiscal year.

*In order to allow for comparison to the prior year, the focus of the remaining portion of this section discussing business-type activities excludes all revenue and expenses associated with the Accomack Airport. The Airport was not reported as part of the primary government business type activities until January 1, 2013 when the Airport Commission was abolished. Prior to this, the Airport was reported as a discretely presented component unit.*

Business-type revenues, excluding those associated with the Airport, decreased by \$336,232 or 11% due mostly to a decrease in the billable waste stream received at the County's Landfills. The total billable tons of waste received at the County landfills amounted to 35,484 for the fiscal year, a decrease of 4,130 or 10% from the prior year.

Business-type expenses, excluding those associated with Airport operation, increased by 5% or \$146,840 as compared to the prior fiscal year. Landfill related expenses decreased by 10% or \$271,572 however this decrease was offset by an increase in water and sewer expenses which increased 290% or \$443,418 because of one-time significant repairs to the Industrial Park Water Tower and future wastewater plant feasibility services.



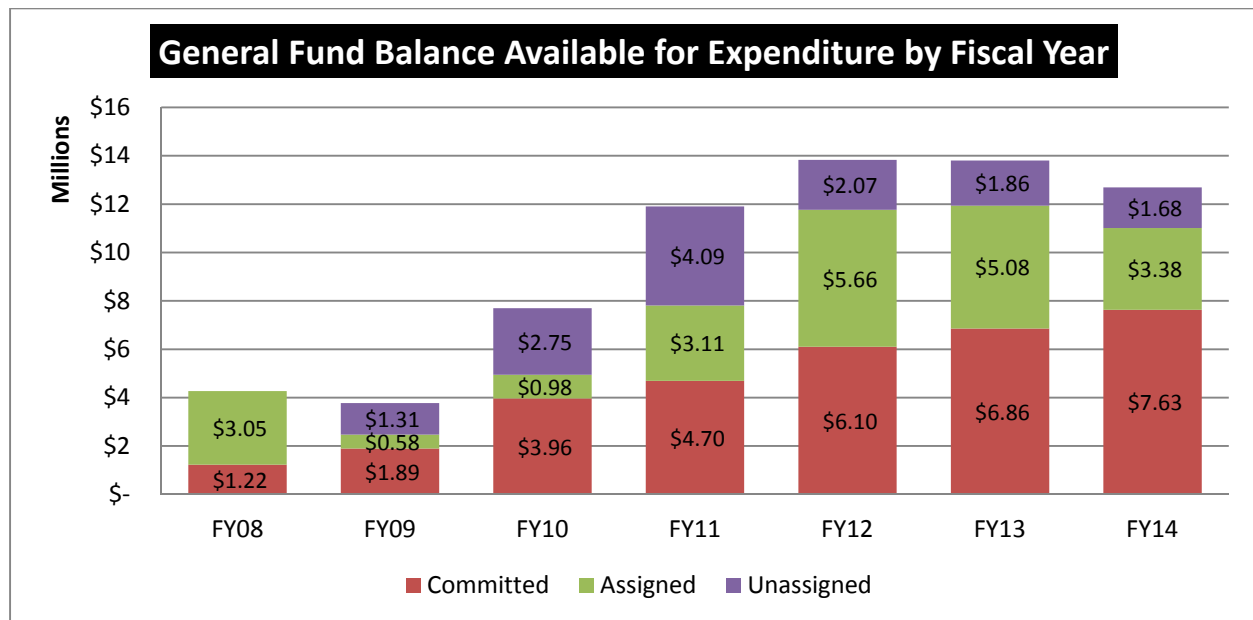
## Financial Analysis of the County's Funds

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 \$19,174,355. Details are as follows:

- The General Fund accounted for 67% percent or \$12,823,680 of the combined ending governmental fund balance.
  - Approximately \$1,680,028 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 \$7,632,118 or 60% is committed for a "Rainy Day" or Revenue Stabilization. This amount represents 10.9% of General Fund Revenue combined with School Operating Fund Revenue less revenue from the Primary Government.
  - Approximately \$3,376,508 or 26% 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, \$30,326, of general fund balance is restricted to specific uses by entities external to County government.



- The General Fund reported a decrease in fund balance of \$1,106,197 or 8%. General Fund Committed Fund Balance increased by \$771,729 or 11%. The entire amount of committed fund balance is associated with the County's "Rainy Day"/Revenue Stabilization Policy. The General Fund unassigned fund balance decreased by \$181,979 or 10%.
- The County Debt Service Fund accounted for 8% or \$1,616,021 of the combined ending governmental fund balance. This entire balance is restricted for future debt service.
- The County Capital Projects Fund accounted for 18% or \$3,409,186 of the total governmental fund balance. Of this amount, \$3,049,304 is unspent bond proceeds restricted for the construction of the Wallops Research Park and Central Recreation Park.

**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 \$1,307,953. The majority of the variance was due to budget amendments made to recognize other state and federal grant funds awarded to the County during the fiscal year.

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

#### Expenditures:

The difference between the Primary Government General Fund original budget and the final amended budget (schedule 2) was \$1,808,183. Significant differences can be summarized as

follows:

- Public Safety related amendments - An amendment of \$581,674 was made to spend FEMA funds to repair County property, primarily boating facilities, damaged during Hurricane Sandy. In addition, the following amendments were made to reflect the award or carryover of grant funding:
  - Amendments totaling \$100,991 were made to recognize Virginia Homeland Security and Department of Transportation grant awards. The purpose of these funds was to purchase safety equipment to handle potential hazardous material cleanup situations and to develop a hazardous materials response plan.
  - An amendment of \$89,505 was made to recognize the award of Virginia Department of Criminal Justice Services grant funds used to provide local probation services for the General District Court and Juvenile Domestic & Relations Court.
- Public Works related amendments - The original budget was amended by \$195,591 and \$189,400 to reflect the carryover of funds used for storm drainage control and to purchase the County Planning Department Office Building which was previously leased.
- Parks, Recreation and Cultural amendments - The original budget was amended by \$132,665 to recognize the acceptance of a grant award for the Summer Food/Playground Program.
- Community Development amendments - The original budget was amended by \$133,085 to carryover remaining grant funds from the previous year awarded by the U.S. Department of Defense to conduct a Joint Land Use Study (JLUS) for Surface Combat Systems Center Wallops Island.

***General Fund Budget Variances:***

The Primary Government General Fund reported a positive variance between actual revenue and the final budget of \$654,720 and a positive variance between actual expenditures and the final budget of \$1,594,644.

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

## Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental and business type activities as of June 30, 2014 amounts to \$49,852,402 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$38,546,511. Of this amount, \$27,698,811 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 \$28,549,742 in debt reported on the County's Statement of Net position and an expense increase of \$1,807,512 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 2015 are forecast to relatively level (1.2%) from those of FY14. Total General Fund expenditures, including capital expenditures, are forecast to increase by 2.1%.

### Property Tax Rates/Fees

The Fiscal Year 2015 budget includes an increase in the real estate tax rate to offset the projected revenue reduction from the biennial real property reassessment and to fund emergency medical service operating costs. Real property taxable values have decreased by 3%.

All personal property tax and user fee rates remain unchanged from the previous year.

Below are the adopted property tax rates for calendar year 2013 (fiscal year 2014) and calendar year 2014 (fiscal year 2015):

#### 2013 Real Estate Tax Rates:

Chincoteague .....	\$0.470 per \$100 of assessed valuation
Captains Cove/Greenbackville .....	\$0.550 per \$100 of assessed valuation
All other County areas .....	\$0.530 per \$100 of assessed valuation

#### 2014 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 2015 operating expenditures are expected to increase due to a slight increase in the budgeted local funding subsidy (\$404,683) for the Accomack County School Board and a 2% one-time bonus for County and state-supported local positions (\$186,840). These are the two most significant planned increases to the fiscal year 2015 expenditure budget.

### Capital Expenditures

The County is scheduled to complete construction of the Wallops Research Park by January of 2015. This park is slated to become a prime location for aerospace and aviation operations offering 226 acres of property available for development adjacent to the NASA Wallops Flight Facility (WFF) and minutes from the Mid-Atlantic Regional Spaceport (MARS) and the U.S. Navy's Surface Combat Systems Center. In addition, the County plans to begin construction of Phase 1 on Central Recreation Park which includes walking trails and a multi-purpose athletic field. Total costs for both of these projects are estimated to top out at \$8.1 million with \$4 million provided by the Commonwealth of Virginia. All local funding for these initiatives is derived from unspent bond proceeds currently available and accounted for in the County Capital Projects Fund.

## Other Initiatives

The fiscal 2015 budget also includes measures to control the cost of post-employment employee benefits. The County's retiree health care defined benefit plan was completely overhauled during the budget development process. Sunset provisions were added to the current benefit plan which covers retirees who retired at age 65 or greater with at least 15 years of service. Only those retirees currently enrolled in this benefit program or those who will elect it by January 1, 2017 will be eligible for future plan benefits. This plan was replaced by a defined contribution plan which provides retirees with a monthly reimbursement for health care costs of up to \$4 per year of service. To be eligible, an employee must retire with 15 or more years of VRS service. The County plans to prefund the new benefit using an OPEB Trust.

The fiscal year 2015 budget also continues with the plan implemented in fiscal year 2009 to strengthen the County's general fund balance committed for a "Rainy Day or Revenue Stabilization". The plan calls for this fund balance to be at least equal to 16.7% of County and School Board operating revenue by fiscal year 2021. Next year's budget sets aside an additional \$783,305 for this purpose.

## Employment and Population

The local unemployment rate decreased from 6.6% as of June 2013 to 5.7% as of June 2014 but still continues to be above the state average. The current local unemployment rate does compare favorably to the national rate of 6.3%.

	Unemployment Rates		
	June 2012	June 2013	June 2014
Accomack County	6.5%	6.6%	5.7%
Commonwealth of Virginia	6.2%	6.0%	5.4%
USA	8.4%	7.8%	6.3%

According to the Virginia Employment Commission, the number of persons employed increased by 2% from 17,744 in June 2013 to 18,159 in June 2014.

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 [www.finance@co.accomack.va.us](mailto:www.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, 2014**

**Exhibit 1**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
<b><u>Assets:</u></b>					
Cash and investments	\$ 16,487,361	\$ 3,806,404	\$ 20,293,765	\$ 11,923,740	\$ 1,106,753
Taxes receivable, net	16,656,014	-	16,656,014	-	-
Special assessments receivable, net	26,976	-	26,976	-	-
Accounts receivable, net	316,940	231,415	548,355	38,476	177,362
Loan receivables	-	-	-	-	315,314
Due from other governmental entities	3,052,222	14,735	3,066,957	1,825,314	14,352
Inventory	-	44,688	44,688	-	-
Prepaid items	-	-	-	-	10,716
Notes receivable	36,414	-	36,414	-	-
Restricted assets:					
Cash and cash equivalents	3,049,304	-	3,049,304	-	184,686
Capital Assets (net of accumulated depreciation):					
Land	2,054,237	396,167	2,450,404	974,862	702,252
Buildings	30,400,724	999,608	31,400,332	29,827,520	725,721
Improvements other than buildings	5,350,632	5,927,008	11,277,640	1,269,038	126,862
Machinery and equipment	2,209,778	786,803	2,996,581	2,459,175	17,106
Intangibles	63,883	-	63,883	-	-
Construction in progress	1,295,526	368,036	1,663,562	-	52,919
Total assets	81,000,011	12,574,864	93,574,875	48,318,125	3,434,043
<b><u>Deferred Outflows of Resources:</u></b>					
Deferred charge on refunding	415,415	27,076	442,491	-	-
Total deferred outflows of resources	415,415	27,076	442,491	-	-
<b><u>Liabilities:</u></b>					
Accounts payable	1,754,144	190,545	1,944,689	1,555,072	47,439
Wages and benefits payable	51,805	4,395	56,200	4,068,351	13,954
Retainage payable	20,282	-	20,282	-	-
Due to other governmental entities	185,313	-	185,313	-	-
Accrued interest payable	700,303	1,228	701,531	-	-
Unearned revenue	-	5,968	5,968	428,373	104,514
Customer deposits	114,921	23,246	138,167	-	-
Noncurrent liabilities:					
Due within one year	4,989,393	381,620	5,371,013	1,690,524	-
Due in more than one year	36,421,371	6,806,202	43,227,573	946,940	170,283
Total liabilities	44,237,532	7,413,204	51,650,736	8,689,260	336,190
<b><u>Deferred Inflows of Resources:</u></b>					
Deferred property tax revenue	13,692,806	-	13,692,806	-	-
Total deferred outflows of resources	13,692,806	-	13,692,806	-	-
<b><u>Net Position:</u></b>					
Net investment in capital assets	6,875,692	6,902,698	13,778,390	34,530,595	1,624,860
Restricted for:					
Future debt service	1,616,021	-	1,616,021	-	745,265
Other purposes	810,595	-	810,595	-	-
Unrestricted	14,182,780	(1,713,962)	12,468,818	5,098,270	727,728
Total net position	\$ 23,485,088	\$ 5,188,736	\$ 28,673,824	\$ 39,628,865	\$ 3,097,853

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE, 30 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government administration	\$ 3,498,049	\$ 455,246	\$ 262,477	\$ -
Judicial administration	1,557,904	100,293	1,069,049	-
Public safety	10,083,890	417,064	3,523,227	-
Public works	3,586,061	248,997	20,661	-
Health and welfare	5,719,077	300,016	4,032,773	-
Education	18,708,789	-	-	-
Parks, recreation and cultural	961,633	227,902	133,155	520,774
Community development	1,599,584	66,137	439,957	264,300
Interest on long-term debt	1,761,930	-	-	-
Total governmental activities	47,476,917	1,815,655	9,481,299	785,074
Business-type activities:				
Landfill	2,579,104	2,423,020	-	-
Airport	825,992	319,374	149,934	-
Water and sewer	596,534	215,641	-	-
Parks and recreation	56,470	63,196	-	-
Total business-type activities	4,058,100	3,021,231	149,934	-
Total primary government	\$ 51,535,017	\$ 4,836,886	\$ 9,631,233	\$ 785,074
<b>Component Units:</b>				
School Board	\$ 53,663,071	\$ 925,910	\$ 33,850,533	\$ -
Economic Development Authority	6,488	3,668	-	-
Public Library	771,496	103,680	269,754	-
Planning District Commission	1,153,359	1,012,221	95,768	-
Quinby Harbor Committee	26,737	17,898	-	-
Greenbackville Harbor Committee	147,780	20,059	-	-
Captain's Cove/Greenbackville Mosquito Control Commission	54,292	45,132	-	-
Total component units	\$ 55,823,223	\$ 2,128,568	\$ 34,216,055	\$ -
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 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
\$ (2,780,326)	\$ -	\$ (2,780,326)	\$ -	\$ -
(388,562)	-	(388,562)	-	-
(6,143,599)	-	(6,143,599)	-	-
(3,316,403)	-	(3,316,403)	-	-
(1,386,288)	-	(1,386,288)	-	-
(18,708,789)	-	(18,708,789)	-	-
(79,802)	-	(79,802)	-	-
(829,190)	-	(829,190)	-	-
(1,761,930)	-	(1,761,930)	-	-
(35,394,889)	-	(35,394,889)	-	-
-	(156,084)	(156,084)	-	-
-	(356,684)	(356,684)	-	-
-	(380,893)	(380,893)	-	-
-	6,726	6,726	-	-
-	(886,935)	(886,935)	-	-
(35,394,889)	(886,935)	(36,281,824)	-	-
-	-	-	(18,886,628)	-
-	-	-	-	(2,820)
-	-	-	-	(398,062)
-	-	-	-	(45,370)
-	-	-	-	(8,839)
-	-	-	-	(127,721)
-	-	-	-	(9,160)
-	-	-	(18,886,628)	(591,972)
28,872,306	-	28,872,306	-	-
3,358,791	-	3,358,791	-	-
1,034,212	-	1,034,212	-	-
1,005,667	-	1,005,667	-	-
1,775,122	-	1,775,122	-	-
-	-	-	18,071,173	567,815
3,365,464	-	3,365,464	-	-
22,857	4,311	27,168	1,668	2,786
-	-	-	-	1,719
845,326	298	845,624	259,032	-
(1,900,590)	1,900,590	-	-	-
38,379,155	1,905,199	40,284,354	18,331,873	572,320
2,984,266	1,018,264	4,002,530	(554,755)	(19,652)
20,500,822	4,170,472	24,671,294	40,183,620	3,117,505
\$ 23,485,088	\$ 5,188,736	\$ 28,673,824	\$ 39,628,865	\$ 3,097,853

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AT JUNE 30, 2014**

**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
<b>Assets:</b>							
Cash and investments	\$ 12,597,824	\$ -	\$ -	\$ 51,632	\$ 1,831,093	\$ 2,006,812	\$ 16,487,361
Taxes receivable, net	12,390,512	-	-	-	2,118,882	2,146,623	16,656,017
Special assessments receivable, net	26,976	-	-	-	-	-	26,976
Accounts receivable, net	316,502	5	223	111	-	99	316,940
Notes receivable, net	-	-	-	-	-	36,414	36,414
Due from other governmental entities	1,764,563	231,104	271,726	773,460	-	11,369	3,052,222
Interfund receivables	298,556	-	-	-	-	-	298,556
Restricted assets:							
Cash and cash equivalents	-	-	-	3,049,304	-	-	3,049,304
Total assets	<u>27,394,933</u>	<u>231,109</u>	<u>271,949</u>	<u>3,874,507</u>	<u>3,949,975</u>	<u>4,201,317</u>	<u>39,923,790</u>
<b>Liabilities:</b>							
Accounts payable	703,324	27,238	170,569	430,253	-	422,760	1,754,144
Wages and benefits payable	33,633	6,695	-	-	-	11,477	51,805
Due to other governmental entities	185,313	-	-	-	-	-	185,313
Retainage payable	-	-	-	20,282	-	-	20,282
Customer deposits	100,135	-	-	14,786	-	-	114,921
Interfund payables	-	197,176	101,380	-	-	-	298,556
Total liabilities	<u>1,022,405</u>	<u>231,109</u>	<u>271,949</u>	<u>465,321</u>	<u>-</u>	<u>434,237</u>	<u>2,425,021</u>
<b>Deferred Inflows of Resources:</b>							
Deferred property tax revenue	10,133,693	-	-	-	1,749,301	1,809,812	13,692,806
Unavailable revenue-property taxes	3,388,179	-	-	-	584,653	595,386	4,568,218
Unavailable revenue-notes receivable	-	-	-	-	-	36,414	36,414
Unavailable revenue-special assessments	26,976	-	-	-	-	-	26,976
Total deferred inflows of resources	<u>13,548,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,333,954</u>	<u>2,441,612</u>	<u>18,324,414</u>
<b>Fund Balances:</b>							
Nonspendable: Noncurrent advances	104,700	-	-	-	-	-	104,700
Restricted for:							
Debt service	-	-	-	-	1,616,021	-	1,616,021
Fire and rescue	-	-	-	-	-	512,380	512,380
Captain's Cove mosquito control	-	-	-	-	-	13,161	13,161
Law library	-	-	-	-	-	32,298	32,298
Drug seizures	-	-	-	-	-	41,436	41,436
Courthouse security	-	-	-	-	-	40,766	40,766
Rehabilitation projects	-	-	-	-	-	170,554	170,554
Wetlands mitigation	30,326	-	-	-	-	-	30,326
Wallops Research Park	-	-	-	3,049,304	-	-	3,049,304
Committed to Rainy Day/Stabilization	7,632,118	-	-	-	-	-	7,632,118
Assigned to:							
Storm drainage	185,930	-	-	-	-	-	185,930
Fire and rescue	-	-	-	-	-	514,873	514,873
Building improvement or repair projects	1,023,507	-	-	-	-	-	1,023,507
Public boating facility improvement or repair	-	-	-	94,951	-	-	94,951
Subsequent year's expenditures	1,862,007	-	-	-	-	-	1,862,007
Information technology projects	130,367	-	-	-	-	-	130,367
Hazardous materials response	8,461	-	-	-	-	-	8,461
Wallops Research Park	-	-	-	264,931	-	-	264,931
Other purposes	166,236	-	-	-	-	-	166,236
Unassigned	1,680,028	-	-	-	-	-	1,680,028
Total fund balances	<u>12,823,680</u>	<u>-</u>	<u>-</u>	<u>3,409,186</u>	<u>1,616,021</u>	<u>1,325,468</u>	<u>19,174,355</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,394,933</u>	<u>\$ 231,109</u>	<u>\$ 271,949</u>	<u>\$ 3,874,507</u>	<u>\$ 3,949,975</u>	<u>\$ 4,201,317</u>	<u>\$ 39,923,790</u>

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**RECONCILIATION OF THE BALANCE SHEET-GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**AT JUNE 30, 2014**

**Exhibit 4**

Total fund balances - governmental funds (Exhibit 3) \$ 19,174,355

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	2,054,237	
Buildings, net of depreciation	6,855,137	
Improvements other than buildings, net of depreciation	5,350,632	
Machinery and equipment, net of depreciation	2,209,778	
Intangibles, net of amortization	63,883	
Construction in progress	1,295,526	
School Board capital assets, net of depreciation	23,545,587	
Total capital assets		41,374,780

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds. 4,631,608

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	(25,718,250)	
Qualified zone academy bonds	(378,561)	
Lease revenue bonds	(10,847,700)	
Accrued interest on debt	(700,303)	
Bond premiums and discounts, net of amortization	(1,019,302)	
Bond deferred charge on refunding	415,419	
Compensated absences	(1,848,958)	
Net OPEB obligation	(1,598,000)	
Net adjustment		(41,695,655)

Total net position - governmental activities (Exhibit 1) \$ 23,485,088

**COUNTY OF ACCOMACK, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**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	\$21,449,376	\$ -	\$ -	\$ -	\$3,878,190	\$3,875,557	\$29,203,123
Other local taxes	7,081,901	-	-	-	-	91,891	7,173,792
Permits, fees and licenses	429,010	-	-	-	-	-	429,010
Fines and forfeitures	76,395	-	-	-	-	-	76,395
Revenue from the use of money & property	364,062	-	-	4,517	-	319	368,898
Charges for services	450,270	-	-	-	-	-	450,270
Miscellaneous	140,756	672	134,018	-	624,274	73,671	973,391
Recovered costs	336,044	-	-	135,515	-	11,393	482,952
Intergovernmental	7,704,662	3,118,565	780,190	1,158,039	90,605	639,057	13,491,118
Total revenues	<u>38,032,476</u>	<u>3,119,237</u>	<u>914,208</u>	<u>1,298,071</u>	<u>4,593,069</u>	<u>4,691,888</u>	<u>52,648,949</u>
Expenditures:							
General government administration	3,514,563	-	-	110,204	-	-	3,624,767
Judicial administration	1,401,846	-	-	-	-	109,923	1,511,769
Public safety	6,863,731	-	-	182,983	-	4,625,350	11,672,064
Public works	3,611,360	-	-	282,492	-	-	3,893,852
Health and welfare	780,561	3,768,597	1,135,875	-	-	45,131	5,730,164
Education	16,304,689	-	-	-	-	-	16,304,689
Parks, recreation and cultural	869,587	-	-	616,534	-	-	1,486,121
Community development	1,087,959	-	-	1,770,700	-	13,630	2,872,289
Debt service:							
Principal	637,200	-	-	-	2,667,067	-	3,304,267
Interest	172,941	-	-	-	1,536,505	-	1,709,446
Total expenditures	<u>35,244,437</u>	<u>3,768,597</u>	<u>1,135,875</u>	<u>2,962,913</u>	<u>4,203,572</u>	<u>4,794,034</u>	<u>52,109,428</u>
Revenues over (under) expenditures	<u>2,788,039</u>	<u>(649,360)</u>	<u>(221,667)</u>	<u>(1,664,842)</u>	<u>389,497</u>	<u>(102,146)</u>	<u>539,521</u>
Other financing sources (uses):							
Lease revenue bonds issued	-	-	-	3,765,000	-	-	3,765,000
Refunding bonds issued	4,031,900	-	-	-	2,833,000	-	6,864,900
Premium on bonds issuance	-	-	-	275,073	-	-	275,073
Payment to refunded bond escrow agent	(3,993,325)	-	-	-	(2,809,202)	-	(6,802,527)
Transfers in	-	649,360	221,667	1,016,145	101,000	44,049	2,032,221
Transfers out	(3,932,811)	-	-	-	-	-	(3,932,811)
Total other financing sources (uses)	<u>(3,894,236)</u>	<u>649,360</u>	<u>221,667</u>	<u>5,056,218</u>	<u>124,798</u>	<u>44,049</u>	<u>2,201,856</u>
Net changes in fund balance	(1,106,197)	-	-	3,391,376	514,295	(58,097)	2,741,377
Fund balance, beginning of year	13,929,877	-	-	17,810	1,101,726	1,383,565	16,432,978
Fund balance, end of year	<u>\$12,823,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,409,186</u>	<u>\$1,616,021</u>	<u>\$1,325,468</u>	<u>\$19,174,355</u>

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit 6**

Net changes in fund balances-governmental funds (Exhibit 5) \$ 2,741,377

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

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

Capital asset expenditures	4,379,530	
Depreciation on capital assets	(1,863,328)	
Net adjustment		2,516,202

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. (1,807,512)

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. (341,921)

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. (797,005)

The refunding proceeds due to refinancing of long-term debt is reported as an other financing use in governmental funds, whereas this amount is deferred in the statement of activities. (28,516)

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	29,603	
Compensated absences	(94,962)	
Net OPEB obligation	767,000	
Net adjustment		701,641

Change in net position of governmental activities (Exhibit 2) \$ 2,984,266

**COUNTY OF ACCOMACK, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**AT JUNE 30, 2014**

**Exhibit 7**

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
<b><u>Assets:</u></b>				
Current assets:				
Cash and investments	\$ 3,196,266	\$ 11,476	\$ 598,662	\$ 3,806,404
Accounts receivable (net of allowance for uncollectibles)	188,392	10,874	32,149	231,415
Due from other government entities	-	14,735	-	14,735
Inventory	-	44,688	-	44,688
Total current assets	3,384,658	81,773	630,811	4,097,242
Noncurrent assets:				
Capital Assets (net of accumulated depreciation):				
Land	205,767	190,400	-	396,167
Buildings	834,160	160,354	5,094	999,608
Improvements other than buildings	4,155,106	1,733,259	38,643	5,927,008
Machinery and equipment	752,075	12,761	21,967	786,803
Construction in progress	135,680	232,356	-	368,036
Total capital assets	6,082,788	2,329,130	65,704	8,477,622
Total assets	9,467,446	2,410,903	696,515	12,574,864
<b><u>Deferred Outflows of Resources:</u></b>				
Deferred charge on refunding	27,076	-	-	27,076
Total deferred outflows of resources	27,076	-	-	27,076
<b><u>Liabilities:</u></b>				
Current liabilities:				
Accounts payable	107,016	20,502	63,027	190,545
Wages and benefits payable	685	1,834	1,876	4,395
Unearned revenue	-	5,968	-	5,968
Accrued interest payable	1,228	-	-	1,228
Customer deposits	23,246	-	-	23,246
Compensated absences-current	61,300	11,320	-	72,620
General obligation bonds payable-current	309,000	-	-	309,000
Total current liabilities	502,475	39,624	64,903	607,002
Noncurrent liabilities:				
Compensated absences	7,576	1,399	-	8,975
General obligation bonds payable	1,293,000	-	-	1,293,000
Landfill closure/post closure care	5,504,227	-	-	5,504,227
Total noncurrent liabilities	6,804,803	1,399	-	6,806,202
Total liabilities	7,307,278	41,023	64,903	7,413,204
<b><u>Net Position:</u></b>				
Net investment in capital assets	4,507,864	2,329,130	65,704	6,902,698
Unrestricted	(2,320,620)	40,750	565,908	(1,713,962)
Total net position	\$ 2,187,244	\$ 2,369,880	\$ 631,612	\$ 5,188,736

(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, 2014**

**Exhibit 8**

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Operating revenues:				
Use of property	\$ -	\$ 7,218	\$ -	\$ 7,218
Charges for services	2,357,947	307,916	278,837	2,944,700
Other operating revenue	65,073	4,240	298	69,611
Total operating revenues	<u>2,423,020</u>	<u>319,374</u>	<u>279,135</u>	<u>3,021,529</u>
Operating expenses:				
Personnel services and fringe benefits	624,184	146,079	4,208	774,471
Other operating expenses	1,379,204	386,173	628,079	2,393,456
Depreciation	536,890	293,740	20,717	851,347
Total operating expenses	<u>2,540,278</u>	<u>825,992</u>	<u>653,004</u>	<u>4,019,274</u>
Operating income (loss)	<u>(117,258)</u>	<u>(506,618)</u>	<u>(373,869)</u>	<u>(997,745)</u>
Nonoperating revenues (expenses):				
Interest income	4,311	-	-	4,311
Interest expense	(38,826)	-	-	(38,826)
State grants	-	87,328	-	87,328
Federal Grants	-	62,606	-	62,606
Total nonoperating revenues (expenses)	<u>(34,515)</u>	<u>149,934</u>	<u>-</u>	<u>115,419</u>
Income (loss) before transfers	<u>(151,773)</u>	<u>(356,684)</u>	<u>(373,869)</u>	<u>(882,326)</u>
Transfers:				
Transfers in	1,660,579	174,049	65,962	1,900,590
Total transfers	<u>1,660,579</u>	<u>174,049</u>	<u>65,962</u>	<u>1,900,590</u>
Changes in net position	1,508,806	(182,635)	(307,907)	1,018,264
Total net position, beginning of year	678,438	2,552,515	939,519	4,170,472
Total net position, end of year	<u>\$ 2,187,244</u>	<u>\$ 2,369,880</u>	<u>\$ 631,612</u>	<u>\$ 5,188,736</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, 2014**

**Exhibit 9**

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Cash flows from operating activities:				
Receipts from customers	\$ 2,367,744	\$ 304,349	\$ 274,622	\$ 2,946,715
Payments to suppliers	(3,936,252)	(348,623)	(610,383)	(4,895,258)
Payments to employees and benefits paid on behalf of employees	(617,235)	(147,886)	(3,176)	(768,297)
Other receipts	65,073	4,240	299	69,612
Payments to General Fund for indirect services	197,088	-	-	197,088
Net cash provided by (used for) operating activities	(1,923,582)	(187,920)	(338,638)	(2,450,140)
Cash flows from noncapital financing activities:				
Repayment to the General Fund	-	(45,773)	-	(45,773)
Transfer from the General Fund	1,660,579	150,461	65,962	1,877,002
Operating grant proceeds from the Commonwealth and Federal Government	-	74,370	-	74,370
Net cash provided by (used for) noncapital financing activities	1,660,579	179,058	65,962	1,905,599
Cash flows from capital and related financing activities:				
Purchase of capital assets	(2,277,803)	(64,993)	-	(2,342,796)
Capital Transfer from the General Fund	-	23,588	-	23,588
Capital grant proceeds from the Commonwealth and Federal Government	-	61,743	-	61,743
Principal payments on debt	(303,000)	-	-	(303,000)
Interest payments on debt	(32,095)	-	-	(32,095)
Net cash provided by (used for) capital and related financing activities	(2,612,898)	20,338	-	(2,592,560)
Cash flows from investing activities:				
Interest income	4,311	-	-	4,311
Net increase in cash and cash equivalents	(2,871,590)	11,476	(272,676)	(3,132,790)
Cash and cash equivalents, beginning of year	6,067,856	-	871,338	6,939,194
Cash and cash equivalents, end of year	\$ 3,196,266	\$ 11,476	\$ 598,662	\$ 3,806,404
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ (117,258)	\$ (506,618)	\$ (373,869)	\$ (997,745)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	536,890	293,740	20,718	851,348
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	8,675	(8,040)	(4,215)	(3,580)
(Increase) Decrease in inventory	-	16,231	-	16,231
(Increase) Decrease in prepaid items	-	4,150	-	4,150
Increase (Decrease) in wages and benefits payable	(414)	434	1,058	1,078
Increase (Decrease) in accounts payable	(75,551)	15,172	17,670	(42,709)
Increase (Decrease) in prepaid rent	-	(2,745)	-	(2,745)
Increase (Decrease) in customer deposits	1,122	-	-	1,122
Increase (Decrease) in closure/post closure liabilities	(2,285,886)	-	-	(2,285,886)
Increase (Decrease) in compensated absences payable	8,840	(244)	-	8,596
Total adjustments	(2,343,214)	24,958	14,513	(2,303,743)
Net cash provided (used for) by operating activities	\$(1,923,582)	\$ (187,920)	\$ (338,638)	\$(2,450,140)

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

COUNTY OF ACCOMACK, VIRGINIA  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUNDS  
AT JUNE 30, 2013

Exhibit 10

**Assets:**

	Total
Cash and investments held by Treasurer	\$ 40,700
Cash and investments in custody of others	19,605
Total assets	<u>60,305</u>

**Liabilities:**

Amounts held for social service clients	37,656
Amounts held for others	19,605
Amounts held for war memorial ceremonies	3,044
Total liabilities	<u>\$ 60,305</u>

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

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

At June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Government activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

**B. Reporting Entity**

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

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

**Blended Component Units**

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

**Discretely Presented Component Units**

The component unit columns in the financial statements include the financial data of the County's component units. They are presented in separate columns to emphasize that they are legally separate from the County. All component units have a fiscal year end of June 30, 2014.

- 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, 2014 (Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**B. The 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, 2014 (Continued)

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

##### **B. The 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 2014, the County contributed \$481,965 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 2014, the County contributed \$134,995 to the Board for operations. Complete financial statements for the Commission may be obtained by contacting the Eastern Shore Community Services Board, P.O. Box 453, Nassawadox, Virginia 23413.

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

At June 30, 2014 (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 Supplemental 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, 2014 (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.
- **Agency Funds:** Agency funds are used to account for assets held as an agent for other individuals or organizations. The County's agency funds consist of the Special Welfare Fund, War Memorial Fund and Sheriff Canteen Fund.

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



## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

##### **D. Basis of Presentation-Fund Financial Statements-continued**

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, 2014 (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. Investments are stated at fair value.

###### **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, 2014 (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 fair market value as of the date of the donation. Capital assets are depreciated over their useful lives using the straight-line method. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Estimated lives for County and School Board Component Unit assets are as follows:

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

##### **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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position in the amount of \$442,491. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (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. 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.

##### **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, 2014 (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:

<b>Fund Balance Category</b>	<b>Definition</b>	<b>Applicability</b>
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 2014 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, 2014 (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 2014 was equal to 49% 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, 2014 (Continued)

**2. DEPOSITS AND INVESTMENTS**

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

Statutes authorize the County Treasurer, an elected official, to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP. It is managed in accordance with the "2a7 like pool" risk limiting requirements of GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" with the portfolio securities valued by the amortized cost method. Investments with a maturity date of one year or less are stated at amortized cost. The fair value of the County's position in the LGIP is the same as the value of the pool shares. All other investments are stated at fair value.

The carrying amount of cash and investments of the Primary Government and the School Board Component Unit at June 30, 2014 is as follows:

Deposits with Financial Institutions	\$ 25,919,079
Investments	6,331,384
Petty Cash	<u>7,742</u>
Total Cash and Investments of the Primary Government and School Board Component Unit	<u>\$ 32,258,205</u>

A reconciliation to the basic financial statements is as follows:

Primary Government Cash and Investments per Exhibit 1	\$ 23,343,069
School Board Component Unit Cash and Investments per Exhibit 1	11,923,740
Other Component Unit Cash and Investments per Exhibit 1	888,755
Agency Funds Cash and Investments per Exhibit 10	<u>60,305</u>
Total Cash and Investments for the Reporting Entity	36,215,869
Less: Primary Government Restricted Cash and Investments held by Bond Trustee per Exhibit 1 not in the custody of the Treasurer	(3,049,304)
Less: Other Component Unit Cash and Investments per Exhibit 1 not in the custody of the Treasurer	(888,755)
Less: Agency Funds Cash and Investments per Exhibit 10 not in the custody of the Treasurer	<u>(19,605)</u>
Total Cash and Investments in the custody of the Treasurer	<u>\$ 32,258,205</u>

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

At June 30, 2014 (Continued)

**2. DEPOSITS AND INVESTMENTS-continued****Credit Risk of Debt Securities**

Per state statute requirements, all commercial paper must be rated “prime quality” by at least two nationally recognized statistical rating organizations (A-1 by both Standard & Poor’s and Moody’s Investor Service) and corporate notes and bonds must be rated in the AAA or AA categories by both Standard & Poor’s and Moody’s Investor Service. As of June 30, 2014, the County’s investments as rated by Standard & Poor’s were as follows:

<b><u>Investment Type</u></b>	<b><u>AAA</u></b>
State Treasurer’s Local Government Investment Pool	\$ 3,282,080
Virginia State Non-Arbitrage Program	3,049,304
Total Investments	<u>\$ 6,331,384</u>

**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, 2014, 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, 2014 are presented below along with their maturity. The County had no policy on interest rate risk at June 30.

	<b><u>Fair Value</u></b>	<b><u>Maturity less than 1 year</u></b>
<b>Primary Government &amp; School Board Component Unit:</b>		
State Treasurer’s Local Government Investment Pool	\$ 3,282,080	\$ 3,282,080
Virginia State Non-Arbitrage Program	3,049,304	3,049,304
Total	<u>\$ 6,331,384</u>	<u>\$ 6,331,384</u>

**Custodial Credit Risk**

As of June 30, 2014, 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, 2014 (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, 2014 are as follows:

**PRIMARY GOVERNMENT:**

Type:	<b>Major Funds</b>			Total
	General Fund	School Debt Fund	Non-Major Funds	
Taxes receivable	\$ 4,681,154	\$ 617,464	\$ 635,904	\$ 5,934,522
Special assessments receivable	1,279	-	-	1,279
Total Primary Government	<u>\$ 4,682,433</u>	<u>\$ 617,464</u>	<u>\$ 635,904</u>	<u>\$ 5,935,801</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, 2014. The repayment schedule is as follows:

Year Ending June 30,	<b>Note Receivable</b>		
	Principal	Interest	Total
2015	\$ 11,443	\$ 936	\$ 12,379
2016	11,791	588	12,379
2017	12,150	229	12,379
2018	1,030	2	1,032
Total	<u>\$ 36,414</u>	<u>\$ 1,755</u>	<u>\$ 38,169</u>

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

At June 30, 2014 (Continued)

**5. DUE FROM OTHER GOVERNMENTAL ENTITIES**

Amounts due from other governments at June 30, 2014 consisted of the following:

**A. Primary Government:**

	Major Governmental Funds				Nonmajor	Total	Major	Total
	General	Comprehen-	Virginia	County	Governmental	Primary	Fund	Primary
	Fund	sive Youth	Public	Capital	Funds	Governmental	Enterprise	Government
		Services	Assistance	Projects		Activities	Fund	
Miscellaneous government entities:								
Eastern Shore Public Service Authority	\$ 104,700	\$ -	\$ -	\$ -	\$ -	\$ 104,700	\$ -	\$ 104,700
County of Northampton, Virginia	8,545	3,334	-	-	-	11,879	-	11,879
Total due from misc governments	113,245	3,334	-	-	-	116,579	-	116,579
Commonwealth of Virginia:								
Local sales tax	715,095	-	-	-	-	715,095	-	715,095
Recordation tax	18,582	-	-	-	-	18,582	-	18,582
Constitutional officer shared expenses	288,764	-	-	-	-	288,764	-	288,764
Jail per diem for prisoner housing	64,400	-	-	-	-	64,400	-	64,400
Mobile home tax	8,995	-	-	-	-	8,995	-	8,995
Communications tax	174,272	-	-	-	-	174,272	-	174,272
Hurricane Irene Emergency mgmt assistance	21,634	-	-	-	-	21,634	-	21,634
Fire Programs	11,369	-	-	-	-	11,369	-	11,369
Miscellaneous	5,272	-	-	-	-	5,272	-	5,272
Greenbackville Harbor Improvement	-	-	-	520,774	-	520,774	-	520,774
Haz Mitigation Grant Fund	-	-	-	-	53,197	53,197	-	53,197
Public assistance funds	-	-	76,811	-	-	76,811	-	76,811
Airport maintenance funds	-	-	-	-	-	-	1,520	1,520
Comprehensive services act reimbursements	-	268,392	-	-	-	268,392	-	268,392
Total due from the Commonwealth	1,308,384	268,392	76,811	520,774	53,197	2,227,558	1,520	2,229,078
Federal Government:								
Refuge revenue sharing	88,645	-	-	-	-	88,645	-	88,645
Joint Land Use Study (JLUS) grant reimbursement	63,580	-	-	-	-	63,580	-	63,580
Summer foods grant	32,749	-	-	-	-	32,749	-	32,749
Hurricane Sandy FEMA reimbursements	44,339	-	-	-	-	44,339	-	44,339
Hazardous materials equipment grant	28,834	-	-	-	-	28,834	-	28,834
Citizen Corp Grant	4,325	-	-	-	-	4,325	-	4,325
Selective enforcement grant	6,432	-	-	-	-	6,432	-	6,432
Hurricane Irene Emergency mgmt assistance	85,399	-	-	-	-	85,399	-	85,399
Haz Mitigation Grant Fund	-	-	-	-	199,489	199,489	-	199,489
Airport maintenance funds	-	-	-	-	-	-	13,215	13,215
Public assistance funds	-	-	154,293	-	-	154,293	-	154,293
Total due from the Federal Government	354,303	-	154,293	-	199,489	708,085	13,215	721,300
Total due from other governmental entities	\$ 1,775,932	\$ 271,726	\$ 231,104	\$ 520,774	\$ 252,686	\$ 3,052,222	\$ 14,735	\$ 3,066,957

**School Board Component Unit:**

Commonwealth of Virginia:	
State sales tax contribution	\$ 385,259
SOL web base	26,000
Miscellaneous	11,036
Total due from Commonwealth	422,295
Federal Government:	
Title I	710,591
Title II	96,796
Title III	4,402
Title VI	14,929
Title VI-B Special Education	133,202
Title X	581
Other	51,523
Food services	390,994
Total due from Federal Government	1,403,018
Total due from other governmental entities	\$ 1,825,314

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

At June 30, 2014 (Continued)

**6. INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2014 are as follows:

	Interfund	
	Receivables	Payables
<b>PRIMARY GOVERNMENT:</b>		
<b>Governmental Funds:</b>		
General Fund	\$ 298,556	\$ -
Comprehensive Youth Services Fund	-	101,380
Virginia Public Assistance Fund	-	197,176
Total Governmental Funds	298,556	298,556
Non-major proprietary funds		-
Total Primary Government	\$ 298,556	\$ 298,556

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.

**7. CAPITAL ASSETS**

**A. Primary Government:**

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,489,299	\$ 564,938	\$ -	\$ 2,054,237
Construction in progress	535,126	1,162,272	(401,872)	1,295,526
Total capital assets not being depreciated	2,024,425	1,727,210	(401,872)	3,349,763
Other capital assets:				
Buildings	10,019,286	682,749	-	10,702,035
School buildings	31,167,318	-	(2,617,576)	28,549,742
Improvements other than buildings	6,747,973	1,597,426	-	8,345,399
Machinery and equipment	5,814,831	774,016	(250,967)	6,337,880
Intangibles	1,138,096	-	(9,990)	1,128,106
Total other capital assets	54,887,504	3,054,191	(2,878,533)	55,063,162
Less accumulated depreciation:				
Buildings	(3,569,557)	(277,342)	-	(3,846,899)
School buildings	(5,226,815)	(587,403)	810,064	(5,004,154)
Improvements other than buildings	(2,532,814)	(461,953)	-	(2,994,767)
Machinery and equipment	(3,901,433)	(477,636)	250,967	(4,128,102)
Intangibles	(1,015,219)	(58,994)	9,990	(1,064,223)
Total accumulated depreciation	(16,245,838)	(1,863,328)	1,071,021	(17,038,145)
Total governmental activities, net	40,666,091	2,918,073	(2,209,384)	41,374,780
Business-type activities:				
Capital assets not being depreciated:				
Land	396,167	-	-	396,167
Construction in progress	1,475,165	135,680	(1,242,809)	368,036
Total capital assets not being depreciated	1,871,332	135,680	(1,242,809)	764,203
Other capital assets:				
Buildings	2,094,218	68,042	-	2,162,260
Improvements other than buildings	11,013,680	3,034,838	-	14,048,518
Motor vehicles and equipment	4,558,417	127,361	-	4,685,778
Intangibles	29,710	-	-	29,710
Total other capital assets	17,696,025	3,230,241	-	20,926,266
Less accumulated depreciation:				
Buildings	(1,082,709)	(79,943)	-	(1,162,652)
Improvements other than buildings	(7,586,237)	(535,273)	-	(8,121,510)
Motor vehicles and equipment	(3,662,844)	(236,131)	-	(3,898,975)
Intangibles	(29,710)	-	-	(29,710)
Total accumulated depreciation	(12,361,500)	(851,347)	-	(13,212,847)
Total business-type activities, net	7,205,857	2,514,574	(1,242,809)	8,477,622
Total primary government, net	\$ 47,871,948	\$ 5,432,647	\$ (3,452,193)	\$ 49,852,402

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

At June 30, 2014 (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	\$ 106,869	\$ -	\$ 106,869
Judicial administration	95,552	-	95,552
Public safety	305,644	-	305,644
Public works	372,779	-	372,779
Health and welfare	145,373	-	145,373
Education	596,588	-	596,588
Parks, recreation and cultural	204,183	-	204,183
Community development	36,340	-	36,340
Landfill	-	536,890	536,890
Airport	-	293,740	293,740
Water and sewer	-	18,007	18,007
Parks and recreation revolving	-	2,710	2,710
Total	<u>\$ 1,863,328</u>	<u>\$ 851,347</u>	<u>\$ 2,714,675</u>

**B. School Board Component Unit:**

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
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	54,962,974	2,676,170	-	57,639,144
Improvements other than buildings	3,403,549	237,127	-	3,640,676
Motor vehicles and equipment	10,800,553	460,581	-	11,261,134
Total other capital assets	<u>69,167,076</u>	<u>3,373,878</u>	<u>-</u>	<u>72,540,954</u>
Less accumulated depreciation:				
Buildings	(25,534,684)	(2,276,940)	-	(27,811,624)
Improvements other than buildings	(2,251,851)	(119,787)	-	(2,371,638)
Motor vehicles and equipment	(8,230,348)	(571,611)	-	(8,801,959)
Total accumulated depreciation	<u>(36,016,883)</u>	<u>(2,968,338)</u>	<u>-</u>	<u>(38,985,221)</u>
Total school board component unit, net	<u>\$ 34,125,055</u>	<u>\$ 405,540</u>	<u>\$ -</u>	<u>\$ 34,530,595</u>

Total depreciation expense charged to the School Board component unit was \$2,157,093.

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, 2014, is that debt and related assets in the amount of \$28,549,742 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, 2014 (Continued)

**7. CAPITAL ASSETS - continued**

**C. Economic Development Authority Component Unit:**

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 317,726	\$ -	\$ -	\$ 317,726
Other capital assets:				
Improvements other than buildings	1,406,601	-	-	1,406,601
Total other capital assets	1,406,601	-	-	1,406,601
Less accumulated depreciation:				
Improvements other than buildings	(1,406,601)	-	-	(1,406,601)
Total accumulated depreciation	(1,406,601)	-	-	(1,406,601)
Total economic development authority component unit	\$ 317,726	\$ -	\$ -	\$ 317,726

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

**8. UNEARNED REVENUE**

The \$428,373 reported as unearned revenue for the School Board Component Unit as of June 30, 2014, represents advance grant funding received.

**9. COMPENSATED ABSENCES**

Accrued compensated absences are as follows at June 30, 2014:

	Primary Government		School Board Component Unit
	Governmental Activities	Business-type Activities	
Compensated Leave			
Annual	\$ 998,508	\$ 48,138	\$ 657,719
Sick	340,772	29,234	1,241,745
Compensatory	509,676	4,224	-
Total	\$ 1,848,957	\$ 81,595	\$ 1,899,465

**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 costs for the lease for the year ended June 30, 2014 were \$18,000. Future rent increases are contingent upon changes in the Consumer Price Index, measured every 5 years, and future property appraisals, scheduled every 20 years. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2015	\$ 18,000
2016	18,000
2017	18,000
2018	18,000
2019	18,000
2020-2024	90,000
2025-2029	90,000
2030-2034	90,000
2035-2039	90,000
2040-2100	1,084,500
Total	\$ 1,534,500

# COUNTY OF ACCOMACK, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

### 11. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Amount due within 1 year
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Compensated absences	\$ 1,753,995	\$ 1,321,641	\$ 1,226,679	\$ 1,848,957	\$ 1,645,571
Net OPEB obligation	2,365,000	651,000	1,418,000	1,598,000	-
Literary fund loans	2,913,438	-	2,913,438	-	-
Virginia Public School Authority bonds	27,787,250	-	2,069,000	25,718,250	2,152,181
Lease revenue bonds	5,172,000	10,629,900	4,954,200	10,847,700	1,100,600
Qualified zone academy bonds	466,625	-	88,070	378,555	91,041
Deferred premiums and discounts, net	827,489	275,073	83,260	1,019,302	-
Total governmental activities long-term obligations	<u>41,285,797</u>	<u>12,877,614</u>	<u>12,752,647</u>	<u>41,410,764</u>	<u>4,989,393</u>
<b>Business-type Activities:</b>					
Compensated absences	73,000	73,565	64,970	81,595	72,620
Landfill closure/postclosure	7,790,113	389,220	2,675,106	5,504,227	-
General obligation bonds	1,905,000	-	303,000	1,602,000	309,000
Total business-type entities long-term obligations	<u>9,768,113</u>	<u>462,785</u>	<u>3,043,076</u>	<u>7,187,822</u>	<u>381,620</u>
Total primary government long-term obligations	<u>\$ 51,053,910</u>	<u>\$ 13,340,399</u>	<u>\$ 15,795,723</u>	<u>\$ 48,598,586</u>	<u>\$ 5,371,013</u>
<b>School Board Component Unit:</b>					
Compensated absences	\$ 1,792,231	1,702,319	\$ 1,595,086	\$ 1,899,464	\$ 1,690,524
Net OPEB obligation	643,000	239,000	144,000	738,000	-
Total School Board long-term obligations	<u>\$ 2,435,231</u>	<u>\$ 1,941,319</u>	<u>\$ 1,739,086</u>	<u>\$ 2,637,464</u>	<u>\$ 1,690,524</u>

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	
2015	\$ 2,152,181	\$ 1,228,749	\$ 91,041	\$ 14,778	\$ 1,100,600	\$ 355,958	\$ 309,000	\$ 26,634	\$ 5,278,941
2016	2,237,433	1,115,769	94,124	11,695	1,170,200	323,258	314,000	20,903	5,287,382
2017	2,328,817	997,540	97,320	8,499	1,234,900	287,673	320,000	15,070	5,289,819
2018	2,426,394	874,954	17,194	5,188	785,500	256,377	326,000	9,127	4,700,734
2019	1,329,454	779,112	18,122	4,260	772,900	236,020	333,000	3,064	3,475,932
2020-2024	7,559,828	2,812,050	60,754	5,531	2,349,500	904,929	-	-	13,692,592
2025-2029	7,429,143	903,073	-	-	2,269,100	472,937	-	-	11,074,253
2030-2034	255,000	11,767	-	-	1,165,000	100,956	-	-	1,532,723
Total	<u>\$ 25,718,250</u>	<u>\$ 8,723,014</u>	<u>\$ 378,555</u>	<u>\$ 49,951</u>	<u>\$ 10,847,700</u>	<u>\$ 2,938,108</u>	<u>\$ 1,602,000</u>	<u>\$ 74,798</u>	<u>\$ 50,332,376</u>

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

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

At June 30, 2014 (Continued)

**11. LONG-TERM OBLIGATIONS - continued**

**B. Details of long-term indebtedness as of June 30, 2014:**

Financing Type	Purpose	Amount Issued	Interest Rates	Date Issued	Final Maturity Date	Amount Outstanding
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
Virginia Public School Authority bond	School construction	\$ 8,422,232	5.15% <sup>1</sup>	11/20/1997	7/15/2017	\$ 1,917,276
Virginia Public School Authority bond	School construction	8,305,000	5.17% <sup>1</sup>	11/20/1997	7/15/2017	2,425,000
Virginia Public School Authority bond	School construction	6,270,000	4.47% <sup>1</sup>	5/15/2003	7/15/2028	4,635,000
Virginia Public School Authority bond	School construction	12,170,000	4.69% <sup>1</sup>	11/6/2003	7/15/2028	9,025,000
Virginia Public School Authority bond	School construction	1,935,000	4.46% <sup>1</sup>	11/10/2005	7/15/2030	1,560,000
Virginia Public School Authority bond	School construction	9,370,000	4.28% <sup>1</sup>	11/10/2005	7/15/2025	6,155,974
Qualified zone academy bond	School construction	1,433,003	3.00% <sup>2</sup>	12/31/2002	12/31/2016	236,005
Qualified zone academy bond	School construction	439,100	5.40% <sup>2</sup>	12/30/2004	12/30/2020	142,550
Lease revenue refunding bond	School construction	2,833,000	1.66% <sup>1</sup>	12/19/2013	3/1/2020	2,473,000
Lease revenue bond	Research park construction	3,765,000	4.10% <sup>1</sup>	8/14/2013	10/1/2032	3,765,000
Lease revenue refunding bond	Office construction	4,031,900	2.93% <sup>1</sup>	12/19/2013	3/1/2028	3,679,700
Lease revenue bond	Waste collection centers	2,665,000	3.82% <sup>1</sup>	11/29/2006	10/1/2016	930,000
Total governmental activities:						<u>36,944,505</u>
<b>Business-type Activities:</b>						
General obligation refunding bond	Landfill improvements	2,203,000	1.84% <sup>1</sup>	12/8/2011	12/15/2018	1,602,000
Total primary government						<u>\$ 38,546,505</u>

**C. Current Refundings:**

The County issued \$4,031,900 of lease revenue refunding bonds for a current refunding of \$3,957,000 of lease revenue bonds. The refunding was undertaken to reduce future debt service payments and to reduce interest rate volatility associated with the refunded bonds which were subject to a rate reset on December 21, 2021. The refunding bonds have a fixed interest rate of 2.93%. The result of this refunding is an economic gain of \$641 and a reduction in future debt service payments of \$72,837. In addition, the County issued \$2,833,000 in lease revenue refunding bonds for a current refunding of \$2,763,441 of Literary Fund Loans. The refunding was undertaken to reduce future debt service payments. The refunding bonds have a fixed interest rate of 1.66%. The result of this refunding is an economic gain of \$80,966 and a reduction in future debt service payments of \$89,334.

**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 postclosure 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 postclosure care costs in each period based on landfill capacity used as of each balance sheet date.

The \$5,504,227 reported as landfill closure and postclosure care liability at June 30, 2014, represents the cumulative amount reported to date based on the use of 67% of the estimated capacity of the North Landfill Cell Two. The County will recognize the remaining estimated North Landfill cost of closure and postclosure care of \$1,012,440 as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. 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 fiscal year 2018. The County expects to fund landfill closure and postclosure care costs from operating revenues.

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

At June 30, 2014 (Continued)

**13. DEFERRED INFLOWS OF RESOURCES**

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

	Primary Government			Total
	General Fund	County Debt Service Fund	Nonmajor Special Revenue Funds	
Unavailable Revenue:				
Uncollected taxes	\$ 3,388,179	\$ 584,653	\$ 595,386	\$ 4,568,218
Note receivable not yet due	-	-	36,414	36,414
Special assessments not yet due	26,976	-	-	26,976
Total unavailable revenue	\$ 3,415,155	\$ 584,653	\$ 631,800	\$ 4,631,608
Deferred Revenue:				
Unbilled property taxes	\$ 8,323,969	\$ 1,436,357	\$ 1,462,724	\$ 11,223,050
Prepaid taxes	1,809,724	312,944	347,088	2,469,756
Total deferred revenue	\$ 10,133,693	\$ 1,749,301	\$ 1,809,812	\$ 13,692,806

**14. INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2014 were made up of the following:

	Transfers In	Transfers Out
<b>Primary Government:</b>		
Governmental funds:		
General fund	\$ -	\$ 3,932,811
Virginia Public Assistance Fund	649,360	-
Comprehensive Youth Services Fund	221,667	-
County capital projects fund	1,016,145	-
County debt service fund	101,000	-
Non-major governmental funds	44,049	-
Total governmental funds	2,032,221	3,932,811
Enterprise funds:		
Landfill fund	1,660,579	-
Airport fund	174,049	-
Non-major enterprise funds	65,962	-
Total enterprise funds	1,900,590	-
Total Primary Government	\$ 3,932,811	\$ 3,932,811

The purpose of the interfund transfers is as follows:

Purpose	Amount
Finance pay-as-you-go capital projects	\$ 2,810,323
Satisfy grant local match requirements	221,667
Supplement operations of the Virginia Public Assistance Fund (major fund)	649,360
Debt service	101,000
Supplement operations of non major funds	150,461
Total interfund transfers	\$ 3,932,811

The Primary Government also transferred \$16,263,661 to the School Board Component Unit, \$345,907 to the Eastern Shore Library Component Unit, \$93,972 to the Planning District Component Unit, \$19,584 to the Economic Development Authority and \$45,131 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, 2014 (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, 2014, the following expenditures exceeded appropriations:

##### Major Funds:

##### General Fund:

Medical Examiner

\$ 1,150

##### Nonmajor Funds:

Rehabilitation Projects Fund

\$ 13,630

##### Component Units:

Accomack County School Board

\$ 6,444,859

The General Fund variances were funded by unassigned fund balance. All nonmajor fund variances were funded by grant program income or unassigned fund balance. The School Board's variance was covered by unassigned fund balance and grant revenue.

#### 18. SURETY BONDS

The following elected officials and County employees were covered by surety bonds at June 30, 2014:

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

Dana T. Bundick, Treasurer <sup>(1)</sup> \$ 500,000

Todd Godwin, Sheriff <sup>(1)</sup> 30,000

Leslie A. Savage, Commissioner of the Revenue <sup>(1)</sup> 3,000

Samuel H. Cooper, Clerk of the Court <sup>(1)</sup> 350,000

##### Virginia Association of Counties Self Insurance-Risk Pool:

All County employees - Blanket bond coverage 250,000

All School employees - Blanket bond coverage 1,000,000

All Social Services employees - Blanket bond coverage 100,000

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

<sup>1</sup>Commonwealth funded surety bonds also cover employees of the elected official.

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

At June 30, 2014 (Continued)

**19. 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.

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:

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

At June 30, 2014 (Continued)

**19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued**

County-continued:

Annual required contribution	\$ 654,000
Interest on net OPEB obligation	95,000
Adjustment to annual required contribution	(98,000)
Annual OPEB cost (expense)	\$ 651,000
Contribution made	92,000
Increase in net OPEB obligation	\$ 559,000
Adjustment due to plan changes	(1,326,000)
Net OPEB obligation-beginning of year	2,365,000
Net OPEB obligation-end of year	\$ 1,598,000

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 are as follows:

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
June 30, 2012	\$ 593,000	21%	\$ 1,819,000
June 30, 2013	614,000	11%	2,365,000
June 30, 2014	651,000	14%	1,598,000

**D. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	\$ 3,770,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	3,770,000
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	10,329,000
UAAL as a percentage of covered payroll	36.5%

**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.

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

At June 30, 2014 (Continued)

**19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued**

County-continued:

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, 2012, 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 10 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012, was thirty years.

	<u>Unfunded</u>
Discount rate	4.00%
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.

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

At June 30, 2014 (Continued)

**19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued**

School Board-continued:

**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	\$ 251,000
Interest on net OPEB obligation	26,000
Adjustment to annual required contribution	(38,000)
Annual OPEB cost (expense)	\$ 239,000
Contribution made	144,000
Increase in net OPEB obligation	\$ 95,000
Net OPEB obligation-beginning of year	643,000
Net OPEB obligation-end of year	\$ 738,000

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 are as follows:

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
June 30, 2012	\$ 288,000	63.20%	\$ 524,000
June 30, 2013	230,000	48.30%	643,000
June 30, 2014	239,000	60.30%	738,000

**D. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2012 is as follows:

Actuarial accrued liability (AAL)	\$ 1,997,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	1,997,000
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	26,292,000
UAAL as a percentage of covered payroll	7.6%

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

At June 30, 2014 (Continued)

**19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued**

School Board: (Continued)

**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, 2012, 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 10 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012, was 20 years.

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

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

#### 20. OTHER POSTEMPLOYMENT BENEFITS-VRS Health Insurance Credit

##### A. Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and 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 21.

##### 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 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2014, 2013, and 2012 were \$287,645, \$264,070, and \$144,954, respectively and equaled the required contributions for each year.

#### 21. PENSION PLAN

##### A. Plan Description

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

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

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

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

#### 21. PENSION PLAN – continued

##### A. Plan Description (Continued)

###### VRS – PLAN 1

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

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

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

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

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

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



## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

#### **21. PENSION PLAN – continued**

##### **A. Plan Description (Continued)**

###### **VRS – PLAN 1 (CONTINUED)**

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

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

8. Average Final Compensation - A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

9. Service Retirement Multiplier - The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.

10. Normal Retirement Age - Age 65.

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

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

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

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

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

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

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

#### 21. PENSION PLAN – continued

##### A. Plan Description (Continued)

#### VRS – PLAN 1 (CONTINUED)

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

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

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

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

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

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

COUNTY OF ACCOMACK, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

A. Plan Description (Continued)

VRS – PLAN 2

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

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

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

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

4. Retirement Contributions – Same as VRS Plan 1–Refer to Section 4.
5. Creditable Service – Same as VRS Plan 1– Refer to Section 5.
6. Vesting – Same as VRS Plan 1–Refer to Section 6.
7. Calculating the Benefit – Same as VRS Plan 1–Refer to Section 7.
8. Average Final Compensation - A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
9. Service Retirement Multiplier - Same as Plan1 for service earned, purchased or granted prior to January 1, 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.
10. Normal Retirement Age - Normal Social Security retirement age.

COUNTY OF ACCOMACK, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

A. Plan Description (Continued)

VRS – PLAN 2 (CONTINUED)

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

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

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

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

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

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

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

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

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

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

COUNTY OF ACCOMACK, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN
------------------------

1. Plan Overview - The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See “Eligible Members”)
  - The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.
  - The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
  - In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
2. Eligible Members - Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:
  - State employees\*
  - School division employees
  - Political subdivision employees\*
  - Judges appointed or elected to an original term on or after January 1, 2014
  - Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014
3. \*Non-Eligible Members - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:
  - Members of the State Police Officers’ Retirement System (SPORS)
  - Members of the Virginia Law Officers’ Retirement System (VaLORS)
  - Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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

COUNTY OF ACCOMACK, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (CONTINUED)

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

5. Creditable Service

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

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

6. Vesting

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

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

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

COUNTY OF ACCOMACK, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (Continued)

6. Vesting (Continued)

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

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

Distribution is not required by law until age 70½.

7. Calculating the Benefit

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

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

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

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

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

10. Normal Retirement Age

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

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

11. Earliest Unreduced Retirement Eligibility

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

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

COUNTY OF ACCOMACK, VIRGINIA  
NOTES TO FINANCIAL STATEMENTS

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (Continued)

**12. Earliest Reduced Retirement Eligibility**

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

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

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

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

Defined Contribution Component – Not Applicable.

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

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

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

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

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

**17. Purchase of Prior Service**

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

Defined Contribution Component – Not Applicable.

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



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

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 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% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School Board's contribution rates for the fiscal year ended 2014 were 8.47% and 8.91% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$3,021,564, \$2,773,922, and \$1,529,268, to the teacher cost-sharing pool for the fiscal years ended June 30, 2014, 2013, and 2012, respectively and these contributions represented 11.66%, 11.66%, and 6.33% for 2014, 2013, and 2012, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2014, County's annual pension cost of \$912,597 was equal to the County's required and actual contributions.

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC) (1)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
County:			
June 30, 2014	\$ 912,597	100%	\$ -
June 30, 2013	865,776	100%	-
June 30, 2012	415,570	100%	-

(1) Employer portion only

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

At June 30, 2014 (Continued)

21. PENSION PLAN – continued

C. Annual Pension Cost (Continued)

For fiscal year 2014, School Board's annual pension cost of \$264,316 was equal to the School Board's required and actual contributions.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (1)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
School Board			
Non-Professional:			
June 30, 2014	\$ 264,316	100%	\$ -
June 30, 2013	260,650	100%	-
June 30, 2012	226,208	100%	-

(1) Employer portion only

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

D. Funding Status and Progress

As of June 30, 2013, the most recent actuarial valuation date, the County's plan was 87.74% funded. The actuarial accrued liability for benefits was \$46,670,602, and the actuarial value of assets was \$40,950,669, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,719,933. The covered payroll (annual payroll of active employees covered by the plan) was \$10,202,212 and ratio of the UAAL to the covered payroll was 56.07%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board's plan was 86.12% funded. The actuarial accrued liability for benefits was \$10,656,840, and the actuarial value of assets was \$9,177,856, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,478,984. The covered payroll (annual payroll of active employees covered by the plan) was \$3,040,899 and ratio of the UAAL to the covered payroll was 48.64%.

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

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

### **Notes to Required Supplementary Information:**

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



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

Exhibit 11

Virginia Retirement System

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

A. Primary Government:

June 30, 2013	\$ 40,950,669	\$ 46,670,602	\$ 5,719,933	87.7%	\$ 10,202,212	56.1%
June 30, 2012	39,529,852	46,299,763	6,769,911	85.4%	\$ 9,755,198	69.4%
June 30, 2011	39,930,864	44,626,951	4,696,087	89.5%	9,722,466	48.3%

B. Discretely Presented Component Unit-School Board<sup>1</sup>:

June 30, 2013	\$ 9,177,856	\$ 10,656,840	\$ 1,478,984	86.1%	\$ 3,040,899	48.6%
June 30, 2012	8,847,409	10,744,862	1,897,453	82.3%	3,036,534	62.5%
June 30, 2011	8,797,861	10,117,629	1,319,768	87.0%	2,769,877	47.6%

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)

A. Primary Government:

July 1, 2012	\$ -	\$ 3,770,000	3,770,000	0.0%	10,329,000	36.5%
July 1, 2010	-	5,280,000	5,280,000	0.0%	9,863,000	53.5%
January 1, 2008 <sup>2</sup>	-	4,370,000	4,370,000	0.0%	10,069,000	43.4%

B. Discretely Presented Component Unit-School Board:

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%
January 1, 2008 <sup>2</sup>	-	3,043,000	3,043,000	0.0%	23,006,000	13.2%

<sup>1</sup> Nonprofessional employees only.

<sup>2</sup> Valuation at 1/1/08 was rolled forward to 7/1/08 to determine the cost for fiscal year ending 6/30/09.

<sup>3</sup> Revised.

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit 12**  
**Page 1 of 4**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 20,911,813	\$ 20,911,813	\$ 21,449,376	\$ 537,563
Other local taxes	7,197,277	7,200,416	7,081,901	(118,515)
Permits, fees and licenses	375,100	375,100	429,010	53,910
Fines and forfeitures	75,000	75,000	76,395	1,395
Revenue from the use of money and property	342,147	342,147	364,062	21,915
Charges for services	341,488	361,274	450,270	88,996
Miscellaneous	-	-	140,756	140,756
Recovered costs	76,552	295,923	336,044	40,121
Intergovernmental	6,750,426	7,816,083	7,704,662	(111,421)
Total revenues	36,069,803	37,377,756	38,032,476	654,720
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	151,627	151,627	109,292	42,335
General and financial administration:				
County administrator	517,711	557,727	479,711	78,016
Legal services	233,388	233,903	230,680	3,223
Commissioner of the revenue	291,015	291,015	285,544	5,471
County assessor	716,670	717,376	584,558	132,818
Treasurer	561,862	596,294	509,204	87,090
Central accounting	456,790	456,790	348,087	108,703
Information technology	585,946	613,704	561,076	52,628
Risk management	221,204	221,204	212,788	8,416
Total general and financial administration	3,584,586	3,688,013	3,211,648	476,365
Board of elections:				
Electoral board	48,628	65,794	61,181	4,613
Registrar	141,344	149,044	132,442	16,602
Total board of elections	189,972	214,838	193,623	21,215
Total general government administration	3,926,185	4,054,478	3,514,563	539,915
Judicial administration:				
Courts:				
Circuit court	85,252	85,252	71,444	13,808
General district court	9,971	11,471	11,101	370
Chief magistrate	16,938	16,938	11,970	4,968
Juvenile and domestic relations court	13,650	13,650	10,109	3,541
Clerk of the circuit court	411,163	466,137	461,018	5,119
Sheriff court services	463,164	380,127	375,667	4,460
Commissioner of accounts	214	214	-	214
Victim and witness assistance	59,544	59,544	57,622	1,922
Total courts	1,059,896	1,033,333	998,931	34,402
Commonwealth's attorney	395,656	416,642	402,915	13,727
Total judicial administration	1,455,552	1,449,975	1,401,846	48,129
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,152,280	2,498,358	2,498,210	148

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Exhibit 12**  
**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	271,860	309,438	268,695	40,743
Emergency medical services	210,129	210,129	203,222	6,907
Payments to 911 commission	493,243	497,803	481,965	15,838
Total fire and rescue services	975,232	1,017,370	953,882	63,488
Correction and detention:				
Jail	\$ 2,089,590	\$ 1,860,964	\$ 1,837,181	\$ 23,783
Juvenile probation	124,532	124,532	113,562	10,970
Community correction	-	89,505	89,505	-
Total correction and detention	2,214,122	2,075,001	2,040,248	34,753
Other protection:				
Building and zoning	502,004	502,004	384,232	117,772
Ordinance enforcement	61,950	61,950	53,678	8,272
Animal control	102,634	161,266	133,634	27,632
Regional animal control facility	103,388	103,388	67,387	36,001
S.P.C.A. supplement	921	1,281	1,311	(30)
Emergency management	74,131	208,364	134,095	74,269
Hurricane Sandy	-	581,674	581,674	-
Medical examiner	-	-	1,150	(1,150)
E.S. Coalition Against Domestic Violence supplement	10,000	10,000	10,000	-
Cleanup/disposal of hazardous materials	13,000	17,039	4,230	12,809
Total other protection	868,028	1,646,966	1,371,391	275,575
Total public safety	6,209,662	7,237,695	6,863,731	373,964
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Storm drainage	183,652	339,243	123,197	216,046
Sanitation and waste removal:				
General operations	185,995	185,995	191,343	(5,348)
Refuse disposal	1,000,000	898,671	788,330	110,341
Refuse collection	630,250	630,250	573,766	56,484
Maintenance garage	211,454	325,220	298,839	26,381
Litter control	262,879	362,572	311,317	51,255
Total sanitation and waste removal	2,290,578	2,402,708	2,163,595	239,113
Maintenance of buildings and grounds:				
Buildings and grounds	983,889	1,324,568	1,324,568	-
Total public works	3,458,119	4,066,519	3,611,360	455,159
Health and welfare:				
Health:				
Local health department supplement	486,246	486,246	486,246	-
Rural health dental program supplement	4,971	4,971	4,971	-
Total health	491,217	491,217	491,217	-
Mental health and mental retardation:				
Community services board supplement	134,995	134,995	134,995	-

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Exhibit 12**  
**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	134,525	135,919	135,919	-
Area agency on aging supplement	18,430	18,430	18,430	-
Total welfare	152,955	154,349	154,349	-
Total health and welfare	779,167	780,561	780,561	-
Education:				
Contribution to School Board component unit	16,263,661	16,263,661	16,263,661	-
Community College supplement	41,028	41,028	41,028	-
Total education	16,304,689	16,304,689	16,304,689	-
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 285,685	\$ 288,685	\$ 283,684	\$ 5,001
Summer food program	-	132,665	131,457	1,208
Boating facilities	45,065	45,065	58,389	(13,324)
Total parks and recreation	330,750	466,415	473,530	(7,115)
Cultural enrichment:				
Translator television	74,457	74,457	50,150	24,307
Contribution to Public Library component unit	345,907	345,907	345,907	-
Total cultural enrichment	420,364	420,364	396,057	24,307
Total parks, recreation and cultural	751,114	886,779	869,587	17,192
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	65,036	65,036	65,036	-
Housing/Redevelopment Corp. supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	15,500	19,584	(4,084)
Planning	503,855	625,434	505,482	119,952
Tourism Commission supplement	86,853	89,992	89,992	-
Chamber of Commerce supplement	40,000	132,090	96,215	35,875
Star Transit public transportation supplement	124,867	124,867	124,867	-
Transportation District Commission supplement	19,307	19,307	18,665	642
Town of Chincoteague	-	1,680	960	720
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	861,240	1,087,728	934,623	153,105
Environmental management:				
Johnsongrass/gypsy moth control program	11,814	11,814	11,702	112
Soil and Water Conservation District supplement	21,154	21,154	21,154	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	10,183	10,183	10,183	-
Total environmental management	62,872	62,872	62,760	112
Cooperative extension program	91,114	93,614	90,576	3,038
Total community development	1,015,226	1,244,214	1,087,959	156,255
Nondepartmental:				
Contingency	356,419	832	-	832



COUNTY OF ACCOMACK, VIRGINIA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014 (continued)

Exhibit 12  
Page 4 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Debt service	774,765	813,339	810,141	3,198
Total expenditures	35,030,898	36,839,081	35,244,437	1,594,644
Revenues over (under) expenditures	1,038,905	538,675	2,788,039	2,249,364
Other Financing Sources (Uses):				
Refunding bonds issued	-	4,031,900	4,031,900	-
Payment to refunded bond escrow agent	-	(3,993,325)	(3,993,325)	-
Transfers out	(2,241,132)	(5,510,445)	(3,932,811)	1,577,634
Total other financing sources (uses)	(2,241,132)	(5,471,870)	(3,894,236)	1,577,634
Net changes in fund balance	(1,202,227)	(4,933,195)	(1,106,197)	3,826,998
Fund balance, beginning of year	13,929,877	13,929,877	13,929,877	-
Fund balance, end of year	\$ 12,727,650	\$ 8,996,682	\$ 12,823,680	\$ 3,826,998

**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, 2014**

**Exhibit 13**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 672	\$ 672
Intergovernmental	3,114,675	3,298,024	3,118,565	(179,459)
Total revenues	3,114,675	3,298,024	3,119,237	(178,787)
Expenditures:				
Health and welfare:				
Welfare administration	3,104,860	3,102,701	3,129,525	(26,824)
Public assistance	512,625	714,253	516,250	198,003
Local only administration	87,660	69,156	56,283	12,873
CDC quality initiative program	10,558	10,558	9,594	964
Guardian fees administration	-	1,884	1,884	-
Service pass-through	123,083	123,083	55,061	68,022
Total expenditures	3,838,786	4,021,635	3,768,597	253,038
Revenues over (under) expenditures	(724,111)	(723,611)	(649,360)	74,251
Other financing sources (uses):				
Transfers in	724,111	724,111	649,360	(74,751)
Total other financing sources (uses)	724,111	724,111	649,360	(74,751)
Net changes in fund balance	-	500	-	(500)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 500	\$ -	\$ (500)

**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, 2014**

**Exhibit 14**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 100,274	\$ 100,274	\$ 134,018	\$ 33,744
Intergovernmental	914,665	914,665	780,190	(134,475)
Total revenues	<u>1,014,939</u>	<u>1,014,939</u>	<u>914,208</u>	<u>(100,731)</u>
Expenditures:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families program	1,386,450	1,386,450	1,135,875	250,575
Total expenditures	<u>1,386,450</u>	<u>1,386,450</u>	<u>1,135,875</u>	<u>250,575</u>
Revenues over (under) expenditures	<u>(371,511)</u>	<u>(371,511)</u>	<u>(221,667)</u>	<u>149,844</u>
Other financing sources (uses):				
Transfers in	371,511	371,511	221,667	(149,844)
Total other financing sources (uses)	<u>371,511</u>	<u>371,511</u>	<u>221,667</u>	<u>(149,844)</u>
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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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.
- **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, 2014**

	Special Revenue			
	Law Library Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund
<b>Assets:</b>				
Cash and investments	\$ 32,837	\$ 41,436	\$ 46,826	\$ 65,956
Receivables (net):				
Taxes, including penalties	-	-	-	-
Accounts / other	46	-	53	-
Notes receivable	-	-	-	-
Due from other governmental entities:				
Commonwealth of Virginia	-	-	-	11,369
Total assets	<u>32,883</u>	<u>41,436</u>	<u>46,879</u>	<u>77,325</u>
<b>Liabilities:</b>				
Accounts payable	585	-	1,773	21,595
Wages payable	-	-	4,340	-
Total liabilities	<u>585</u>	<u>-</u>	<u>6,113</u>	<u>21,595</u>
<b>Deferred Inflows of Resources:</b>				
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>
<b>Fund Balances:</b>				
Restricted for:				
Fire and Rescue	-	-	-	55,730
Mosquito Control	-	-	-	-
Judicial Administration	-	19,202	-	-
Courthouse Security	-	-	40,766	-
Law Library	32,298	-	-	-
Law Enforcement	-	22,234	-	-
Community Development	-	-	-	-
Assigned to:				
Fire and Rescue	-	-	-	-
Total fund balances	<u>32,298</u>	<u>41,436</u>	<u>40,766</u>	<u>55,730</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,883</u>	<u>\$ 41,436</u>	<u>\$ 46,879</u>	<u>\$ 77,325</u>



Exhibit 15

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
\$ 182,081	\$ 29,758	\$ 683,246	\$ 924,672	\$ 2,006,812
-	33,553	1,371,381	741,689	2,146,623
-	-	-	-	99
36,414	-	-	-	36,414
-	-	-	-	11,369
218,495	63,311	2,054,627	1,666,361	4,201,317
11,527	14,352	49,451	323,477	422,760
-	-	7,137	-	11,477
11,527	14,352	56,588	323,477	434,237
-	26,665	1,160,550	622,597	1,809,812
36,414	-	-	-	36,414
-	9,133	380,839	205,414	595,386
36,414	35,798	1,541,389	828,011	2,441,612
-	-	456,650	-	512,380
-	13,161	-	-	13,161
-	-	-	-	19,202
-	-	-	-	40,766
-	-	-	-	32,298
-	-	-	-	22,234
170,554	-	-	-	170,554
-	-	-	514,873	514,873
170,554	13,161	456,650	514,873	1,325,468
\$ 218,495	\$ 63,311	\$ 2,054,627	\$ 1,666,361	\$ 4,201,317

**COUNTY OF ACCOMACK, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue					Captains Cove Greenbackville Mosquito Control Fund
	Law Library Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund	
Revenues:						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,855
Other local taxes	7,041	-	84,850	-	-	-
Revenue from the use of money and property	-	5	-	296	18	-
Miscellaneous	-	-	-	48,792	12,379	-
Recovered costs	-	-	-	-	11,393	-
Intergovernmental	-	21,246	-	500,732	-	-
Total revenues	7,041	21,251	84,850	549,820	23,790	50,855
Expenditures:						
Judicial administration	2,667	1,923	105,333	-	-	-
Public safety	-	-	-	641,618	-	-
Health and welfare	-	-	-	-	-	45,131
Community development	-	-	-	-	13,630	-
Total expenditures	2,667	1,923	105,333	641,618	13,630	45,131
Revenues over (under) expenditures	4,374	19,328	(20,483)	(91,798)	10,160	5,724
Other financing sources (uses):						
Transfers in	-	-	-	44,049	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	44,049	-	-
Net change in fund balances	4,374	19,328	(20,483)	(47,749)	10,160	5,724
Fund balance, beginning of year	27,924	22,108	61,249	103,479	160,394	7,437
Fund balance, end of year	\$ 32,298	\$ 41,436	\$ 40,766	\$ 55,730	\$ 170,554	\$ 13,161

**Exhibit 16**

Special  
Revenue

Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 2,311,389	\$ 1,513,313	\$ 3,875,557
-	-	91,891
-	-	319
12,500	-	73,671
-	-	11,393
71,777	45,302	639,057
2,395,666	1,558,615	4,691,888
-	-	109,923
2,585,161	1,398,571	4,625,350
-	-	45,131
-	-	13,630
2,585,161	1,398,571	4,794,034
(189,495)	160,044	(102,146)
-	-	44,049
-	-	-
-	-	44,049
(189,495)	160,044	(58,097)
646,145	354,829	1,383,565
\$ 456,650	\$ 514,873	\$ 1,325,468

**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, 2014**

	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	7,041	41
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	7,000	7,000	7,041	41
Expenditures:				
Judicial administration	7,000	34,925	2,667	32,258
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	7,000	34,925	2,667	32,258
Revenues over (under) expenditures	-	(27,925)	4,374	32,299
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	(27,925)	4,374	32,299
Fund balance, beginning of year	27,924	27,924	27,924	-
Fund balance, end of year	\$ 27,924	\$ (1)	\$ 32,298	\$ 32,299

Drug Seizures Fund				Courthouse Security Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	75,000	75,000	84,850	9,850
-	-	5	5	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,000	2,000	21,246	19,246	-	-	-	-
2,000	2,000	21,251	19,251	75,000	75,000	84,850	9,850
-	8,104	1,923	6,181	75,000	136,249	105,333	30,916
2,000	16,004	-	16,004	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,000	24,108	1,923	22,185	75,000	136,249	105,333	30,916
-	(22,108)	19,328	41,436	-	(61,249)	(20,483)	40,766
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(22,108)	19,328	41,436	-	(61,249)	(20,483)	40,766
22,108	22,108	22,108	-	61,249	61,249	61,249	-
\$ 22,108	\$ -	\$ 41,436	\$ 41,436	\$ 61,249	\$ -	\$ 40,766	\$ 40,766

**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, 2014 (continued)**

	Fire Programs Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	296	296
Miscellaneous	6,700	22,700	48,792	26,092
Recovered costs	-	-	-	-
Intergovernmental	35,090	492,824	500,732	7,908
Total revenues	41,790	515,524	549,820	34,296
Expenditures:				
Judicial administration	-	-	-	-
Public safety	41,790	639,586	641,618	(2,032)
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	41,790	639,586	641,618	(2,032)
Revenues over (under) expenditures	-	(124,062)	(91,798)	32,264
Other financing sources (uses):				
Transfers in	-	34,640	44,049	9,409
Transfers out	-	-	-	-
Total other financing sources (uses)	-	34,640	44,049	9,409
Net changes in fund balance	-	(89,422)	(47,749)	41,673
Fund balance, beginning of year	103,479	103,479	103,479	-
Fund balance, end of year	\$ 103,479	\$ 14,057	\$ 55,730	\$ 41,673

Rehabilitation Projects Fund				Captains Cove Greenbackville Mosquito Control Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 50,930	\$ 50,930	\$ 50,855	\$ (75)
-	-	-	-	-	-	-	-
-	-	18	18	-	-	-	-
-	-	12,379	12,379	-	-	-	-
-	-	11,393	11,393	-	-	-	-
-	-	-	-	-	-	-	-
-	-	23,790	23,790	50,930	50,930	50,855	(75)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	50,930	58,367	45,131	13,236
-	-	13,630	(13,630)	-	-	-	-
-	-	13,630	(13,630)	50,930	58,367	45,131	13,236
-	-	10,160	10,160	-	(7,437)	5,724	13,161
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	10,160	10,160	-	(7,437)	5,724	13,161
160,394	160,394	160,394	-	7,437	7,437	7,437	-
\$ 160,394	\$ 160,394	\$ 170,554	\$ 10,160	\$ 7,437	\$ -	\$ 13,161	\$ 13,161

**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, 2014 (continued)**

	Consolidated EMS Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ 1,958,473	\$ 1,958,473	\$ 2,311,389	\$ 352,916
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	12,500	12,500	-
Recovered costs	-	-	-	-
Intergovernmental	64,964	64,964	71,777	6,813
Total revenues	2,023,437	2,035,937	2,395,666	359,729
Expenditures:				
Judicial administration	-	-	-	-
Public safety	2,250,440	2,608,940	2,585,161	23,779
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	2,250,440	2,608,940	2,585,161	23,779
Revenues over (under) expenditures	(227,003)	(573,003)	(189,495)	383,508
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	(227,003)	(573,003)	(189,495)	383,508
Fund balance, beginning of year	646,145	646,145	646,145	-
Fund balance, end of year	\$ 419,142	\$ 73,142	\$ 456,650	\$ 383,508



Consolidated Fire & Rescue Fund				Total Nonmajor Governmental Funds			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 1,492,725	\$ 1,492,725	\$ 1,513,313	\$ 20,588	\$ 3,502,128	\$ 3,502,128	\$ 3,875,557	\$ 373,429
-	-	-	-	82,000	82,000	91,891	9,891
-	-	-	-	-	-	319	319
-	-	-	-	6,700	35,200	73,671	38,471
-	-	-	-	-	-	11,393	11,393
41,188	41,188	45,302	4,114	143,242	600,976	639,057	38,081
1,533,913	1,533,913	1,558,615	24,702	3,734,070	4,220,304	4,691,888	471,584
-	-	-	-	82,000	179,278	109,923	69,355
1,533,913	1,886,355	1,398,571	487,784	3,828,143	5,150,885	4,625,350	525,535
-	-	-	-	50,930	58,367	45,131	13,236
-	-	-	-	-	-	13,630	(13,630)
1,533,913	1,886,355	1,398,571	487,784	3,961,073	5,388,530	4,794,034	594,496
-	(352,442)	160,044	512,486	(227,003)	(1,168,226)	(102,146)	1,066,080
-	-	-	-	-	34,640	44,049	9,409
-	-	-	-	-	-	-	-
-	-	-	-	-	34,640	44,049	9,409
-	(352,442)	160,044	512,486	(227,003)	(1,133,586)	(58,097)	1,075,489
354,829	354,829	354,829	-	1,383,565	1,383,565	1,383,565	-
\$ 354,829	\$ 2,387	\$ 514,873	\$ 512,486	\$ 1,156,562	\$ 249,979	\$ 1,325,468	\$ 1,075,489

**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, 2014**

**Exhibit 18**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 3,737,143	\$ 3,737,143	\$ 3,878,190	\$ 141,047
Miscellaneous	-	-	624,274	624,274
Intergovernmental	82,376	82,376	90,605	8,229
Total revenues	3,819,519	3,819,519	4,593,069	773,550
Expenditures:				
Debt Service:				
Principal	2,617,577	2,617,577	2,667,067	(49,490)
Interest and fiscal charges	1,586,464	1,610,262	1,536,505	73,757
Total expenditures	4,204,041	4,227,839	4,203,572	24,267
Revenues over (under) expenditures	(384,522)	(408,320)	389,497	797,817
Other financing sources (uses):				
Transfers in	101,000	101,000	101,000	-
Refunding bonds issued	-	2,833,000	2,833,000	-
Payment to refunded bond escrow agent	-	(2,809,202)	(2,809,202)	-
Total other financing sources (uses)	101,000	124,798	124,798	-
Net changes in fund balance	(283,522)	(283,522)	514,295	797,817
Fund balance, beginning of year	1,101,726	1,101,726	1,101,726	-
Fund balance, end of year	\$ 818,204	\$ 818,204	\$ 1,616,021	\$ 797,817

**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, 2014**

**Exhibit 19**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 4,517	\$ 4,517
Recovered costs	-	150,752	135,515	(15,237)
Intergovernmental	-	5,032,528	1,158,039	(3,874,489)
Total revenues	-	5,183,280	1,298,071	(3,885,209)
Expenditures:				
General government administration	-	260,210	110,204	150,006
Public safety	287,000	402,000	182,983	219,017
Public works	517,499	2,867,595	282,492	2,585,103
Parks and recreation	-	706,850	616,534	90,316
Community development	-	8,906,128	1,770,700	7,135,428
Total expenditures	804,499	13,142,783	2,962,913	10,179,870
Revenues over (under) expenditures	(804,499)	(7,959,503)	(1,664,842)	6,294,661
Other financing sources (uses):				
Lease revenue bonds issued	-	3,971,421	3,765,000	(206,421)
Premium on bonds issuance	-	-	275,073	275,073
Transfers in	804,499	3,970,272	1,016,145	(2,954,127)
Total other financing sources (uses)	804,499	7,941,693	5,056,218	(2,885,475)
Net changes in fund balance	-	(17,810)	3,391,376	3,409,186
Fund balance, beginning of year	-	17,810	17,810	-
Fund balance, end of year	\$ -	\$ -	\$ 3,409,186	\$ 3,409,186



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# 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, 2014

Exhibit 20

	Business-type Activities - Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
<b><u>Assets:</u></b>			
Current assets:			
Cash and investments	\$ 583,508	\$ 15,154	\$ 598,662
Accounts receivable (net of allowance for uncollectibles)	32,149	-	32,149
Total current assets	615,657	15,154	630,811
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	5,094	-	5,094
Improvements other than buildings	38,643	-	38,643
Machinery and equipment	6,154	15,813	21,967
Total capital assets	49,891	15,813	65,704
Total assets	665,548	30,967	696,515
<b><u>Liabilities:</u></b>			
Current liabilities:			
Accounts payable	56,906	6,121	63,027
Wages and benefits payable	-	1,876	1,876
Total current liabilities	56,906	7,997	64,903
<b><u>Net Position:</u></b>			
Net investment in capital assets	49,891	15,813	65,704
Unrestricted	558,751	7,157	565,908
Total net position	\$ 608,642	\$ 22,970	\$ 631,612

**COUNTY OF ACCOMACK, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit 21**

	Business-type Activities - Enterprise Funds		
	Nonmajor		
	Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Operating revenues:			
Charges for services	\$ 215,641	\$ 63,196	\$ 278,837
Other operating revenue	-	298	298
Total operating revenues	215,641	63,494	279,135
Operating expenses:			
Personnel services and fringe benefits	-	4,208	4,208
Other operating expenses	578,527	49,552	628,079
Depreciation	18,007	2,710	20,717
Total operating expenses	596,534	56,470	653,004
Operating income (loss)	(380,893)	7,024	(373,869)
Transfers:			
Transfers in	65,962	-	65,962
Changes in net position	(314,931)	7,024	(307,907)
Total net position, beginning of year	923,573	15,946	939,519
Total net position, end of year	\$ 608,642	\$ 22,970	\$ 631,612

**COUNTY OF ACCOMACK, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit 22**

	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	\$ 208,304	\$ 66,318	\$ 274,622
Payments to suppliers	(556,310)	(54,073)	(610,383)
Payments to employees and benefits paid on behalf of employees	-	(3,176)	(3,176)
Other receipts	-	299	299
Net cash provided by (used for) operating activities	(348,006)	9,368	(338,638)
Cash flows from noncapital financing activities:			
Transfer from (to) the General Fund	65,962	-	65,962
Net cash provided by (used for) noncapital financing activities	65,962	-	65,962
Net increase (decrease) in cash and cash equivalents	(282,044)	9,368	(272,676)
Cash and cash equivalents, beginning of year	865,552	5,786	871,338
Cash and cash equivalents, end of year	\$ 583,508	\$ 15,154	\$ 598,662
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (380,893)	\$ 7,024	\$ (373,869)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	18,007	2,710	20,717
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	(7,337)	3,123	(4,214)
Increase (Decrease) in accrued payroll costs	-	1,058	1,058
Increase (Decrease) in accounts payable	22,217	(4,547)	17,670
Total adjustments	14,880	(366)	14,514
Net cash provided by (used for) operating activities	\$ (348,006)	\$ 9,368	\$ (338,638)



# Agency Funds

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

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

COUNTY OF ACCOMACK, VIRGINIA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 AGENCY FUNDS  
 AT JUNE 30, 2014

Exhibit 23

	Agency Funds			
	Special Welfare Fund	War Memorial Fund	Sheriff Canteen Fund	Totals
<b><u>Assets:</u></b>				
Cash & investments held by Treasurer	\$ 37,656	\$ 3,044	\$ -	\$ 40,700
Cash & investments in custody of others	-	-	19,605	19,605
Total assets	<u>37,656</u>	<u>3,044</u>	<u>19,605</u>	<u>60,305</u>
<b><u>Liabilities:</u></b>				
Amounts held for social service clients	37,656	-	-	37,656
Amounts held for others	-	-	19,605	19,605
Amounts held for war memorial ceremonies	-	3,044	-	3,044
Total liabilities	<u>\$ 37,656</u>	<u>\$ 3,044</u>	<u>\$ 19,605</u>	<u>\$ 60,305</u>

COUNTY OF ACCOMACK, VIRGINIA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

Exhibit 24

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>Special Welfare Fund:</b>				
<u><b>Assets:</b></u>				
Cash and investments	\$ 39,462	\$ 66,572	\$ 68,378	\$ 37,656
<u><b>Liabilities:</b></u>				
Amount held for social service clients	39,462	\$ 66,572	\$ 68,378	37,656
<b>War Memorial Fund:</b>				
<u><b>Assets:</b></u>				
Cash and investments	3,035	9	-	3,044
<u><b>Liabilities:</b></u>				
Amount held for War Memorial ceremonies	3,035	9	-	3,044
<b>Sheriff Canteen Fund:</b>				
<u><b>Assets:</b></u>				
Cash and investments	12,726	206,460	199,581	19,605
<u><b>Liabilities:</b></u>				
Amount held for others	12,726	206,460	199,581	19,605
<b>Totals-All Agency Funds:</b>				
<u><b>Assets:</b></u>				
Cash and investments	55,223	273,041	267,959	60,305
<u><b>Liabilities:</b></u>				
Amount held for social service clients	39,462	66,572	68,378	37,656
Amount held for others	12,726	206,460	199,581	19,605
Amount held for War Memorial ceremonies	3,035	9	-	3,044
Total Liabilities	\$ 55,223	\$ 273,041	\$ 267,959	\$ 60,305



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## **Discretely Presented Component Unit School Board**

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD**  
**STATEMENT OF NET POSITION**  
**AT JUNE 30, 2014**

**Exhibit 25**

	Governmental Activities
<b><u>Assets:</u></b>	
Cash and investments	\$ 11,923,740
Accounts receivable, net	38,476
Due from other governmental entities	1,825,314
Capital Assets (net of accumulated depreciation):	
Land	974,862
Buildings	29,827,520
Improvements other than buildings	1,269,038
Machinery and equipment	2,459,175
Total assets	<u>48,318,125</u>
<b><u>Liabilities:</u></b>	
Accounts payable	1,555,072
Wages and benefits payable	4,068,351
Unearned revenue	428,373
Noncurrent liabilities:	
Due within one year	1,690,524
Due in more than one year	946,940
Total liabilities	<u>8,689,260</u>
<b><u>Net Position:</u></b>	
Investment in capital assets	34,530,595
Unrestricted	5,098,270
Total net position	<u><u>\$ 39,628,865</u></u>

COUNTY OF ACCOMACK, VIRGINIA  
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE, 30 2014

Exhibit 26

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	\$ 53,663,071	\$ 925,910	\$ 33,850,533	\$ -	\$ (18,886,628)
Total governmental activities	<u>\$ 53,663,071</u>	<u>\$ 925,910</u>	<u>\$ 33,850,533</u>	<u>\$ -</u>	<u>(18,886,628)</u>

General Revenues:	
Contribution from local government	18,071,173
Investment earnings	1,668
Miscellaneous	259,032
Total general revenues	<u>18,331,873</u>
Change in net position	(554,755)
Net position, beginning of year	40,183,620
Net position, end of year	<u>\$ 39,628,865</u>

COUNTY OF ACCOMACK, VIRGINIA  
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD  
BALANCE SHEET-GOVERNMENTAL FUNDS  
AT JUNE 30, 2014

Exhibit 27

	Major Funds		Nonmajor Fund	Total Governmental Funds
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	
<b><u>Assets:</u></b>				
Cash and investments	\$ 10,191,773	\$ 149	\$ 1,731,818	\$ 11,923,740
Accounts receivable, net	38,476	-	-	38,476
Due from the Commonwealth	448,541	-	-	448,541
Due from the Federal Government	985,779	-	390,994	1,376,773
Total assets	<u>11,664,569</u>	<u>149</u>	<u>2,122,812</u>	<u>13,787,530</u>
<b><u>Liabilities:</u></b>				
Accounts payable	1,518,881	-	36,191	1,555,072
Wages and benefits payable	4,068,351	-	-	4,068,351
Unearned revenue	428,373	-	-	428,373
Total liabilities	<u>6,015,605</u>	<u>-</u>	<u>36,191</u>	<u>6,051,796</u>
<b><u>Fund Balances:</u></b>				
Restricted for:				
Education	5,648,964	-	-	5,648,964
Capital Projects	-	149	-	149
Assigned to:				
Food Services	-	-	2,086,621	2,086,621
Total fund balances	<u>5,648,964</u>	<u>149</u>	<u>2,086,621</u>	<u>7,735,734</u>
Total liabilities and fund balances	<u>\$ 11,664,569</u>	<u>\$ 149</u>	<u>\$ 2,122,812</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	53,373,107	
Improvements other than buildings, net of depreciation	1,269,038	
Machinery and equipment, net of depreciation	2,459,175	
School Board capital assets in primary government, net of depreciation	(23,545,587)	
Total capital assets		34,530,595

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	(1,899,464)	
Net OPEB obligation	(738,000)	
Net adjustment		(2,637,464)
Total net position		<u>\$ 39,628,865</u>



**COUNTY OF ACCOMACK, VIRGINIA**  
**DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit 28**

	Major Funds		Nonmajor Fund	Total
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Governmental Funds
Revenues:				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,668	\$ 1,668
Charges for services	145,218	-	546,265	691,483
Miscellaneous	259,032	-	-	259,032
Recovered costs	234,427	-	-	234,427
From the local government	16,263,661	-	-	16,263,661
From the Commonwealth	27,898,809	-	57,026	27,955,835
From the Federal Government	3,658,342	-	2,236,356	5,894,698
Total revenues	48,459,489	-	2,841,315	51,300,804
Expenditures:				
Education:				
Instruction	35,091,965	-	-	35,091,965
Administration of schools	961,940	-	-	961,940
Attendance and health services	1,598,960	-	-	1,598,960
Operation and maintenance services	5,706,251	-	-	5,706,251
Pupil transportation services	2,849,085	-	-	2,849,085
Technology Services	3,123,308	-	-	3,123,308
Food services	14,230	-	2,713,127	2,727,357
Total expenditures	49,345,739	-	2,713,127	52,058,866
Revenues over (under) expenditures	(886,250)	-	128,188	(758,062)
Net changes in fund balance	(886,250)	-	128,188	(758,062)
Fund balance, beginning of year	6,535,214	149	1,958,433	8,493,796
Fund balance, end of year	\$ 5,648,964	\$ 149	\$ 2,086,621	\$ 7,735,734

Net changes in fund balance per above \$ (758,062)

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

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

Capital asset expenditures	755,122	
Depreciation on capital assets	(2,157,093)	
Net adjustment		(1,401,971)

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.

1,807,512

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	(107,234)	
Net OPEB obligation	(95,000)	
Net adjustment		(202,234)

Change in net position of governmental activities \$ (554,755)

**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, 2014**

**Exhibit 29**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 122,776	\$ 122,776	\$ 145,218	\$ 22,442
Miscellaneous	125,000	125,000	259,032	134,032
Recovered costs	165,000	165,000	234,427	69,427
From the local government	16,263,661	16,263,661	16,263,661	-
From the Commonwealth	26,258,051	26,258,051	27,898,809	1,640,758
From the Federal Government	182,730	182,730	3,658,342	3,475,612
Total revenues	<u>43,117,218</u>	<u>43,117,218</u>	<u>48,459,489</u>	<u>5,342,271</u>
Expenditures:				
Education:				
Instruction	30,169,803	30,169,803	35,091,965	(4,922,162)
Administration of schools	1,067,241	1,067,241	961,940	105,301
Attendance and health services	1,436,102	1,436,102	1,598,960	(162,858)
Operation and maintenance services	5,198,704	5,198,704	5,706,251	(507,547)
Pupil transportation services	2,919,524	2,919,524	2,849,085	70,439
Technology services	2,109,506	2,109,506	3,123,308	(1,013,802)
Food services	-	-	14,230	(14,230)
Total expenditures	<u>42,900,880</u>	<u>42,900,880</u>	<u>49,345,739</u>	<u>(6,444,859)</u>
Revenues over (under) expenditures	<u>216,338</u>	<u>216,338</u>	<u>(886,250)</u>	<u>(1,102,588)</u>
Net changes in fund balance	216,338	216,338	(886,250)	(1,102,588)
Fund balance, beginning of year	6,535,214	6,535,214	6,535,214	-
Fund balance, end of year	<u>\$ 6,751,552</u>	<u>\$ 6,751,552</u>	<u>\$ 5,648,964</u>	<u>\$ (1,102,588)</u>

COUNTY OF ACCOMACK, VIRGINIA  
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD  
STATEMENT OF FIDUCIARY NET POSITION-AGENCY FUNDS  
AT JUNE 30, 2014

Exhibit 30

	School Activities Fund
<b><u>Assets:</u></b>	
Cash and investments in custody of others	\$ 546,352
<b><u>Liabilities:</u></b>	
Amounts held for school activities	\$ 546,352

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, 2014

Exhibit 31

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<b>School Activities Fund:</b>				
<u><b>Assets:</b></u>				
Cash and investments in custody of others	\$ 565,895	\$ 1,246,914	\$ 1,266,457	\$ 546,352
<u><b>Liabilities:</b></u>				
Amounts held for school activities	\$ 565,895	\$ 1,246,914	\$ 1,266,457	\$ 546,352

## **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, 2014**

	Component Units				
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund	Greenbackville Harbor Committee
<b><u>Assets:</u></b>					
Cash and investments	\$ 672,415	\$ 249,938	\$ 61,613	\$ 65,273	\$ 25,860
Restricted cash and cash equivalents	184,686	-	-	-	-
Accounts receivables, net	177,141	-	-	-	-
Loan receivables	315,314	-	-	-	-
Due from other governmental entities	-	-	-	14,352	-
Prepaid expenses	10,325	-	-	391	-
Capital Assets (net of accumulated depreciation):					
Land	106,807	280,000	-	-	-
Buildings	32,880	692,841	-	-	-
Improvements other than buildings	76,168	-	50,694	-	-
Machinery and equipment	9,703	5,381	-	-	2,022
Construction in progress	-	52,919	-	-	-
Total assets	1,585,439	1,281,079	112,307	80,016	27,882
<b><u>Liabilities:</u></b>					
Accounts payable	45,370	-	311	1,673	-
Wages and benefits payable	6,359	7,595	-	-	-
Unearned revenues	88,677	-	15,837	-	-
Noncurrent liabilities:					
Due in more than one year	128,625	41,658	-	-	-
Total liabilities	269,031	49,253	16,148	1,673	-
<b><u>Net Position:</u></b>					
Net investment in capital assets	225,558	1,031,141	50,694	-	2,022
Restricted	500,000	245,265	-	-	-
Unrestricted	590,850	(44,580)	45,465	78,343	25,860
Total net position	\$ 1,316,408	\$ 1,231,826	\$ 96,159	\$ 78,343	\$ 27,882

**Exhibit 32**

Component Units	
Economic Development Authority	Total Nonmajor Discretely Presented Component Units
\$ 31,654	\$ 1,106,753
-	184,686
221	177,362
-	315,314
-	14,352
-	10,716
315,445	702,252
-	725,721
-	126,862
-	17,106
-	52,919
347,320	3,434,043
85	47,439
-	13,954
-	104,514
-	170,283
85	336,190
315,445	1,624,860
-	745,265
31,790	727,728
\$ 347,235	\$ 3,097,853

**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, 2014**

	Component Units			
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund
Operating revenues:				
Operating grants and contributions	\$ 95,768	\$ 123,433	\$ -	\$ -
Use of property	51,200	1,922	-	-
Charges for services	961,021	33,794	17,898	45,132
Miscellaneous	-	67,964	-	-
Total operating revenues	<u>1,107,989</u>	<u>227,113</u>	<u>17,898</u>	<u>45,132</u>
Operating expenses:				
General and administration	151,928	-	-	-
Contractual services	-	46,872	7,884	53,719
Personnel	-	439,658	-	-
Materials and supplies	-	103,576	-	-
Other operating expenses	-	140,939	4,624	573
Project expenses	983,484	-	-	-
Depreciation	17,947	40,451	14,229	-
Total operating expenses	<u>1,153,359</u>	<u>771,496</u>	<u>26,737</u>	<u>54,292</u>
Operating income (loss)	<u>(45,370)</u>	<u>(544,383)</u>	<u>(8,839)</u>	<u>(9,160)</u>
Nonoperating revenues (expenses):				
Contributions from local government	84,757	463,474	-	-
Investment earnings	2,470	-	5	-
State grants	-	146,321	-	-
Gain (loss) on sale of assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>87,227</u>	<u>609,795</u>	<u>5</u>	<u>-</u>
Changes in net position	41,857	65,412	(8,834)	(9,160)
Total net position, beginning of year	1,274,551	1,166,414	104,993	87,503
Total net position, end of year	<u>\$ 1,316,408</u>	<u>\$ 1,231,826</u>	<u>\$ 96,159</u>	<u>\$ 78,343</u>



**Exhibit 33**

Component Units		
Greenbackville Harbor Committee	Economic Development Authority	Total Nonmajor Discretely Presented Comp- onent Units
\$ -	\$ -	\$ 219,201
-	-	53,122
20,059	-	1,077,904
-	3,668	71,632
20,059	3,668	1,421,859
-	-	151,928
8,904	2,668	120,047
-	2,451	442,109
-	304	103,880
2,357	1,065	149,558
135,515	-	1,118,999
1,004	-	73,631
147,780	6,488	2,160,152
(127,721)	(2,820)	(738,293)
-	19,584	567,815
78	233	2,786
-	-	146,321
-	1,719	1,719
78	21,536	718,641
(127,643)	18,716	(19,652)
155,525	328,519	3,117,505
\$ 27,882	\$ 347,235	\$ 3,097,853

**COUNTY OF ACCOMACK, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Exhibit 34**

	<u>Component Units</u>
	Economic Development Authority
Cash flows from operating activities:	
Receipts from customers	\$ (221)
Payments to suppliers	(4,147)
Payments to employees and benefits paid on behalf of employees	(2,450)
Other receipts	3,668
Net cash provided by (used for) operating activities	<u>(3,150)</u>
Cash flows from noncapital financing activities:	
Operating subsidy from Primary Government	19,584
Cash flows from capital and related financing activities:	
Proceeds from the sale of capital assets	4,000
Cash flows from investing activities:	
Interest income	<u>233</u>
Net increase (decrease) in cash and cash equivalents	20,667
Cash and cash equivalents at beginning of the year	10,987
Cash and cash equivalents at end of year	<u><u>31,654</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	(2,820)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(221)
Increase (decrease) in accounts payable	(109)
Total adjustments	<u>(330)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (3,150)</u></u>

## **Supporting Schedules**

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**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	\$ 12,279,789	\$ 12,279,789	\$ 12,370,785	\$ 90,996
Real and personal public service taxes	1,143,600	1,143,600	1,094,834	(48,766)
Personal property taxes	5,204,792	5,204,792	5,318,268	113,476
Machinery and tools taxes	1,713,632	1,713,632	1,982,264	268,632
Penalties - all taxes	270,000	270,000	302,594	32,594
Interest - all taxes	300,000	300,000	380,631	80,631
Total general property taxes	20,911,813	20,911,813	21,449,376	537,563
Other local taxes:				
Local sales and use taxes	3,700,887	3,700,887	3,358,791	(342,096)
Consumers' utility and consumption taxes	1,005,000	1,005,000	1,005,667	667
Public service corporation license taxes	75,000	75,000	176,473	101,473
Communications tax	1,077,356	1,077,356	1,034,212	(43,144)
Motor vehicle licenses	477,434	477,434	597,658	120,224
Bank stock taxes	30,000	30,000	34,429	4,429
Taxes on recordation and wills	250,000	250,000	272,923	22,923
Hotel and motel room taxes	498,800	501,939	519,795	17,856
Business, professional and occupational license taxes	60,000	60,000	58,870	(1,130)
Other local taxes	22,800	22,800	23,083	283
Total other local taxes	7,197,277	7,200,416	7,081,901	(118,515)
Permits, Privilege Fees and Licenses:				
Animal licenses	11,000	11,000	11,161	161
Building permits	183,000	183,000	164,704	(18,296)
Health department permits	26,000	26,000	33,650	7,650
Land use application fees	101,000	101,000	107,100	6,100
Zoning permits	25,000	25,000	50,622	25,622
Erosion & sediment control	20,000	20,000	43,006	23,006
Other licenses and permits	9,100	9,100	18,767	9,667
Total permits, privilege fees and licenses	375,100	375,100	429,010	53,910
Fines and forfeitures	75,000	75,000	76,395	1,395
Revenue from use of money and property:				
From use of money	-	-	18,135	18,135
From use of property	342,147	342,147	345,927	3,780
Total revenue from use of money and property	342,147	342,147	364,062	21,915
Charges for services:				
General government administration charges	232,433	232,433	231,246	(1,187)
Judicial administration charges	1,000	1,000	2,816	1,816
Public safety charges	43,055	62,841	80,686	17,845
Public works charges	65,000	65,000	135,522	70,522
Total charges for services	341,488	361,274	450,270	88,996
Miscellaneous revenue	-	-	140,756	140,756

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Schedule 1**  
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from local sources:				
Recovered costs:				
General government administration	\$ 21,800	\$ 60,098	\$ 105,477	\$ 45,379
Judicial administration	18,044	18,044	19,361	1,317
Public safety	33,708	33,708	22,006	(11,702)
Public works	3,000	116,766	113,475	(3,291)
Health and welfare	-	-	13,026	13,026
Community development	-	-	6,041	6,041
Nondepartmental (Insurance recoveries)	-	67,307	56,658	(10,649)
Total recovered costs	76,552	295,923	336,044	40,121
Total revenue from local sources	29,319,377	29,561,673	30,327,814	766,141
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	8,000	8,000	12,534	4,534
Rolling stock tax	2,000	2,000	1,986	(14)
Mobile home titling tax	38,000	38,000	42,281	4,281
Tax on deeds (grantor)	80,000	80,000	86,922	6,922
Personal Property Tax Relief Act	2,866,680	2,866,680	2,847,524	(19,156)
Total noncategorical aid	2,994,680	2,994,680	2,991,247	(3,433)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	338,059	347,185	323,210	(23,975)
Sheriff	2,503,216	2,503,216	2,485,140	(18,076)
Commissioner of the revenue	104,413	104,413	104,657	244
Treasurer	118,140	118,140	116,656	(1,484)
Registrar / electoral board	43,000	43,000	41,164	(1,836)
Clerk of circuit court	275,039	308,107	296,491	(11,616)
Jail	142,119	142,119	223,816	81,697
Total shared expenses	3,523,986	3,566,180	3,591,134	24,954
Other categorical aid:				
Litter control	-	19,750	20,661	911
"Four for Life" program	-	34,829	34,829	-
Juvenile crime control act	39,418	39,418	36,269	(3,149)
Victim / witness assistance grant	47,342	47,342	50,831	3,489
Community corrections grant	-	89,505	89,505	-
Emergency management assistance	-	7,500	53,401	45,901
Records preservation grant	-	21,906	21,906	-
Stormwater development grant	-	67,345	-	(67,345)
Hazardous materials response grants	5,000	5,000	8,652	3,652
Other	4,000	6,860	60,035	53,175
Total other categorical aid	95,760	339,455	376,089	36,634
Total revenue from the Commonwealth	6,614,426	6,900,315	6,958,470	58,155
Revenue from the Federal Government:				
Payments in lieu of taxes	25,000	25,000	26,968	1,968

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Schedule 1**  
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Federal Government: (continued)				
Noncategorical aid:				
Refuge revenue sharing	\$ 80,000	\$ 80,000	\$ 88,645	\$ 8,645
Indirect costs	31,000	31,000	50,920	19,920
Total noncategorical aid	111,000	111,000	139,565	28,565
Categorical aid:				
Summer food service program	-	132,665	133,155	490
Emergency management assistance	-	391,856	287,644	(104,212)
Homeland security related grants	-	122,162	61,171	(60,991)
Joint land use study grant	-	133,085	63,652	(69,433)
Selective enforcement grant	-	-	33,847	33,847
Other	-	-	190	190
Total categorical aid	-	779,768	579,659	(200,109)
Total revenue from the Federal Government	136,000	915,768	746,192	(169,576)
Total General Fund	36,069,803	37,377,756	38,032,476	654,720
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue	-	-	672	672
Revenue from the Commonwealth:				
Categorical aid:				
Welfare	1,341,692	1,429,530	1,068,842	(360,688)
Revenue from the Federal Government:				
Categorical aid:				
Welfare	1,772,983	1,868,494	2,049,723	181,229
Total categorical aid	1,772,983	1,868,494	2,049,723	181,229
Total Virginia Public Assistance Fund	3,114,675	3,298,024	3,119,237	(178,787)
Comprehensive Youth Services Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
From Northampton County	100,274	100,274	134,018	33,744
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act pooled services grants	895,044	895,044	746,276	(148,768)
Comprehensive Services Act Trust Fund grant	19,621	19,621	19,620	(1)
Total categorical aid from the Commonwealth	914,665	914,665	765,896	(148,769)
Revenue from the Federal Government:				
Categorical aid:				
Comprehensive Services Act pooled services grants	-	-	14,294	14,294
Total Comprehensive Youth Services Fund	1,014,939	1,014,939	914,208	(100,731)

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Schedule 1**  
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Law Library Fund:				
Revenue from local sources:				
Other local taxes:				
Taxes on recordation and wills	\$ 7,000	\$ 7,000	\$ 7,041	\$ 41
Drug Seizures Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	5	5
Revenue from the Commonwealth:				
Categorical Aid:				
Drug forfeitures and seizures	-	-	10,421	10,421
Revenue from the Federal Government:				
Categorical aid:				
Drug forfeitures and seizures	2,000	2,000	10,825	8,825
Total Drug Seizures Fund	2,000	2,000	21,251	19,251
Courthouse Security Fund:				
Revenue from local sources:				
Other local taxes:				
Court security fees	75,000	75,000	84,850	9,850
Total Courthouse Security Fund	75,000	75,000	84,850	9,850
Fire Programs Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	296	296
Miscellaneous revenue:				
Contributions	-	16,000	42,092	26,092
From Northampton County	6,700	6,700	6,700	-
Total miscellaneous revenue	6,700	22,700	48,792	26,092
Total revenue from local sources	6,700	22,700	49,088	26,388
Revenue from the Commonwealth:				
Categorical Aid:				
Fire programs grant	35,090	492,824	500,732	7,908
Total Fire Programs Fund	41,790	515,524	549,820	34,296
Rehabilitation Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	18	18
Miscellaneous revenue:				
From Truss-Tech	-	-	12,379	12,379
Recovered costs:				
Grant project income	-	-	11,393	11,393
Total revenue from local sources	-	-	23,790	23,790
Total Rehabilitation Projects Fund	-	-	23,790	23,790

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Schedule 1**  
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Greenbackville - Captain's Cove Mosquito Control Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 49,930	\$ 49,930	\$ 49,464	\$ (466)
Penalties - all taxes	500	500	490	(10)
Interest - all taxes	500	500	901	401
Total Greenbackville Mosquito Control Fund	50,930	50,930	50,855	(75)
Consolidated Emergency Medical Services Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,584,527	1,584,527	1,909,878	325,351
Public service taxes	173,138	173,138	172,278	(860)
Personal property taxes	115,151	115,151	128,805	13,654
Machinery and tools taxes	39,657	39,657	44,982	5,325
Penalties - all taxes	23,000	23,000	25,075	2,075
Interest - all taxes	23,000	23,000	30,371	7,371
Total general property taxes	1,958,473	1,958,473	2,311,389	352,916
Miscellaneous revenue:				
Other	-	12,500	12,500	-
Total miscellaneous revenue	-	12,500	12,500	-
Total revenue from local sources	1,958,473	1,970,973	2,323,889	352,916
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	64,964	64,964	71,777	6,813
Total Consolidated Emergency Medical Services Fund	2,023,437	2,035,937	2,395,666	359,729
Consolidated Fire and Rescue Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,227,106	1,227,106	1,260,567	33,461
Public service taxes	105,105	105,105	104,713	(392)
Personal property taxes	86,211	86,211	84,063	(2,148)
Machinery and tools taxes	25,303	25,303	28,433	3,130
Penalties - all taxes	20,000	20,000	16,372	(3,628)
Interest - all taxes	29,000	29,000	19,165	(9,835)
Total revenue from local sources	1,492,725	1,492,725	1,513,313	20,588
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	41,188	41,188	45,302	4,114
Total Consolidated Fire and Rescue Fund	1,533,913	1,533,913	1,558,615	24,702
Total Special Revenue Funds	7,863,684	8,533,267	8,725,333	192,066
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	-	-	4,517	4,517
Recovered costs:				
From Hazard mitigation grant homeowners	-	26,712	-	(26,712)
From Greenbackville Boat Harbor Committee	-	124,040	135,515	11,475
Total recovered costs	-	150,752	135,515	(15,237)
Total revenue from local sources	-	150,752	140,032	(10,720)



**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Schedule 1**  
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Capital Projects Funds: (continued)				
County Capital Projects Fund: (continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Harbor improvement grants	\$ -	\$ 525,000	\$ 520,774	\$ (4,226)
Hazard mitigation project	-	106,848	78,519	(28,329)
Transportation Partnership Opportunity Fund grant	-	4,000,000	264,300	(3,735,700)
Total revenue from the Commonwealth	-	4,631,848	863,593	(3,768,255)
Revenue from the Federal Government:				
Categorical aid:				
Hazard mitigation project	-	400,680	294,446	(106,234)
Total County Capital Projects Fund	-	5,183,280	1,298,071	(3,885,209)
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	3,193,304	3,193,304	3,283,825	90,521
Public service taxes	269,712	269,712	268,664	(1,048)
Personal property taxes	154,724	154,724	170,462	15,738
Machinery and tools taxes	49,403	49,403	56,966	7,563
Penalties - all taxes	35,000	35,000	43,401	8,401
Interest - all taxes	35,000	35,000	54,872	19,872
Total general property taxes	3,737,143	3,737,143	3,878,190	141,047
Miscellaneous Revenue:				
Other	-	-	624,274	624,274
Total revenue from local sources	3,737,143	3,737,143	4,502,464	765,321
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	82,376	82,376	90,605	8,229
Total County Debt Service Fund	3,819,519	3,819,519	4,593,069	773,550
Total revenue-Primary Government	47,753,006	54,913,822	52,648,949	(2,264,873)
School Board Component Unit:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	22,776	22,776	145,218	122,442
Health services	100,000	100,000	-	(100,000)
Total charges for services	122,776	122,776	145,218	22,442
Miscellaneous revenue:				
Miscellaneous	125,000	125,000	259,032	134,032
Recovered costs:				
Project Graduation - Portsmouth	15,000	15,000	15,073	73
Dual enrollment	50,000	50,000	63,662	13,662
Miscellaneous	100,000	100,000	155,692	55,692
Total recovered costs	165,000	165,000	234,427	69,427
Revenue from local government:				
Contribution from Accomack County, Virginia	16,263,661	16,263,661	16,263,661	-
Total revenue from local sources	16,676,437	16,676,437	16,902,338	225,901

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Schedule 1**  
**Page 7 of 8**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
Special Revenue Funds: (continued)				
School Operating Fund: (continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Sales tax contribution	\$ 4,832,390	\$ 4,832,390	\$ 4,649,293	\$ (183,097)
Basic school aid	13,265,649	13,265,649	13,844,694	579,045
Education of the gifted	142,644	142,644	146,912	4,268
Remedial education	766,481	766,481	709,554	(56,927)
Special education	1,429,475	1,429,475	1,472,247	42,772
Textbooks	272,329	272,329	280,477	8,148
Vocational education	473,457	473,457	487,623	14,166
Social Security	855,864	855,864	881,473	25,609
Retirement	1,429,475	1,429,475	1,472,247	42,772
Group life insurance	54,630	54,630	56,264	1,634
Governor's School	7,101	7,101	7,101	-
Special Education - homebound	20,771	20,771	24,082	3,311
Special Education - private tuition	20,836	20,836	11,269	(9,567)
Vocational education-equipment	-	-	9,121	9,121
Vocational education-occupational	61,414	61,414	57,119	(4,295)
Industry based certification	5,000	5,000	6,505	1,505
Salary supplement	-	-	342,310	342,310
At risk	945,037	945,037	973,482	28,445
Trans courses	15,717	15,717	15,717	-
Four year old preschool program	407,009	407,009	440,926	33,917
Mentor teacher program	8,585	8,585	8,405	(180)
English as a second language	481,987	481,987	500,338	18,351
Special foster care	-	-	331,854	331,854
K-3 initiative	-	-	839,820	839,820
Educational technology grant	-	-	103,804	103,804
Reading intervention	98,050	98,050	105,894	7,844
Additional assistance	331,854	331,854	-	(331,854)
SOL algebra readiness	-	-	92,257	92,257
Supplemental costs	332,296	332,296	-	(332,296)
Other	-	-	28,021	28,021
Total revenue from the Commonwealth	26,258,051	26,258,051	27,898,809	1,640,758
Revenue from the Federal Government:				
Categorical aid:				
Vocational Education	182,730	182,730	74,368	(108,362)
Title I-Migrant education	-	-	337,213	337,213
Title I-School improvement	-	-	1,765,412	1,765,412
Title II	-	-	328,744	328,744
Title III	-	-	54,660	54,660
Title VI	-	-	93,564	93,564
Title VI-B Special Education	-	-	997,281	997,281
Title X	-	-	6,962	6,962
Other	-	-	138	138
Total revenue from the Federal Government	182,730	182,730	3,658,342	3,475,612
Total School Operating Fund	43,117,218	43,117,218	48,459,489	5,342,271

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (continued)**

**Schedule 1**  
**Page 8 of 8**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
Special Revenue Funds: (continued)				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	\$ -	\$ -	\$ 1,668	\$ 1,668
Charges for services:				
Meal charges	550,000	550,000	546,265	(3,735)
Total revenue from local sources	550,000	550,000	547,933	(2,067)
Revenue from the Commonwealth:				
Categorical aid:				
School food payments	43,000	43,000	57,026	14,026
Revenue from the Federal Government:				
Categorical aid:				
School food payments	1,917,000	1,917,000	2,236,356	319,356
Total School Cafeteria Fund	2,510,000	2,510,000	2,841,315	331,315
Total Special Revenue Funds	45,627,218	45,627,218	51,300,804	5,673,586
Total revenue-School Board Component Unit	45,627,218	45,627,218	51,300,804	5,673,586
Grand total revenue-Primary Government and School Board Component Unit	\$ 93,380,224	\$ 100,541,040	\$ 103,949,752	\$ 3,408,712

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Schedule 2**  
**Page 1 of 7**

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	\$ 151,627	\$ 151,627	\$ 109,292	\$ 42,335
General and financial administration:				
County administrator	517,711	557,727	479,711	78,016
Legal services	233,388	233,903	230,680	3,223
Commissioner of the revenue	291,015	291,015	285,544	5,471
County assessor	716,670	717,376	584,558	132,818
Treasurer	561,862	596,294	509,204	87,090
Central accounting	456,790	456,790	348,087	108,703
Information technology	585,946	613,704	561,076	52,628
Risk management	221,204	221,204	212,788	8,416
Total general and financial administration	3,584,586	3,688,013	3,211,648	476,365
Board of elections:				
Electoral board	48,628	65,794	61,181	4,613
Registrar	141,344	149,044	132,442	16,602
Total board of elections	189,972	214,838	193,623	21,215
Total general government administration	3,926,185	4,054,478	3,514,563	539,915
Judicial administration:				
Courts:				
Circuit court	85,252	85,252	71,444	13,808
General district court	9,971	11,471	11,101	370
Chief magistrate	16,938	16,938	11,970	4,968
Juvenile and domestic relations court	13,650	13,650	10,109	3,541
Clerk of the circuit court	411,163	466,137	461,018	5,119
Sheriff court services	463,164	380,127	375,667	4,460
Commissioner of accounts	214	214	-	214
Victim and witness assistance	59,544	59,544	57,622	1,922
Total courts	1,059,896	1,033,333	998,931	34,402
Commonwealth's attorney	395,656	416,642	402,915	13,727
Total judicial administration	1,455,552	1,449,975	1,401,846	48,129
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,152,280	2,498,358	2,498,210	148
Fire and rescue services:				
Volunteer fire and rescue	271,860	309,438	268,695	40,743
Emergency medical services	210,129	210,129	203,222	6,907
Payments to 911 commission	493,243	497,803	481,965	15,838
Total fire and rescue services	975,232	1,017,370	953,882	63,488
Correction and detention:				
Jail	2,089,590	1,860,964	1,837,181	23,783
Juvenile probation	124,532	124,532	113,562	10,970
Community correction	-	89,505	89,505	-
Total correction and detention	2,214,122	2,075,001	2,040,248	34,753

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (Continued)**

**Schedule 2**  
**Page 2 of 7**

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	\$ 502,004	\$ 502,004	\$ 384,232	\$ 117,772
Ordinance Enforcement	61,950	61,950	53,678	8,272
Animal control	102,634	161,266	133,634	27,632
Regional animal control facility	103,388	103,388	67,387	36,001
S.P.C.A. supplement	921	1,281	1,311	(30)
Emergency management	74,131	208,364	134,095	74,269
Hurricane Sandy	-	581,674	581,674	-
Medical examiner	-	-	1,150	(1,150)
E.S. Coalition Against Domestic Violence supplement	10,000	10,000	10,000	-
Cleanup/disposal of hazardous materials	13,000	17,039	4,230	12,809
Total other protection	868,028	1,646,966	1,371,391	275,575
Total public safety	6,209,662	7,237,695	6,863,731	373,964
Public works:				
Maintenance of streets, bridges and sidewalks:				
Storm drainage	183,652	339,243	123,197	216,046
Sanitation and waste removal:				
General operations	185,995	185,995	191,343	(5,348)
Refuse disposal	1,000,000	898,671	788,330	110,341
Refuse collection	630,250	630,250	573,766	56,484
Maintenance garage	211,454	325,220	298,839	26,381
Litter control	262,879	362,572	311,317	51,255
Total sanitation and waste removal	2,290,578	2,402,708	2,163,595	239,113
Maintenance of buildings and grounds:				
Buildings and grounds	983,889	1,324,568	1,324,568	-
Total public works	3,458,119	4,066,519	3,611,360	455,159
Health and welfare:				
Health:				
Local health department supplement	486,246	486,246	486,246	-
Rural health dental program supplement	4,971	4,971	4,971	-
Total health	491,217	491,217	491,217	-
Mental health and mental retardation:				
Community services board supplement	134,995	134,995	134,995	-
Welfare:				
Property tax relief for seniors and disabled veterans	134,525	135,919	135,919	-
Area agency on aging supplement	18,430	18,430	18,430	-
Total welfare	152,955	154,349	154,349	-
Total health and welfare	779,167	780,561	780,561	-
Education:				
Contribution to School Board component unit	16,263,661	16,263,661	16,263,661	-
Community College supplement	41,028	41,028	41,028	-
Total education	16,304,689	16,304,689	16,304,689	-

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (Continued)**

**Schedule 2**  
**Page 3 of 7**

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	\$ 285,685	\$ 288,685	\$ 283,684	\$ 5,001
Summer food program	-	132,665	131,457	1,208
Boating facilities	45,065	45,065	58,389	(13,324)
Total parks and recreation	330,750	466,415	473,530	(7,115)
Cultural enrichment:				
Translator television	74,457	74,457	50,150	24,307
Contribution to Public Library component unit	345,907	345,907	345,907	-
Total cultural enrichment	420,364	420,364	396,057	24,307
Total parks, recreation and cultural	751,114	886,779	869,587	17,192
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	65,036	65,036	65,036	-
E.S. of VA Housing Alliance supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	15,500	19,584	(4,084)
Planning	503,855	625,434	505,482	119,952
Tourism Commission supplement	86,853	89,992	89,992	-
Wallops Research Park	40,000	132,090	96,215	35,875
Star Transit public transportation supplement	124,867	124,867	124,867	-
Transportation District Commission supplement	19,307	19,307	18,665	642
Town of Chincoteague	-	1,680	960	720
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	861,240	1,087,728	934,623	153,105
Environmental management:				
Johnsongrass/gypsy moth control program	11,814	11,814	11,702	112
Soil and Water Conservation District supplement	21,154	21,154	21,154	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	10,183	10,183	10,183	-
Total environmental management	62,872	62,872	62,760	112
Cooperative extension program	91,114	93,614	90,576	3,038
Total community development	1,015,226	1,244,214	1,087,959	156,255
Nondepartmental:				
Contingency	356,419	832	-	832
Debt service:				
Principal	601,000	601,000	637,200	(36,200)
Interest and fiscal charges	173,765	212,339	172,941	39,398
Total debt service	774,765	813,339	810,141	3,198
Total General Fund	35,030,898	36,839,081	35,244,437	1,594,644

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (Continued)**

**Schedule 2**  
**Page 4 of 7**

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare/social services:				
Welfare administration	\$ 3,104,860	\$ 3,102,701	\$ 3,129,525	\$ (26,824)
Public assistance	512,625	714,253	516,250	198,003
Local only administration	87,660	69,156	56,283	12,873
CDC quality initiative program	10,558	10,558	9,594	964
Guardian fees administration	-	1,884	1,884	-
Service pass-through	123,083	123,083	55,061	68,022
Total welfare/social services	3,838,786	4,021,635	3,768,597	253,038
Comprehensive Youth Services Fund:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families	1,386,450	1,386,450	1,135,875	250,575
Total welfare	1,386,450	1,386,450	1,135,875	250,575
Law Library Fund:				
Judicial administration:				
Courts:				
Law library books	7,000	34,925	2,667	32,258
Drug Seizures Fund:				
Judicial administration:				
Commonwealth's attorney	-	8,104	1,923	6,181
Public safety:				
Law enforcement and traffic control:				
Sheriff	2,000	16,004	-	16,004
Total drug seizures fund	2,000	24,108	1,923	22,185
Fire Programs Fund:				
Public safety:				
Fire and rescue services:				
Payments to fire companies	24,000	24,000	30,000	(6,000)
Fire training center and other	17,790	615,586	611,618	3,968
Total fire and rescue services	41,790	639,586	641,618	(2,032)
Rehabilitation Projects Fund:				
Community development:				
Planning and community development:				
CDBG program income costs	-	-	1,249	(1,249)
Truss Tech Grant	-	-	12,381	(12,381)
Total planning and community development	-	-	13,630	(13,630)
Captains Cove/Greenbackville Mosquito Control				
Health and welfare:				
Health:				
Contribution to mosquito control commission	50,930	58,367	45,131	13,236
Consolidated Emergency Medical Services:				
Public safety:				
Fire and Rescue Services:				
Emergency Medical Services	2,250,440	2,608,940	2,585,161	23,779

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (Continued)**

**Schedule 2**  
**Page 5 of 7**

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Services:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	\$ 1,533,913	\$ 1,886,355	\$ 1,398,571	\$ 487,784
Courthouse Security Fund:				
Judicial administration:				
Courts:				
Court security	75,000	136,249	105,333	30,916
Total Special Revenue Funds	9,186,309	10,796,615	9,698,506	1,098,109
Capital Project Funds:				
County Capital Projects Fund:				
General government administration:				
Software upgrades	-	87,842	10,600	77,242
VOIP telephone system	-	172,368	99,604	72,764
Total general government administration	-	260,210	110,204	150,006
Public safety:				
Sheriff's office	287,000	402,000	182,983	219,017
Total public safety	287,000	402,000	182,983	219,017
Public works:				
Convenience center construction	517,499	565,624	94,667	470,957
Solid waste transfer station construction	-	1,726,062	-	1,726,062
Dump truck replacement	-	173,000	157,750	15,250
Building improvements	-	402,909	30,075	372,834
Total public works	517,499	2,867,595	282,492	2,585,103
Parks, recreation and cultural				
Greenbackville Harbor boating facilities	-	666,850	612,356	54,494
Quinby Harbor boating facilities	-	40,000	4,178	35,822
Total parks, recreation and cultural	-	706,850	616,534	90,316
Planning and community development:				
Hazard mitigation grant	-	534,240	375,581	158,659
Wallops research park	-	8,371,888	1,395,119	6,976,769
Total planning and community development	-	8,906,128	1,770,700	7,135,428
Nondepartmental:				
Capital contingency	-	-	-	-
Total County capital projects fund	804,499	13,142,783	2,962,913	10,179,870
Debt Service Funds:				
County Debt Service Fund:				
Debt Service:				
Principal	2,617,577	2,617,577	2,667,067	(49,490)
Interest and fiscal charges	1,586,464	1,610,262	1,536,505	73,757
Total County Debt Service Fund	4,204,041	4,227,839	4,203,572	24,267
Total expenditures-Primary Government	49,225,747	65,006,318	52,109,428	12,896,890



**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (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:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Instruction Costs:				
Classroom instruction	\$ 23,854,369	\$ 23,854,369	\$ 28,236,834	\$ (4,382,465)
Guidance services	1,070,844	1,070,844	1,066,575	4,269
Homebound instruction	114,448	114,448	99,692	14,756
Improvement of instruction	1,186,350	1,186,350	1,804,610	(618,260)
Media services	790,872	790,872	614,472	176,400
Office of the principal	3,152,920	3,152,920	3,269,782	(116,862)
Total instruction costs	30,169,803	30,169,803	35,091,965	(4,922,162)
Administration of schools:				
Board services	58,137	58,137	78,424	(20,287)
Executive administration services	375,161	375,161	230,203	144,958
Personnel services	264,688	264,688	246,012	18,676
Fiscal services	369,255	369,255	407,301	(38,046)
Total administration of schools	1,067,241	1,067,241	961,940	105,301
Attendance and health services:				
Attendance services	129,809	129,809	67,244	62,565
Health services	673,614	673,614	987,479	(313,865)
Psychological services	240,967	240,967	224,922	16,045
Speech/audiology services	391,712	391,712	319,315	72,397
Total attendance and health services	1,436,102	1,436,102	1,598,960	(162,858)
Operation and maintenance services:				
Management and direction	123,166	123,166	143,503	(20,337)
Building services	4,909,291	4,909,291	5,140,004	(230,713)
Grounds services	110,098	110,098	312,565	(202,467)
Equipment services	9,649	9,649	3,748	5,901
Vehicle services (other than pupil transportation)	46,500	46,500	106,431	(59,931)
Total operation and maintenance services	5,198,704	5,198,704	5,706,251	(507,547)
Pupil transportation services:				
Management and direction	67,690	67,690	160,837	(93,147)
Vehicle operation services	2,326,047	2,326,047	2,293,941	32,106
Vehicle maintenance services	525,787	525,787	394,307	131,480
Total pupil transportation services	2,919,524	2,919,524	2,849,085	70,439
Food Services:				
Food services	-	-	14,230	(14,230)
Technology services:				
Classroom instruction	1,419,253	1,419,253	1,951,239	(531,986)
Classroom support	-	-	77,584	(77,584)
Instructional support	690,253	690,253	1,073,958	(383,705)
Administration	-	-	18,355	(18,355)
Attendance and health	-	-	24	(24)
Pupil transportation	-	-	953	(953)
Operations and maintenance	-	-	1,195	(1,195)
Total technology services	2,109,506	2,109,506	3,123,308	(1,013,802)
Total school operating fund	42,900,880	42,900,880	49,345,739	(6,444,859)

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014 (Continued)**

**Schedule 2**  
**Page 7 of 7**

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
Special Revenue Funds: (continued)				
School Cafeteria Fund:				
Education:				
School Food Services:				
Operating costs	\$ 2,510,000	\$ 2,510,000	\$ 2,713,127	\$ (203,127)
Total expenditures-School Board Component Unit	45,410,880	45,410,880	52,058,866	(6,647,986)
Grand total expenditures-Primary Government and School Board Component Unit	<u>\$ 94,636,627</u>	<u>\$ 110,417,198</u>	<u>\$ 104,168,294</u>	<u>\$ 6,248,904</u>

## **Statistical Section**



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# Statistical Section

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	150
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	155
<b>Debt Capacity</b> 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. <b>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.</b>	160
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	162
<b>Operating Information</b> 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.	164

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS<sup>1</sup>**  
(accrual basis of accounting)

**Table 1**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 4,588,098	\$ 4,996,030	\$ 5,695,836	\$ 5,309,326	\$ 4,553,418	\$ 3,495,270	\$ 2,465,664	\$ 2,537,440	\$ 3,943,220	\$ 6,875,692
Restricted	2,094,566	1,318,113	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616
Unrestricted	8,423,849	9,155,264	8,676,001	6,991,452	5,749,276	11,496,365	15,554,168	16,447,789	15,455,876	14,182,780
Total governmental activities net position	<u>\$15,106,513</u>	<u>\$15,469,407</u>	<u>\$16,378,701</u>	<u>\$13,817,842</u>	<u>\$11,664,822</u>	<u>\$15,851,376</u>	<u>\$19,409,351</u>	<u>\$20,322,412</u>	<u>\$20,500,822</u>	<u>\$23,485,088</u>
Business-type activities:										
Net investment in capital assets	\$ 893,786	\$ 1,749,947	\$ 2,254,741	\$ 2,994,885	\$ 2,960,129	\$ 2,441,845	\$ 2,108,712	\$ 1,542,541	\$ 5,334,897	\$ 6,902,698
Unrestricted	(2,926,220)	(3,198,558)	(2,809,545)	(3,617,763)	(3,218,137)	(2,832,415)	(2,436,917)	(1,696,621)	(1,164,425)	(1,713,962)
Total business-type activities net position	<u>\$ (2,032,434)</u>	<u>\$ (1,448,611)</u>	<u>\$ (554,804)</u>	<u>\$ (622,878)</u>	<u>\$ (258,008)</u>	<u>\$ (390,570)</u>	<u>\$ (328,205)</u>	<u>\$ (154,080)</u>	<u>\$ 4,170,472</u>	<u>\$ 5,188,736</u>
Primary government:										
Net investment in capital assets	\$ 5,481,884	\$ 6,745,977	\$ 7,950,577	\$ 8,304,211	\$ 7,513,547	\$ 5,937,115	\$ 4,574,376	\$ 4,079,981	\$ 9,278,117	\$13,778,390
Restricted	2,094,566	1,318,113	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616
Unrestricted	5,497,629	5,956,706	5,866,456	3,373,689	2,531,139	8,663,950	13,117,251	14,751,168	14,291,451	12,468,818
Total primary government net position	<u>\$13,074,079</u>	<u>\$14,020,796</u>	<u>\$15,823,897</u>	<u>\$13,194,964</u>	<u>\$11,406,814</u>	<u>\$15,460,806</u>	<u>\$19,081,146</u>	<u>\$20,168,332</u>	<u>\$24,671,294</u>	<u>\$28,673,824</u>

<sup>1</sup> 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Primary Government:</b>										
<b>Expenses</b>										
Governmental activities:										
General government administration	\$ 2,735,038	\$ 2,778,205	\$ 3,721,445	\$ 3,580,942	\$ 3,384,895	\$ 3,442,672	\$ 3,176,953	\$ 3,339,183	\$ 3,585,175	\$ 3,498,049
Judicial administration	1,232,697	1,314,413	1,445,432	1,527,924	1,611,685	1,513,759	1,541,877	1,442,643	1,573,104	1,557,904
Public safety	6,496,203	7,096,501	8,180,462	8,789,314	9,328,794	8,958,985	8,982,920	9,141,427	10,579,063	10,083,890
Public works	2,701,241	3,252,085	3,236,614	3,454,908	3,390,696	3,416,523	3,303,409	3,382,833	3,721,236	3,586,061
Health and welfare	7,359,153	8,260,567	8,013,244	8,086,910	8,145,021	7,491,729	5,652,391	5,681,716	5,839,666	5,719,077
Education	15,157,208	17,405,759	16,228,512	16,641,938	17,749,642	17,431,304	18,095,238	18,511,045	18,475,654	18,708,789
Parks, recreation and cultural	807,517	954,097	888,283	1,017,040	889,457	901,358	1,038,188	1,037,589	1,014,589	961,633
Community development	1,485,057	2,113,031	1,508,436	2,525,015	3,405,964	1,832,561	1,657,666	4,106,234	1,430,468	1,599,584
Interest on long-term debt	2,157,264	2,299,638	2,401,860	2,336,032	2,218,681	2,178,880	2,042,318	1,927,969	1,700,378	1,761,930
Total governmental activities expenses	40,131,378	45,474,296	45,624,288	47,960,023	50,124,835	47,167,771	45,490,960	48,570,639	47,919,333	47,476,917
Business-type activities:										
Landfill	2,039,570	2,506,013	2,350,625	3,271,543	2,409,034	3,006,263	2,522,546	2,783,554	2,126,739	2,579,104
Airport	-	-	-	-	-	-	-	-	375,864	825,992
Water and Sewer	-	-	-	-	63,189	246,816	236,253	126,703	153,116	596,534
Parks and recreation expenses	82,048	62,827	63,085	56,322	66,903	74,618	76,628	64,896	81,476	56,470
Total business-type activities expenses	2,121,618	2,568,840	2,413,710	3,327,865	2,539,126	3,327,697	2,835,427	2,975,153	2,737,195	4,058,100
Total primary government expenses	42,252,996	48,043,136	48,037,998	51,287,888	52,663,961	50,495,468	48,326,387	51,545,792	50,656,528	51,535,017
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government administration	350,334	339,472	346,970	377,763	317,584	304,994	363,578	294,422	303,205	455,246
Judicial administration	76,666	184,174	153,144	146,069	105,652	99,318	95,242	96,434	94,495	100,293
Public safety	369,647	396,733	841,787	835,719	561,323	650,444	431,555	603,751	601,672	417,064
Public works	52,403	107,766	111,011	101,685	112,334	129,267	115,016	129,728	157,961	248,997
Health and welfare	203,271	415,219	417,954	370,942	345,336	308,474	339,200	313,962	296,399	300,016
Education	-	-	199,909	-	-	-	-	-	-	-
Parks, recreation and cultural	50,050	53,759	99,919	80,146	84,709	81,704	283,305	93,772	96,514	227,902
Community development	192,802	364,260	55,262	204,832	121,442	188,553	57,156	77,943	64,579	66,137
Operating grants and contributions	10,205,520	11,549,379	11,329,693	11,500,081	12,240,597	10,180,279	8,437,999	7,655,170	8,116,557	9,481,299
Capital grants and contributions	264,480	1,763,748	359,685	-	-	398,973	160,367	2,965,210	271,414	785,074
Total governmental activities program revenues	11,765,173	15,174,510	13,915,334	13,617,237	13,888,977	12,342,006	10,283,418	12,230,392	10,002,796	12,082,028
Business-type activities:										
Charges for services:										
Landfill	2,364,664	2,877,386	3,002,824	2,887,533	2,687,525	2,719,422	2,587,858	2,556,568	2,764,529	2,423,020
Airport	-	-	-	-	-	-	-	-	143,170	319,374
Water and Sewer	-	-	-	-	47,751	194,458	223,069	203,836	218,395	215,641
Parks and recreation	76,048	71,033	66,748	63,979	62,611	62,750	52,753	61,826	55,165	63,196
Operating grants and contributions - Airport	-	-	-	-	-	-	-	-	14,652	149,934
Total business-type activities program revenues	2,440,712	2,948,419	3,069,572	2,951,512	2,797,887	2,976,630	2,863,680	2,822,230	3,195,911	3,171,165
Total primary government program revenues	14,205,885	18,122,929	16,984,906	16,568,749	16,686,864	15,318,636	13,147,098	15,052,622	13,198,707	15,253,193

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

**Table 2**  
**Page 2 of 2**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Primary Government:</b>										
<b>Net (Expense)/Revenue<sup>1</sup></b>										
Governmental activities	(28,366,205)	(30,299,786)	(31,708,954)	(34,342,786)	(36,235,858)	(34,825,765)	(35,207,542)	(36,340,247)	(37,916,537)	(35,394,889)
Business-type activities	319,094	379,579	655,862	655,862	(376,353)	(351,067)	28,253	(152,923)	458,716	(886,935)
Total primary government net expense	(28,047,111)	(29,920,207)	(31,053,092)	(33,686,924)	(36,612,211)	(35,176,832)	(35,179,289)	(36,493,170)	(37,457,821)	(36,281,824)
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities:										
Taxes:										
General property taxes	17,782,739	18,883,630	19,143,135	21,985,812	21,354,527	23,360,447	29,221,909	27,583,562	28,500,128	28,872,306
Local sales and use taxes	2,674,849	2,761,611	2,808,207	3,036,498	2,966,467	2,998,382	2,863,318	3,623,339	3,618,865	3,358,791
Consumer utility taxes	1,613,718	1,639,299	1,671,949	1,269,586	916,728	941,541	1,043,339	986,409	1,089,368	1,005,667
Communication taxes	-	-	-	389,331	1,077,981	1,012,995	987,303	1,087,470	1,052,114	1,034,212
Other local taxes	1,715,271	1,973,002	2,156,184	2,003,950	1,762,776	1,664,831	1,291,448	1,591,001	1,592,735	1,775,122
Grants and contributions not restricted to specific programs	3,418,462	3,693,035	3,815,820	3,446,722	3,531,512	3,454,660	3,349,305	3,320,843	3,319,642	3,365,464
Investment earnings	117,154	179,784	343,247	532,916	253,241	80,515	8,272	1,967	10,954	22,857
Gain on sale of capital assets	-	-	551,206	-	-	-	-	-	-	-
Other revenue	19,304	93,497	286,082	74,060	71,468	536,582	368,768	596,723	189,259	845,326
Transfers	(63,653)	(55,525)	(113,150)	(120,627)	(152,773)	32,885	(121,343)	(25,800)	(1,134,135)	(1,900,590)
Total governmental activities	27,277,844	29,168,333	30,662,680	32,618,248	31,781,927	34,082,838	39,012,319	38,765,514	38,238,930	38,379,155
Business-type activities:										
Investment earnings	16,806	47,215	90,894	112,375	105,506	37,129	7,047	8,312	9,985	4,311
Gain on sale of capital assets	-	-	200	4,943	-	-	90,115	-	-	-
Other revenue	-	879	-	-	-	151,865	-	-	2,770,557	298
Transfers	63,653	55,525	113,150	120,627	152,773	(32,885)	121,343	25,800	1,134,135	1,900,590
Total business-type activities	80,459	103,619	204,244	237,945	258,279	156,109	218,505	34,112	3,914,677	1,905,199
Total primary government	27,358,303	29,271,952	30,866,924	32,856,193	32,040,206	34,238,947	39,230,824	38,799,626	42,153,607	40,284,354
<b>Change in Net Position</b>										
Governmental activities	(1,088,361)	(1,131,453)	(1,046,274)	(1,724,538)	(4,453,931)	(742,927)	3,804,777	2,425,267	322,393	2,984,266
Business-type activities	399,553	483,198	860,106	893,807	(118,074)	(194,958)	246,758	(118,811)	4,373,393	1,018,264
Total primary government	\$ (688,808)	\$ (648,255)	\$ (186,168)	\$ (830,731)	\$ (4,572,005)	\$ (937,885)	\$ 4,051,535	\$ 2,306,456	\$ 4,695,786	\$ 4,002,530

<sup>1</sup> 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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Nondisposable	\$ 115,215	\$ 166,112	\$ 171,346	\$ 129,700	\$ 129,700	\$ 129,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700
Restricted	254,341	248,175	259,869	253,247	251,251	3,265	5,792	9,603	24,890	30,326
Committed	1,614,000	1,614,000	1,714,000	1,224,827	1,894,000	3,964,000	4,695,521	6,100,065	6,860,389	7,632,118
Assigned	3,359,656	3,855,587	3,673,749	3,046,938	575,043	982,567	3,113,920	5,663,962	5,077,891	3,376,508
Unassigned	2,010,838	2,020,833	983,821	-	1,307,812	2,751,457	4,093,028	2,066,357	1,862,007	1,680,028
Total general fund	<u>7,354,050</u>	<u>7,904,707</u>	<u>6,802,785</u>	<u>4,654,712</u>	<u>4,157,806</u>	<u>7,830,989</u>	<u>12,012,961</u>	<u>13,944,687</u>	<u>13,929,877</u>	<u>12,823,680</u>
All Other Governmental Funds:										
Restricted	2,961,585	3,192,680	5,704,835	4,469,619	3,147,073	3,264,378	2,732,804	2,792,758	2,485,291	5,475,920
Assigned	298,419	320,047	303,965	146,987	121,865	101,786	445,376	83,910	17,810	874,755
Total other governmental funds	<u>3,260,004</u>	<u>3,512,727</u>	<u>6,008,800</u>	<u>4,616,606</u>	<u>3,268,938</u>	<u>3,366,164</u>	<u>3,178,180</u>	<u>2,876,668</u>	<u>2,503,101</u>	<u>6,350,675</u>
Total governmental funds	<u>\$10,614,054</u>	<u>\$11,417,434</u>	<u>\$12,811,585</u>	<u>\$ 9,271,318</u>	<u>\$ 7,426,744</u>	<u>\$11,197,153</u>	<u>\$15,191,141</u>	<u>\$16,821,355</u>	<u>\$16,432,978</u>	<u>\$19,174,355</u>

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

**Table 4**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
General property taxes	\$ 18,644,966	\$ 19,158,773	\$ 20,359,076	\$ 20,689,469	\$ 23,190,998	\$ 28,520,895	\$ 28,064,416	\$ 27,099,918	\$ 28,514,924	\$ 29,203,123
Other local taxes	6,373,912	6,636,340	6,699,365	6,723,952	6,617,749	6,185,408	6,946,687	6,999,466	7,353,082	7,173,792
Permits, fees and licenses	337,349	555,337	479,797	485,367	441,802	443,079	330,675	292,070	345,459	429,010
Fines and forfeitures	52,864	40,420	58,090	81,648	66,245	74,527	75,136	74,866	71,617	76,395
Revenue from the use of money and property	325,375	631,594	886,586	587,270	441,458	344,055	340,938	355,759	361,817	368,898
Charges for services	616,311	790,119	787,281	705,018	490,462	435,862	384,621	411,358	410,393	450,270
Miscellaneous	537,938	314,766	650,369	522,304	923,529	756,411	791,820	254,129	349,418	973,391
Recovered costs	126,700	158,488	173,434	335,331	194,925	234,332	487,134	471,604	404,211	482,952
Intergovernmental	13,700,332	16,878,323	14,876,814	14,709,267	15,465,434	13,684,196	11,772,915	13,809,384	11,547,042	13,491,118
Total revenues	40,715,747	45,164,160	44,970,812	44,839,626	47,832,602	50,678,765	49,194,342	49,768,554	49,357,963	52,648,949
<b>Expenditures</b>										
General government administration	2,778,295	2,821,809	3,693,455	3,625,175	3,231,156	3,529,339	3,027,586	3,233,212	3,446,289	3,624,767
Judicial administration	1,145,685	1,221,627	1,350,755	1,463,896	1,524,039	1,379,897	1,433,434	1,335,238	1,450,005	1,511,769
Public safety	6,722,409	7,480,178	7,966,410	8,632,187	8,931,578	8,759,597	8,826,388	8,875,289	10,984,465	11,672,064
Public works	2,849,099	3,800,114	3,971,185	4,301,146	3,875,609	3,257,691	3,758,181	3,395,947	3,834,542	3,893,852
Health and welfare	8,979,402	8,129,866	7,868,626	7,947,256	7,917,925	7,315,878	5,490,104	5,483,394	5,571,278	5,730,164
Education	13,204,268	18,893,969	13,528,120	13,975,115	15,124,559	14,853,300	15,583,300	16,035,534	16,035,534	16,304,689
Parks, recreation and cultural	765,244	888,541	876,450	968,194	882,326	1,229,808	1,001,101	1,273,121	885,719	1,486,121
Community development	1,474,781	2,290,764	2,256,961	2,400,500	3,337,174	1,724,416	1,565,892	4,046,635	1,526,050	2,872,289
Debt service:										
Principal	1,761,990	1,812,043	2,237,395	2,528,867	2,616,138	2,357,292	2,395,373	2,469,866	3,119,689	3,304,267
Interest	2,295,105	1,987,037	2,514,418	2,384,784	2,269,556	2,290,587	2,093,191	2,012,299	1,758,634	1,709,446
Total expenditures	41,976,278	49,325,948	46,263,775	48,227,120	49,710,060	46,697,805	45,174,550	48,160,535	48,612,205	52,109,428
Excess of revenues over (under) expenditures	(1,260,531)	(4,161,788)	(1,292,963)	(3,387,494)	(1,877,458)	3,980,960	4,019,792	1,608,019	745,758	539,521
<b>Other Financing Sources (Uses)</b>										
Issuance of debt (includes premiums/discounts)	245,087	11,888,518	2,807,741	-	-	4,314,000	-	4,263,000	-	10,904,973
Sale of capital assets	-	689,800	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agents	-	(7,500,000)	-	-	-	(4,403,208)	-	(4,263,000)	-	(6,802,527)
Transfers in	2,024,579	10,795,281	3,812,738	4,175,569	3,327,871	2,753,223	1,091,580	1,324,601	1,351,662	2,032,221
Transfers out	(2,080,104)	(10,908,431)	(3,933,365)	(4,328,342)	(3,294,987)	(2,874,566)	(1,117,380)	(1,643,941)	(2,485,797)	(3,932,811)
Total other financing sources (uses)	189,562	4,965,168	2,687,114	(152,773)	32,884	(210,551)	(25,800)	(319,340)	(1,134,135)	2,201,856
<b>Net change in fund balances</b>	<b>\$ (1,070,969)</b>	<b>\$ 803,380</b>	<b>\$ 1,394,151</b>	<b>\$ (3,540,267)</b>	<b>\$ (1,844,574)</b>	<b>\$ 3,770,409</b>	<b>\$ 3,993,992</b>	<b>\$ 1,288,679</b>	<b>\$ (388,377)</b>	<b>\$ 2,741,377</b>
Debt service as a % of noncapital expenditures	10.3%	8.0%	10.7%	10.5%	10.0%	10.2%	10.3%	9.5%	10.4%	10.5%

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

**Table 5A**

Fiscal Year Ending June 30,	Residential Property	Commercial Property	Agricultural Property	Less Land Use Value Reduction	Total Taxable Assessed Value	Total Direct Real Property Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2005	\$ 1,493,602,522	\$ 398,769,694	\$ 300,482,030	\$ 92,941,990	\$ 2,099,912,256	0.710	\$ 2,192,854,246	95.76%
2006	1,562,047,822	381,463,096	301,208,730	90,126,180	2,154,593,468	0.770	2,244,719,648	95.98%
2007	1,644,028,102	253,967,441	300,592,990	90,746,130	2,107,842,403	0.770	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%

**Source:** Accomack County Central Accounting 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**

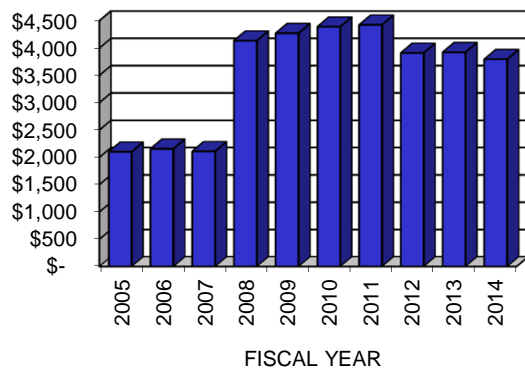
**Table 5B**

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

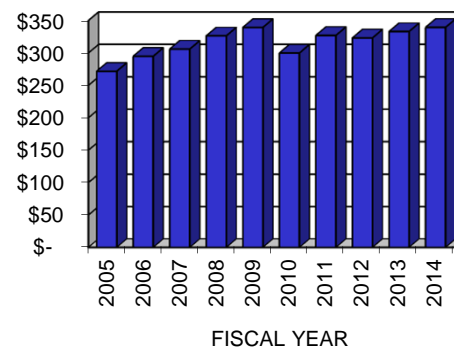
**Source:** Accomack County Central Accounting Office

**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)<sup>1</sup>

LAST TEN FISCAL YEARS

Type of tax	2005					2006					2007					2008				
	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
<b>Real Property</b>																				
County Direct Rates:																				
General	0.46	0.46	0.46	0.46	0.46	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.25	0.25	0.25	0.25	0.25
Debt Service	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.05	0.05	0.05	0.05	0.05
Emergency Medical Service	0.05	0.05	0.05	0.05	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.03	0.03	0.03	0.03	-
Fire and Rescue	0.05	0.04	0.04	0.04	-	0.07	0.04	0.04	0.05	-	0.07	0.04	0.04	0.05	-	0.03	0.02	0.02	0.03	-
Mosquito Control <sup>2</sup>	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.02	-	-	-	-
Total real property direct rates	0.71	0.66	0.66	0.66	0.57	0.77	0.70	0.70	0.71	0.60	0.77	0.70	0.70	0.71	0.60	0.38	0.35	0.35	0.36	0.30
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.06
Town of Saxis	0.10	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-
Town of Hallwood	0.14	-	-	-	-	0.14	-	-	-	-	0.14	-	-	-	-	0.06	-	-	-	-
Town of Bloxom	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.06	-	-	-
Town of Parksley	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.18	-	-	-
Town of Tangier	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.25	-	-	-	-
Town of Accomac	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.05	-	-
Town of Onley	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.05	-	-
Town of Onancock	-	-	0.31	-	-	-	-	0.34	-	-	-	-	0.34	-	-	-	-	0.20	-	-
Town of Melfa	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.03	-
Town of Wachapreague	-	-	-	0.19	-	-	-	-	0.22	-	-	-	-	0.22	-	-	-	-	0.13	-
Town of Keller	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.06	-
Town of Painter	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-
Town of Belle Haven	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.10	-
<b>Personal Property</b>																				
County Direct Rates:																				
General	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Debt Service	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Emergency Medical Service	0.05	0.08	0.04	0.05	-	0.05	0.08	0.04	0.05	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-
Fire and Rescue	0.06	0.05	0.05	0.04	-	0.06	0.05	0.05	0.04	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-
Total personal prop. direct rates	3.24	3.26	3.22	3.22	3.13	3.24	3.26	3.22	3.22	3.13	3.30	3.27	3.27	3.27	3.16	3.30	3.27	3.27	3.27	3.16
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
Town of Saxis	0.25	-	-	-	-	0.25	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-
Town of Hallwood	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-
Town of Bloxom	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-
Town of Parksley	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-
Town of Tangier	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Accomac	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
Town of Onley	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-
Town of Onancock	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
Town of Melfa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Wachapreague	-	-	-	0.18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Keller	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-
Town of Painter	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
Town of Belle Haven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

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

Table 6

2009					2010					2011					2012					2013					2014				
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
0.28	0.28	0.28	0.28	0.28	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.395	0.395	0.395	0.395	0.395	
0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.095	0.095	0.095	0.095	0.095	
0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.090	0.090	0.090	0.090	-
0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	-	0.02	-	-	-	0.025	-	-	-	-
0.45	0.42	0.42	0.43	0.35	0.48	0.45	0.45	0.46	0.38	0.48	0.45	0.45	0.46	0.38	0.55	0.53	0.53	0.53	0.47	0.55	0.53	0.53	0.53	0.47	0.605	0.580	0.580	0.580	0.490
-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.07	-	-	-	-	0.07
0.20	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-
0.06	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-
-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-
-	0.18	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-
0.25	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-
-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.07	-	-	-	-	0.07	-	-
-	-	0.05	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-
-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.25	-	-	-	-	0.25	-	-
-	-	-	0.03	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-
-	-	-	0.13	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.16	-	-	-	-	0.13	-
-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.12	-	-	-	-	0.12	-
-	-	-	0.04	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-
-	-	-	0.10	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-
3.10	3.10	3.10	3.10	3.10	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	
0.06	0.06	0.06	0.06	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
0.06	0.06	0.06	0.06	-	0.09	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	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.30	3.27	3.27	3.27	3.16	3.75	3.72	3.72	3.72	3.54	3.75	3.72	3.72	3.72	3.54	3.72	3.72	3.72	3.72	3.63	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	-	-	-
0.45	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-
-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-
-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.15	-	-	-	-	0.15	-
-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**COUNTY OF ACCOMACK, VIRGINIA**  
**PRINCIPAL PROPERTY TAXPAYERS<sup>1</sup>**  
**CURRENT YEAR AND NINE YEARS AGO**

**Table 7**

Taxpayer	2014				2005			
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value <sup>1</sup>		Total Assessed Valuation	Rank	Percentage of Total Assessed Value <sup>1</sup>	
Commonwealth Chesapeake Company	\$ 157,228,990	1	3.69%		\$ 102,410,396	1	4.85%	
A&N Electric Cooperative	78,451,940	2	1.84%		17,654,663	6	0.80%	
Verizon Virginia Inc.	22,107,458	3	0.52%		28,919,304	2	1.46%	
Perdue Farms Inc.	20,526,729	4	0.48%		27,654,107	4	1.47%	
Tyson Farms Inc.	19,523,800	5	0.46%		21,046,922	5	0.87%	
Delmarva Power	19,465,782	6	0.46%		-	-	-	
Old Dominion Electric Cooperative	11,348,717	7	0.27%		-	-	-	
Wal-Mart	10,992,573	8	0.26%		-	-	-	
Tull, Edward Lunn	8,189,583	9	0.19%		-	-	-	
Chincoteague Hotel LLC	7,892,360	10	0.19%		6,487,607	9	0.28%	
Conectiv	-	-	-		30,057,014	3	1.41%	
Richard F. Hall Jr.	-	-	-		8,707,884	7	0.37%	
Virginia Landing Corporation	-	-	-		6,961,500	8	0.30%	
Sustainable Conservation Inc.	-	-	-		6,023,260	10	0.26%	

**Source:** Accomack County Finance Office

<sup>1</sup> Total assessed value obtained from Table 5A & 5B.

**COUNTY OF ACCOMACK, VIRGINIA**  
**PROPERTY TAX LEVY AND COLLECTIONS<sup>(1)(2)</sup>**  
**LAST TEN FISCAL YEARS**

**Table 8**

Fiscal Year Ending June 30,	Total Tax Levy	Personal Property Tax Relief Act Credits <sup>(3)</sup>	Adjusted Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
					Percent of			Percent of
				Amount	Adjusted Levy		Amount	Adjusted Levy
Real Estate Taxes:								
2005	13,149,338	-	13,149,338	12,107,697	92.08%	1,003,447	13,111,144	99.71%
2006	13,959,366	-	13,959,366	12,824,656	91.87%	1,100,053	13,924,709	99.75%
2007	14,441,421	-	14,441,421	13,100,144	90.71%	1,370,080	14,470,225	100.20%
2008	14,587,494	-	14,587,494	12,498,041	85.68%	1,852,478	14,350,518	98.38%
2009	15,860,887	-	15,860,887	14,204,453	89.56%	1,492,229	15,696,682	98.96%
2010	18,407,802	-	18,407,802	16,804,990	91.29%	1,771,315	18,576,305	100.92%
2011	19,242,035	-	19,242,035	17,448,166	90.68%	1,364,971	18,813,138	97.77%
2012	19,485,027	-	19,485,027	17,771,980	91.21%	1,236,735	19,008,715	97.56%
2013	20,183,114	-	20,183,114	18,267,476	90.51%	998,580	19,266,057	95.46%
2014	20,482,206	-	20,482,206	18,805,404	91.81%	-	18,805,404	91.81%
Personal Property Taxes:								
2005	7,772,875	(2,820,715)	4,952,160	4,259,666	86.02%	589,755	4,849,421	97.93%
2006	8,406,000	(3,014,681)	5,391,319	4,570,749	84.78%	748,756	5,319,505	98.67%
2007	8,943,981	(2,673,704)	6,270,277	5,526,354	88.14%	673,532	6,199,886	98.88%
2008	9,272,941	(2,728,454)	6,544,487	5,510,543	84.20%	841,554	6,352,097	97.06%
2009	9,173,062	(2,832,095)	6,340,967	5,554,130	87.59%	856,838	6,410,968	101.10%
2010 <sup>4</sup>	15,911,251	(4,609,338)	11,301,913	7,247,272	64.12%	3,205,200	10,452,472	92.48%
2011	11,600,267	(3,139,170)	8,461,097	6,420,870	75.89%	1,130,541	7,551,411	89.25%
2012	11,370,499	(3,048,353)	8,322,146	6,570,046	78.95%	1,156,180	7,726,226	92.84%
2013	11,771,209	(3,075,577)	8,695,632	6,719,547	77.27%	1,090,549	7,810,096	89.82%
2014	11,948,105	(3,188,088)	8,760,017	7,077,882	80.80%	-	7,077,882	80.80%

<sup>(1)</sup> This schedule is prepared using the cash basis of accounting.

<sup>(2)</sup> Does not include penalty or interest.

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

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

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

**Table 9**

Fiscal Year	Governmental Activities						Business-type Activities				
	General Obligation Bonds			Revenue/ Bond Anticipation Notes	Lease Revenue Bonds	Capital Leases	General Obligation Bonds <sup>2</sup>	Capital Leases	Total Primary Government	Per Capita <sup>1</sup>	Percentage of Personal Income <sup>1</sup>
	Literary	Va. Public	Qualified								
	Fund	School Authority	Zone Academy								
Loans	Bonds	Bonds									
2005	\$ 6,610,493	\$ 30,143,870	\$1,075,619	\$ 7,500,000	\$3,650,000	\$ 165,000	\$ 3,340,000	\$ -	\$ 52,484,982	1,465	5.63%
2006	6,137,001	40,305,984	1,007,951	-	3,555,000	132,000	3,040,000	-	54,177,936	1,539	5.47%
2007	5,676,492	38,727,015	938,032	-	6,125,000	99,000	2,725,000	-	54,290,539	1,571	5.10%
2008	5,215,983	37,073,904	865,787	-	5,815,000	66,000	2,395,000	-	51,431,674	1,514	4.60%
2009	4,755,474	35,350,933	791,129	-	5,490,000	33,000	2,045,000	-	48,465,536	1,450	4.38%
2010	4,294,965	33,567,305	713,974	-	5,748,000	-	2,112,000	-	46,436,244	1,400	4.16%
2011	3,834,456	31,712,181	634,234	-	5,748,000	-	2,112,000	-	44,040,871	1,321	3.86%
2012	3,373,947	29,785,242	551,816	-	5,748,000	-	2,203,000	-	41,662,005	1,249	3.50%
2013	2,913,438	27,787,250	466,625	-	5,172,000	-	1,905,000	-	38,244,313	1,154	3.07%
2014	-	25,718,250	378,561	-	10,847,700	-	1,602,000	-	38,546,511	1,159	*

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

\* Unavailable

<sup>1</sup> See Table 11 for population and personal income data.

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



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

**Table 10**

Fiscal Year Ending June 30,	General Bonded Debt Outstanding <sup>1</sup>				Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property <sup>2,3</sup>		Per Capita <sup>3</sup>
	General Obligation Bonds	Revenue/Bond Anticipation Notes	Lease Revenue Bonds	Total					
2005	\$ 37,829,982	\$ 7,500,000	\$ 3,650,000	\$ 48,979,982	\$ 1,736,301	\$ 47,243,681	1.99%	\$	1,318
2006	47,450,935	-	3,555,000	51,005,935	2,122,742	48,883,193	2.00%		1,389
2007	45,341,539	-	6,125,000	51,466,539	1,746,995	49,719,544	2.06%		1,439
2008	43,155,674	-	5,815,000	48,970,674	1,263,817	47,706,857	1.07%		1,404
2009	40,897,536	-	5,490,000	46,387,536	1,113,942	45,273,594	0.98%		1,355
2010	38,576,244	-	5,748,000	44,324,244	859,741	43,464,503	0.93%		1,311
2011	36,180,871	-	5,748,000	41,928,871	1,389,519	40,539,352	0.85%		1,216
2012	33,711,005	-	5,748,000	39,459,005	1,337,183	38,121,822	0.90%		1,143
2013	31,167,313	-	5,172,000	36,339,313	1,101,726	35,237,587	0.83%		1,063
2014	26,096,811	-	10,847,700	36,944,511	1,616,021	35,328,490	0.85%		1,062

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

<sup>1</sup> Excludes general obligation bonds of business-type activities and capital leases.

<sup>2</sup> Includes real and personal property estimated actual taxable value.

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

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

**Table 11**

Year	Population <sup>1</sup>	Personal Income (expressed in thousands) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Unemployment Rate <sup>4</sup>	School Enrollment <sup>3</sup>
2005	35,835	\$932,812	\$26,868	4.60%	5,385
2006	35,192	\$990,097	\$28,134	4.20%	5,414
2007	34,553	\$1,065,010	\$30,823	4.10%	5,370
2008	33,970	\$1,118,517	\$32,927	5.00%	5,193
2009	33,415	\$1,106,764	\$33,122	6.60%	5,016
2010	33,164	\$1,115,117	\$33,593	7.10%	5,056
2011	33,341	\$1,139,818	\$34,181	7.30%	5,030
2012	33,359	\$1,191,372	\$35,733	6.90%	5,092
2013	33,148	\$1,247,302	\$37,628	6.50%	5,132
2014	33,272	N/A	N/A	5.70%	5,310

N/A - Not available

<sup>1</sup> Source: Years 2005-2013 U.S. Census Bureau Mid Year Estimates/Year 2014 estimated

<sup>2</sup> Source: U.S. Bureau of Economic Analysis

<sup>3</sup> Source: Accomack County School Board as of October 2014

<sup>4</sup> Source: Virginia Employment Commission/2014 unemployment rate as of June 2014

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

**Table 12**

Employer	2014			2004		
	Employees	Rank	Percentage of Total County Employment <sup>1</sup>	Employees	Rank	Percentage of Total County Employment <sup>1</sup>
Perdue Farms, Inc.	1000+	1	6.06%	1000+	1	5.41%
Tyson Foods, Inc.	1000+	2	6.06%	1000+	2	5.41%
Accomack County School Board	1000+	3	6.06%	500-999	3	4.33%
County of Accomack	250-499	4	1.51%	250-499	4	1.35%
National Aeronautics & Space Administration	250-499	5	1.51%	250-499	5	1.35%
Wal-Mart	250-499	6	1.51%	-	-	-
Eastern Shore Community Services	100-249	7	0.61%	100-249	7	0.54%
Eastern Shore Rural Health System	100-249	8	0.61%	-	-	-
LJT Associates	100-249	9	0.61%	-	-	-
Riverside Regional Medical Center	100-249	10	0.61%	-	-	-
The Cube Corporation	-	-	-	100-249	6	0.54%
King's Choice	-	-	-	100-249	8	0.54%
Eastern Shore Seafood	-	-	-	100-249	9	0.54%
Shore Memorial Hospital	-	-	-	100-248	10	0.54%
			<u>25.15%</u>			<u>20.56%</u>

**Source:** Virginia Employment Commission

<sup>1</sup>Percentage of total County employment based on total employment as of March 31, 2014.

**COUNTY OF ACCOMACK, VIRGINIA**  
**AUTHORIZED FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS<sup>1</sup>**

**Table 13**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General government administration</b>										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	9.0	9.0	9.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0
Elections	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other	25.0	25.0	27.0	27.0	27.5	33.5	32.0	32.0	30.0	30.0
<b>Judicial administration</b>										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	17.8	18.3	18.3	18.3	19.8	19.8	18.8	17.8	17.8	15.8
Other	2.0	2.0	3.0	3.0	3.0	2.0	2.5	2.5	2.5	2.5
<b>Public Safety</b>										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	64.7	64.7	64.7	64.7	63.7	62.7	60.7	62.7	63.7	65.7
Firefighters and emergency medical personnel	20.0	22.5	22.5	28.5	31.5	31.5	31.5	31.5	35.0	38.0
Other	12.5	12.5	12.5	14.5	14.0	13.0	13.0	13.0	13.0	13.0
<b>Public Works</b>										
Refuse collection and litter control	17.0	19.0	21.8	22.3	23.2	23.2	23.2	23.2	20.9	24.4
Refuse disposal	13.7	14.7	15.4	15.4	14.5	14.5	14.5	14.5	13.5	13.5
Building and grounds	14.3	14.8	14.8	14.8	14.8	14.8	13.3	13.3	14.3	14.3
Wastewater treatment	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	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
<b>Health and welfare</b>										
Social services and welfare	63.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	55.0	55.0
Other	6.0	6.0	6.0	6.0	5.0	3.0	0.0	0.0	0.0	0.0
<b>Parks, recreation and cultural</b>	6.0	6.0	6.0	6.0	5.0	5.0	4.0	4.0	4.5	4.8
<b>Community development<sup>2</sup></b>	4.0	5.0	7.0	8.0	8.0	9.0	6.5	6.5	11.0	12.0
<b>Total primary government</b>	<u>278.0</u>	<u>286.5</u>	<u>295.0</u>	<u>306.5</u>	<u>308.0</u>	<u>311.0</u>	<u>298.0</u>	<u>299.0</u>	<u>294.2</u>	<u>302.0</u>

**Source:** Accomack County Finance Office

<sup>1</sup>Temporary and seasonal employees are excluded from this table.

<sup>2</sup> 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 NINE FISCAL YEARS<sup>1</sup>**

**Table 14**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government									
Assessor									
Taxable real estate number of parcels	38,021	38,689	39,134	39,440	39,620	39,707	39,786	39,800	39,844
Tax-exempt real estate number of parcels	892	898	917	921	932	936	940	941	943
Number of parcels enrolled in land use program	1,543	1,569	1,642	1,720	1,970	1,995	2,005	1,977	1,873
Commissioner of Revenue									
Mobile homes	4,230	4,219	4,214	4,214	3,512	3,418	3,253	3,169	3,152
Personal Property Tax Relief Act (PPTRA) qualifying vehicles	34,235	35,831	33,206	34,886	34,551	35,762	29,327	23,808	24,846
PPTRA tax credit percentages (vehicle value <\$1,000;\$1,000-\$20,000)	100% ; 51%	100% ; 51%	100% ; 51%	100%;51%	100%;51%	100%;51%	100%;49%	100%;49%	100%;49%
Finance									
Vendor checks issued	11,793	11,131	10,542	10,149	10,203	10,049	10,117	9,555	9,844
Annual County payroll checks/direct deposits	7,902	7,766	8,236	8,323	8,736	6,658	9,019	9,072	9,133
Annual School Board payroll checks/direct deposits	29,716	25,721	25,402	26,220	26,886	26,908	27,270	28,271	26,728
Treasurer									
Real estate bills created	72,535	74,014	76,178	76,617	77,399	78,926	79,026	79,092	79,152
Personal property bills created	38,314	38,540	35,365	37,419	65,899	67,789	66,814	66,378	68,132
Judicial Administration									
Clerk of Court									
Deed book recordings	8,684	7,588	5,886	5,611	5,311	5,085	4,781	5,374	5,203
Judgments	2,612	4,364	2,648	3,264	2,922	3,338	2,869	2,706	2,420
Public Safety									
Fire and Emergency Services									
Emergency responses <sup>2</sup>	3,001	2,979	3,230	2,605	3,798	3,635	4,490	4,751	5,542
Patients transported <sup>2</sup>	2,125	2,134	2,264	1,751	2,597	2,508	2,582	2,724	2,882
Fire responses <sup>2</sup>	325	322	387	253	343	370	361	406	247
Fire investigations	60	17	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EMS turn-out time when fully staffed <sup>2</sup>	2 minutes	2 minutes	2 minutes < 2 minutes	< 2 minutes	2.4 minutes	3.8 minutes	3.2 minutes	2.4 minutes	
EMS drive time when fully staffed <sup>2</sup>	< 14 minutes	12 minutes	< 12 minutes < 7 minutes	< 7 minutes	1.3 minutes	5.6 minutes	1.6 minutes	2.1 minutes	
EMS response time when fully staffed <sup>2</sup>	< 15 minutes	14 minutes	< 15 minutes < 7 minutes	< 7 minutes	13 minutes	9.2 minutes	6.6 minutes	5.3 minutes	
Jail									
Average daily inmate population	99	116	104	96	96	87	81	104	104
Sheriff's Office									
Physical arrests	786	788	837	864	671	893	1,038	1,673	1,262
Traffic violations	364	629	436	478	456	469	934	577	637
Health and Welfare									
Comprehensive Services Act									
Youth receiving services	106	121	121	121	67	55	20	21	23
Social Services									
Food Stamp Recipients	3,890	4,042	4,290	4,326	5,506	6,490	7,236	6,986	10,332
Households receiving Heating Assistance	1,698	1,631	3,414	3,217	3,231	2,899	2,749	2,737	3,057
Households receiving Cooling Assistance	491	394	453	426	739	944	718	608	842
Community Development									
Building permits issued	1,109	1,073	924	918	861	723	692	729	663
Other Funds									
Landfills									
Billable tons of refuse disposed	54,673	52,711	48,746	43,108	39,154	38,466	37,028	39,614	35,484
Tons of recycled materials <sup>3</sup>	6,251	7,931	11,656	17,425	8,769	8,448	9,062	12,346	N/A

**Sources:** Various county departments.

<sup>1</sup> Ten years of data is not available but will be accumulated over time.

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

<sup>3</sup>This information is reported on a calendar year basis.

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

**Table 15**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Function</b>										
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units <sup>1</sup>	35	35	35	38	41	43	51	48	53	48
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
<b>Public Works</b>										
County owned buildings	29	29	30	31	33	33	35	36	37	39
Square foot in buildings	192,790	186,749	186,893	187,037	187,373	187,373	151,849	153,049	153,149	161,549
Refuse collection sites (staffed) <sup>2</sup>	1	1	2	3	4	5	6	6	6	6
Refuse collection sites (unstaffed)	18	18	16	14	4	4	1	1	-	-
Active landfills	2	2	2	2	2	2	2	2	1	1
Solid waste transfer stations	-	-	-	-	-	-	-	-	1	1
Refuse collection vehicles <sup>2</sup>	4	4	4	4	4	4	4	4	4	4
<b>Parks, Recreation and Cultural</b>										
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
<b>Community Development</b>										
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'
<b>Education</b>										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Elementary school capacity	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,975	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	2,750	2,750	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	525	525	575	575
School buses	109	109	108	107	110	109	110	110	110	110

**Component Units**

<b>Industrial Development Park</b>										
Acreeage available for sale	261.28	261.28	261.28	261.28	261.28	261.28	261.28	261.28	261.28	259.28

**Sources:** Various County departments.

<sup>1</sup>Includes process server vehicles.

<sup>2</sup>This 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, 2014, 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 December 19, 2014.

### 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

December 19, 2014

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Members of the Board of Supervisors  
County of 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 Circular A-133 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, 2014. 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 \$553,786 in federal awards which is not included in the schedule during the year ended Financial Statement June 30, 2014. Our audit, described below, did not include the operations of Accomack-Northampton Planning District Commission because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

### *Management's Responsibility*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of 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, 2014.

## 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Accomack, Virginia's internal control over compliance.

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

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

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

*Robinson, Farnell, Cox Associates*

Charlottesville, Virginia  
December 19, 2014

COUNTY OF ACCOMACK, VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED JUNE 30, 2014

Page 1

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>PRIMARY GOVERNMENT:</b>			
<b>Department of Defense:</b>			
<u>Direct Payments:</u>			
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	N/A	12.610	\$ 63,652
<b>Department of Justice:</b>			
<u>Direct Payments:</u>			
Asset Forfeiture	N/A	16.000	10,825
<b>Department of Transportation:</b>			
<u>Direct Payments:</u>			
Airport Improvement Program	N/A	20.106	62,606
<u>Pass Through Payments:</u>			
Alcohol Open Container Requirements	154AL1353209 & 154AL1252240	20.607	33,847
<b>Total Department of Transportation</b>			96,453
<b>Department of Homeland Security:</b>			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services:			
State Homeland Security Program	N/A	97.073	28,508
Emergency Management Performance Grants	N/A	97.042	7,500
Homeland Security Grant Program	N/A	97.067	32,853
Hazard Mitigation Grant	N/A	97.039	294,446
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A	97.036	280,144
<b>Total Department of Homeland Security</b>			643,451
<b>Department of Agriculture:</b>			
<u>Direct Payments:</u>			
Summer Food Service Program for Children	N/A	10.559	133,155
Food Distribution	N/A	10.559	3,661
Total Direct Payments			136,816
<u>Pass Through Payments:</u>			
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Programs	0010111/0010112/0040111/0040112	10.561	449,052
<b>Total Department of Agriculture</b>			585,868
<b>Department of Health and Human Services:</b>			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting Safe and Stable Families	950112	93.556	12,781
Temporary Assistance for Needy Families	0400111/0400112	93.558	477,286
Refugee and Entrant Assistance - State Administered Programs	0500110/0500111	93.566	2,842
Low-Income Home Energy Assistance	0600411/0600412	93.568	55,598
Child Care and Development Block Grant (Child Care and Development Fund Cluster)	0770111/0770112	93.575	(240)
and Development Fund (Child Care and Development Fund Cluster)	0760111/0760112	93.596	73,860
Chafee Education and Training Vouchers Program	9160109	93.599	280
Stephanie Tubbs Jones Child Welfare Services Program	0900111/0900112	93.645	3,626
Foster Care-Title IV-E	1100111/1100112	93.658	190,893
Adoption Assistance	1120111/1120112	93.659	66,889
Social Services Block Grant	1000110/1000111	93.667	362,275
Chafee Foster Care Independence Program	9150111/9150112	93.674	4,267
Children's Health Insurance Program	0540111/0540112	93.767	13,935
Medical Assistance Program	1200111/1200112	93.778	401,593
Total Department of Social Services			1,665,885
<b>Total Department of Health and Human Services</b>			1,665,885

COUNTY OF ACCOMACK, VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED JUNE 30, 2014

Page 2

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>Department of the Interior:</b>			
<u>Direct Payments:</u>			
Chincoteague Wildlife Refuge	N/A	15.000	\$ 88,645
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS - PRIMARY GOVERNMENT</b>			<u>3,154,779</u>
<b>COMPONENT UNIT-SCHOOL BOARD:</b>			
<b>Department of Agriculture:</b>			
<u>Pass Through Payments:</u>			
Virginia Department of Agriculture and Consumer Services: Food Distribution (Child nutrition cluster)	10.555/2010/2011	10.555	150,844
Department of Education: National School Lunch Program (Child Nutrition Cluster)	10.555/2010/2011	10.555	<u>1,603,911</u>
School Breakfast Program (Child Nutrition Cluster)	10.553/2010/2011	10.553	<u>632,445</u>
<b>Total Department of Agriculture</b>			<u>2,387,200</u>
<b>Department of Education:</b>			
<u>Pass Through Payments:</u>			
Department of Education:			
Title I Grants to Local Educational Agencies	S010A120046/S011A130046	84.010	1,765,412
Migrant Education - State Grant Program	S011A120047/S011A130047	84.011	313,567
Special Education - Grants to States (Special Education Cluster)	H027A120107/H027A130107	84.027	964,054
Career and Technical Education - Basic Grants to States	V048A120046/V048A130046	84.048	74,506
Special Education - Preschool Grants (Special Education Cluster)	H173A120112/H173A130112	84.173	33,227
Education for Homeless Children and Youth	N/A	84.196	6,962
Migrant Education - Coordination Program	S144F110047	84.144	30,183
Rural Education	S358B120046	84.358	93,564
English Language Acquisition State Grants	T365A120046	84.365	48,123
Improving Teacher Quality State Grants	S367A110044/S367A120044	84.367	<u>328,744</u>
<b>Total Department of Education</b>			<u>3,658,342</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS COMPONENT UNIT-SCHOOL BOARD</b>			<u>6,045,542</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY</b>			<u>\$ 9,200,321</u>

Note: This schedule does not include Federal award expenditures of the Accomack-Northampton Planning District Commission.  
See accompanying notes to schedule of expenditures of federal awards.

## COUNTY OF ACCOMACK, VIRGINIA

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

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#### 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, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Accomack, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Accomack, Virginia.

#### Note 2 - Summary of Significant Accounting Policies

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

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

#### Note 3 - Food Donation

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

#### Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 746,192
Virginia Public Assistance Fund	2,049,723
Comprehensive Youth Services Fund	14,294

Total primary government	<u>3,115,480</u>
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Component Unit Airport:

Airport	<u>62,606</u>
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Component Unit Public Schools:

School Operating Fund	3,658,342
School Cafeteria Fund	2,236,356
Total component unit public schools	<u>5,894,698</u>

Total federal expenditures per basic financial statements	<u>9,072,784</u>
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Payments in lieu of taxes	<u>(26,968)</u>
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Non-cash expenditures - value of donated commodities	<u>154,505</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 9,200,321</u>
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COUNTY OF ACCOMACK, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2014

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

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

    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 Section .510(a)  
of OMB Circular A-133? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
84.011	Migrant Education - State Grant Program
84.027/84.173	Special Education Cluster
93.778	Medical Assistance Program

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

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**

There were no prior year findings to report.