



Comprehensive
Annual
Financial
Report

County of Accomack, Virginia
Fiscal Year Ended June 30, 2017



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COUNTY OF ACCOMACK, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

Prepared by:

Accomack County Finance Department
Accomack County, Virginia



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County of Accomack, Virginia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

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Introductory Section



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Michael T Mason, CPA
County Administrator

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February 15, 2018

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, 2017. This report was prepared by the County's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

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

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

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

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

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

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

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

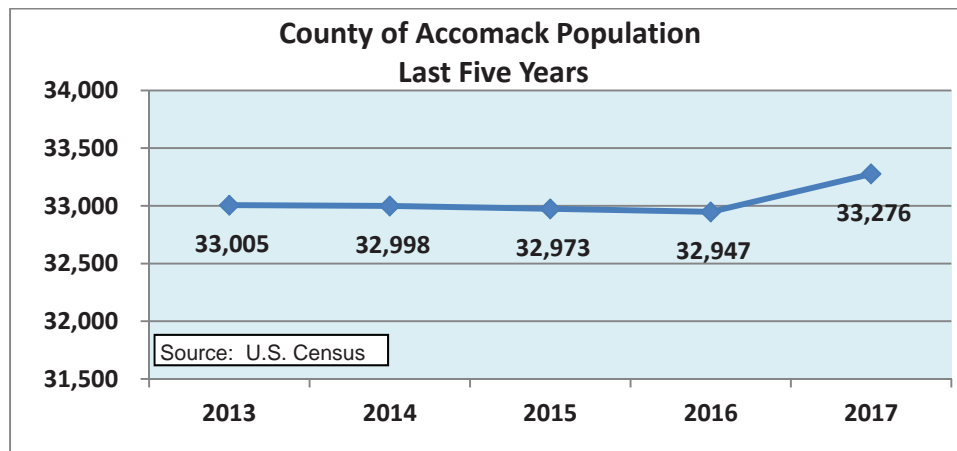
As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2017 has been completed and no material 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 33,276 as of June 30, 2017, and the county is projected to increase 1% from the current year.



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

- Constructing the Wallops Research Park. The Park represents a unique opportunity for significant investment and job creation from companies engaged in the aerospace and defense industry sectors looking to leverage and enhance the capabilities of Mid-Atlantic Regional Spaceport (MARS) and NASA Wallops Flight Facility.
- Providing capital campaign assistance to the Eastern Shore Community College to assist them with construction of a new state-of-the-art Academic and Administration Building.

The manufacturing sector continues to account for the majority of jobs in the County, approximately 25% in 2016. The majority of the jobs in this sector are associated with poultry processing which includes the County's top two employers, Perdue Farms, Inc. and Tyson Foods, Inc.

Calendar Year	Employment by Sector						Total
	Manuf-acturing	Accom-odations and Food Service	Retail Trade	Public Administ-ration	Health Care & Social Assistance	Other	
2016	3,228	1,360	1,338	1,281	1,628	4,805	13,640
2015	3,220	1,192	1,378	1,248	1,283	4,570	12,891
2014	3,066	1,227	1,422	1,282	1,252	4,409	12,658
2013	3,000	1,221	1,405	1,250	1,282	4,553	12,711
2012	3,076	1,241	1,343	1,230	1,180	4,577	12,647

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

Health care/social assistance and Public Administration sectors make up the next two largest sectors. The health care sector continues to grow due to the relocation of Riverside Shore Memorial Hospital from Northampton County to Accomack County in the winter of 2017. It represents one of Riverside's largest projects to date resulting in a 136,000 square foot hospital as well as a newly constructed cancer center and physician office building.



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

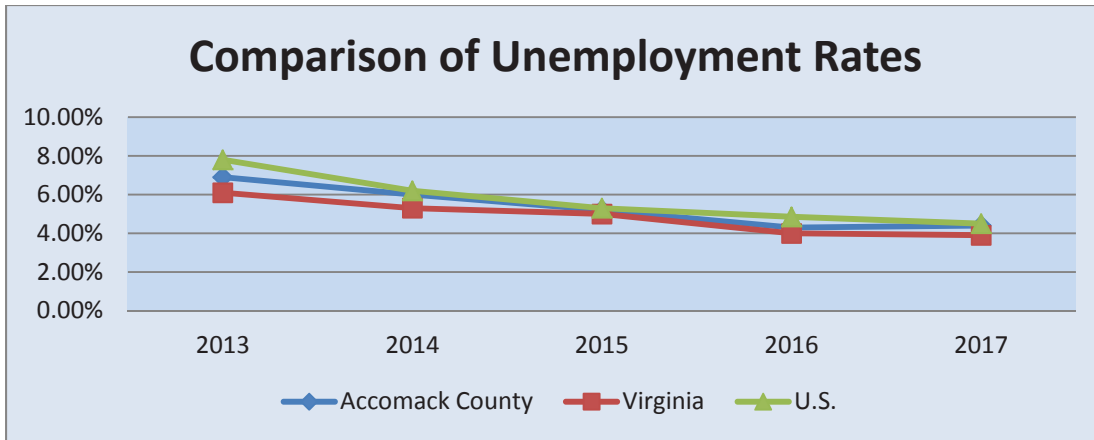
Employment associated with The U.S. Navy Surface Combat Systems Center (SCSC), NASA Wallops Flight Facility, and NOAA Command and Data Acquisition Center, all located on Wallops Island, while not reflected in any one sector is worth noting. Average employment for these entities, together with other tenant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



Future prospects for the Wallops Island area are high. This island is home to the Mid-Atlantic Regional Spaceport (MARS) whose mission is to develop and operate a multi user spaceport at the NASA Wallops Flight Facility which provides low cost, safe, reliable, "schedule friendly" space access to commercial, government, and academic users. In September 2013, Orbital Science Corporation, one of the world's leading space technology companies, successfully launched its Antares rocket carrying the company's Cygnus cargo logistics spacecraft into its intended orbit from MARS. This successful launch marked the beginning of an in-orbit capabilities mission that culminated in rendezvous and birthing with the International Space Station. More recently, in November 2017, Orbital again successfully launched its ATK Antares rocket with the Cygnus spacecraft onboard. This was Orbital ATK's eighth contracted cargo resupply mission with NASA to the International Space Station. Wallops Island's location of roughly 38 degrees north latitude makes it an ideal site to send loads into inclined orbits - between the equator and the poles - at a reduced expense.

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

Unemployment: Local unemployment rates remained steady from the previous calendar year at 4.4% which is slightly higher than the national rate.



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

- Construction of the Wallops Research Park was completed in Fiscal Year 2017. The Wallops Research Park is a prime location for aerospace and aviation operations offering 200+ acres specifically for Unmanned Aircraft Systems and medium class space launch vehicles, particularly those seeking to leverage and enhance capabilities of the Mid-Atlantic



Spaceport and NASA Wallops Flight Facility. It represents a unique opportunity for significant investment and job creation from companies engaged in defense and aerospace industry sectors. The WRP is adjacent to the NASA Wallops Flight Facility and offers tenants a distinctive business advantage not available

anywhere. The Wallops Flight Facility is home to unique and valuable assets that can be leveraged for federal, state and private sector development. In total, there are approximately 6200 acres within the WFF which provide three major capabilities: Research Airport; World Class Launch Range; and end-to-end engineering design, fabrication, and testing facilities. In total, the Wallops Research Park represents over \$8M in County and Commonwealth investment.

- Continued development of Central Recreation Park, the County's first recreational park which is located close to the Town of Accomac. Phase 1 of the park's development is fully funded and includes recreational fields, walking trails and other multi-use areas. Phase 1 is expected to be completed by the spring of 2018 and includes walking trails, a ballfield, concession stand and playground. The Park's master plan includes additional phases which are all intended to build upon these initial improvements.



- Set aside an additional \$806,980 to the County's "Rainy Day"/Stabilization Committed Fund Balance bringing the total amount committed to \$10,836,542 or approximately 12.9% of the sum of the Primary Government's total General Fund revenue and School Board Component Unit's total School Operating Fund revenue.

Prospects for the Future. For the 2018 Fiscal Year, the Board of Supervisors adopted a Primary Government total operating and capital budget of \$60,148,743 which is an increase of 5.1% from the previous year.

The 2018 budget does not include any property tax rate increase. The County's real estate tax rate continues to be among the lowest in Virginia as compared to similar counties. Specifics about the Fiscal Year 2018 property tax rates are set forth in the *Management Discussion and Analysis* section of this report.

Significant initiatives funded for Fiscal Year 2018 include:

- Attracting and maintaining a high performing workforce. Funding was allocated for a two percent salary increase for all County and State-supported local employees. Additional funding was budgeted to provide additional matching funds to assist employees with the added cost of having their spouse and children on the County's health insurance plan.
- Maintaining or improving customer service or safety. Funding was appropriated for two new positions, one new position in the Sheriff Department for a School Resource Officer and the other position will be in the information Technology Department as an Application Specialist.

- Renovations and major repairs to the Circuit and General District Courts.
- Roof replacement on the Jail and Sheriff Office Building.
- Implementation of Comprehensive Law Enforcement Software for the Sheriff Department and Permit Software for the Department of Assessment.
- Continued strategic contributions to County's "Rainy Day"/Stabilization Committed Fund Balance in line with the goal of it reaching 16.7% of governmental fund revenue of the primary government and School Board component unit by Fiscal Year 2021.

Certificate of Achievement. The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Accomack, Virginia, for its comprehensive annual financial report for the fiscal year ending June 30, 2016. 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,



Michael T. Mason
County Administrator



Government Finance Officers Association

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

Presented to

**County of Accomack
Virginia**

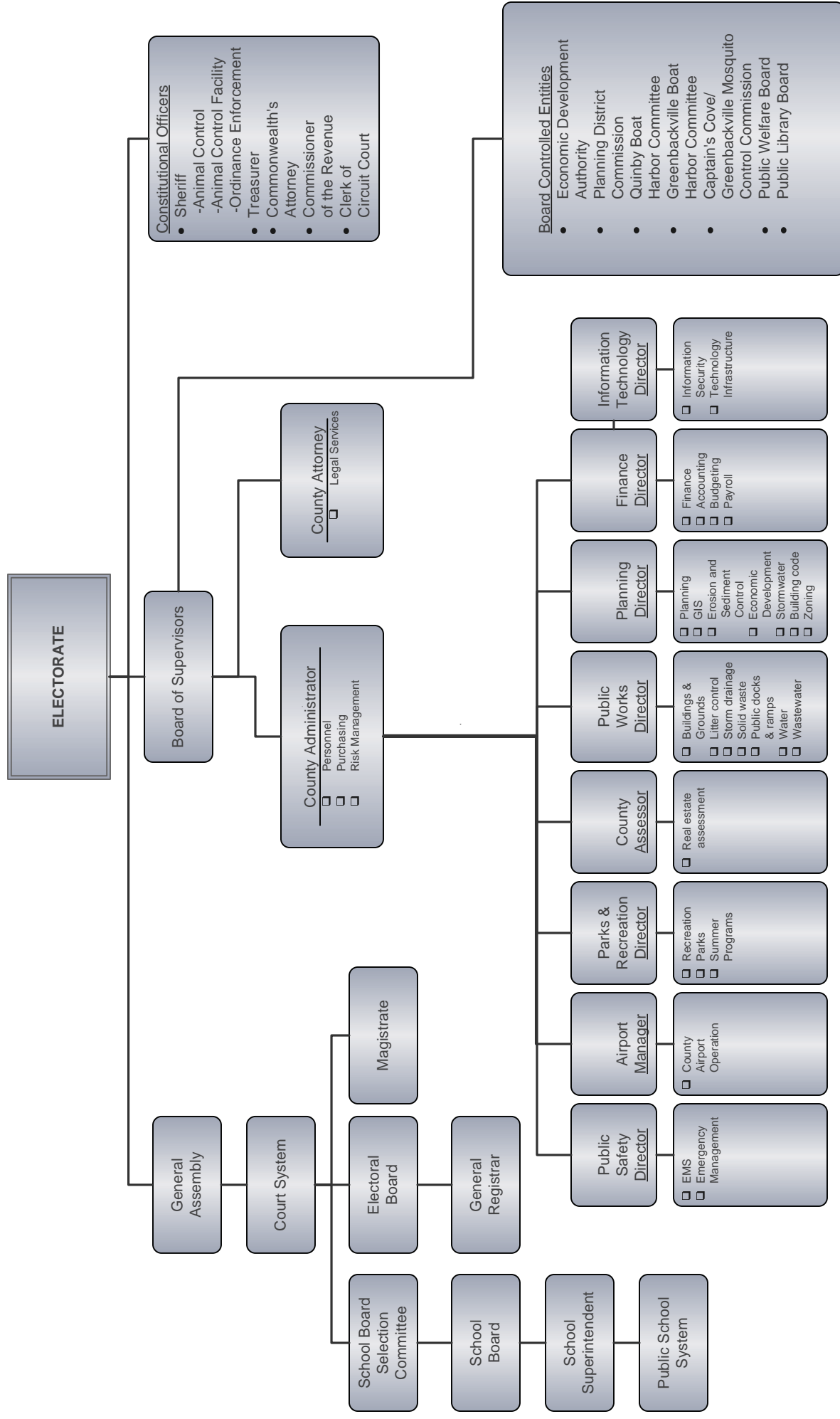
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Christopher P. Morill

Executive Director/CEO

COUNTY OF ACCOMACK, VIRGINIA ORGANIZATION CHART



County of Accomack, Virginia

Principal Officials

Board of Supervisors

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

Constitutional Officers

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

County Administrative Officers

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

County of Accomack, Virginia
Principal Officials
(continued)

School Board

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

School Board Administrative Officers

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



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Financial Section



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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Accomack, Virginia, as of and for the year ended Financial June 30, 2017, 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, (116) 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, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 25 to the financial statements, in 2017, the County adopted new accounting guidance, GASB Statement Nos. 74 Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 21-31, 117-122, and 109-116 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Accomack, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2018, 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
February 15, 2018



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, 2017. 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 \$38,165,199 (net position). Of this amount, \$10,511,278 (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 \$1,133,415 (3%). Net position of the governmental-type activities increased \$1,386,373 (4%) and net position of the business-type activities decreased \$252,958 (4%).
- The County's unrestricted nets assets decreased by \$2,323,417 (18%). Unrestricted net position of the governmental-type activities increased 862,215 (6%) and unrestricted net position of the business-type activities decreased \$3,185,632 (156%). The large change in unrestricted net position is because \$2,744,365 in cash was invested in construction of a new landfill cell (cell 6A) to allow for continued acceptance of waste at the County's North Landfill.
- Program revenues of the County's business-type activities increased by 9% to \$3,814,901 while expenses increased by 28% to \$4,471,876. Note that during construction of landfill cell 6A, it was necessary to transport all incoming waste to another landfill to be disposed which resulted in one-time additional operating costs of approximately \$300,000. Cell 6A became operational in the second half of fiscal year 2017.
- The General fund reported an ending fund balance of \$16,971,671, an increase of \$2,598,796 (18%). Of the ending fund balance, \$136,753 was nonspendable or restricted, \$10,017,457 was committed pursuant to the County's "Rainy Day"/Revenue Stabilization policy, \$4,505,194 was assigned to various projects and \$2,312,267 was unassigned.
 - The amount of General Fund ending fund balance committed pursuant to the County's "Rainy Day"/Revenue Stabilization Policy was equal to 12.9% of total General Fund Revenue and Component Unit School Operating Revenue less contributions from the Primary Government.
 - The amount of General Fund ending fund balance available for expenditure (Committed Fund Balance + Assigned Fund Balance + Unassigned Fund Balance) was \$16,834,918 or 47% of total general fund expenditures.
- The County's outstanding debt decreased by \$3,064,666 or 8.5% during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The County maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Virginia Public Assistance Fund, Comprehensive Youth Services Fund, County Debt Service Fund and County Capital Projects Funds, all of which are considered to be major funds. Data from the remaining nine governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor funds is provided in the "Other Supplemental Information" section of the report.

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$38,165,199 at year-end.

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

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

County of Accomack, Virginia Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 45,404,774	\$ 44,581,920	\$ 2,719,694	\$ 4,942,072	\$ 48,124,468	\$ 49,523,992
Capital assets	42,511,793	44,221,833	12,839,665	8,980,661	55,351,458	53,202,494
Total assets	87,916,567	88,803,753	15,559,359	13,922,733	103,475,926	102,726,486
Deferred Outflows of Resources	2,593,511	1,429,563	112,698	62,779	2,706,209	1,492,342
Current liabilities	8,614,584	8,544,370	2,766,542	2,887,727	11,381,126	11,432,097
Long -term liabilities	33,866,622	34,012,437	7,184,282	5,054,616	41,050,904	39,067,053
Total liabilities	42,481,206	42,556,807	9,950,824	7,942,343	52,432,030	50,499,150
Deferred Inflows of Resources	15,584,157	16,618,167	749	69,727	15,584,906	16,687,894
Net Position:						
Net investment in capital assets	13,614,036	13,323,383	10,949,377	8,016,703	24,563,413	21,340,086
Restricted	3,090,508	2,857,003	-	-	3,090,508	2,857,003
Unrestricted	15,740,171	14,877,956	(5,228,893)	(2,043,261)	10,511,278	12,834,695
Total net position	\$ 32,444,715	\$ 31,058,342	\$ 5,720,484	\$ 5,973,442	\$ 38,165,199	\$ 37,031,784

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.

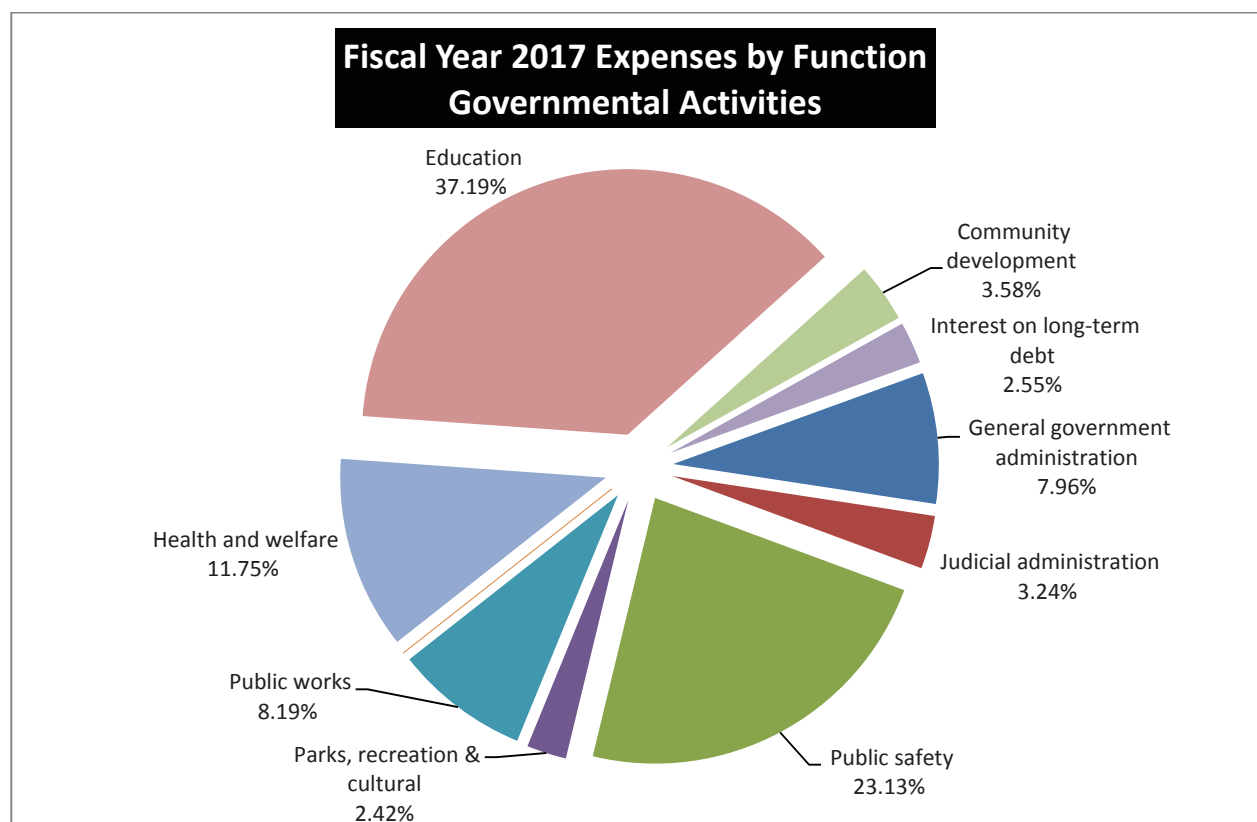
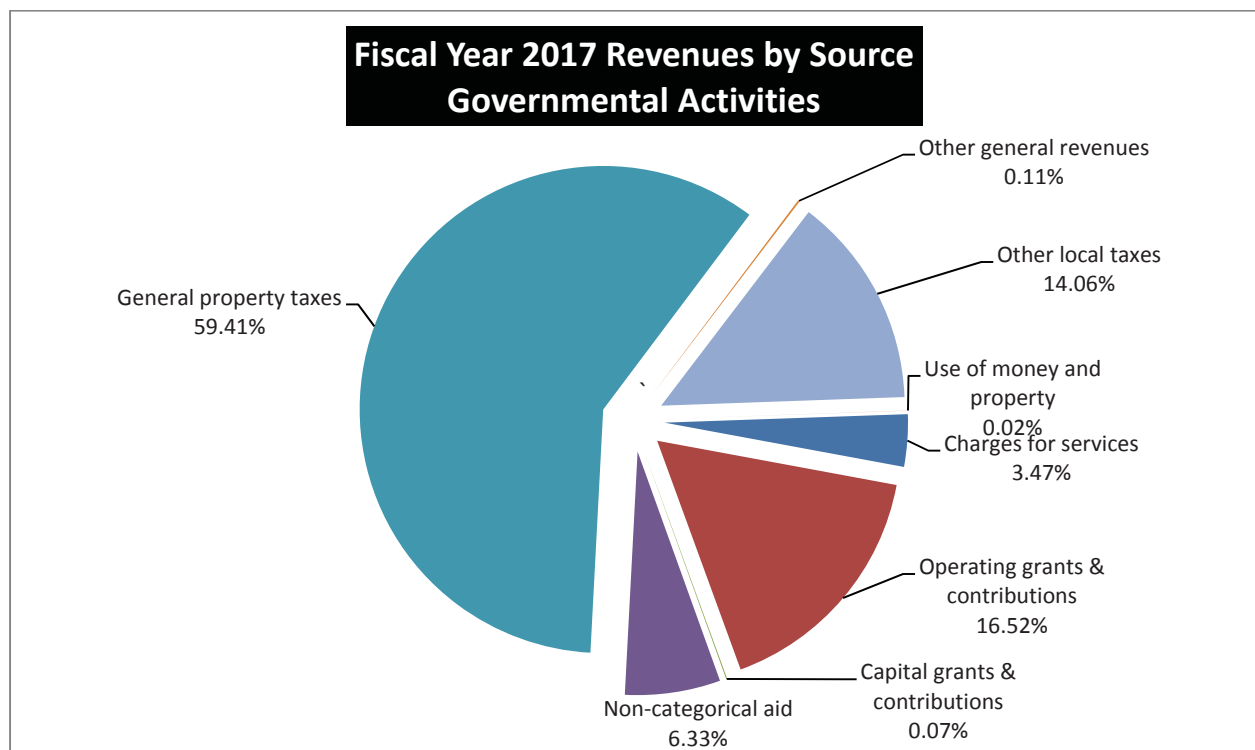
The County's net position increased by \$1,133,415 or 3% during the fiscal year. Governmental activities accounted for 122% of the total increase while business-type activities accounted for -22%.

Governmental Activities - Governmental activities increased the County's net position by \$1,386,373 or 4% 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	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 1,873,906	\$ 2,013,489	\$ 3,733,601	\$ 3,437,253	\$ 5,607,507	\$ 5,450,742
Operating grants & contributions	8,929,145	8,838,571	33,597	52,142	8,962,742	8,890,713
Capital grants & contributions	39,520	91,253	47,703	-	87,223	91,253
General Revenues:						
General property taxes	32,114,931	31,940,238	-	-	32,114,931	31,940,238
Other local taxes	7,602,393	7,483,566	-	-	7,602,393	7,483,566
Investment earnings	8,463	9,583	20,285	1,533	28,748	11,116
Non-categorical aid	3,423,576	3,367,776	-	-	3,423,576	3,367,776
Other general revenues	61,481	378,396	190,000	11,420	251,481	389,816
Total revenues	54,053,415	54,122,872	4,025,186	3,502,348	58,078,601	57,625,220
Expenses:						
General government administration	4,176,949	4,213,237	-	-	4,176,949	4,213,237
Judicial administration	1,698,149	1,626,300	-	-	1,698,149	1,626,300
Public safety	12,137,511	10,799,876	-	-	12,137,511	10,799,876
Public works	4,295,837	4,046,470	-	-	4,295,837	4,046,470
Health and welfare	6,163,082	5,961,155	-	-	6,163,082	5,961,155
Education	19,514,650	19,185,216	-	-	19,514,650	19,185,216
Parks, recreation and cultural	1,271,895	1,048,256	-	-	1,271,895	1,048,256
Community development	1,877,300	2,002,473	-	-	1,877,300	2,002,473
Interest on long-term debt	1,337,937	1,469,186	-	-	1,337,937	1,469,186
Business-type	-	-	4,471,876	3,491,385	4,471,876	3,491,385
Total expenses	52,473,310	50,352,169	4,471,876	3,491,385	56,945,186	53,843,554
Increase (decrease) in net position before transfers	1,580,105	3,770,703	(446,690)	10,963	1,133,415	3,781,666
Transfers	(193,732)	(199,509)	193,732	199,509	-	-
Increase (decrease) in net position	1,386,373	3,571,194	(252,958)	210,472	1,133,415	3,781,666
Net position-Beginning	31,058,342	27,487,148	5,973,442	5,762,970	37,031,784	33,250,118
Net position, June 30	\$ 32,444,715	\$ 31,058,342	\$ 5,720,484	\$ 5,973,442	\$ 38,165,199	\$ 37,031,784

- Property taxes are the largest single revenue source comprising 59% of total governmental revenues. Property taxes increased by \$174,693 or 1% during the fiscal year.
- Operating grants for governmental activities is the second largest revenue source comprising 17% of governmental revenues. This revenue source increased by \$90,574 or 1% during the fiscal year.
- Other local taxes increased by \$118,827 or 2% primarily due to an increase in local sales and use tax revenue.
- Education expense is the largest single category comprising 37% of total governmental expenses. Expenses for this category increased by \$329,434 or 2% from the previous year.
- Public safety expense is the second largest category comprising 23% of governmental expenses. Expenses for this category increased \$1,337,635 or 12% as compared to the previous year largely due to enhancing the County's emergency medical services at the southern end of the County by providing additional career personnel to staff the Painter Volunteer Fire and Rescue Station twenty-four hours a day, seven days a week. This action was necessary to improve ambulance response times in this area of the County.

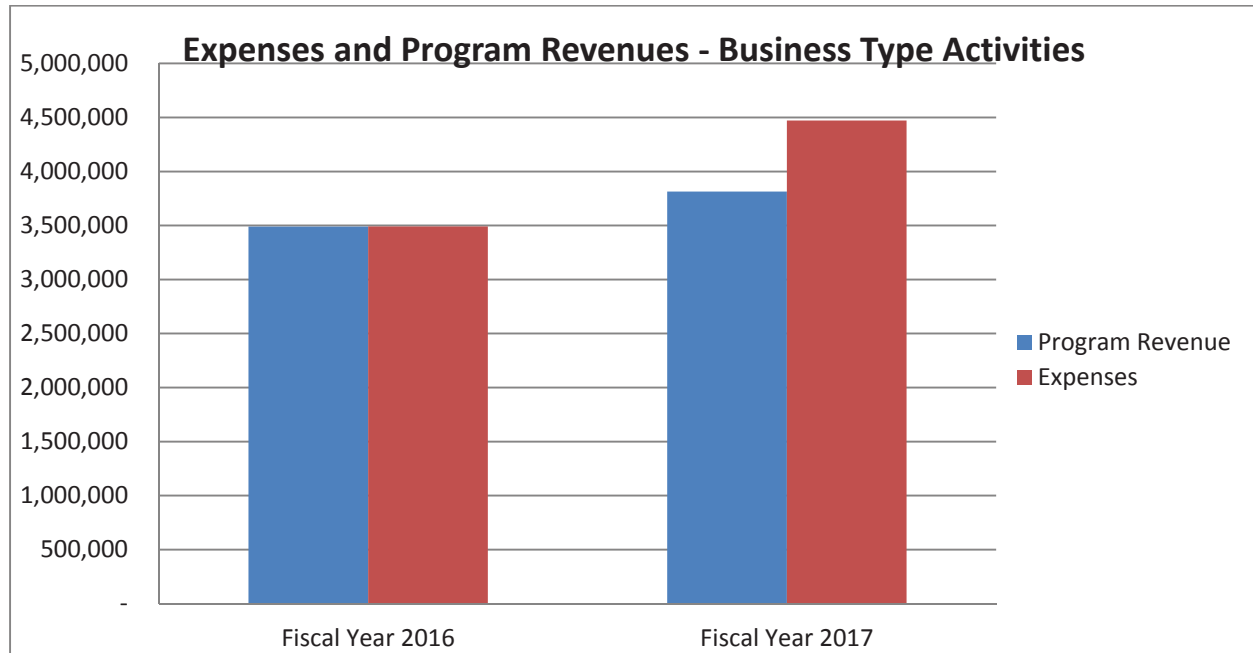


Business-type Activities - Business-type activities decreased the County's net position by \$252,958 or 1% during the fiscal year.

Business-type program revenues increased by \$325,506 or 9%. Of this amount, \$265,143 was from charges for disposal of waste at the County's Landfill.

Business-type expenses increased by 28% or \$980,491 as compared to the prior fiscal year. Landfill related expenses increased by 33% or \$853,269 accounting for the majority of the increase. As noted

earlier, over approximately \$300,000 of additional one-time expenses were incurred to dispose of waste at another non-county landfill while construction of a new cell at the County's North Landfill took place. In addition, closure and post closure expense for this new cell, which opened in the second half of fiscal year 2017, is significantly higher than the previous cell accounting for another \$242,671 in expense in 2017. Estimated closure and post closure expense of landfill cells are recognized over the cell's useful life based on capacity used.



Financial Analysis of the County's Funds

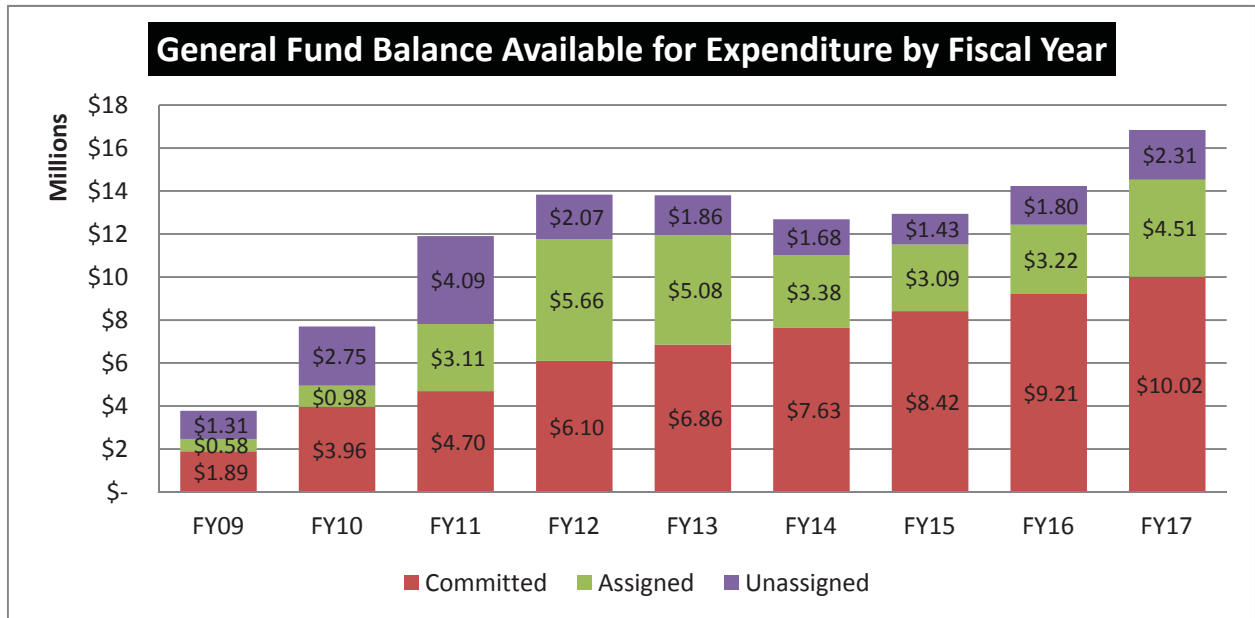
As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 \$23,336,012. Details are as follows:

- The General Fund accounted for 73% percent or \$16,971,671 of the combined ending governmental fund balance.
 - Approximately \$2,312,267 or 14% of this balance constitutes unassigned fund balance which is not tied to any specific use and is available for spending at the County's discretion.
 - Approximately \$10,017,457 or 59% is committed for a "Rainy Day" or Revenue Stabilization. This amount represents 12.9% of General Fund Revenue combined with School Operating Fund Revenue less revenue from the Primary Government.
 - Use of these funds is only permitted to temporarily address significant revenue shortfalls, to mitigate public safety threats both man-made and natural or to take emergency actions necessary to preserve the County and School Divisions overall financial health.
 - Approximately \$4,505,194 or 27% is assigned to various projects yet to be completed.

- Approximately \$104,700 or less than 1% of this balance is due to noncurrent advances/receivables and is therefore nonspendable.
- The remainder, approximately \$32,053, of general fund balance is restricted to specific uses by entities external to County government.



- The General Fund reported an increase in fund balance of \$2,598,796 or 18%. General Fund Committed Fund Balance increased by \$806,980 or 9%. The entire amount of committed fund balance, \$10,017,457, is associated with the County's "Rainy Day"/Revenue Stabilization Policy. The General Fund unassigned fund balance increased by \$507,689 or 28%.
- The County Debt Service Fund accounted for 4% or \$863,859 of the combined ending governmental fund balance. This entire balance is restricted for future debt service.
- The County Capital Projects Fund accounted for 13% or \$2,954,291 of the total governmental fund balance. Of this amount, \$2,966,671 is unspent bond proceeds restricted primarily for renovations of the County Health Department and Kegotank Elementary School.

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

Budgetary Highlights

General Fund Budget Amendments:

Revenues:

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

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

Expenditures:

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

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

General Fund Budget Variances:

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

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental and business type activities as of June 30, 2017 amounts to \$42,511,793 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding, including unamortized bond premiums, of \$33,039,191. Of this amount, \$19,653,359 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 \$16,470,183 in debt reported on the County's Statement of Net position and an expense increase of \$1,944,331 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 2018 are forecast to increase by 3% from those of FY17. Total General Fund expenditures, including capital expenditures, are forecast to increase 1.7%.

Property Tax Rates/Fees

The Fiscal Year 2018 budget does not include any increase in property tax rates or user fees. Below are the adopted property tax rates for calendar year 2016 (fiscal year 2017) and calendar year 2017 (fiscal year 2018):

2017 Real Estate Tax Rates:

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

2016 Real Estate Tax Rates:

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

Operating Expenditures

Fiscal year 2018 operating expenditures are expected to increase slightly to provide a 2% wage increase for County and state-supported local positions effective December 1, 2017. The 2018 operating budget also provides an additional \$392K to the School Division based on the County's traditional revenue sharing formula. The County shares "new" revenue with the School Division based on this formula which calls for 53% of the annual growth from general fund property taxes, other local taxes and non-categorical aid to appropriated to the School Division. Only two new full-time positions are funded in the 2018 budget. One of these new positions is for an additional School Resource Officer and the other creates a new Application Support Specialist position. School Resource Officers are sworn deputies which provide security and crime prevention services in the County's high schools. The Application Support Specialist will manage and support the various specialized applications utilized by 17 different departments across the County.

Capital Expenditures

The County's approved capital budget for 2018 totals over \$5 million and represents one of the more robust capital spending plans of recent years. This entire capital budget is cash funded using unassigned fund balance and a portion of 2018 projected operating revenues to pay for infrastructure improvements. No additional debt issues are planned. The capital plan includes funding to close cell 2 at the County's North Landfill which is expected to cost approximately \$2.1 million. In addition, it provides almost \$1.5 million for building and infrastructure maintenance predominantly for the County's general circuit courthouse.

Other Initiatives

The fiscal year 2018 budget continues with the plan implemented in fiscal year 2009 to strengthen the portion of the County's general fund balance that is committed for a "Rainy Day" or revenue stabilization. The plan calls for this fund balance to be at least equal to 16.7% of County and School Board operating revenue by fiscal year 2021. Next year's budget sets aside an additional \$819,085 for this purpose. With this increase, the amount committed is expected to reach 13.8% of General Fund Revenue combined with School Operating Fund Revenue (less revenue from the Primary Government).

Employment and Population

The local unemployment rate remained unchanged at 4.4% from June 2016 to June 2017 but still continues to be above both the U.S. and state rates.

	Unemployment Rates		
	June 2015	June 2016	June 2017
Accomack County	4.9%	4.4%	4.4%
Commonwealth of Virginia	4.7%	4.2%	3.9%
USA	5.3%	4.9%	4.3%

According to the Virginia Employment Commission, the number of persons employed increased by less than 1% from June 2016 to June 2017 basically holding steady at 15,619.

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

Requests for Information

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



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Basic Financial Statements



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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
AT JUNE 30, 2017

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
<u>Assets:</u>					
Cash and investments	\$ 23,183,233	\$ 2,508,858	\$ 25,692,091	\$ 11,504,504	\$ 2,022,861
Taxes receivable, net	16,423,912	-	16,423,912	-	-
Special assessments receivable, net	17,920	-	17,920	-	-
Accounts receivable, net	402,600	176,890	579,490	227	395,676
Loans receivable	-	-	-	-	222,887
Due from other governmental entities	2,410,438	320	2,410,758	2,625,533	19,561
Inventory	-	28,440	28,440	-	187,400
Prepaid items	-	5,186	5,186	-	36,988
Notes receivable	-	-	-	-	168,505
Restricted assets:					
Cash and cash equivalents	-	-	-	-	299,613
Investments	2,966,671	-	2,966,671	-	-
Capital assets (net of accumulated depreciation):					
Land	2,233,337	1,663,795	3,897,132	974,862	527,584
Buildings	23,337,022	750,422	24,087,444	30,878,032	612,482
Improvements other than buildings	13,243,693	7,474,515	20,718,208	1,036,834	79,087
Machinery and equipment	2,234,472	2,673,986	4,908,458	3,853,191	40,579
Intangibles	7,371	-	7,371	-	-
Construction in progress	1,455,898	276,947	1,732,845	-	59,950
Total assets	<u>87,916,567</u>	<u>15,559,359</u>	<u>103,475,926</u>	<u>50,873,183</u>	<u>4,673,173</u>
<u>Deferred Outflows of Resources:</u>					
Deferred amount on refunding	324,227	9,025	333,252	-	-
Pension contributions subsequent to measurement date	865,094	46,923	912,017	3,901,852	124,253
Items relating to measurement of net pension liability	1,393,354	56,750	1,450,104	3,030,072	29,870
Pension changes in proportion	748	-	748	275,000	-
Unavailable revenue-note receivable	10,088	-	10,088	-	-
Total deferred outflows of resources	<u>2,593,511</u>	<u>112,698</u>	<u>2,706,209</u>	<u>7,206,924</u>	<u>154,123</u>
<u>Liabilities:</u>					
Accounts payable	2,366,161	592,100	2,958,261	3,321,680	76,189
Wages and benefits payable	122,024	2,059	124,083	4,413,384	10,698
Retainage payable	28,291	-	28,291	35,412	-
Due to other governmental entities	121,374	-	121,374	-	-
Accrued interest payable	509,371	1,044	510,415	-	-
Unearned revenue	128,762	6,026	134,788	696,285	116,511
Customer deposits	277,307	29,890	307,197	-	-
Long-term liabilities:					
Due within one year	5,061,294	2,766,542	7,827,836	1,576,579	151,225
Due in more than one year	33,866,622	6,553,163	40,419,785	50,186,945	85,664
Total liabilities	<u>42,481,206</u>	<u>9,950,824</u>	<u>52,432,030</u>	<u>60,230,285</u>	<u>440,287</u>
<u>Deferred Inflows of Resources:</u>					
Deferred property tax revenue	15,584,157	-	15,584,157	-	-
Items relating to measurement of net pension liability	-	749	749	3,192,701	170,727
Total deferred inflows of resources	<u>15,584,157</u>	<u>749</u>	<u>15,584,906</u>	<u>3,192,701</u>	<u>170,727</u>
<u>Net Position:</u>					
Net investment in capital assets	13,614,036	10,949,377	24,563,413	36,742,919	1,319,682
Restricted:					
Future debt service	863,859	-	863,859	-	1,977,218
Grant purposes	221,228	-	221,228	-	-
Public safety	1,920,138	-	1,920,138	-	-
Health and welfare	6,909	-	6,909	-	-
Judicial administration	46,321	-	46,321	-	-
Community development	32,053	-	32,053	-	-
Unrestricted	15,740,171	(5,228,893)	10,511,278	(42,085,798)	919,382
Total net position	<u>\$ 32,444,715</u>	<u>\$ 5,720,484</u>	<u>\$ 38,165,199</u>	<u>\$ (5,342,879)</u>	<u>\$ 4,216,282</u>

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	\$ 4,176,949	\$ 396,076	\$ 270,954	\$ -
Judicial administration	1,698,149	108,135	1,089,455	-
Public safety	12,137,511	508,284	2,790,959	39,520
Public works	4,295,837	269,613	14,640	-
Health and welfare	6,163,082	398,651	3,865,258	-
Education	19,514,650	-	-	-
Parks, recreation and cultural	1,271,895	72,873	103,057	-
Community development	1,877,300	120,274	794,822	-
Interest on long-term debt	1,337,937	-	-	-
Total governmental activities	<u>52,473,310</u>	<u>1,873,906</u>	<u>8,929,145</u>	<u>39,520</u>
Business-type activities:				
Landfill	3,401,827	3,209,523	-	-
Airport	700,391	253,556	33,597	47,703
Water and sewer	314,703	217,078	-	-
Parks and recreation	54,955	53,444	-	-
Total business-type activities	<u>4,471,876</u>	<u>3,733,601</u>	<u>33,597</u>	<u>47,703</u>
Total primary government	<u>56,945,186</u>	<u>5,607,507</u>	<u>8,962,742</u>	<u>87,223</u>
Component Units:				
School Board	63,406,313	940,485	38,759,571	-
Economic Development Authority	7,342	4,718	-	-
Public Library	814,212	41,559	919,809	660,764
Planning District Commission	1,237,652	1,153,662	90,101	-
Quinby Harbor Committee	21,652	17,441	-	-
Greenbackville Harbor Committee	8,966	21,500	-	-
Captain's Cove/Greenbackville Mosquito Control Commission	17,566	72,904	-	-
Total component units	<u>\$ 65,513,703</u>	<u>\$ 2,252,269</u>	<u>\$ 39,769,481</u>	<u>\$ 660,764</u>

General Revenues:

Taxes:

 General property taxes

 Local sales and use taxes

 Communication taxes

 Consumer utility taxes

 Other local taxes

Contributions from County of Accomack

Grants and contributions not restricted to specific programs

Investment earnings

Gain (loss) on the sale of capital assets

Other revenue

Transfers

 Total general revenue and transfers

 Change in net position

Net position-beginning

Net position-ending

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

Exhibit 2

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	Other
\$ (3,509,919)	\$ -	\$ (3,509,919)	\$ -	\$ -
(500,559)	-	(500,559)	-	-
(8,798,748)	-	(8,798,748)	-	-
(4,011,584)	-	(4,011,584)	-	-
(1,899,173)	-	(1,899,173)	-	-
(19,514,650)	-	(19,514,650)	-	-
(1,095,965)	-	(1,095,965)	-	-
(962,204)	-	(962,204)	-	-
(1,337,937)	-	(1,337,937)	-	-
(41,630,739)	-	(41,630,739)	-	-
-	(192,304)	(192,304)	-	-
-	(365,535)	(365,535)	-	-
-	(97,625)	(97,625)	-	-
-	(1,511)	(1,511)	-	-
-	(656,975)	(656,975)	-	-
(41,630,739)	(656,975)	(42,287,714)	-	-
-	-	-	(23,706,257)	-
-	-	-	-	(2,624)
-	-	-	-	807,920
-	-	-	-	6,111
-	-	-	-	(4,211)
-	-	-	-	12,534
-	-	-	-	55,338
-	-	-	(23,706,257)	875,068
32,114,931	-	32,114,931	-	-
3,659,682	-	3,659,682	-	-
970,374	-	970,374	-	-
1,105,834	-	1,105,834	-	-
1,866,503	-	1,866,503	-	-
-	-	-	18,387,409	571,390
3,423,576	-	3,423,576	-	-
8,463	20,285	28,748	3,311	1,814
-	190,000	190,000	-	46,583
61,481	-	61,481	285,196	2,696
(193,732)	193,732	-	3,088,132	-
43,017,112	404,017	43,421,129	21,764,048	622,483
1,386,373	(252,958)	1,133,415	(1,942,209)	1,497,551
31,058,342	5,973,442	37,031,784	(3,400,670)	2,718,731
\$ 32,444,715	\$ 5,720,484	\$ 38,165,199	\$ (5,342,879)	\$ 4,216,282

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

COUNTY OF ACCOMACK, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AT JUNE 30, 2017

Exhibit 3

	Major Funds						
	General Fund	Virginia Public Assistance Fund	Comprehensive Youth Services Fund	County Capital Projects Fund	County Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments	\$ 18,215,075	\$ -	\$ -	\$ 298,535	\$ 1,158,036	\$ 3,511,587	\$ 23,183,233
Taxes receivable, net	11,854,987	-	-	-	2,029,088	2,539,837	16,423,912
Special assessments receivable, net	17,920	-	-	-	-	-	17,920
Accounts receivable, net	353,814	35	36,993	2,874	-	8,884	402,600
Due from other governmental entities	1,921,842	227,077	171,969	89,550	-	-	2,410,438
Interfund receivables	253,558	-	-	-	-	-	253,558
Restricted assets:							
Investments	-	-	-	2,966,671	-	-	2,966,671
Total assets	<u>32,617,196</u>	<u>227,112</u>	<u>208,962</u>	<u>3,357,630</u>	<u>3,187,124</u>	<u>6,060,308</u>	<u>45,658,332</u>
Liabilities:							
Accounts payable	1,333,258	7,509	133,912	375,048	550	515,884	2,366,161
Wages and benefits payable	103,634	7,419	-	-	-	10,971	122,024
Due to other governmental entities	87,698	-	33,676	-	-	-	121,374
Retainage payable	-	-	-	28,291	-	-	28,291
Customer deposits	277,307	-	-	-	-	-	277,307
Interfund payables	-	212,184	41,374	-	-	-	253,558
Unearned revenue	71,851	-	-	-	-	56,911	128,762
Total liabilities	<u>1,873,748</u>	<u>227,112</u>	<u>208,962</u>	<u>403,339</u>	<u>550</u>	<u>583,766</u>	<u>3,297,477</u>
Deferred Inflows of Resources:							
Deferred property tax revenue	11,282,404	-	-	-	1,900,196	2,401,557	15,584,157
Unavailable revenue-property taxes	2,471,453	-	-	-	422,519	528,794	3,422,766
Unavailable revenue-special assessments	17,920	-	-	-	-	-	17,920
Total deferred inflows of resources	<u>13,771,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,322,715</u>	<u>2,930,351</u>	<u>19,024,843</u>
Fund Balances:							
Nonspendable: Noncurrent advances	104,700	-	-	-	-	-	104,700
Restricted for:							
Debt service	-	-	-	-	863,859	-	863,859
Fire and rescue	-	-	-	-	-	1,892,272	1,892,272
Captain's Cove mosquito control	-	-	-	-	-	6,909	6,909
Law library	-	-	-	-	-	46,321	46,321
Drug seizures	-	-	-	-	-	19,790	19,790
Courthouse security	-	-	-	-	-	27,866	27,866
Rehabilitation projects	-	-	-	-	-	201,438	201,438
Wetlands mitigation	32,053	-	-	-	-	-	32,053
Committed to Rainy Day/Stabilization	10,017,457	-	-	-	-	-	10,017,457
Assigned to:							
Storm drainage	274,134	-	-	-	-	-	274,134
Street paving	200,000	-	-	-	-	-	200,000
Fire and rescue	-	-	-	-	-	351,595	351,595
Building improvement or repair projects	86,800	-	-	-	-	-	86,800
Public boating facility improvement or repair	81,900	-	-	52,420	-	-	134,320
Subsequent year's expenditures	3,380,616	-	-	-	-	-	3,380,616
Information technology projects	81,907	-	-	-	-	-	81,907
County projects (Series 15 Bonds)	-	-	-	2,564,017	-	-	2,564,017
Hazardous materials response	3,037	-	-	-	-	-	3,037
Wallops Research Park	-	-	-	112,057	-	-	112,057
County grants	40,000	-	-	-	-	-	40,000
Other purposes	356,800	-	-	225,797	-	-	582,597
Unassigned	2,312,267	-	-	-	-	-	2,312,267
Total fund balances	<u>16,971,671</u>	<u>-</u>	<u>-</u>	<u>2,954,291</u>	<u>863,859</u>	<u>2,546,191</u>	<u>23,336,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,617,196</u>	<u>\$ 227,112</u>	<u>\$ 208,962</u>	<u>\$ 3,357,630</u>	<u>\$ 3,187,124</u>	<u>\$ 6,060,308</u>	<u>\$ 45,658,332</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, 2017

Exhibit 4

Total fund balances - governmental funds (Exhibit 3) \$ 23,336,012

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

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

Land	2,233,337	
Buildings, net of depreciation	6,866,841	
Improvements other than buildings, net of depreciation	13,243,693	
Machinery and equipment, net of depreciation	2,234,472	
Intangibles, net of amortization	7,371	
Construction in progress	1,455,898	
School Board capital assets, net of depreciation	16,470,181	
Total capital assets		42,511,793

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 3,450,774

Pension contributions subsequent to the measurement date will be a reduction to/increase in the net pension liability/asset in the next fiscal year and, therefore, are not reported in the funds. 865,094

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	(18,999,819)	
Qualified zone academy bonds	(96,076)	
Lease revenue bonds	(11,267,647)	
Accrued interest on debt	(509,371)	
Bond premiums and discounts, net of amortization	(776,336)	
Bond deferred charge on refunding	324,227	
Deferred outflows related to measurement of net pension liability	1,394,102	
Compensated absences	(1,770,383)	
Net OPEB obligation	(1,778,000)	
Net pension liability	(4,239,655)	
Net adjustment		(37,718,958)

Total net position - governmental activities (Exhibit 1) \$ 32,444,715

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 5

	Major Funds						Total Governmental Funds
	General Fund	Virginia Public Assistance Fund	Comprehen- sive Youth Services Fund	County Capital Projects Fund	County Debt Service Fund	Nonmajor Governmental Funds	
Revenues:							
General property taxes	\$23,337,557	\$ -	\$ -	\$ -	\$4,147,923	\$5,460,136	\$32,945,616
Other local taxes	7,516,670	-	-	-	-	85,723	7,602,393
Permits, fees and licenses	299,176	-	-	-	-	65,516	364,692
Fines and forfeitures	84,220	-	-	-	-	-	84,220
Revenue from the use of money & property	336,286	-	-	366	-	76	336,728
Charges for services	440,922	-	-	-	-	-	440,922
Miscellaneous	41,383	5,974	115,536	-	-	27,057	189,950
Recovered costs	488,019	-	-	15,323	-	9,867	513,209
Intergovernmental	7,922,518	3,130,130	735,128	306,090	82,359	216,016	12,392,241
Total revenues	<u>40,466,751</u>	<u>3,136,104</u>	<u>850,664</u>	<u>321,779</u>	<u>4,230,282</u>	<u>5,864,391</u>	<u>54,869,971</u>
Expenditures:							
General government administration	3,854,114	-	-	120,942	-	-	3,975,056
Judicial administration	1,437,840	-	-	-	-	104,067	1,541,907
Public safety	6,523,494	-	-	-	-	5,294,357	11,817,851
Public works	3,775,875	-	-	1,375,901	-	-	5,151,776
Health and welfare	939,983	3,815,955	1,052,671	-	-	72,904	5,881,513
Education	16,128,549	-	-	1,021,558	-	-	17,150,107
Parks, recreation and cultural	906,551	-	-	167,859	-	-	1,074,410
Community development	1,170,766	-	-	321,413	-	186,648	1,678,827
Debt service:							
Principal	673,900	-	-	-	3,237,030	-	3,910,930
Interest	95,909	-	-	-	1,310,333	-	1,406,242
Total expenditures	<u>35,506,981</u>	<u>3,815,955</u>	<u>1,052,671</u>	<u>3,007,673</u>	<u>4,547,363</u>	<u>5,657,976</u>	<u>53,588,619</u>
Revenues over (under) expenditures	<u>4,959,770</u>	<u>(679,851)</u>	<u>(202,007)</u>	<u>(2,685,894)</u>	<u>(317,081)</u>	<u>206,415</u>	<u>1,281,352</u>
Other financing sources (uses):							
Transfers in	129,760	679,851	202,007	1,294,590	-	121,554	2,427,762
Transfers out	(2,490,734)	-	-	-	-	(130,760)	(2,621,494)
Total other financing sources (uses)	<u>(2,360,974)</u>	<u>679,851</u>	<u>202,007</u>	<u>1,294,590</u>	<u>-</u>	<u>(9,206)</u>	<u>(193,732)</u>
Net changes in fund balance	2,598,796	-	-	(1,391,304)	(317,081)	197,209	1,087,620
Fund balance, beginning of year	14,372,875	-	-	4,345,595	1,180,940	2,348,982	22,248,392
Fund balance, end of year	<u>\$16,971,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,954,291</u>	<u>\$ 863,859</u>	<u>\$2,546,191</u>	<u>\$23,336,012</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, 2017

Exhibit 6

Net changes in fund balances-governmental funds (Exhibit 5) \$ 1,087,620

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

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

Capital outlays	2,198,703	
Depreciation expenses	(1,937,977)	
Net adjustment		260,726

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.

(1,944,331)

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

Property taxes	(830,685)	
Repayment of notes receivable	(3,088)	
Change in deferred inflows related to the measurement of the net pension liability	1,265,752	
Net adjustment		431,979

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

3,954,583

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

Change in accrued interest payable	68,305	
Change in compensated absences	37,585	
Change in net OPEB obligation	(29,000)	
Change in net pension asset (liability)	(3,638,914)	
Change in deferred outflows related to pension payments subsequent to the measurement date	(170,478)	
Change in deferred outflows related to measurement of net pension liability	1,354,734	
Net adjustment		(2,377,768)

Change in net position of governmental activities (Exhibit 2) \$ 1,386,373

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AT JUNE 30, 2017

Exhibit 7

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
<u>Assets:</u>				
Current assets:				
Cash and investments	\$ 1,782,160	\$ 194,313	\$ 532,385	\$ 2,508,858
Accounts receivable (net of allowance for uncollectibles)	143,042	3,573	30,275	176,890
Due from other government entities	-	320	-	320
Prepaid items	-	5,186	-	5,186
Inventory	-	28,440	-	28,440
Total current assets	1,925,202	231,832	562,660	2,719,694
Noncurrent assets:				
Capital Assets (net of accumulated depreciation):				
Land	402,959	1,260,836	-	1,663,795
Buildings	731,707	16,034	2,681	750,422
Improvements other than buildings	6,464,553	1,002,342	7,620	7,474,515
Machinery and equipment	2,423,172	19,760	231,054	2,673,986
Construction in progress	-	276,947	-	276,947
Total capital assets	10,022,391	2,575,919	241,355	12,839,665
Total assets	11,947,593	2,807,751	804,015	15,559,359
<u>Deferred Outflows of Resources:</u>				
Deferred amount on refunding	9,025	-	-	9,025
Pension contributions subsequent to measurement date	40,637	6,286	-	46,923
Items related to measurement of net pension liability	51,966	4,784	-	56,750
Total deferred outflows of resources	101,628	11,070	-	112,698
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	333,595	1,242	257,263	592,100
Wages and benefits payable	589	912	558	2,059
Unearned revenue	-	6,026	-	6,026
Accrued interest payable	1,044	-	-	1,044
Customer deposits	29,890	-	-	29,890
Compensated absences-current	65,180	12,607	-	77,787
General obligation bonds payable-current	326,000	-	-	326,000
Capital leases payable-current	133,306	-	-	133,306
Landfill closure/post closure care-current	2,229,449	-	-	2,229,449
Total current liabilities	3,119,053	20,787	257,821	3,397,661
Noncurrent liabilities:				
Compensated absences	8,056	1,558	-	9,614
General obligation bonds payable	333,000	-	-	333,000
Capital leases payable	1,107,007	-	-	1,107,007
Landfill closure/post closure care	4,915,621	-	-	4,915,621
Net pension liability	164,908	23,013	-	187,921
Total noncurrent liabilities	6,528,592	24,571	-	6,553,163
Total liabilities	9,647,645	45,358	257,821	9,950,824
<u>Deferred Inflow of Resources:</u>				
Items related to measurement of net pension liability	590	159	-	749
Total deferred inflows of resources	590	159	-	749
<u>Net Position:</u>				
Net investment in capital assets	8,132,103	2,575,919	241,355	10,949,377
Unrestricted	(5,731,117)	197,385	304,839	(5,228,893)
Total net position	\$ 2,400,986	\$ 2,773,304	\$ 546,194	\$ 5,720,484

(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, 2017

Exhibit 8

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Operating revenues:				
Use of property	\$ -	\$ 22,412	\$ -	\$ 22,412
Charges for services	3,103,869	218,421	270,522	3,592,812
Intergovernmental	-	33,597	-	33,597
Other operating revenue	105,654	12,723	-	118,377
Total operating revenues	3,209,523	287,153	270,522	3,767,198
Operating expenses:				
Personnel services and fringe benefits	809,474	146,671	15,109	971,254
Other operating expenses	2,058,742	253,141	342,637	2,654,520
Depreciation	496,547	300,579	11,912	809,038
Total operating expenses	3,364,763	700,391	369,658	4,434,812
Operating income (loss)	(155,240)	(413,238)	(99,136)	(667,614)
Nonoperating revenues (expenses):				
Interest income	20,285	-	-	20,285
Interest expense	(37,064)	-	-	(37,064)
State grants	-	2,769	-	2,769
Federal Grants	-	44,934	-	44,934
Gain on the sale of assets	190,000	-	-	190,000
Total nonoperating revenues (expenses)	173,221	47,703	-	220,924
Income (loss) before transfers	17,981	(365,535)	(99,136)	(446,690)
Transfers:				
Transfers in	-	193,732	-	193,732
Total transfers	-	193,732	-	193,732
Changes in net position	17,981	(171,803)	(99,136)	(252,958)
Total net position, beginning of year	2,383,005	2,945,107	645,330	5,973,442
Total net position, end of year	\$ 2,400,986	\$ 2,773,304	\$ 546,194	\$ 5,720,484

(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, 2017

Exhibit 9

	Business-type Activities-Enterprise Funds			
	Major Funds		Nonmajor	Total
	Landfill Fund	Airport Fund	Funds	
Cash flows from operating activities:				
Receipts from customers	\$ 3,119,661	\$ 243,402	\$ 268,840	\$ 3,631,903
Payments to suppliers	(1,074,941)	(259,777)	(120,139)	(1,454,857)
Payments to employees and benefits paid on behalf of employees	(784,111)	(146,514)	(17,458)	(948,083)
Intergovernmental	-	42,446	-	42,446
Other receipts	105,654	12,723	-	118,377
Payments to General Fund for indirect services	(214,791)	-	-	(214,791)
Net cash provided by (used for) operating activities	1,151,472	(107,720)	131,243	1,174,995
Cash flows from noncapital financing activities:				
Transfer from the General Fund	-	183,424	-	183,424
Operating grant proceeds from the Commonwealth and Federal Government	-	2,769	-	2,769
Net cash provided by (used for) noncapital financing activities	-	186,193	-	186,193
Cash flows from capital and related financing activities:				
Purchase of capital assets	(4,431,074)	(54,344)	(220,264)	(4,705,682)
Capital Transfer from the General Fund	-	10,308	-	10,308
Capital grant proceeds from the Commonwealth and Federal Government	-	44,934	-	44,934
Proceeds from sale of capital assets	190,000	-	-	190,000
Proceeds from bonds	1,372,523	-	-	1,372,523
Principal payments on debt	(452,210)	-	-	(452,210)
Interest payments on debt	(31,235)	-	-	(31,235)
Net cash provided by (used for) capital and related financing activities	(3,351,996)	898	(220,264)	(3,571,362)
Cash flows from investing activities:				
Interest income	20,285	-	-	20,285
Net increase in cash and cash equivalents	(2,180,239)	79,371	(89,021)	(2,189,889)
Cash and cash equivalents, beginning of year	3,962,399	114,942	621,406	4,698,747
Cash and cash equivalents, end of year	\$ 1,782,160	\$ 194,313	\$ 532,385	\$ 2,508,858
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ (155,240)	\$ (413,238)	\$ (99,136)	\$ (667,614)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	496,547	300,579	11,912	809,038
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	15,792	11,391	(1,682)	25,501
(Increase) Decrease in inventory	-	6,987	-	6,987
(Increase) Decrease in pension contribution subsequent to measurement date	(357)	(665)	-	(1,022)
(Increase) Decrease in items related to the measurement of net pension liability	(50,375)	(4,539)	-	(54,914)
Increase (Decrease) in wages and benefits payable	67	(394)	(2,349)	(2,676)
Increase (Decrease) in accounts payable	210,288	(15,160)	222,498	417,626
Increase (Decrease) in prepaid rent	-	27	-	27
Increase (Decrease) in closure/post closure liabilities	558,445	-	-	558,445
Increase (Decrease) in compensated absences payable	(9,295)	1,970	-	(7,325)
Increase (Decrease) in net pension liability	140,628	19,272	-	159,900
Increase (Decrease) in items related to measurement of net pension liability	(55,028)	(13,950)	-	(68,978)
Total adjustments	810,165	4,939	218,467	1,033,571
Net cash provided (used for) by operating activities	\$ 1,151,472	\$ (107,720)	\$ 131,243	\$ 1,174,995

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AT JUNE 30, 2017

Exhibit 10

	Other Postemployment Benefits Trust Fund	Agency Funds
<u>Assets:</u>		
Cash and investments held by Treasurer	\$ -	\$ 38,141
Cash and investments in custody of others	184,555	81,388
Total assets	<u>184,555</u>	<u>119,529</u>
<u>Liabilities:</u>		
Reconciled overdraft	15,084	-
Accounts payable	4,220	-
Amounts held for social service clients	-	38,141
Amounts held for others	-	81,388
Total liabilities	<u>19,304</u>	<u>119,529</u>
<u>Net Position:</u>		
Held in trust for other post employment benefits	165,251	-
Total net position	<u>\$ 165,251</u>	<u>\$ -</u>

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

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 11

	Other Postemployment Benefits Trust Fund
Additions:	
Contributions:	
Employer	\$ 104,477
Retiree	47,815
Total contributions	152,292
Investment earnings:	
Interest	18,507
Total investment earnings	18,507
Total additions	170,799
Deductions	
Health insurance credit payments	15,493
Benefits	92,216
Total deductions	107,709
Change in net position	63,090
Net position - beginning	102,161
Net position - ending	\$ 165,251

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017

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, 2017.

- 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, 2017 (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. Appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization demonstrates financial accountability. Separately issued financial statements can be obtained from the Quinby Boat Harbor Committee, Post Office Box 343, Quinby, Virginia 23423. The Committee is reported as a governmental fund type.
- vi. **Greenbackville Boat Harbor Committee** - The Greenbackville Boat Harbor Committee was established to diligently conduct and enforce the rules and regulations regarding the use and occupancy of the Greenbackville Boat Harbor. The Committee consists of five members, all of which are appointed by

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

B. The Reporting Entity-continued

and serve at the pleasure of the County Board of Supervisors. Appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization demonstrates financial accountability. Separately issued financial statements can be obtained from the Greenbackville Harbor Committee, Post Office Box 74, Greenbackville, Virginia 23356. The Committee is reported as a governmental fund type.

- 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 2017, the County contributed \$509,916 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 2017, the County contributed \$178,286 to the Board for operations. Complete financial statements for the Commission may be obtained by contacting the Eastern Shore Community Services Board, P.O. Box 453, Nassawadox, Virginia 23413.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Basis of Presentation-Government-Wide Financial Statements

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

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

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

D. Basis of Presentation-Fund Financial Statements

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

The County reports the following major governmental funds:

- **General Fund:** The General Fund is the County's primary operating fund. It accounts for and reports financial resources of the general government except those required to be accounted for in another fund. Revenues are primarily derived from property taxes. A significant part of the General Fund's revenues are used to finance operations of the Accomack County School Board.
- **Virginia Public Assistance Fund:** The Virginia Public Assistance Fund accounts for and reports the resources of the Social Services department which is responsible for administering welfare related programs as mandated by the Code of Virginia. Revenues are primarily derived from the intergovernmental funding including significant local funding from the County's General Fund.
- **Comprehensive Youth Services Fund:** The Comprehensive Youth Services Fund accounts for and reports revenues and expenditures associated with the Comprehensive Services Act (CSA). The Comprehensive Services is a mandated Commonwealth program the purpose of which is to provide high quality, child centered, family focused, cost effective, community-based services to high-risk youth and their families. Revenues are

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Basis of Presentation-Fund Financial Statements-continued

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

- **County Capital Projects Fund:** The County Capital Projects Fund is used to account for and report the acquisition or construction of major capital facilities in the County. This fund also accounts for proceeds from bonds issued on behalf of the Accomack County School Board and disbursed to the school board for education related capital projects.
- **County Debt Service Fund:** The County Debt Service Fund accounts for and reports revenues derived from a special property tax levied on County residents exclusively for the current and future retirement of debt. The majority of the debt service reported by the fund pertains to public school construction. In Virginia, public school systems do not have borrowing authority so all school related debt must be issued and therefore reported by the County.

The County reports the following major proprietary funds:

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

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

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. Basis of Presentation-Fund Financial Statements-continued

eliminations are made in the preparation of the government-wide financial statements.

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

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

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (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 Cash Equivalents

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

ii. Receivables

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

iii. Investments

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

iv. Inventories and Prepaid Items

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

v. Capital Assets

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

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

vi. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. One item is a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The other item is

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

comprised of contributions to the pension plan made during the current year and subsequent to the net pension asset or liability measurement date, which will be recognized as a reduction of the net pension asset or liability next fiscal year. It is also comprised of certain items related to the measurement of the net pension asset or liability. These include differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension plan investments. For more detailed information on these items, reference the pension note.

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

vii. Net Position

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

viii. Net Position Flow Assumption

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

ix. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

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.

ix. Fund Balance

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

Fund Balance Category	Definition	Applicability
Nonspendable	Includes amounts that are not in expendable form.	The County reports long-term receivables that are not available for expenditure in this category.
Restricted	Includes amounts restricted to specific uses by external entities or by law. Externally imposed restrictions include amounts that are restricted for specific purposes.	The County reports residual amounts of taxes levied exclusively for debt service, fire & rescue and mosquito control along with unspent bond proceeds held in trust in this category.
Committed	Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Accomack County Board of Supervisors.	The County reports amounts committed by resolution of the Board of Supervisors for use in emergency situations or when revenue shortages arise as committed fund balance. This amount is shown in the financial statements as committed to <i>Rainy Day/Stabilization</i> . Additions are approved by Board action. Use of these funds is only permitted to address revenue shortages that are greater than 1% of General Fund revenue, an urgent event that jeopardizes public safety or to mitigate damage caused by a natural disaster.
Assigned	Consists of amounts intended to be used by the County for a specific purpose but are neither restricted nor committed.	<i>Assigned for subsequent year's expenditures</i> is the portion of fund balance that has been approved by formal action of the Board of Supervisors for appropriation in the fiscal year 2015 budget. Amendment of this amount requires approval of the Board. Additional assignments for residual funds associated with ongoing capital projects and special revenue funds have been made by the Finance Director who is given that authority.
Unassigned	Fund balance that has not been reported in any other classification.	Positive unassigned fund balance is only reported in the General Fund. In governmental funds other than the General Fund, a negative unassigned fund balance may be reported if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

H. Revenues and expenditures/expenses

i. Program Revenue

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (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 2017 was equal to 44% of the tax assessment. The tax credit on vehicles with a taxable value of less than \$1,000 was equal to 100% of the tax assessment. Revenue from the Commonwealth pertaining to PPTRA is recorded as non-categorical aid.

iii. Compensated Absences

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

iv. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

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, 2017 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

I. Pensions

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

2. DEPOSITS AND INVESTMENTS

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

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

The carrying amount of cash and investments of the Primary Government and the School Board Component Unit at June 30, 2017 is as follows:

Deposits with Financial Institutions	\$ 34,206,917
Investments	3,005,728
Petty Cash	6,467
Cash on Hand	540
Total Cash and Investments of the Primary Government and School Board Component Unit	<u>\$ 37,219,652</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

2. DEPOSITS AND INVESTMENTS-continued

A reconciliation to the basic financial statements is as follows:

Primary Government Cash and Investments per Exhibit 1	\$ 28,658,762
School Board Component Unit Cash and Investments per Exhibit 1	11,504,504
Other Component Unit Cash and Investments per Exhibit 1	2,322,474
Fiduciary Funds Cash and Investments per Exhibit 10	289,000
Total Cash and Investments for the Reporting Entity	42,774,740
Less: Primary Government Restricted Cash and Investments held by Bond Trustee per Exhibit 1 not in the custody of the Treasurer	(2,966,671)
Less: Other Component Unit Cash and Investments per Exhibit 1 not in the custody of the Treasurer	(2,322,474)
Less: Fiduciary Funds Cash and Investments per Exhibit 10 not in the custody of the Treasurer	(265,943)
Total Cash and Investments in the custody of the Treasurer	\$ 37,219,652

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, 2017, the County's investments as rated by Standard & Poor's were as follows:

<u>Investment Type</u>	<u>AAAm</u>
State Treasurer's Local Government Investment Pool	\$ 3,091,147

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, 2017, the County's entire investment portfolio was invested with State Treasurer's Local Investment Pool which is managed in accordance with GASB 79.

Interest Rate Risk

The County's investments as of June 30, 2017 are presented below along with their maturity. The County had no policy on interest rate risk at June 30.

	Fair Value	Maturity less than 1 year
Primary Government & School Board Component Unit:		
State Treasurer's Local Government Investment Pool	\$ 3,091,147	\$ 3,091,147

Custodial Credit Risk

As of June 30, 2017, 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, 2017 (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, 2017 are as follows:

PRIMARY GOVERNMENT:

Type:	Major Funds		County	Nonmajor	Total
	General Fund	Debt Fund		Funds	
Taxes receivable	\$ 5,283,444	\$ 657,303	\$	827,250	\$ 6,767,997
Special assessments receivable	1,991	-		-	1,991
Total Primary Government	\$ 5,285,435	\$ 657,303	\$	827,250	\$ 6,769,988

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. This loan was paid in full as of June 30, 2017.

5. DUE FROM OTHER GOVERNMENTAL ENTITIES

Amounts due from other governments at June 30, 2017 consisted of the following:

	Major Governmental Funds				Total	Major Fund		Total
	General Fund	Comprehensive Youth Services Fund	Virginia Public Assistance Fund	County Capital Projects Fund	Primary Governmental Activities	Airport Enterprise Fund	Government	Primary Government
Miscellaneous government entities:								
Eastern Shore Public Service Authority	\$ 104,700	\$ -	\$ -	\$ -	\$ 104,700	\$ -	\$ -	\$ 104,700
Commonwealth of Virginia:								
Local sales tax	827,540	-	-	-	827,540	-	-	827,540
Recordation tax	21,793	-	-	-	21,793	-	-	21,793
Constitutional officer shared expenses	273,027	-	-	-	273,027	-	-	273,027
Jail per diem for prisoner housing	48,140	-	-	-	48,140	-	-	48,140
Mobile home tax	18,734	-	-	-	18,734	-	-	18,734
Communications tax	159,531	-	-	-	159,531	-	-	159,531
Hazardous Material Response	3,889	-	-	-	3,889	-	-	3,889
Emergency management assistance	26,137	-	-	-	26,137	-	-	26,137
Miscellaneous	9,872	-	-	-	9,872	-	-	9,872
Homeland security	27,520	-	-	-	27,520	-	-	27,520
Hazard Mitigation Grant Fund	-	-	-	18,853	18,853	-	-	18,853
Public assistance funds	-	-	78,900	-	78,900	-	-	78,900
Airport maintenance funds	-	-	-	-	-	320	-	320
Comprehensive services act reimbursements	-	171,969	-	-	171,969	-	-	171,969
Total due from the Commonwealth	1,416,182	171,969	78,900	18,853	1,685,904	320	-	1,686,224
Federal Government:								
Emergency management assistance	251,559	-	-	-	251,559	-	-	251,559
Refuge revenue sharing	98,739	-	-	-	98,739	-	-	98,739
Victim Witness Assistance Grant Program	19,707	-	-	-	19,707	-	-	19,707
Summer foods grant	30,955	-	-	-	30,955	-	-	30,955
Hazard Mitigation Grant Fund	-	-	-	70,697	70,697	-	-	70,697
Public assistance funds	-	-	148,176	-	148,176	-	-	148,176
Total due from the Federal Government	400,960	-	148,176	70,697	619,833	-	-	619,833
Total due from other governmental entities	\$ 1,921,842	\$ 171,969	\$ 227,077	\$ 89,550	\$ 2,410,438	\$ 320	\$ -	\$ 2,410,758

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

5. DUE FROM OTHER GOVERNMENTAL ENTITIES - continued

School Board Component Unit:

Commonwealth of Virginia:	
State sales tax contribution	\$ 400,291
SOL web base	331,859
Security grant	93,198
Miscellaneous	52,499
Total due from Commonwealth	<u>877,847</u>
Federal Government:	
Title I	824,354
Title II	68,927
Title III	8,728
Title VI	21,578
Title X	3,437
Title VI-B Special Education	313,314
Language acquisition	2,544
Vocational education	111,941
Food services	392,863
Total due from Federal Government	<u>1,747,686</u>
Total due from other governmental entities	<u>\$ 2,625,533</u>

6. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2017 are as follows:

	Interfund	
	Receivables	Payables
PRIMARY GOVERNMENT:		
Governmental Funds:		
General Fund	\$ 253,558	\$ -
Comprehensive Youth Services Fund	-	41,374
Virginia Public Assistance Fund	-	212,184
Total Primary Government	<u>\$ 253,558</u>	<u>\$ 253,558</u>

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

7. CAPITAL ASSETS

A. Primary Government:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,233,337	\$ -	\$ -	\$ 2,233,337
Construction in progress	8,405,147	1,274,125	(8,223,374)	1,455,898
Total capital assets not being depreciated	10,638,484	1,274,125	(8,223,374)	3,689,235
Other capital assets:				
Buildings	11,253,704	355,089	-	11,608,793
School buildings	23,053,945	-	(2,886,645)	20,167,300
Improvements other than buildings	9,806,317	8,206,004	-	18,012,321
Machinery and equipment	7,090,158	586,859	(238,805)	7,438,212
Intangibles	1,138,636	-	-	1,138,636
Total other capital assets	52,342,760	9,147,952	(3,125,450)	58,365,262
Less accumulated depreciation:				
Buildings	(4,437,543)	(304,409)	-	(4,741,952)
School buildings	(4,231,375)	(408,058)	942,314	(3,697,119)
Improvements other than buildings	(4,068,232)	(700,396)	-	(4,768,628)
Machinery and equipment	(4,899,322)	(516,787)	212,369	(5,203,740)
Intangibles	(1,122,939)	(8,326)	-	(1,131,265)
Total accumulated depreciation	(18,759,411)	(1,937,976)	1,154,683	(19,542,704)
Total governmental activities, net	44,221,833	8,484,101	(10,194,141)	42,511,793
Business-type activities:				
Capital assets not being depreciated:				
Land	1,472,500	191,296	-	1,663,796
Construction in progress	590,004	44,591	(357,648)	276,947
Total capital assets not being depreciated	2,062,504	235,887	(357,648)	1,940,743
Other capital assets:				
Buildings	2,162,255	-	-	2,162,255
Improvements other than buildings	14,126,598	3,012,015	-	17,138,613
Motor vehicles and equipment	5,345,915	1,777,788	(433,537)	6,690,166
Intangibles	29,710	-	-	29,710
Total other capital assets	21,664,478	4,789,803	(433,537)	26,020,744
Less accumulated depreciation:				
Buildings	(1,328,773)	(83,060)	-	(1,411,833)
Improvements other than buildings	(9,127,580)	(536,518)	-	(9,664,098)
Motor vehicles and equipment	(4,260,258)	(189,459)	433,537	(4,016,180)
Intangibles	(29,710)	-	-	(29,710)
Total accumulated depreciation	(14,746,321)	(809,037)	433,537	(15,121,821)
Total business-type activities, net	8,980,661	4,216,653	(357,648)	12,839,665
Total primary government, net	\$ 53,202,494	\$ 12,700,754	\$ (10,551,789)	\$ 55,351,458

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

7. CAPITAL ASSETS - continued

Depreciation expense was charged to the primary government as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
General government administration	\$ 99,255	\$ -	\$ 99,255
Judicial administration	109,893	-	109,893
Public safety	260,700	-	260,700
Public works	455,866	-	455,866
Health and welfare	148,309	-	148,309
Education	420,212	-	420,212
Parks, recreation and cultural	311,126	-	311,126
Community development	132,615	-	132,615
Landfill	-	496,547	496,547
Airport	-	300,579	300,579
Water and sewer	-	9,844	9,844
Parks and recreation revolving	-	2,068	2,068
Total	\$ 1,937,976	\$ 809,038	\$ 2,747,014

B. School Board Component Unit:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 974,862	\$ -	\$ -	\$ 974,862
Total capital assets not being depreciated	974,862	-	-	974,862
Other capital assets:				
Buildings	63,134,942	2,886,645	-	66,021,587
Improvements other than buildings	3,771,660	20,186	-	3,791,846
Motor vehicles and equipment	12,298,080	1,607,544	(903,482)	13,002,142
Total other capital assets	79,204,682	4,514,375	(903,482)	82,815,575
Less accumulated depreciation:				
Buildings	(32,693,573)	(2,449,982)	-	(35,143,555)
Improvements other than buildings	(2,625,510)	(129,502)	-	(2,755,012)
Motor vehicles and equipment	(9,497,267)	(555,166)	903,482	(9,148,951)
Total accumulated depreciation	(44,816,350)	(3,134,650)	903,482	(47,047,518)
Total school board component unit, net	\$ 35,363,194	\$ 1,379,725	\$ -	\$ 36,742,919

Total depreciation expense charged to the School Board component unit was \$2,256,055.

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, 2017, is that debt and related assets in the amount of \$16,470,181 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, 2017 (Continued)

7. CAPITAL ASSETS - continued

C. Economic Development Authority Component Unit:

	Balance July 1, 2016	Additions	Retirements	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 315,445	\$ -	\$ (13,767)	\$ 301,678
Other capital assets:				
Improvements other than buildings	1,406,601	-	-	1,406,601
Motor vehicles and equipment	7,799	-	-	7,799
Total other capital assets	1,414,400	-	-	1,414,400
Less accumulated depreciation:				
Improvements other than buildings	(1,406,601)	-	-	(1,406,601)
Motor vehicles and equipment	(1,365)	(780)	-	(2,145)
Total accumulated depreciation	(1,407,966)	(780)	-	(1,408,746)
Total economic development authority component unit	\$ 321,879	\$ (780)	\$ (13,767)	\$ 307,332

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

8. UNEARNED REVENUE

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measureable, but not available. Under the full accrual basis of accounting, such amounts are measurable, but are unearned.

Unearned revenue at June 30, 2017 consisted of the following:

	General Fund	Special Revenue Funds - Nonmajor	Enterprise Funds	School Board Component Unit
Unearned Revenue				
Advance grant funding received	\$ 71,851	\$ 56,911	\$ -	\$ 696,285
Prepaid rent received	-	-	6,026	-
Total	\$ 71,851	\$ 56,911	\$ 6,026	\$ 696,285

9. COMPENSATED ABSENCES

Accrued compensated absences are as follows at June 30, 2017:

	Primary Government		School Board Component Unit
	Governmental Activities	Business-type Activities	
Compensated Leave			
Annual	\$ 973,519	\$ 49,568	\$ 749,604
Sick	290,400	31,573	1,249,560
Compensatory	506,464	6,259	-
Total	\$ 1,770,383	\$ 87,400	\$ 1,999,164

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

10. OPERATING LEASES

The primary government leases approximately 66.4 acres of land from the National Aeronautics and Space Administration (NASA) Goddard Space Flight Center's Wallops Flight Facility. The leased property is located in the County's Wallops Research Park and will be used to support economic growth opportunities affiliated with activities of the Wallops Flight Facility. The expiration of the lease is September 30, 2099. The lease stipulates an annual base rent equal to no less than 2% of the fair market value of the land currently appraised at \$900,000. Total cost of the lease for the year ended June 30, 2017 was \$20,174. Future rent increases are contingent upon changes in the Consumer Price Index, measured every 5 years, and future property appraisals, scheduled every 20 years. The future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2018	20,174
2019	20,174
2020	20,174
2021-2025	100,870
2026-2030	100,870
2031-2035	100,870
2036-2040	100,870
2041-2100	1,195,309
Total	<u>\$ 1,659,311</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

11. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Amount due within 1 year
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 1,807,968	\$ 14,661	\$ 52,246	\$ 1,770,383	\$ 1,575,641
Virginia Public School Authority bonds	21,328,636	-	2,328,817	18,999,819	2,426,394
Lease revenue bonds	12,752,440	-	1,484,793	11,267,647	1,042,065
Qualified zone academy bonds	193,396	-	97,320	96,076	17,194
Deferred premiums and discounts, net	850,385	-	74,049	776,336	-
Net OPEB obligation	1,749,000	126,000	97,000	1,778,000	-
Net Pension Liability	600,741	6,058,478	2,419,564	4,239,655	-
Total governmental activities long-term obligations	<u>39,282,566</u>	<u>6,199,139</u>	<u>6,553,789</u>	<u>38,927,916</u>	<u>5,061,294</u>
Business-type Activities:					
Compensated absences	94,726	1,970	9,296	87,400	77,787
General Obligation Bonds	979,000	-	320,000	659,000	326,000
Capital leases	-	1,372,523	132,210	1,240,313	133,306
Landfill closure/postclosure	6,586,625	641,539	83,093	7,145,071	2,229,449
Net Pension Liability	28,021	268,479	108,579	187,921	-
Total business-type entities long-term obligations	<u>7,688,372</u>	<u>2,284,511</u>	<u>653,178</u>	<u>9,319,705</u>	<u>2,766,542</u>
Total primary government long-term obligations	<u>\$ 46,970,938</u>	<u>\$ 8,483,650</u>	<u>\$ 7,206,967</u>	<u>\$ 48,247,621</u>	<u>\$ 7,827,836</u>
School Board Component Unit:					
Compensated absences	\$ 1,886,194	112,970	-	\$ 1,999,164	\$ 1,399,414
Early retirement termination benefits	906,677	-	250,512	656,165	177,165
Net pension liability - Non-Professional plan	(114,011)	1,082,633	837,227	131,395	-
Net pension liability-Teacher Plan	43,578,000	11,086,000	6,858,000	47,806,000	-
Net OPEB obligation	1,012,000	282,800	124,000	1,170,800	-
Total School Board long-term obligations	<u>\$ 47,268,860</u>	<u>\$ 12,564,403</u>	<u>\$ 8,069,739</u>	<u>\$ 51,763,524</u>	<u>\$ 1,576,579</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					Total
	VPSA Bonds		Qualified Zone		Lease Revenue Bonds		General Obligation Bonds		Capital Lease			
			Academy Bonds									
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2018	2,426,394	874,954	17,194	5,188	1,042,065	361,191	326,000	9,127	133,306	10282		
2019	1,329,454	779,112	18,122	4,260	1,036,316	333,986	333,000	3,064	134,411	9177		
2020	1,382,753	711,275	19,101	3,281	873,449	305,995	-	-	135,525	8062		
2021	1,446,753	640,448	41,659	2,250	689,770	280,274	-	-	136,648	6939		
2022	1,511,483	565,013	-	-	713,383	257,103	-	-	137,781	5807		
2023-2027	7,962,980	1,641,315	-	-	3,926,240	917,636	-	-	562,642	11709		
2028-2032	2,940,002	168,839	-	-	2,986,424	287,321	-	-	-	-		
2033-2037	-	-	-	-	-	-	-	-	-	-		
Total	\$ 18,999,819	\$ 5,380,956	\$ 96,076	\$ 14,979	\$ 11,267,647	\$ 2,743,506	\$ 659,000	\$ 12,191	\$ 1,240,313	\$ 51,976		

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, 2017 (Continued)

11. LONG-TERM OBLIGATIONS - continued

B. Details of long-term indebtedness as of June 30, 2017:

Financing Type	Purpose	Amount Issued	Interest Rates	Date Issued	Final Maturity Date	Amount Outstanding
Primary Government:						
Governmental Activities:						
Virginia Public School Authority bond	School construction	\$8,422,232	5.15% ¹	11/20/1997	7/15/2017	\$ 494,580
Virginia Public School Authority bond	School construction	8,305,000	5.17% ¹	11/20/1997	7/15/2017	655,000
Virginia Public School Authority bond	School construction	6,270,000	4.47% ¹	5/15/2003	7/15/2028	3,955,000
Virginia Public School Authority bond	School construction	12,170,000	4.69% ¹	11/6/2003	7/15/2028	7,725,000
Virginia Public School Authority bond	School construction	1,935,000	4.46% ¹	11/10/2005	7/15/2030	1,375,000
Virginia Public School Authority bond	School construction	9,370,000	4.28% ¹	11/10/2005	7/15/2025	4,795,240
Qualified zone academy bond	School construction	439,100	5.40% ²	12/30/2004	12/30/2020	96,075
Lease revenue bond	Research park construction	3,765,000	4.10% ¹	8/14/2013	10/1/2032	3,620,000
Lease revenue bond	Various Projects	4,350,000	2.67% ¹	10/21/2015	6/15/2030	3,925,647
Lease revenue refunding bond	School construction	2,833,000	1.66% ¹	12/19/2013	3/1/2020	1,058,000
Lease revenue refunding bond	Office construction	4,031,900	2.93% ¹	12/19/2013	3/1/2028	2,664,000
Total governmental activities:						<u>30,363,542</u>
Business-type Activities:						
Tax-exempt capital lease	Landfill Heavy Equip	1,372,523	1.66% ¹	12/29/2016	12/29/2021	1,240,313
General obligation refunding bond	Landfill improvements	2,203,000	1.84% ¹	12/8/2011	12/15/2018	659,000
Total primary government						<u><u>\$32,262,855</u></u>

¹ True interest cost

² Imputed interest rate

12. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

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

The \$7,145,071 reported as landfill closure and post-closure care liability at June 30, 2017, represents the cumulative amount reported to date based on the use of 99% of the estimated capacity of the North Landfill Cell Two. The County will recognize the remaining estimated North Landfill cost of closure and post-closure care of \$34,670 as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The North Landfill Cell Two has sufficient capacity to continue accepting waste until early in fiscal year 2017. The County expects to fund landfill closure and post-closure care costs from operating revenues.

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (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			
	General Fund	County Debt Service Fund	Nonmajor Special Revenue Funds	Total
Unavailable Revenues:				
Uncollected taxes	\$ 2,471,453	\$ 422,519	\$ 528,794	\$ 3,422,766
Special assessments not yet due	17,920	-	-	17,920
Total unavailable revenue	<u>\$ 2,489,373</u>	<u>\$ 422,519</u>	<u>\$ 528,794</u>	<u>\$ 3,440,686</u>
Deferred Revenue:				
Unbilled property taxes	\$ 9,026,887	\$1,545,883	\$ 1,934,516	\$ 12,507,286
Prepaid taxes	2,255,517	354,313	467,041	3,076,871
Total deferred revenue	<u>\$ 11,282,404</u>	<u>\$1,900,196</u>	<u>\$ 2,401,557</u>	<u>\$ 15,584,157</u>

14. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017 were made up of the following:

	Transfers In	Transfers Out
Primary Government:		
Governmental funds:		
General fund	\$ 129,760	\$ 2,490,734
Virginia Public Assistance Fund	679,851	-
Comprehensive Youth Services Fund	202,007	-
County capital projects fund	1,294,590	-
Non-major governmental funds	121,554	130,760
Total governmental funds	<u>2,427,762</u>	<u>2,621,494</u>
Enterprise funds:		
Airport fund	193,732	-
Total Primary Government	<u>\$ 2,621,494</u>	<u>\$ 2,621,494</u>

The purpose of the interfund transfers is as follows:

Purpose	Amount
Finance pay-as-you-go capital projects	\$ 1,310,590
Satisfy grant local match requirements	202,007
Supplement operations and local match requirements of the Dept. of Social Services	679,851
Satisfy local share of hazardous duty supplement	129,760
Supplement operations of the County's Stormwater Ordinance Fund	105,554
Supplement operations of the Accomack County Airport	193,732
Total interfund transfers	<u>\$ 2,621,494</u>

The Primary Government also transferred \$15,421,521 to the School Board Component Unit, \$345,907 to the Eastern Shore Library Component Unit, \$90,424 to the Planning District Component Unit, \$7,500 to the Economic Development Authority and \$72,904 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, 2017 (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, 2017, the following expenditures exceeded appropriations:

Major Funds:

General Fund:

Human Resources	\$ 74
Clerk of Circuit Court	9,919
Total General Fund	<u>\$ 9,993</u>

Nonmajor Funds:

Stormwater Ordinance Fund	\$ 47,185
Greenbackville/Captains Cove Mosquito Control Fund	12,256
Rehabilitation Projects Fund	3,147
Total Nonmajor Funds	<u>\$ 62,588</u>

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

18. SURETY BONDS

The following elected officials and County employees were covered by surety bonds at June 30, 2017:

Commonwealth of Virginia Division of Risk Management (Commonwealth funded):	
Dana T. Bundick, Treasurer ⁽¹⁾	\$ 500,000
Todd Godwin, Sheriff ⁽¹⁾	30,000
Leslie A. Savage, Commissioner of the Revenue ⁽¹⁾	3,000
Samuel H. Cooper, Clerk of the Court ⁽¹⁾	350,000
Virginia Association of Counties Self Insurance-Risk Pool:	
All County employees - Blanket bond coverage	1,000,000
All School employees - Blanket bond coverage	1,000,000
All Social Services employees - Blanket bond coverage	100,000
Vicki Wheakley, Director of Social Services	5,000

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

19. TRUST FOR OTHER POSTEMPLOYMENT BENEFITS

The County of Accomack has established an irrevocable trust pursuant to Section 15.2-1544 of the Code of Virginia, as amended for the purpose of accumulated and investing assets to fund Other Postemployment Benefits (OPEB) and to participate in the Virginia Pooled OPEB Trust Fund and has established a Local Finance Board to become a Participating Employer in the Trust Fund. The Trust Fund provides administrative, custodial and investment services to the Participating Employers in the Trust Fund. For the fiscal year ending June 30, 2017 the County contributed \$152,292 to the Trust Fund. Expenses allocated to the Trust Fund during the fiscal year ended June 30, 2017 were \$107,709.

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

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE

County:

A. Plan Description:

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

County-continued:

B. Funding Policy:

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

C. Annual OPEB Cost and Net OPEB Obligation:

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

Annual required contribution	\$	120,000
Interest on net OPEB obligation		92,000
Adjustment to annual required contribution		(86,000)
Annual OPEB cost (expense)	\$	126,000
Contribution made		97,000
Increase in net OPEB obligation	\$	29,000
Net OPEB obligation-beginning of year		1,749,000
Net OPEB obligation-end of year	\$	1,778,000

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 are as follows:

Fiscal	Annual	Percentage of	Net
Year	Pension	Annual OPEB	Pension
Ended	Cost	Cost Contributed	Obligation
June 30, 2015	\$ 232,000	63%	\$ 1,683,000
June 30, 2016	241,000	73%	1,749,000
June 30, 2017	126,000	77%	1,778,000

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

County-continued:

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2016, actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$	1,512,000
Actuarial value of plan assets		125,000
Unfunded actuarial accrued liability		1,387,000
Funded ratio (actuarial value of plan assets / AAL)		8%
Covered payroll (active plan members)		11,036,000
UAAL as a percentage of covered payroll		12.6%

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 July 1, 2016, the date of the most recent actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 5.25 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50%, and an annual healthcare cost trend rate of 7 percent initially, reduced by decrements to an ultimate rate of 5.00 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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

County-continued:

percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2016, was thirty years.

	Unfunded
Discount rate	5.25%
Payroll growth	2.50%

NOTE 20-OTHER POST-EMPLOYMENT BENEFITS PROGRAM: (CONTINUED)

School Board:

A. Plan Description:

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

B. Funding Policy:

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

C. Annual OPEB Cost and Net OPEB Obligation:

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

Annual required contribution	\$	301,300
Interest on net OPEB obligation		40,500
Adjustment to annual required contribution		(59,000)
Annual OPEB cost (expense)	\$	282,800
Contribution made		124,000
Increase in net OPEB obligation	\$	158,800
Net OPEB obligation-beginning of year		1,012,000
Net OPEB obligation-end of year	\$	1,170,800

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

School Board-continued:

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 are as follows:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2015	\$ 275,000	48.36%	\$ 880,000
June 30, 2016	285,000	53.68%	1,012,000
June 30, 2017	282,800	43.85%	1,170,800

D. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2016, actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$ 2,407,100
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	2,407,100
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	28,842,000
UAAL as a percentage of covered payroll	8.3%

E. Actuarial Methods and Assumptions

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

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

Cost Method

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

20. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

School Board-continued:

Interest Assumptions

In July 1, 2016, the date of the most recent actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50%, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5.00 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, 2016, was 20 years.

	Unfunded
Discount rate	4.00%
Payroll growth	2.50%

21. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT

County:

A. Plan Description

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

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

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

B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended June 30, 2017 was .45% of annual covered payroll.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

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

C. Annual OPEB Cost and Net OPEB Obligation

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

For 2017, the County's contribution of \$26,471 was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2015	\$ 12,836	63%	\$ -
June 30, 2016	13,030	73%	-
June 30, 2017	26,471	100%	-

D. Funding Status and Funding Progress

The funded status of the plan as of June 30, 2016, the most recent actuarial valuation date, is as follows:

Actuarial accrued liability (AAL)	\$	276,563
Actuarial value of plan assets		5,956
Unfunded actuarial accrued liability		270,607
Funded ratio (actuarial value of plan assets / AAL)		2.15%
Covered payroll (active plan members)		5,644,963
UAAL as a percentage of covered payroll		4.79%

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

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

E. Actuarial Methods and Assumptions

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

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.0% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payroll on a closed basis. The remaining closed amortization period at June 30, 2016 was 18-20 years.

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

School Board:

A. Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 23.

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

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

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 1.13% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2017, 2016, and 2015 were \$294,030, \$275,815, and \$273,013, respectively and equaled the required contributions for each year.

22. OTHER POSTEMPLOYMENT BENEFITS-TRUST FUND

Plan Description

Plan administration

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

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

Plan membership

At June 30, 2017, ACRBP membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments		23
Active plan members		262
		285

Benefits provided

ACRBP provides healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. Accomack County Code grants the authority to establish and amend the benefit terms to the Accomack County Local Finance Board.

Contributions

Accomack County Code grants the authority to establish and amend the contribution requirements of the County and plan members to the Accomack County Local Finance Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2017, the County's average contribution rate was .88 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

22. OTHER POSTEMPLOYMENT BENEFITS-Trust Fund (Continued)

Investments

Investment policy

ACRBP's policy in regard to the allocation of invested assets is established and may be amended by the Accomack County Local Finance Board by a majority vote of its members. It is the policy of the Accomack County Local Finance Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. ACRBP's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2017:

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

Rate of return

For the year ended June 30, 20X9, the annual money-weighted rate of return on investments, net of investment expense, was 12.33 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB liability of the County

The components of the net OPEB liability of the County at June 30, 2017, were as follows:

Total OPEB liability	\$	2,074,538
Plan fiduciary net position		(184,555)
County's net OPEB liability		1,889,983
Plan fiduciary net position as a percentage of the total OPEB liability		8.90%

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

22. OTHER POSTEMPLOYMENT BENEFITS-Trust Fund (Continued)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.65%
Salary increases	2.5 percent, average, including inflation
Investment rate of return	6.89% , net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.0% for 2017, decreasing 0.5% per year to an ultimate rate of 5.0% for 2018 and later years

Mortality rates were based on the RP-2014 Mortality Table, fully generational, projected using two-dimensional mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study as of July 1, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 20X9 (see the discussion of SCRBP's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Core Fixed Income	2.17%
Core Bonds	2.01
Large Cap US Equities	4.55
Small Cap US Equities	5.77
Developed Foreign Equities	5.76
Emerging Market Equities	8.06
Hedge Funds/Absolute Return	1.97
Real Estate	5.04
Commodities	3.04

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

22. OTHER POSTEMPLOYMENT BENEFITS-Trust Fund (Continued)

Discount rate

The discount rate used to measure the total OPEB liability was 3.65 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate:

		1% Decrease	Discount Rate	1% Increase
		(2.65%)	(3.65%)	(4.65%)
Net OPEB Liability (Asset)	\$	2,363,749	\$ 1,889,983	\$ 1,835,750

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

Sensitivity of the net OPEB liability to changes in the discount rate (continued)

		1% Decrease	Healthcare Cost	1% Decrease
		(6.0% decreasing	Trend Rates	(8.0% decreasing
		to 4.0%)	(7.0% decreasing	to 6.0%)
			to 5.0%)	
Net OPEB Liability (Asset)	\$	2,017,161	\$ 1,889,983	\$ 2,141,429

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN

Plan Description

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

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Plan Description (Continued)

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2016 Comprehensive Annual Financial Report (CAFR). A copy of the 2016 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2016-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	158	78
Inactive members:		
Vested inactive members	25	19
Non-vested inactive members	66	42
Inactive members active elsewhere in VRS	92	13
Total inactive members	183	74
Active members	257	182
Total covered employees	598	334

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2017 was 8.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$912,017 and \$1,081,473 for the years ended June 30, 2017 and June 30, 2016, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2017 was 4.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Contributions (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$123,405 and \$212,780 for the years ended June 30, 2017 and June 30, 2016, respectively.

Net Pension Liability

The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2016. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

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

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

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

Largest 10 – Non-LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Actuarial Assumptions – General Employees (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:

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

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

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

Actuarial Assumptions – Public Safety Employees

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

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

Largest 10 – Non-LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) – LEOS:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Long-Term Expected Rate of Return

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

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2015	\$ 51,957,147	\$ 51,328,385	\$ 628,762
Changes for the year:			
Service cost	\$ 1,230,959	\$ -	\$ 1,230,959
Interest	3,558,288	-	3,558,288
Changes in benefit terms	1,369,301		1,369,301
Differences between expected and actual experience	134,701	-	134,701
Contributions - employer	-	1,071,751	(1,071,751)
Contributions - employee	-	560,988	(560,988)
Net investment income	-	894,070	(894,070)
Benefit payments, including refunds of employee contributions	(2,248,923)	(2,248,923)	-
Administrative expenses	-	(31,994)	31,994
Other changes	-	(379)	379
Net changes	\$ 4,044,326	\$ 245,513	\$ 3,798,813
Balances at June 30, 2016	\$ 56,001,473	\$ 51,573,898	\$ 4,427,575

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Changes in Net Pension Liability

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2015	\$ 11,381,040	\$ 11,495,051	\$ (114,011)
Changes for the year:			
Service cost	\$ 296,936	\$ -	\$ 296,936
Interest	778,450	-	778,450
Differences between expected and actual experience	(272,255)	-	(272,255)
Contributions - employer	-	219,731	(219,731)
Contributions - employee	-	145,477	(145,477)
Net investment income	-	199,764	(199,764)
Benefit payments, including refunds of employee contributions	(520,646)	(520,646)	-
Administrative expenses	-	(7,162)	7,162
Other changes	-	(85)	85
Net changes	\$ 282,485	\$ 37,079	\$ 245,406
Balances at June 30, 2016	\$ 11,663,525	\$ 11,532,130	\$ 131,395

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

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
County			
Net Pension Liability (Asset)	\$ 11,346,627	\$ 4,427,575	\$ (1,364,305)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 1,415,768	\$ 131,395	\$ (960,185)

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

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

For the year ended June 30, 2017, the County/ and Component Unit School Board (nonprofessional) recognized pension expense of \$2,126,184 and (\$82,378), respectively. At June 30, 2017, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 120,878	\$ -	\$ -	\$ 343,701
Net difference between projected and actual earnings on pension plan investments	1,329,225	-	299,072	-
Employer contributions subsequent to the measurement date	912,017	-	123,405	-
Total	\$ 2,362,120	\$ -	\$ 422,477	\$ 343,701

\$912,017 and \$123,405 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	School Board (nonprofessional)
2018	\$ 66,539	\$ (220,574)
2019	59,453	(100,063)
2020	788,869	156,168
2021	535,242	119,840
Thereafter	-	-

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

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

Each School Division's contractually required contribution rate for the year ended June 30, 2017 was 14.66% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015 and reflects the transfer in June 2015 of \$192,884,000 as an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarial rate for the Teacher Retirement Plan was 16.32. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the Code of Virginia, as amended the contributions were funded at 89.84% of the actuarial rate for the year ended June 30, 2017. Contributions to the pension plan from the School Board were \$3,778,447 and \$3,658,456 for the years ended June 30, 2017 and June 30, 2016, respectively.

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

At June 30, 2017, the school division reported a liability of \$47,806,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2016 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2016, the school division's proportion was 0.34113% as compared to 0.34623% at June 30, 2015.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2017, the school division recognized pension expense of \$3,861,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2017, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,549,000
Net difference between projected and actual earnings on pension plan investments	2,731,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	275,000	1,300,000
Employer contributions subsequent to the measurement date	3,778,447	-
Total	\$ 6,784,447	\$ 2,849,000

\$3,778,447 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30		
2018	\$	(570,000)
2019		(570,000)
2020		908,000
2021		546,000
Thereafter		(157,000)

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2015, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2016, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher
		Retirement
Total Pension Liability	\$	44,182,326
Plan Fiduciary Net Position		30,168,211
Employers' Net Pension Liability (Asset)	\$	14,014,115
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		68.28%

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

Long-Term Expected Rate of Return

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

Discount Rate

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

23. PENSION PLAN (Continued)

Component Unit School Board (professional) (Continued)

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

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

		Rate		
		(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan				
Net Pension Liability (Asset)	\$	68,148,000	\$ 47,806,000	\$ 31,049,000

Pension Plan Fiduciary Net Position

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

24. TERMINATION BENEFIT – SCHOOL BOARD EARLY RETIREMENT OPTION PROGRAM

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

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

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2017 (Continued)

24. TERMINATION BENEFIT – SCHOOL BOARD EARLY RETIREMENT OPTION PROGRAM (Continued)

The value of the supplement paid to the retiree exceeds the fair value of the services rendered by the retiree. The liability for the this termination benefit is calculated by taking the difference of the supplement received and the fair value of services rendered and multiplied by years remaining in the program. As of June 30, 2017, there were 59 employees enrolled in the Early Retirement Option Program. The liability recognized in the financial states as of June 30, 2017 was \$656,165 for the program.

25. ADOPTION OF ACCOUNTING PRINCIPLES

The County adopted the following accounting principle during 2017:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.

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

Notes to Required Supplementary Information:

1. Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.
2. Pension Related Information Notes:
 - a. Changes of benefit terms – There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013 and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.
 - b. Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:
 - i. Largest 10 – Non-LEOS:
 1. Update mortality table
 2. Decrease in rates of service retirement
 3. Decrease in rates of disability retirement
 4. Reduce rates of salary increase by 0.25% per year
 - ii. Largest 10 – LEOS:
 1. Update mortality table
 2. Decrease in male rates of disability
 - iii. All Others (Non 10 largest) - Non-LEOS:
 1. Update mortality table
 2. Decrease in rates of service retirement
 3. Decrease in rates of disability retirement
 4. Reduce rates of salary increase by 0.25% per year
 - iv. All Others (Non 10 largest) – LEOS
 1. Update mortality table
 2. Adjustments to rates of service retirement for females
 3. Increase in rates of withdrawal
 4. Decrease in male and female rates of disability
 - v. Component Unit School Board – Professional Employees
 1. Update mortality table
 2. Adjustments to rates of service retirement
 3. Decrease in rates withdrawals for 3 through 9 years of service
 4. Decrease in rates of disability retirement
 5. Reduce rates of salary increase by 0.25% per year

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

Exhibit 12

Other Postemployment Benefits

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

Primary Government:

July 1, 2016	\$ 125,000	\$ 1,512,000	\$ 1,387,000	8.3%	\$ 11,036,000	12.6%
July 1, 2014	-	2,719,000	2,719,000	0.0%	10,973,000	24.8%
July 1, 2012	-	6,195,000	6,195,000	0.0%	10,077,000	61.5%

Discretely Presented Component Unit-School Board:

July 1, 2016	\$ -	\$ 2,407,100	\$ 2,407,100	0.0%	\$ 28,842,000	8.3%
July 1, 2014	-	2,229,000	2,229,000	0.0%	28,829,000	7.7%
July 1, 2012	-	1,997,000	1,997,000	0.0%	26,292,000	7.6%

Virginia Retirement System - Health Insurance Credit

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

Primary Government:

June 30, 2016	\$ 5,956	\$ 276,563	\$ 270,607	2.2%	\$ 5,644,963	4.8%
June 30, 2015	4,155	257,488	253,333	1.6%	5,259,213	4.8%
June 30, 2014	-	149,898	149,898	0.0%	5,436,192	2.8%

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2017

Exhibit 13

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

This schedule is intended to show information for 10 years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
COMPONENT UNIT SCHOOL BOARD (nonprofessional)
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2017

Exhibit 14

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

This schedule is intended to show information for 10 years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2008 THROUGH JUNE 30, 2017

Exhibit 15

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government:					
2017	\$ 912,017	\$ 912,017	\$ -	\$ 11,301,324	8.07%
2016	1,111,094	1,111,094	-	11,022,754	10.08%
2015	922,916	922,916	-	10,896,299	8.47%
2014	912,555	912,555	-	10,773,964	8.47%
2013	866,920	866,920	-	10,235,185	8.47%
2012	415,570	415,570	-	9,664,418	4.30%
2011	422,892	422,892	-	9,834,701	4.30%
2010	269,883	269,883	-	10,300,868	2.62%
2009	270,672	270,672	-	10,330,994	2.62%
2008	18,975	18,975	-	9,986,681	0.19%
Component Unit School Board (nonprofessional):					
2017	\$ 123,405	\$ 123,405	\$ -	\$ 2,952,275	4.18%
2016	212,780	212,780	-	2,867,655	7.42%
2015	219,121	219,121	-	2,953,111	7.42%
2014	265,967	265,967	-	2,985,035	8.91%
2013	269,665	269,665	-	3,026,538	8.91%
2012	226,208	226,208	-	2,960,840	7.64%
2011	221,848	221,848	-	2,903,770	7.64%
2010	245,778	245,778	-	3,246,740	7.57%
2009	254,788	254,788	-	3,365,761	7.57%
2008	236,662	236,662	-	3,314,591	7.14%
Component Unit School Board (professional):					
2017	\$ 3,778,447	\$ 3,778,447	\$ -	\$ 25,773,854	14.66%
2016	3,658,456	3,658,456	-	26,020,312	14.06%
2015	3,734,610	3,734,610	-	25,755,930	14.50%

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY VRS TEACHER RETIREMENT PLAN
COMPONENT UNIT SCHOOL BOARD
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2017

Exhibit 16

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.35461%	0.34623%	0.34113%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 42,854,000	\$ 43,578,000	\$ 47,806,000
Employer's Covered Payroll	\$ 25,913,927	\$ 25,755,930	\$ 26,020,312
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	60.47%	59.10%	54.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.7088%	0.7068%	0.7068%

This schedule is intended to show information for 10 years. However, information prior to 2014 is not available. Additional years will be included as they become available.

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

Exhibit 17

	<u>2017</u>
Total OPEB liability	
Service Cost	\$ 115,033
Interest	72,863
Benefit payments	<u>(50,793)</u>
Net change in total pension liability	137,103
Total pension liability - beginning	<u>1,937,435</u>
Total pension liability - ending (a)	<u><u>\$ 2,074,538</u></u>
 Plan fiduciary net position	
Contributions - employer	\$ 44,552
Net investment income	19,008
Administrative expense	<u>(500)</u>
Net change in plan fiduciary net position	63,060
Plan fiduciary net position - beginning	<u>121,495</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 184,555</u></u>
 County's net OPEB liability (asset) - ending (a) - (b)	\$ 1,889,983
 Plan fiduciary net position as a percentage of the total OPEB liability	8.90%
 Covered payroll	\$ 11,036,000
 County's net pension liability as a percentage of covered payroll	17.13%

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only one year is available. Additional years will be included as they become available.

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PRIMARY GOVERNMENT
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit 18

<u>Date</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2017	\$ 44,552	\$ 44,552	\$ -	\$ 11,036,000	0.40%

This schedule is intended to show information for ten years. Since 2017 is the first year for this presentation, only one year is available. Additional years will be included as they become available.

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	
Asset valuation method	5-year smoothed market
Inflation	3.65 percent
Healthcare cost trend rates	7.0 percent initial, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent
Salary increases	2.5 percent, average, including inflation
Investment rate of return	6.89%, net of OPEB plan investment expense, including inflation
Retirement age	In the 20017 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience.
Mortality	In the 2017 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 Mortality Table.

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

Exhibit 19

2017

Annual money-weighted rate of return, net of investment expense

12.33%

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only one year is available. Additional years will be included as they become available.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 20
Page 1 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 21,789,341	\$ 22,044,627	\$ 23,337,557	\$ 1,292,930
Other local taxes	7,572,375	7,580,884	7,516,670	(64,214)
Permits, fees and licenses	282,649	282,649	299,176	16,527
Fines and forfeitures	70,000	70,000	84,220	14,220
Revenue from the use of money and property	331,511	331,511	336,286	4,775
Charges for services	358,288	394,471	440,922	46,451
Miscellaneous	-	7,167	41,383	34,216
Recovered costs	134,441	443,772	488,019	44,247
Intergovernmental	6,919,840	7,393,258	7,922,518	529,260
Total revenues	37,458,445	38,548,339	40,466,751	1,918,412
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	142,801	142,801	131,845	10,956
General and financial administration:				
County administrator	550,883	492,893	487,654	5,239
Human resources	106,918	165,811	165,884	(73)
Legal services	210,590	225,149	223,347	1,802
Commissioner of the revenue	297,667	300,080	296,726	3,354
County assessor	653,142	482,819	431,337	51,482
Treasurer	536,065	571,730	540,668	31,062
Central accounting	468,258	532,367	486,208	46,159
Information technology	673,750	690,600	623,069	67,531
Risk management	260,527	275,527	274,454	1,073
Total general and financial administration	3,757,800	3,736,976	3,529,347	207,629
Board of elections:				
Electoral board	70,130	70,739	50,728	20,011
Registrar	155,958	157,149	142,194	14,955
Total board of elections	226,088	227,888	192,922	34,966
Total general government administration	4,126,689	4,107,665	3,854,114	253,551
Judicial administration:				
Courts:				
Circuit court	82,606	83,091	71,026	12,065
General district court	11,471	11,471	10,272	1,199
Chief magistrate	16,938	16,938	4,668	12,270
Juvenile and domestic relations court	13,650	13,650	6,367	7,283
Clerk of the circuit court	425,404	483,023	492,942	(9,919)
Sheriff court services	431,602	412,566	409,200	3,366
Commissioner of accounts	214	214	-	214
Victim and witness assistance	62,912	115,556	71,389	44,167
Total courts	1,044,797	1,136,509	1,065,864	70,645
Commonwealth's attorney	418,198	422,006	371,976	50,030
Total judicial administration	1,462,995	1,558,515	1,437,840	120,675
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,097,194	2,568,131	2,476,583	91,548

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Exhibit 20
Page 2 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Public safety: (continued)				
Fire and rescue services:				
Volunteer fire and rescue	\$ 265,110	\$ 346,110	\$ 321,708	\$ 24,402
Emergency medical services	238,624	312,465	270,226	42,239
Payments to 911 commission	523,281	523,281	509,916	13,365
Total fire and rescue services	1,027,015	1,181,856	1,101,850	80,006
Correction and detention:				
Jail	2,208,610	1,922,121	1,908,144	13,977
Juvenile probation	129,575	129,989	96,762	33,227
Community correction	-	90,869	90,869	-
Total correction and detention	2,338,185	2,142,979	2,095,775	47,204
Other protection:				
Building and zoning	488,196	459,900	426,874	33,026
Ordinance enforcement	63,598	64,023	52,234	11,789
Animal control	114,227	115,112	87,267	27,845
Regional animal control facility	102,642	103,098	76,156	26,942
S.P.C.A. supplement	5,921	6,257	6,267	(10)
Emergency management	90,663	232,303	170,371	61,932
Medical examiner	5,000	5,000	2,000	3,000
E.S. Coalition Against Domestic Violence supplement	20,000	20,000	20,000	-
Cleanup/disposal of hazardous materials	7,000	9,265	8,117	1,148
Total other protection	897,247	1,014,958	849,286	165,672
Total public safety	6,359,641	6,907,924	6,523,494	384,430
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Storm drainage	180,666	429,425	147,695	281,730
Street paving	-	200,000	-	200,000
	180,666	629,425	147,695	481,730
Sanitation and waste removal:				
General operations	199,587	201,329	211,254	(9,925)
Refuse disposal	1,000,000	1,000,000	918,900	81,100
Refuse collection	597,357	641,465	703,874	(62,409)
Maintenance garage	182,924	340,935	318,436	22,499
Litter control	350,893	373,163	305,078	68,085
Total sanitation and waste removal	2,330,761	2,556,892	2,457,542	99,350
Maintenance of buildings and grounds:				
Buildings and grounds	997,143	1,276,841	1,170,638	106,203
Total public works	3,508,570	4,463,158	3,775,875	687,283
Health and welfare:				
Health:				
Local health department supplement	531,721	569,715	569,715	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	562,692	600,686	600,686	-
Mental health and mental retardation:				
Community services board supplement	178,286	178,286	178,286	-

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Exhibit 20
Page 3 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Health and welfare: (continued)				
Welfare:				
Property tax relief for the elderly	\$ 144,525	\$ 144,525	\$ 137,581	\$ 6,944
Area agency on aging supplement	23,430	23,430	23,430	-
Total welfare	167,955	167,955	161,011	6,944
Total health and welfare	908,933	946,927	939,983	6,944
Education:				
Contribution to School Board component unit	15,421,521	15,421,521	15,421,521	-
Community College supplement	263,028	707,028	707,028	-
Total education	15,684,549	16,128,549	16,128,549	-
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	328,214	335,672	331,551	4,121
Summer food program	-	139,528	112,640	26,888
Boating facilities	84,617	116,753	49,993	66,760
Total parks and recreation	412,831	591,953	494,184	97,769
Cultural enrichment:				
Translator television	74,457	74,457	66,460	7,997
Contribution to Public Library component unit	345,907	345,907	345,907	-
Total cultural enrichment	420,364	420,364	412,367	7,997
Total parks, recreation and cultural	833,195	1,012,317	906,551	105,766
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	70,703	70,703	70,703	-
Housing/Redevelopment Corp. supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	7,500	7,500	-
Erosion and sediment	64,025	96,504	94,844	1,660
Planning	373,652	407,217	390,888	16,329
Enterprise Zone incentives	-	25,000	-	25,000
Tourism Commission supplement	86,853	95,362	95,363	(1)
Chamber of Commerce supplement	191,676	192,595	153,121	39,474
Star Transit public transportation supplement	176,800	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	18,666	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	1,003,697	1,104,169	1,021,707	82,462
Environmental management:				
Johnsongrass/gypsy moth control program	12,025	12,106	1,623	10,483
Soil and Water Conservation District supplement	21,154	26,443	26,443	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	62,899	68,269	57,786	10,483
Cooperative extension program	91,712	93,215	91,273	1,942
Total community development	1,158,308	1,265,653	1,170,766	94,887
Nondepartmental:				
Contingency	417,624	35,288	-	35,288

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Exhibit 20
Page 4 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Debt service	\$ 772,360	\$ 772,360	\$ 769,809	\$ 2,551
Total expenditures	35,232,864	37,198,356	35,506,981	1,691,375
Revenues over (under) expenditures	2,225,581	1,349,983	4,959,770	3,609,787
Other Financing Sources (Uses):				
Transfers in	128,760	128,760	129,760	1,000
Transfers out	(1,637,373)	(2,870,478)	(2,490,734)	379,744
Total other financing sources (uses)	(1,508,613)	(2,741,718)	(2,360,974)	380,744
Net changes in fund balance	716,968	(1,391,735)	2,598,796	3,990,531
Fund balance, beginning of year	14,372,875	14,372,875	14,372,875	-
Fund balance, end of year	\$ 15,089,843	\$ 12,981,140	\$ 16,971,671	\$ 3,990,531

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, 2017

Exhibit 21

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 5,974	\$ 5,974
Intergovernmental	3,350,915	3,371,578	3,130,130	(241,448)
Total revenues	3,350,915	3,371,578	3,136,104	(235,474)
Expenditures:				
Health and welfare:				
Welfare administration	3,188,088	3,239,997	3,073,230	166,767
Public assistance	678,984	671,184	582,430	88,754
Fuel administrator	39,057	39,057	-	39,057
Local only administration	66,789	177,189	153,384	23,805
Service pass-through	133,844	11,424	6,911	4,513
Total expenditures	4,106,762	4,138,851	3,815,955	322,896
Revenues over (under) expenditures	(755,847)	(767,273)	(679,851)	87,422
Other financing sources (uses):				
Transfers in	755,847	767,273	679,851	(87,422)
Total other financing sources (uses)	755,847	767,273	679,851	(87,422)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMPREHENSIVE YOUTH SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 22

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Miscellaneous	\$ 100,274	\$ 100,274	\$ 115,536	\$ 15,262
Intergovernmental	778,826	778,826	735,128	(43,698)
Total revenues	879,100	879,100	850,664	(28,436)
Expenditures:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families program	1,132,016	1,132,016	1,052,671	79,345
Total expenditures	1,132,016	1,132,016	1,052,671	79,345
Revenues over (under) expenditures	(252,916)	(252,916)	(202,007)	50,909
Other financing sources (uses):				
Transfers in	252,916	252,916	202,007	(50,909)
Total other financing sources (uses)	252,916	252,916	202,007	(50,909)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

Other Supplementary Information



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Nonmajor Governmental Funds

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

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

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AT JUNE 30, 2017**

	Special Revenue				
	Law Library Fund	Stormwater Ordinance Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund
<u>Assets:</u>					
Cash and investments	\$ 46,246	\$ 40,949	\$ 19,790	\$ 23,335	\$ 92,781
Receivables (net):					
Taxes, including penalties	-	-	-	-	-
Accounts / other	615	-	-	8,269	-
Total assets	<u>46,861</u>	<u>40,949</u>	<u>19,790</u>	<u>31,604</u>	<u>92,781</u>
<u>Liabilities:</u>					
Accounts payable	540	40,949	-	80	6,742
Wages payable	-	-	-	3,658	-
Unearned revenues	-	-	-	-	56,911
Total liabilities	<u>540</u>	<u>40,949</u>	<u>-</u>	<u>3,738</u>	<u>63,653</u>
<u>Deferred Inflows of Resources:</u>					
Deferred property tax revenue	-	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Restricted for:					
Fire and Rescue	-	-	-	-	29,128
Mosquito Control	-	-	-	-	-
Judicial Administration	-	-	3,606	-	-
Courthouse Security	-	-	-	27,866	-
Law Library	46,321	-	-	-	-
Law Enforcement	-	-	16,184	-	-
Community Development	-	-	-	-	-
Assigned to:					
Fire and Rescue	-	-	-	-	-
Total fund balances	<u>46,321</u>	<u>-</u>	<u>19,790</u>	<u>27,866</u>	<u>29,128</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,861</u>	<u>\$ 40,949</u>	<u>\$ 19,790</u>	<u>\$ 31,604</u>	<u>\$ 92,781</u>

Exhibit 23

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
\$ 202,996	\$ 30,377	\$ 2,159,444	\$ 895,669	\$ 3,511,587
-	15,971	1,812,507	711,359	2,539,837
-	-	-	-	8,884
202,996	46,348	3,971,951	1,607,028	6,060,308
1,558	19,561	13,804	432,650	515,884
-	-	7,313	-	10,971
-	-	-	-	56,911
1,558	19,561	21,117	432,650	583,766
-	16,608	1,710,248	674,701	2,401,557
-	3,270	377,442	148,082	528,794
-	19,878	2,087,690	822,783	2,930,351
-	-	1,863,144	-	1,892,272
-	6,909	-	-	6,909
-	-	-	-	3,606
-	-	-	-	27,866
-	-	-	-	46,321
-	-	-	-	16,184
201,438	-	-	-	201,438
-	-	-	351,595	351,595
201,438	6,909	1,863,144	351,595	2,546,191
\$ 202,996	\$ 46,348	\$ 3,971,951	\$ 1,607,028	\$ 6,060,308

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue					
	Law Library Fund	Stormwater Ordinance Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund
Revenues:						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	7,410	-	-	78,313	-	-
Permits, fees and licenses	-	65,516	-	-	-	-
Revenue from the use of money and property	-	-	12	-	9	55
Miscellaneous	-	-	-	-	13,700	13,357
Recovered costs	-	-	-	-	-	9,867
Intergovernmental	-	-	401	-	108,864	-
Total revenues	7,410	65,516	413	78,313	122,573	23,279
Expenditures:						
Judicial administration	2,969	-	10,832	90,266	-	-
Public safety	-	-	8,294	-	167,175	-
Health and welfare	-	-	-	-	-	-
Community development	-	171,122	-	-	-	15,526
Total expenditures	2,969	171,122	19,126	90,266	167,175	15,526
Revenues over (under) expenditures	4,441	(105,606)	(18,713)	(11,953)	(44,602)	7,753
Other financing sources (uses):						
Transfers in	-	105,554	-	-	16,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	105,554	-	-	16,000	-
Net change in fund balances	4,441	(52)	(18,713)	(11,953)	(28,602)	7,753
Fund balance, beginning of year	41,880	52	38,503	39,819	57,730	193,685
Fund balance, end of year	\$ 46,321	\$ -	\$ 19,790	\$ 27,866	\$ 29,128	\$ 201,438

Exhibit 24

Special Revenue			
Captains Cove Greenbackville Mosquito Control Fund	Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 71,546	\$ 3,825,776	\$ 1,562,814	\$ 5,460,136
-	-	-	85,723
-	-	-	65,516
-	-	-	76
-	-	-	27,057
-	-	-	9,867
-	65,571	41,180	216,016
71,546	3,891,347	1,603,994	5,864,391
-	-	-	104,067
-	3,161,517	1,957,371	5,294,357
72,904	-	-	72,904
-	-	-	186,648
72,904	3,161,517	1,957,371	5,657,976
(1,358)	729,830	(353,377)	206,415
-	-	-	121,554
-	(130,760)	-	(130,760)
-	(130,760)	-	(9,206)
(1,358)	599,070	(353,377)	197,209
8,267	1,264,074	704,972	2,348,982
\$ 6,909	\$ 1,863,144	\$ 351,595	\$ 2,546,191

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, 2017

	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	7,410	410
Permits, privilege fees and licenses	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	7,000	7,000	7,410	410
Expenditures:				
Judicial administration	7,000	48,880	2,969	45,911
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	7,000	48,880	2,969	45,911
Revenues over (under) expenditures	-	(41,880)	4,441	46,321
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	(41,880)	4,441	46,321
Fund balance, beginning of year	41,880	41,880	41,880	-
Fund balance, end of year	\$ 41,880	\$ -	\$ 46,321	\$ 46,321

Stormwater Ordinance Fund				Drug Seizures Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
56,116	56,116	65,516	9,400	-	-	-	-
-	-	-	-	-	-	12	12
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,000	2,000	401	(1,599)
56,116	56,116	65,516	9,400	2,000	2,000	413	(1,587)
-	-	-	-	-	13,881	10,832	3,049
-	-	-	-	2,000	26,622	8,294	18,328
-	-	-	-	-	-	-	-
122,870	123,937	171,122	(47,185)	-	-	-	-
122,870	123,937	171,122	(47,185)	2,000	40,503	19,126	21,377
(66,754)	(67,821)	(105,606)	(37,785)	-	(38,503)	(18,713)	19,790
66,754	67,769	105,554	37,785	-	-	-	-
-	-	-	-	-	-	-	-
66,754	67,769	105,554	37,785	-	-	-	-
-	(52)	(52)	-	-	(38,503)	(18,713)	19,790
52	52	52	-	38,503	38,503	38,503	-
\$ 52	\$ -	\$ -	\$ -	\$ 38,503	\$ -	\$ 19,790	\$ 19,790

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, 2017 (continued)

Courthouse Security Fund			
Budgeted Amounts			Variance From
Original	Final	Actual	Final Budget
			Positive
			(Negative)
Revenues:			
General property taxes	\$ -	\$ -	\$ -
Other local taxes	80,000	80,000	(1,687)
Permits, privilege fees and licenses	-	-	-
Revenue from the use of money and property	-	-	-
Miscellaneous	-	-	-
Recovered costs	-	-	-
Intergovernmental	-	-	-
Total revenues	80,000	80,000	(1,687)
Expenditures:			
Judicial administration	80,000	119,819	29,553
Public safety	-	-	-
Health and welfare	-	-	-
Community development	-	-	-
Total expenditures	80,000	119,819	29,553
Revenues over (under) expenditures	-	(39,819)	27,866
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balance	-	(39,819)	27,866
Fund balance, beginning of year	39,819	39,819	-
Fund balance, end of year	\$ 39,819	\$ -	\$ 27,866

Fire Programs Fund				Rehabilitation Projects Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	9	9	-	-	55	55
13,700	13,700	13,700	-	-	-	13,357	13,357
-	-	-	-	-	-	9,867	9,867
59,000	167,025	108,864	(58,161)	-	-	-	-
72,700	180,725	122,573	(58,152)	-	-	23,279	23,279
-	-	-	-	-	-	-	-
88,700	258,189	167,175	91,014	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	12,379	15,526	(3,147)
88,700	258,189	167,175	91,014	-	12,379	15,526	(3,147)
(16,000)	(77,464)	(44,602)	32,862	-	(12,379)	7,753	20,132
16,000	16,000	16,000	-	-	-	-	-
-	-	-	-	-	-	-	-
16,000	16,000	16,000	-	-	-	-	-
-	(61,464)	(28,602)	32,862	-	(12,379)	7,753	20,132
57,730	57,730	57,730	-	193,685	193,685	193,685	-
\$ 57,730	\$ (3,734)	\$ 29,128	\$ 32,862	\$ 193,685	\$ 181,306	\$ 201,438	\$ 20,132

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, 2017 (continued)

Captains Cove Greenbackville Mosquito Control Fund				Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ 52,381	\$ 65,817	\$ 71,546	\$ 5,729
Other local taxes	-	-	-	-
Permits, privilege fees and licenses	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	52,381	65,817	71,546	5,729
Expenditures:				
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Health and welfare	52,381	60,648	72,904	(12,256)
Community development	-	-	-	-
Total expenditures	52,381	60,648	72,904	(12,256)
Revenues over (under) expenditures	-	5,169	(1,358)	(6,527)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	5,169	(1,358)	(6,527)
Fund balance, beginning of year	8,267	8,267	8,267	-
Fund balance, end of year	\$ 8,267	\$ 13,436	\$ 6,909	\$ (6,527)

Consolidated EMS Fund				Consolidated Fire & Rescue Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 3,533,665	\$ 3,618,760	\$ 3,825,776	\$ 207,016	\$ 1,435,580	\$ 1,462,452	\$ 1,562,814	\$ 100,362
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
64,964	64,964	65,571	607	41,188	41,188	41,180	(8)
3,598,629	3,683,724	3,891,347	207,623	1,476,768	1,503,640	1,603,994	100,354
-	-	-	-	-	-	-	-
3,427,224	3,456,339	3,161,517	294,822	1,476,768	2,181,740	1,957,371	224,369
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,427,224	3,456,339	3,161,517	294,822	1,476,768	2,181,740	1,957,371	224,369
171,405	227,385	729,830	502,445	-	(678,100)	(353,377)	324,723
-	-	-	-	-	-	-	-
(129,760)	(129,760)	(130,760)	(1,000)	-	-	-	-
(129,760)	(129,760)	(130,760)	(1,000)	-	-	-	-
41,645	97,625	599,070	501,445	-	(678,100)	(353,377)	324,723
1,264,074	1,264,074	1,264,074	-	704,972	704,972	704,972	-
\$ 1,305,719	\$ 1,361,699	\$ 1,863,144	\$ 501,445	\$ 704,972	\$ 26,872	\$ 351,595	\$ 324,723

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, 2017 (continued)

Exhibit 25
 Page 4

	Total Nonmajor Governmental Funds			Variance From Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
Revenues:				
General property taxes	\$ 5,021,626	\$ 5,147,029	\$ 5,460,136	\$ 313,107
Other local taxes	87,000	87,000	85,723	(1,277)
Permits, privilege fees and licenses	56,116	56,116	65,516	9,400
Revenue from the use of money and property	-	-	76	76
Miscellaneous	13,700	13,700	27,057	13,357
Recovered costs	-	-	9,867	9,867
Intergovernmental	167,152	275,177	216,016	(59,161)
Total revenues	5,345,594	5,579,022	5,864,391	285,369
Expenditures:				
Judicial administration	87,000	182,580	104,067	78,513
Public safety	4,994,692	5,922,890	5,294,357	628,533
Health and welfare	52,381	60,648	72,904	(12,256)
Community development	122,870	136,316	186,648	(50,332)
Total expenditures	5,256,943	6,302,434	5,657,976	644,458
Revenues over (under) expenditures	88,651	(723,412)	206,415	929,827
Other financing sources (uses):				
Transfers in	82,754	83,769	121,554	37,785
Transfers out	(129,760)	(129,760)	(130,760)	(1,000)
Total other financing sources (uses)	(47,006)	(45,991)	(9,206)	36,785
Net changes in fund balance	41,645	(769,403)	197,209	966,612
Fund balance, beginning of year	2,348,982	2,348,982	2,348,982	-
Fund balance, end of year	\$ 2,390,627	\$ 1,579,579	\$ 2,546,191	\$ 966,612

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, 2017

Exhibit 26

	Budgeted Amounts			Variance from Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
General property taxes	\$ 3,857,625	\$ 3,924,805	\$ 4,147,923	\$ 223,118
Intergovernmental	82,376	82,376	82,359	(17)
Total revenues	3,940,001	4,007,181	4,230,282	223,101
Expenditures:				
Debt Service:				
Principal	3,237,030	3,237,030	3,237,030	-
Interest and fiscal charges	1,318,140	1,318,140	1,310,333	7,807
Total expenditures	4,555,170	4,555,170	4,547,363	7,807
Revenues over (under) expenditures	(615,169)	(547,989)	(317,081)	230,908
Net changes in fund balance	(615,169)	(547,989)	(317,081)	230,908
Fund balance, beginning of year	1,180,940	1,180,940	1,180,940	-
Fund balance, end of year	\$ 565,771	\$ 632,951	\$ 863,859	\$ 230,908

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, 2017

Exhibit 27

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 366	\$ 366
Recovered costs	-	60,058	15,323	(44,735)
Intergovernmental	-	1,141,112	306,090	(835,022)
Total revenues	-	1,201,170	321,779	(879,391)
Expenditures:				
General government administration	97,545	195,717	120,942	74,775
Public works	207,000	1,594,863	1,375,901	218,962
Education	-	1,491,391	1,021,558	469,833
Parks and recreation	50,000	763,198	167,859	595,339
Community development	-	1,451,170	321,413	1,129,757
Total expenditures	354,545	5,496,339	3,007,673	2,488,666
Revenues over (under) expenditures	(354,545)	(4,295,169)	(2,685,894)	1,609,275
Other financing sources (uses):				
Transfers in	354,545	1,573,788	1,294,590	(279,198)
Total other financing sources (uses)	354,545	1,573,788	1,294,590	(279,198)
Net changes in fund balance	-	(2,721,381)	(1,391,304)	1,330,077
Fund balance, beginning of year	4,345,595	4,345,595	4,345,595	-
Fund balance, end of year	\$ 4,345,595	\$ 1,624,214	\$ 2,954,291	\$ 1,330,077

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, 2017

Exhibit 28

	Business-type Activities - Enterprise Funds		
	Nonmajor		
	Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
<u>Assets:</u>			
Current assets:			
Cash and investments	\$ 527,629	\$ 4,756	\$ 532,385
Accounts receivable (net of allowance for uncollectibles)	28,705	1,570	30,275
Total current assets	556,334	6,326	562,660
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	2,681	-	2,681
Improvements other than buildings	7,620	-	7,620
Machinery and equipment	222,158	8,896	231,054
Total capital assets	232,459	8,896	241,355
Total assets	788,793	15,222	804,015
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	252,875	4,388	257,263
Wages and benefits payable	-	558	558
Total current liabilities	252,875	4,946	257,821
<u>Net Position:</u>			
Investment in capital assets	232,459	8,896	241,355
Unrestricted	303,459	1,380	304,839
Total net position	\$ 535,918	\$ 10,276	\$ 546,194

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 29

	Business-type Activities - Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Operating revenues:			
Charges for services	\$ 217,078	\$ 53,444	\$ 270,522
Total operating revenues	217,078	53,444	270,522
Operating expenses:			
Personnel services and fringe benefits	-	15,109	15,109
Other operating expenses	304,859	37,778	342,637
Depreciation	9,844	2,068	11,912
Total operating expenses	314,703	54,955	369,658
Operating income (loss)	(97,625)	(1,511)	(99,136)
Changes in net position	(97,625)	(1,511)	(99,136)
Total net position, beginning of year	633,543	11,787	645,330
Total net position, end of year	\$ 535,918	\$ 10,276	\$ 546,194

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 30

	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	\$ 216,966	\$ 51,874	\$ 268,840
Payments to suppliers	(79,375)	(40,764)	(120,139)
Payments to employees and benefits paid on behalf of employees	-	(17,458)	(17,458)
Net cash provided by (used for) operating activities	<u>137,591</u>	<u>(6,348)</u>	<u>131,243</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(220,264)	-	(220,264)
Net cash provided by (used for) capital and related financing activities	<u>(220,264)</u>	<u>-</u>	<u>(220,264)</u>
Net increase (decrease) in cash and cash equivalents	(82,673)	(6,348)	(89,021)
Cash and cash equivalents, beginning of year	610,302	11,104	621,406
Cash and cash equivalents, end of year	<u>\$ 527,629</u>	<u>\$ 4,756</u>	<u>\$ 532,385</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (97,625)	\$ (1,511)	\$ (99,136)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	9,844	2,068	11,912
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	(112)	(1,570)	(1,682)
Increase (Decrease) in accrued payroll costs	-	(2,349)	(2,349)
Increase (Decrease) in accounts payable	225,484	(2,986)	222,498
Total adjustments	<u>225,372</u>	<u>(6,905)</u>	<u>218,467</u>
Net cash provided by (used for) operating activities	<u>\$ 137,591</u>	<u>\$ (6,348)</u>	<u>\$ 131,243</u>

Agency Funds

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

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

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF NET POSITION
 AGENCY FUNDS
 AT JUNE 30, 2017

Exhibit 31

	Agency Funds		
	Special Welfare Fund	Sheriff Canteen Fund	Total Agency Funds
<u>Assets:</u>			
Cash and investments held by Treasurer	\$ 38,141	\$ -	\$ 38,141
Cash and investments in custody of others	-	81,388	81,388
Total assets	<u>38,141</u>	<u>81,388</u>	<u>119,529</u>
<u>Liabilities:</u>			
Amounts held for social service clients	38,141	-	38,141
Amounts held for others	-	81,388	81,388
Total liabilities	<u>\$ 38,141</u>	<u>\$ 81,388</u>	<u>\$ 119,529</u>

COUNTY OF ACCOMACK, VIRGINIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 32

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Special Welfare Fund:				
<u>Assets:</u>				
Cash and investments	\$ 39,490	\$ 57,848	\$ 59,197	\$ 38,141
<u>Liabilities:</u>				
Amount held for social service clients	39,490	\$ 57,848	\$ 59,197	38,141
Sheriff Canteen Fund:				
<u>Assets:</u>				
Cash and investments	34,968	216,592	170,172	81,388
<u>Liabilities:</u>				
Amount held for others	34,968	216,592	170,172	81,388
Totals-All Agency Funds:				
<u>Assets:</u>				
Cash and investments	74,458	274,440	229,369	119,529
<u>Liabilities:</u>				
Amount held for social service clients	39,490	57,848	59,197	38,141
Amount held for others	34,968	216,592	170,172	81,388
Total Liabilities	\$ 74,458	\$ 274,440	\$ 229,369	\$ 119,529



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Discretely Presented Component Unit School Board

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

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF NET POSITION
AT JUNE 30, 2017

Exhibit 33

	Governmental Activities
<u>Assets:</u>	
Cash and investments	\$ 11,504,504
Accounts receivable, net	227
Due from other governmental entities	2,625,533
Capital Assets (net of accumulated depreciation):	
Land	974,862
Buildings	30,878,032
Improvements other than buildings	1,036,834
Machinery and equipment	3,853,191
Total assets	<u>50,873,183</u>
<u>Deferred Outflows of Resources:</u>	
Pension contributions subsequent to measurement date	3,901,852
Items relating to measurement of net pension liability	3,030,072
Pension changes in proportion	275,000
Total deferred outflows of resources	<u>7,206,924</u>
<u>Liabilities:</u>	
Accounts payable	3,321,680
Wages and benefits payable	4,413,384
Retainage payable	35,412
Unearned revenue	696,285
Noncurrent liabilities:	
Due within one year	1,576,579
Due in more than one year	50,186,945
Total liabilities	<u>60,230,285</u>
<u>Deferred Inflows of Resources:</u>	
Items relating to measurement of net pension liability	<u>3,192,701</u>
<u>Net Position:</u>	
Investment in capital assets	36,742,919
Unrestricted	(42,085,798)
Total net position	<u>\$ (5,342,879)</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2017

Exhibit 34

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	\$ 63,406,313	\$ 940,485	\$ 38,759,571	\$ -	\$ (23,706,257)
Total governmental activities	<u>\$ 63,406,313</u>	<u>\$ 940,485</u>	<u>\$ 38,759,571</u>	<u>\$ -</u>	<u>(23,706,257)</u>

General Revenues:	
Contribution from local government	18,387,409
Investment earnings	3,311
Miscellaneous	285,196
Transfers	3,088,132
Total general revenues and transfers	<u>21,764,048</u>
Change in net position	(1,942,209)
Net position, beginning of year	<u>(3,400,670)</u>
Net position, end of year	<u>\$ (5,342,879)</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
COMBINING BALANCE SHEET-GOVERNMENTAL FUNDS
AT JUNE 30, 2017

Exhibit 35

	Major Funds		Nonmajor Fund	Total
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Governmental Funds
Assets:				
Cash and investments	\$ 10,369,270	\$ 188,777	\$ 946,457	\$ 11,504,504
Accounts receivable, net	227	-	-	227
Due from the Commonwealth	877,847	-	-	877,847
Due from the Federal Government	1,354,823	-	392,863	1,747,686
Total assets	<u>12,602,167</u>	<u>188,777</u>	<u>1,339,320</u>	<u>14,130,264</u>
Liabilities:				
Accounts payable	3,161,537	153,365	6,778	3,321,680
Wages and benefits payable	4,413,384	-	-	4,413,384
Retainage payable	-	35,412	-	35,412
Unearned revenue	696,285	-	-	696,285
Total liabilities	<u>8,271,206</u>	<u>188,777</u>	<u>6,778</u>	<u>8,466,761</u>
Fund Balances:				
Restricted:				
Education	4,330,961	-	-	4,330,961
Assigned:				
Food Services	-	-	1,332,542	1,332,542
Total fund balances	<u>4,330,961</u>	<u>-</u>	<u>1,332,542</u>	<u>5,663,503</u>
Total liabilities and fund balances	<u>\$ 12,602,167</u>	<u>\$ 188,777</u>	<u>\$ 1,339,320</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	47,347,314
Improvements other than buildings, net of depreciation	1,036,833
Machinery and equipment, net of depreciation	3,826,619
School Board capital assets in primary government, net of depreciation	<u>(16,442,709)</u>
Total capital assets	36,742,919

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

Deferred inflows related to measurement of pension liability	(3,192,701)
--	-------------

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

3,901,852

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	(1,999,164)
Net OPEB obligation	(1,170,800)
Net termination benefit obligation	(656,165)
Net pension liability-Nonprofessional Retirement Plan	(131,395)
Net pension liability-VRS Teacher Retirement Plan	(47,806,000)
Deferred outflows related to measurement of pension liability	<u>3,305,072</u>
Net adjustment	(48,458,452)
Total net position	<u>\$ (5,342,879)</u>

COUNTY OF ACCOMACK, VIRGINIA

DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 36

	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	\$ 3,310	\$ 3,311
Charges for services	266,377	-	421,294	687,671
Miscellaneous	285,196	-	-	285,196
Recovered costs	252,814	-	-	252,814
From the local government	15,421,521	1,021,557	-	16,443,078
From the Commonwealth	32,228,395	-	54,567	32,282,962
From the Federal Government	4,264,762	-	2,211,847	6,476,609
Total revenues	52,719,065	1,021,558	2,691,018	56,431,641
Expenditures:				
Education:				
Instruction	39,192,365	-	-	39,192,365
Administration of schools	1,125,043	-	-	1,125,043
Attendance and health services	1,371,183	-	-	1,371,183
Operation and maintenance services	7,813,973	1,021,558	-	8,835,531
Pupil transportation services	4,573,034	-	-	4,573,034
Technology Services	4,790,998	-	-	4,790,998
Food services	4,862	-	3,024,158	3,029,020
Total expenditures	58,871,458	1,021,558	3,024,158	62,917,174
Revenues over (under) expenditures	(6,152,393)	-	(333,140)	(6,485,533)
Other financing sources (uses):				
Transfers in	3,088,132	-	-	3,088,132
Total other financing sources (uses)	3,088,132	-	-	3,088,132
Net changes in fund balance	(3,064,261)	-	(333,140)	(3,397,401)
Fund balance, beginning of year	7,395,222	-	1,665,682	9,060,904
Fund balance, end of year	4,330,961	\$ -	\$ 1,332,542	\$ 5,663,503
Net changes in fund balance per above				\$ (3,397,401)
Amounts reported for governmental activities in the Statement of Activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This net effect is as follows:				
Capital asset expenditures			1,718,021	
Depreciation on capital assets			(2,269,341)	
Net adjustment				(551,320)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.				(13,286)
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.				1,944,331
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				
Change in deferred inflows of resources related to the measurement of the net pension liability				1,618,443
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			(112,970)	
Net OPEB obligation			(158,800)	
Net termination benefit obligation			250,512	
Net pension asset-Nonprofessional retirement plan			(131,395)	
Net pension liability-Nonprofessional retirement plan			(114,011)	
Net pension liability-VRS Teacher retirement plan			(4,228,000)	
Change in deferred outflows of resources related to pensions-VRS Teacher retirement plan			2,741,991	
Change in deferred outflows of resources related to pensions-Nonprofessional retirement plan			209,697	
Net adjustment				(1,542,976)
Change in net position of governmental activities				\$ (1,942,209)

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, 2017

Exhibit 37

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 131,600	\$ 131,600	\$ 266,377	\$ 134,777
Miscellaneous	407,934	407,934	285,196	(122,738)
Recovered costs	234,000	234,000	252,814	18,814
From the local government	16,947,124	16,947,124	15,421,521	(1,525,603)
From the Commonwealth	30,943,588	32,364,084	32,228,395	(135,689)
From the Federal Government	182,730	4,167,451	4,264,762	97,311
Total revenues	<u>48,846,976</u>	<u>54,252,193</u>	<u>52,719,065</u>	<u>(1,533,128)</u>
Expenditures:				
Education:				
Instruction	34,858,043	40,174,087	39,192,365	981,722
Administration of schools	1,173,949	1,173,949	1,125,043	48,906
Attendance and health services	1,424,212	1,429,212	1,371,183	58,029
Operation and maintenance services	5,499,781	9,060,664	7,813,973	1,246,691
Pupil transportation services	3,608,975	4,850,829	4,573,034	277,795
Technology services	2,424,016	3,470,626	4,790,998	(1,320,372)
Food services	-	-	4,862	(4,862)
Total expenditures	<u>48,988,976</u>	<u>60,159,367</u>	<u>58,871,458</u>	<u>1,287,909</u>
Revenues over (under) expenditures	<u>(142,000)</u>	<u>(5,907,174)</u>	<u>(6,152,393)</u>	<u>(245,219)</u>
Other financing sources (uses):				
Transfers in	-	-	3,088,132	3,088,132
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,088,132</u>	<u>3,088,132</u>
Net changes in fund balance	(142,000)	(5,907,174)	(3,064,261)	2,842,913
Fund balance, beginning of year	7,395,222	7,395,222	7,395,222	-
Fund balance, end of year	<u>\$ 7,253,222</u>	<u>\$ 1,488,048</u>	<u>\$ 4,330,961</u>	<u>\$ 2,842,913</u>

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION-AGENCY FUNDS
AT JUNE 30, 2017

Exhibit 38

	School Activities Fund
<u>Assets:</u>	
Cash and investments in custody of others	\$ 733,196
<u>Liabilities:</u>	
Amounts held for school activities	\$ 733,196

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, 2017

Exhibit 39

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
School Activities Fund:				
<u>Assets:</u>				
Cash and investments in custody of others	\$ 736,205	\$ 1,423,376	\$ 1,426,385	\$ 733,196
<u>Liabilities:</u>				
Amounts held for school activities	\$ 736,205	\$ 1,423,376	\$ 1,426,385	\$ 733,196

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, 2017

	Component Units				
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund	Greenbackville Harbor Committee
<u>Assets:</u>					
Cash and investments	\$ 579,311	\$ 1,153,646	\$ 44,674	\$ 103,168	\$ 62,471
Restricted cash and cash equivalents	299,613	-	-	-	-
Accounts receivables, net	395,676	-	-	-	-
Loan receivables	200,387	-	-	-	-
Due from other governmental entities	-	-	-	19,561	-
Inventories	-	187,400	-	-	-
Prepaid expenses	33,473	3,515	-	-	-
Unconditional promises to give	-	168,505	-	-	-
Capital Assets (net of accumulated depreciation):					
Land	106,807	119,099	-	-	-
Buildings	14,650	597,832	-	-	-
Improvements other than buildings	66,935	-	12,152	-	-
Machinery and equipment	27,277	7,648	-	-	-
Construction in progress	-	59,950	-	-	-
Total assets	1,724,129	2,297,595	56,826	122,729	62,471
<u>Deferred Outflows of Resources:</u>					
Pension contributions subsequent to measurement date	117,945	6,308	-	-	-
Items related to measurement of net pension asset	-	29,870	-	-	-
Total deferred outflows of resources	117,945	36,178	-	-	-
<u>Liabilities:</u>					
Accounts payable	69,197	4,726	467	1,799	-
Wages and benefits payable	8,066	2,632	-	-	-
Unearned revenues	107,210	-	9,301	-	-
Noncurrent liabilities:					
Due in more than one year-compensated absences	132,741	18,484	-	-	-
Due in more than one year-Net pension liability	38,327	47,337	-	-	-
Total liabilities	355,541	73,179	9,768	1,799	-
<u>Deferred Inflows of Resources:</u>					
Items related to measurement of net pension liability	168,846	1,881	-	-	-
<u>Net Position:</u>					
Investment in capital assets	215,669	784,529	12,152	-	-
Restricted	500,000	1,477,218	-	-	-
Unrestricted	602,018	(3,034)	34,906	120,930	62,471
Total net position	\$ 1,317,687	\$ 2,258,713	\$ 47,058	\$ 120,930	\$ 62,471

Exhibit 40

Component Units	
Economic Development Authority	Total Nonmajor Discretely Presented Component Units
\$ 79,591	\$ 2,022,861
-	299,613
-	395,676
22,500	222,887
-	19,561
-	187,400
-	36,988
-	168,505
301,678	527,584
-	612,482
-	79,087
5,654	40,579
-	59,950
409,423	4,673,173
-	124,253
-	29,870
-	154,123
-	76,189
-	10,698
-	116,511
-	151,225
-	85,664
-	440,287
-	170,727
307,332	1,319,682
-	1,977,218
102,091	919,382
\$ 409,423	\$ 4,216,282

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, 2017

	Component Units			
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund
Operating revenues:				
Operating grants and contributions	\$ 90,101	\$ 919,809	\$ -	\$ -
Use of property	38,400	1,727	-	-
Charges for services	1,046,409	25,279	17,441	72,904
Miscellaneous	-	2,696	-	-
Recovered costs	-	14,553	-	-
Total operating revenues	<u>1,174,910</u>	<u>964,064</u>	<u>17,441</u>	<u>72,904</u>
Operating expenses:				
General and administration	145,632	-	-	-
Contractual services	-	217,984	7,380	17,566
Personnel	-	405,908	-	-
Materials and supplies	-	107,718	-	-
Other operating expenses	-	35,514	4,188	-
Project expenses	1,071,464	-	-	-
Contribution	-	13,915	-	-
Depreciation	20,556	33,173	10,084	-
Total operating expenses	<u>1,237,652</u>	<u>814,212</u>	<u>21,652</u>	<u>17,566</u>
Operating income (loss)	<u>(62,742)</u>	<u>149,852</u>	<u>(4,211)</u>	<u>55,338</u>
Nonoperating revenues (expenses):				
Contributions from local government	90,424	473,466	-	-
Investment earnings	1,715	-	8	-
State grants	-	660,764	-	-
GASB 68 pension benefit	68,853	-	-	-
Gain (loss) on sale of assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>160,992</u>	<u>1,134,230</u>	<u>8</u>	<u>-</u>
Changes in net position	98,250	1,284,082	(4,203)	55,338
Total net position, beginning of year	1,219,437	974,631	51,261	65,592
Total net position, end of year	<u>\$ 1,317,687</u>	<u>\$ 2,258,713</u>	<u>\$ 47,058</u>	<u>\$ 120,930</u>

Exhibit 41

Component Units		
Greenbackville Harbor Committee	Economic Development Authority	Total Nonmajor Discretely Presented Component Units
\$ -	\$ -	\$ 1,009,910
-	-	40,127
21,500	-	1,183,533
-	-	2,696
-	4,718	19,271
21,500	4,718	2,255,537
-	-	145,632
7,167	3,358	253,455
-	3,204	409,112
-	-	107,718
1,289	-	40,991
-	-	1,071,464
-	-	13,915
510	780	65,103
8,966	7,342	2,107,390
12,534	(2,624)	148,147
-	7,500	571,390
68	23	1,814
-	-	660,764
-	-	68,853
-	46,583	46,583
68	54,106	1,349,404
12,602	51,482	1,497,551
49,869	357,941	2,718,731
\$ 62,471	\$ 409,423	\$ 4,216,282

COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CASH FLOWS
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2017

Exhibit 42

	<u>Component Units</u>
	Economic Development Authority
Cash flows from operating activities:	
Payments to suppliers	\$ (3,358)
Payments to employees and benefits paid on behalf of employees	(3,204)
Other receipts	4,718
Net cash provided by (used for) operating activities	<u>(1,844)</u>
Cash flows from noncapital financing activities:	
Operating subsidy from Primary Government	<u>7,500</u>
Cash flows from capital and related financing activities:	
Proceeds from the sale of capital assets	<u>32,850</u>
Cash flows from investing activities:	
Interest income	<u>23</u>
Net increase (decrease) in cash and cash equivalents	38,529
Cash and cash equivalents at beginning of the year	<u>41,062</u>
Cash and cash equivalents at end of year	<u><u>79,591</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	(2,624)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	780
Net cash provided by (used for) operating activities	<u><u>\$ (1,844)</u></u>

Supporting Schedules

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 12,400,765	\$ 12,656,051	\$ 13,266,572	\$ 610,521
Real and personal public service taxes	1,007,722	1,007,722	1,157,577	149,855
Personal property taxes	5,804,689	5,804,689	5,841,444	36,755
Machinery and tools taxes	1,966,165	1,966,165	2,304,091	337,926
Penalties - all taxes	290,000	290,000	329,124	39,124
Interest - all taxes	320,000	320,000	438,748	118,748
Total general property taxes	21,789,341	22,044,627	23,337,556	1,292,929
Other local taxes:				
Local sales and use taxes	3,776,096	3,776,096	3,659,682	(116,414)
Consumers' utility and consumption taxes	1,164,591	1,164,591	1,105,834	(58,757)
Public service corporation license taxes	70,000	70,000	67,365	(2,635)
Communications tax	1,006,779	1,006,779	970,374	(36,405)
Motor vehicle licenses	603,675	603,675	630,853	27,178
Bank stock taxes	35,000	35,000	26,915	(8,085)
Taxes on recordation and wills	271,434	271,434	341,705	70,271
Hotel and motel room taxes	567,000	575,509	636,578	61,069
Business, professional and occupational license taxes	55,000	55,000	55,215	215
Other local taxes	22,800	22,800	22,149	(651)
Total other local taxes	7,572,375	7,580,884	7,516,670	(64,214)
Permits, Privilege Fees and Licenses:				
Animal licenses	11,000	11,000	8,201	(2,799)
Building permits	178,429	178,429	194,049	15,620
Health department permits	28,870	28,870	29,775	905
Land use application fees	15,750	15,750	22,500	6,750
Zoning permits	22,500	22,500	26,601	4,101
Erosion & sediment control	10,000	10,000	8,142	(1,858)
Wetlands fees	5,000	5,000	6,017	1,017
Other licenses and permits	11,100	11,100	3,891	(7,209)
Total permits, privilege fees and licenses	282,649	282,649	299,176	16,527
Fines and forfeitures	70,000	70,000	84,220	14,220
Revenue from use of money and property:				
From use of money	11,000	11,000	8,085	(2,915)
From use of property	320,511	320,511	328,201	7,690
Total revenue from use of money and property	331,511	331,511	336,286	4,775
Charges for services:				
General government administration charges	210,633	210,633	245,749	35,116
Judicial administration charges	2,000	2,000	3,075	1,075
Public safety charges	60,655	96,838	108,862	12,024
Public works charges	85,000	85,000	83,236	(1,764)
Total charges for services	358,288	394,471	440,922	46,451
Miscellaneous revenue	-	7,167	41,383	34,216

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (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	\$ 86,100	\$ 119,316	\$ 117,562	\$ (1,754)
Judicial administration	17,846	17,846	19,017	1,171
Public safety	27,495	28,590	23,871	(4,719)
Public works	3,000	160,022	186,377	26,355
Nondepartmental (Insurance recoveries)	-	117,998	141,192	23,194
Total recovered costs	134,441	443,772	488,019	44,247
Total revenue from local sources	30,538,605	31,155,081	32,544,232	1,389,151
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	13,500	13,500	32,706	19,206
Rolling stock tax	2,500	2,500	4,216	1,716
Mobile home titling tax	50,000	50,000	62,891	12,891
Tax on deeds (grantor)	75,000	75,000	88,066	13,066
Personal Property Tax Relief Act	2,866,680	2,866,680	2,866,099	(581)
Total noncategorical aid	3,007,680	3,007,680	3,053,978	46,298
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	353,754	353,754	301,525	(52,229)
Sheriff	2,562,469	2,562,469	2,508,817	(53,652)
Commissioner of the revenue	108,922	108,922	105,873	(3,049)
Treasurer	120,396	120,396	119,296	(1,100)
Registrar / electoral board	42,440	42,440	41,896	(544)
Clerk of circuit court	280,592	314,061	311,952	(2,109)
Jail	179,963	179,963	193,388	13,425
Total shared expenses	3,648,536	3,682,005	3,582,747	(99,258)
Other categorical aid:				
Litter control	-	19,677	14,640	(5,037)
"Four for Life" program	-	57,041	25,190	(31,851)
Juvenile crime control act	36,268	36,268	36,269	1
Victim / witness assistance grant	52,356	104,494	26,124	(78,370)
Community corrections grant	-	90,869	90,869	-
State homeland security grants	-	130,600	27,520	(103,080)
Records preservation grant	-	20,662	20,662	-
Emergency management assistance	-	-	123,349	123,349
Hazardous materials response grants	7,000	7,000	5,000	(2,000)
Other	4,000	15,560	49,560	34,000
Total other categorical aid	99,624	482,171	419,183	(62,988)
Total revenue from the Commonwealth	6,755,840	7,171,856	7,055,908	(115,948)
Revenue from the Federal Government:				
Payments in lieu of taxes	26,000	26,000	27,749	1,749

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Federal Government: (continued)				
Noncategorical aid:				
Refuge revenue sharing	\$ 88,000	\$ 88,000	\$ 98,739	\$ 10,739
Indirect costs	50,000	50,000	54,000	4,000
Total noncategorical aid	138,000	138,000	152,739	14,739
Categorical aid:				
Summer food service program	-	-	103,057	103,057
Emergency management assistance	-	7,500	488,733	481,233
Edward Byrne Memorial Justice Assistance grant	-	3,258	9,637	6,379
Selective enforcement grant	-	22,644	28,152	5,508
United States Department of Agriculture grant	-	24,000	12,000	(12,000)
Victim / witness assistance grant	-	-	44,543	44,543
Total categorical aid	-	57,402	686,122	628,720
Total revenue from the Federal Government	164,000	221,402	866,610	645,208
Total General Fund	37,458,445	38,548,339	40,466,750	1,918,411
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue	-	-	5,974	5,974
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Welfare	1,441,492	1,482,514	1,064,628	(417,886)
Revenue from the Federal Government:				
Categorical aid:				
Welfare	1,909,423	1,889,064	2,065,502	176,438
Total categorical aid	1,909,423	1,889,064	2,065,502	176,438
Total Virginia Public Assistance Fund	3,350,915	3,371,578	3,136,104	(235,474)
Comprehensive Youth Services Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
From Northampton County	100,274	100,274	115,536	15,262
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act pooled services grants	759,205	759,205	720,150	(39,055)
Comprehensive Services Act Trust Fund grant	19,621	19,621	-	(19,621)
Total categorical aid from the Commonwealth	778,826	778,826	720,150	(58,676)
Revenue from the Federal Government:				
Categorical aid:				
Comprehensive Services Act pooled services grants	-	-	14,978	14,978
Total Comprehensive Youth Services Fund	879,100	879,100	850,664	(28,436)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (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	\$ 7,410	\$ 410
Stormwater Ordinance Fund:				
Revenue from local sources:				
Permits, Privilege Fees and Licenses:				
Stormwater permits	56,116	56,116	65,516	9,400
Total Stormwater Ordinance Fund	56,116	56,116	65,516	9,400
Drug Seizures Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	12	12
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Drug forfeitures and seizures	2,000	2,000	401	(1,599)
Total Drug Seizures Fund	2,000	2,000	413	(1,587)
Courthouse Security Fund:				
Revenue from local sources:				
Other local taxes:				
Court security fees	80,000	80,000	78,313	(1,687)
Total Courthouse Security Fund	80,000	80,000	78,313	(1,687)
Fire Programs Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	9	9
Miscellaneous revenue:				
Contributions	7,000	7,000	7,000	-
From Northampton County	6,700	6,700	6,700	-
Total miscellaneous revenue	13,700	13,700	13,700	-
Total revenue from local sources	13,700	13,700	13,709	9
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Fire programs grant	59,000	167,025	108,864	(58,161)
Total Fire Programs Fund	72,700	180,725	122,573	(58,152)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Rehabilitation Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	\$ -	\$ -	\$ 55	\$ 55
Miscellaneous revenue:				
From Truss-Tech	-	12,379	13,357	978
Recovered costs:				
Grant project income	-	-	9,867	9,867
Total revenue from local sources	-	12,379	23,279	10,900
Total Rehabilitation Projects Fund	-	12,379	23,279	10,900
Greenbackville - Captain's Cove Mosquito Control Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	51,381	64,817	70,434	5,617
Penalties - all taxes	500	500	470	(30)
Interest - all taxes	500	500	642	142
Total Greenbackville Mosquito Control Fund	52,381	65,817	71,546	5,729
Consolidated Emergency Medical Services Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	2,994,580	3,079,675	3,180,318	100,643
Public service taxes	298,096	298,096	346,775	48,679
Personal property taxes	134,460	134,460	153,489	19,029
Machinery and tools taxes	46,529	46,529	52,961	6,432
Penalties - all taxes	28,000	28,000	42,536	14,536
Interest - all taxes	32,000	32,000	49,697	17,697
Total general property taxes	3,533,665	3,618,760	3,825,776	207,016
Total revenue from local sources	3,533,665	3,618,760	3,825,776	207,016
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	64,964	64,964	65,571	607
Total revenue from the Commonwealth	64,964	64,964	65,571	607
Total Consolidated Emergency Medical Services Fund	3,598,629	3,683,724	3,891,347	207,623
Consolidated Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,193,130	1,220,002	1,285,498	65,496
Public service taxes	91,148	91,148	106,114	14,966
Personal property taxes	90,372	90,372	91,982	1,610
Machinery and tools taxes	28,930	28,930	33,107	4,177
Penalties - all taxes	12,000	12,000	18,489	6,489
Interest - all taxes	20,000	20,000	27,624	7,624
Total revenue from local sources	1,435,580	1,462,452	1,562,814	100,362

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Fund: (continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	\$ 41,188	\$ 41,188	\$ 41,180	\$ (8)
Total Consolidated Fire and Rescue Fund	1,476,768	1,503,640	1,603,994	100,354
Total Special Revenue Funds	9,575,609	9,842,079	9,851,159	9,080
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	-	-	366	366
Recovered costs:				
From Hazard mitigation grant homeowners	-	60,058	15,323	(44,735)
Total recovered costs	-	60,058	15,323	(44,735)
Total revenue from local sources	-	60,058	15,689	(44,369)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Hazard mitigation project	-	240,234	64,440	(175,794)
Total revenue from the Commonwealth	-	240,234	64,440	(175,794)
Revenue from the Federal Government:				
Categorical aid:				
Hazard mitigation project	-	900,878	241,650	(659,228)
Total revenue from the Federal Government	-	900,878	241,650	(659,228)
Total County Capital Projects Fund	-	1,201,170	321,779	(879,391)
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	3,273,924	3,341,104	3,481,223	140,119
Public service taxes	246,498	246,498	287,227	40,729
Personal property taxes	187,543	187,543	189,873	2,330
Machinery and tools taxes	57,660	57,660	66,582	8,922
Penalties - all taxes	42,000	42,000	48,507	6,507
Interest - all taxes	50,000	50,000	74,511	24,511
Total revenue from local sources	3,857,625	3,924,805	4,147,923	223,118
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	82,376	82,376	82,359	(17)
Total County Debt Service Fund	3,940,001	4,007,181	4,230,282	223,101
Total revenue-Primary Government	50,974,055	53,598,769	54,869,970	1,271,201

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	\$ 31,600	\$ 31,600	\$ 30,320	\$ (1,280)
Health services	100,000	100,000	236,057	136,057
Total charges for services	131,600	131,600	266,377	134,777
Miscellaneous revenue:				
Donations	360,758	360,758	250	(360,508)
Miscellaneous	47,176	47,176	284,946	237,770
Total miscellaneous revenue	407,934	407,934	285,196	(122,738)
Recovered costs:				
Dual enrollment	146,000	146,000	73,346	(72,654)
Miscellaneous	88,000	88,000	179,468	91,468
Total recovered costs	234,000	234,000	252,814	18,814
Revenue from local government:				
Contribution from Accomack County, Virginia	16,947,124	16,947,124	15,421,521	(1,525,603)
Total revenue from local sources	17,720,658	17,720,658	16,225,908	(1,494,750)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Sales tax contribution	5,037,871	5,037,871	4,958,522	(79,349)
Basic school aid	15,744,112	15,744,112	15,832,857	88,745
Education of the gifted	162,039	162,039	162,067	28
Remedial education	1,015,225	1,015,225	1,070,426	55,201
Remedial summer school	64,438	64,438	-	(64,438)
Special education	1,931,242	1,931,242	1,931,570	328
School breakfast	363,033	363,033	363,095	62
Vocational education	462,969	462,969	463,048	79
Social Security	1,005,304	1,005,304	1,005,475	171
Retirement	2,073,439	2,073,439	1,986,567	(86,872)
Group life insurance	69,445	69,445	69,457	12
Governor's School	7,101	7,101	7,101	-
Special Education - homebound	36,507	36,507	24,592	(11,915)
Special Education - private tuition	18,427	18,427	24,678	6,251
Vocational education-equipment	-	-	14,635	14,635
Vocational education-occupational	68,906	68,906	50,722	(18,184)
Industry based certification	5,000	5,000	5,646	646
Salary supplement	423,478	423,478	173,841	(249,637)
At risk	1,270,356	1,270,356	1,270,753	397
Trans courses	15,717	15,717	16,836	1,119
Four year old preschool program	487,242	487,242	560,634	73,392
Mentor teacher program	6,099	6,099	9,478	3,379
English as a second language	547,551	547,551	542,054	(5,497)
K-3 initiative	-	-	790,058	790,058
Lottery	-	790,058	-	(790,058)
Educational technology grant	-	520,800	339,797	(181,003)
Reading intervention	128,087	128,087	128,087	-
Career prep academy	-	-	296,493	296,493
SOL algebra readiness	-	109,638	109,638	-
Other	-	-	20,268	20,268
Total revenue from the Commonwealth	30,943,588	32,364,084	32,228,395	(135,689)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
School Operating Fund: (continued)				
Revenue from the Federal Government:				
Categorical aid:				
Vocational Education	\$ 182,730	\$ 182,730	\$ 111,941	\$ (70,789)
Title I-Migrant education	-	252,952	295,542	42,590
Title I-School improvement	-	2,178,773	2,321,860	143,087
Title II	-	285,019	280,608	(4,411)
Title III	-	90,836	136,619	45,783
Title VI	-	106,336	120,967	14,631
Title VI-B Special Education	-	1,065,805	993,231	(72,574)
Title X	-	5,000	3,994	(1,006)
Total revenue from the Federal Government	182,730	4,167,451	4,264,762	97,311
Total School Operating Fund	48,846,976	54,252,193	52,719,065	(1,533,128)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	1,200	1,200	3,310	2,110
Charges for services:				
Meal charges	430,000	430,000	421,294	(8,706)
Total revenue from local sources	431,200	431,200	424,604	(6,596)
Revenue from the Commonwealth:				
Categorical aid:				
School food payments	50,500	50,500	54,567	4,067
Revenue from the Federal Government:				
Categorical aid:				
School food payments	2,518,300	2,518,300	2,211,847	(306,453)
Total School Cafeteria Fund	3,000,000	3,000,000	2,691,018	(308,982)
Total Special Revenue Funds	3,000,000	3,000,000	2,691,018	(308,982)
Capital Projects Fund:				
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	-	-	1	1
Revenue from local government:				
Contribution from Accomack County (interest rate subsidy)	-	1,491,391	1,021,557	(469,834)
Total School Capital Projects Fund	-	1,491,391	1,021,558	(469,833)
Total revenue-School Board Component Unit	51,846,976	58,743,584	56,431,641	(2,311,943)
Grand total revenue-Primary Government and School Board Component Unit	\$ 102,821,031	\$ 112,342,353	\$ 111,301,610	\$ (1,040,743)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

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	\$ 142,801	\$ 142,801	\$ 131,846	\$ 10,955
General and financial administration:				
County administrator	550,883	492,893	487,654	5,239
Human Resources	106,918	165,811	165,884	(73)
Legal services	210,590	225,149	223,347	1,802
Commissioner of the revenue	297,667	300,080	296,726	3,354
County assessor	653,142	482,819	431,337	51,482
Treasurer	536,065	571,730	540,668	31,062
Finance	468,258	532,367	486,208	46,159
Information technology	673,750	690,600	623,069	67,531
Risk management	260,527	275,527	274,454	1,073
Total general and financial administration	3,757,800	3,736,976	3,529,347	207,629
Board of elections:				
Electoral board	70,130	70,739	50,728	20,011
Registrar	155,958	157,149	142,194	14,955
Total board of elections	226,088	227,888	192,922	34,966
Total general government administration	4,126,689	4,107,665	3,854,115	253,550
Judicial administration:				
Courts:				
Circuit court	82,606	83,091	71,026	12,065
General district court	11,471	11,471	10,272	1,199
Chief magistrate	16,938	16,938	4,668	12,270
Juvenile and domestic relations court	13,650	13,650	6,367	7,283
Clerk of the circuit court	425,404	483,023	492,942	(9,919)
Sheriff court services	431,602	412,566	409,200	3,366
Commissioner of accounts	214	214	-	214
Victim and witness assistance	62,912	115,556	71,389	44,167
Total courts	1,044,797	1,136,509	1,065,864	70,645
Commonwealth's attorney	418,198	422,006	371,976	50,030
Total judicial administration	1,462,995	1,558,515	1,437,840	120,675
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,097,194	2,568,131	2,476,583	91,548
Fire and rescue services:				
Volunteer fire and rescue	265,110	346,110	321,708	24,402
Emergency medical services	238,624	312,465	270,226	42,239
Payments to 911 commission	523,281	523,281	509,916	13,365
Total fire and rescue services	1,027,015	1,181,856	1,101,850	80,006
Correction and detention:				
Jail	2,208,610	1,922,121	1,908,144	13,977
Juvenile probation	129,575	129,989	96,762	33,227
Community correction	-	90,869	90,869	-
Total correction and detention	2,338,185	2,142,979	2,095,775	47,204

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (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	\$ 488,196	\$ 459,900	\$ 426,874	\$ 33,026
Ordinance Enforcement	63,598	64,023	52,234	11,789
Animal control	114,227	115,112	87,267	27,845
Regional animal control facility	102,642	103,098	76,156	26,942
S.P.C.A. supplement	5,921	6,257	6,267	(10)
Emergency management	90,663	232,303	170,371	61,932
Medical examiner	5,000	5,000	2,000	3,000
E.S. Coalition Against Domestic Violence supplement	20,000	20,000	20,000	-
Cleanup/disposal of hazardous materials	7,000	9,265	8,117	1,148
Total other protection	897,247	1,014,958	849,286	165,672
Total public safety	6,359,641	6,907,924	6,523,494	384,430
Public works:				
Maintenance of streets, bridges and sidewalks:				
Storm drainage	180,666	429,425	147,695	281,730
Street paving	-	200,000	-	200,000
Total maintenance of streets, bridges and sidewalks	180,666	629,425	147,695	481,730
Sanitation and waste removal:				
General operations	199,587	201,329	211,254	(9,925)
Refuse disposal	1,000,000	1,000,000	918,900	81,100
Refuse collection	597,357	641,465	703,874	(62,409)
Maintenance garage	182,924	340,935	318,436	22,499
Litter control	350,893	373,163	305,078	68,085
Total sanitation and waste removal	2,330,761	2,556,892	2,457,542	99,350
Maintenance of buildings and grounds:				
Buildings and grounds	997,143	1,276,841	1,170,638	106,203
Total public works	3,508,570	4,463,158	3,775,875	687,283
Health and welfare:				
Health:				
Local health department supplement	531,721	569,715	569,715	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	562,692	600,686	600,686	-
Mental health and mental retardation:				
Community services board supplement	178,286	178,286	178,286	-
Welfare:				
Property tax relief for seniors, disabled and veterans	144,525	144,525	137,581	6,944
Area agency on aging supplement	23,430	23,430	23,430	-
Total welfare	167,955	167,955	161,011	6,944
Total health and welfare	908,933	946,927	939,983	6,944
Education:				
Contribution to School Board component unit	15,421,521	15,421,521	15,421,521	-
Community College supplement	263,028	707,028	707,028	-
Total education	15,684,549	16,128,549	16,128,549	-

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (Continued)

Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 328,214	\$ 335,672	\$ 331,551	\$ 4,121
Summer food program	-	139,528	112,640	26,888
Boating facilities	84,617	116,753	49,993	66,760
Total parks and recreation	412,831	591,953	494,184	97,769
Cultural enrichment:				
Translator television	74,457	74,457	66,460	7,997
Contribution to Public Library component unit	345,907	345,907	345,907	-
Total cultural enrichment	420,364	420,364	412,367	7,997
Total parks, recreation and cultural	833,195	1,012,317	906,551	105,766
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	70,703	70,703	70,703	-
E.S. of VA Housing Alliance supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	7,500	7,500	-
Erosion and sediment	64,025	96,504	94,844	1,660
Planning	373,652	407,217	390,888	16,329
Enterprise Zone incentives	-	25,000	-	25,000
Tourism Commission supplement	86,853	95,362	95,363	(1)
Wallops Research Park	191,676	192,595	153,121	39,474
Star Transit public transportation supplement	176,800	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	18,666	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	1,003,697	1,104,169	1,021,707	82,462
Environmental management:				
Johnsongrass/gypsy moth control program	12,025	12,106	1,623	10,483
Soil and Water Conservation District supplement	21,154	26,443	26,443	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	62,899	68,269	57,786	10,483
Cooperative extension program	91,712	93,215	91,273	1,942
Total community development	1,158,308	1,265,653	1,170,766	94,887
Nondepartmental:				
Contingency	190,412	10,258	-	10,258
Reserve for COLA	-	25,030	-	25,030
Compensation alignment	227,212	-	-	-
Total nondepartmental	417,624	35,288	-	35,288
Debt service:				
Principal	673,900	673,900	673,900	-
Interest and fiscal charges	98,460	98,460	95,909	2,551
Total debt service	772,360	772,360	769,809	2,551
Total General Fund	35,232,864	37,198,356	35,506,982	1,691,374

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (Continued)

Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare/social services:				
Welfare administration	\$ 3,188,088	\$ 3,239,997	\$ 3,073,230	\$ 166,767
Public assistance	678,984	671,184	582,430	88,754
Fuel administration	39,057	39,057	-	39,057
Local only administration	66,789	177,189	153,384	23,805
Pass-through	133,844	11,424	6,911	4,513
Total welfare/social services	4,106,762	4,138,851	3,815,955	322,896
Comprehensive Youth Services Fund:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families	1,132,016	1,132,016	1,052,671	79,345
Total welfare	1,132,016	1,132,016	1,052,671	79,345
Law Library Fund:				
Judicial administration:				
Courts:				
Law library books	7,000	48,880	2,969	45,911
Stormwater Ordinance Fund:				
Community development:				
Environmental management:				
Stormwater ordinance	122,870	123,937	171,122	(47,185)
Drug Seizures Fund:				
Judicial administration:				
Commonwealth's attorney	-	13,881	10,832	3,049
Public safety:				
Law enforcement and traffic control:				
Sheriff	2,000	26,622	8,294	18,328
Total drug seizures fund	2,000	40,503	19,126	21,377
Fire Programs Fund:				
Public safety:				
Fire and rescue services:				
Payments to fire companies	30,000	30,000	30,000	-
Fire training center and other	58,700	228,189	137,175	91,014
Total fire and rescue services	88,700	258,189	167,175	91,014
Rehabilitation Projects Fund:				
Community development:				
Planning and community development:				
CDBG program income costs	-	-	2,103	(2,103)
Truss Tech Grant	-	12,379	13,423	(1,044)
Total planning and community development	-	12,379	15,526	(3,147)
Captains Cove/Greenbackville Mosquito Control				
Health and welfare:				
Health:				
Contribution to mosquito control commission	52,381	60,648	72,904	(12,256)
Consolidated Emergency Medical Services:				
Public safety:				
Fire and Rescue Services:				
Emergency Medical Services	3,427,224	3,456,339	3,161,517	294,822

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (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	\$ 1,476,768	\$ 2,181,740	\$ 1,957,371	\$ 224,369
Courthouse Security Fund:				
Judicial administration:				
Courts:				
Court security	80,000	119,819	90,266	29,553
Total Special Revenue Funds	10,495,721	11,573,301	10,526,602	1,046,699
Capital Project Funds:				
County Capital Projects Fund:				
General government administration:				
Records management system implementation	-	50,000	-	50,000
VOIP telephone system	-	48,172	25,092	23,080
IT refresh	97,545	97,545	95,849	1,696
Total general government administration	97,545	195,717	120,941	74,776
Public works:				
Grangeville convenience center construction	-	26,379	35,688	(9,309)
Tasley convenience center improvements	-	20,871	21,942	(1,071)
Roll-off truck	150,000	150,000	162,371	(12,371)
Building improvements	-	1,340,613	1,155,900	184,713
Sheriff's office emergency generator	57,000	57,000	-	57,000
Total public works	207,000	1,594,863	1,375,901	218,962
Education:				
Contribution to School Board Component Unit	-	1,491,391	1,021,558	469,833
Parks, recreation and cultural				
Old NASA Ferry dock improvements	-	70,000	-	70,000
Greenbackville Harbor improvements	50,000	50,000	25,788	24,212
Central Park phase 2	-	523,023	84,375	438,648
Wallops Research Park construction	-	39,377	(9,601)	48,978
Quinby Harbor boating facilities	-	80,798	67,297	13,501
Total parks, recreation and cultural	50,000	763,198	167,859	595,339
Community development:				
Derelict building removal program	-	150,000	-	150,000
Hazard mitigation grant	-	1,201,170	321,413	879,757
Solar energy facility	-	100,000	-	100,000
Total community development	-	1,451,170	321,413	1,129,757
Total County capital projects fund	354,545	5,496,339	3,007,672	2,488,667
Debt Service Funds:				
County Debt Service Fund:				
Debt Service:				
Principal	3,237,030	3,237,030	3,237,030	-
Interest and fiscal charges	1,318,140	1,318,140	1,310,333	7,807
Total County Debt Service Fund	4,555,170	4,555,170	4,547,363	7,807
Total expenditures-Primary Government	50,638,300	58,823,166	53,588,619	5,234,547

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (Continued)

Schedule 2
Page 6 of 7

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
School Operating Fund:				
Education:				
Instruction Costs:				
Classroom instruction	\$27,716,242	\$32,284,657	\$ 31,170,374	\$ 1,114,283
Guidance services	1,313,563	1,313,563	1,392,779	(79,216)
Homebound instruction	114,448	114,448	71,278	43,170
Improvement of instruction	1,323,138	2,070,767	2,276,554	(205,787)
Media services	797,878	797,878	767,315	30,563
Office of the principal	3,592,774	3,592,774	3,514,065	78,709
Total instruction costs	34,858,043	40,174,087	39,192,365	981,722
Administration of schools:				
Board services	58,137	58,137	61,038	(2,901)
Executive administration services	391,858	391,858	357,171	34,687
Personnel services	287,100	287,100	286,983	117
Fiscal services	436,854	436,854	419,851	17,003
Total administration of schools	1,173,949	1,173,949	1,125,043	48,906
Attendance and health services:				
Attendance services	36,388	41,388	67,593	(26,205)
Health services	708,843	708,843	781,634	(72,791)
Psychological services	262,480	262,480	262,248	232
Speech/audiology services	416,501	416,501	259,708	156,793
Total attendance and health services	1,424,212	1,429,212	1,371,183	58,029
Operation and maintenance services:				
Management and direction	160,804	160,804	198,679	(37,875)
Building services	5,170,297	6,268,933	5,561,478	707,455
Grounds services	118,180	1,152,930	179,780	973,150
Equipment services	4,000	4,000	-	4,000
Vehicle services (other than pupil transportation)	46,500	46,500	98,304	(51,804)
Building replacement	-	1,427,497	1,775,732	(348,235)
Total operation and maintenance services	5,499,781	9,060,664	7,813,973	1,246,691
Pupil transportation services:				
Management and direction	111,114	111,114	165,405	(54,291)
Vehicle operation services	2,992,212	4,234,066	3,881,752	352,314
Vehicle maintenance services	505,649	505,649	525,877	(20,228)
Total pupil transportation services	3,608,975	4,850,829	4,573,034	277,795
Food Services:				
Food services	-	-	4,862	(4,862)
Technology services:				
Classroom instruction	1,589,693	2,364,467	3,593,067	(1,228,600)
Classroom support	-	-	18,877	(18,877)
Instructional support	829,323	1,101,159	1,144,380	(43,221)
Administration	5,000	5,000	12,074	(7,074)
Pupil transportation	-	-	22,125	(22,125)
Operations and maintenance	-	-	475	(475)
Total technology services	2,424,016	3,470,626	4,790,998	(1,320,372)
Total school operating fund	48,988,976	60,159,367	58,871,458	1,287,909

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017 (Continued)

Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
School Cafeteria Fund:				
Education:				
School Food Services:				
Operating costs	\$ 2,858,000	\$ 3,000,000	\$ 3,024,158	\$ (24,158)
School Capital Projects Fund:				
Education:				
Capital outlay:				
School construction/renovation	-	-	1,021,558	(1,021,558)
Total expenditures-School Board Component Unit	51,846,976	63,159,367	62,917,174	242,193
Grand total expenditures-Primary Government and School Board Component Unit	\$ 102,485,276	\$ 121,982,533	\$ 116,505,793	\$ 5,476,740

Statistical Section



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Statistical Section

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Revenue Capacity These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	184
Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future. Note that no legal debt margin information is presented as the Code of Virginia only sets legal debt limits for towns and cities. Counties have no legal debt limit imposed by law. Also note that pledged revenue information is not presented as the County has not issued any revenue backed debt.	191
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	193
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.	195

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 YEARS¹
(accrual basis of accounting)

Table 1

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Net investment in capital assets	\$ 5,309,326	\$ 4,553,418	\$ 3,495,270	\$ 2,465,664	\$ 2,537,440	\$ 3,943,220	\$ 6,875,692	\$12,266,262	\$13,323,383	\$13,614,036
Restricted	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003	3,090,508
Unrestricted	6,991,452	5,749,276	11,496,365	15,554,168	16,447,789	15,455,876	14,182,780	12,746,931	14,877,956	15,740,171
Total governmental activities net position	\$13,817,842	\$11,664,822	\$15,851,376	\$19,409,351	\$20,322,412	\$20,500,822	\$23,485,088	\$27,487,148	\$31,058,342	\$32,444,715
Business-type activities:										
Net investment in capital assets	\$ 2,994,885	\$ 2,960,129	\$ 2,441,845	\$ 2,108,712	\$ 1,542,541	\$ 5,334,897	\$ 6,902,698	\$ 7,817,113	\$ 8,016,703	\$10,949,377
Unrestricted	(3,617,763)	(3,218,137)	(2,832,415)	(2,436,917)	(1,696,621)	(1,164,425)	(1,713,962)	(2,054,143)	(2,043,261)	(5,228,893)
Total business-type activities net position	\$ (622,878)	\$ (258,008)	\$ (390,570)	\$ (328,205)	\$ (154,080)	\$ 4,170,472	\$ 5,188,736	\$ 5,762,970	\$ 5,973,442	\$ 5,720,484
Primary government:										
Net investment in capital assets	\$ 8,304,211	\$ 7,513,547	\$ 5,937,115	\$ 4,574,376	\$ 4,079,981	\$ 9,278,117	\$13,778,390	\$20,083,375	\$21,340,086	\$24,563,413
Restricted	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003	3,090,508
Unrestricted	3,373,689	2,531,139	8,663,950	13,117,251	14,751,168	14,291,451	12,468,818	10,692,788	12,834,695	10,511,278
Total primary government net position	\$13,194,964	\$11,406,814	\$15,460,806	\$19,081,146	\$20,168,332	\$24,671,294	\$28,673,824	\$33,250,118	\$37,031,784	\$38,165,199

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

COUNTY OF ACCOMACK, VIRGINIA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Table 2
Page 1 of 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Primary Government:										
Expenses										
Governmental activities:										
General government administration	\$ 3,580,942	\$ 3,384,895	\$ 3,442,672	\$ 3,176,953	\$ 3,339,183	\$ 3,585,175	\$ 3,498,049	\$ 3,530,381	\$ 4,213,237	\$ 4,176,949
Judicial administration	1,527,924	1,611,685	1,513,759	1,541,877	1,442,643	1,573,104	1,557,904	1,523,767	1,626,300	1,698,149
Public safety	8,789,314	9,328,794	8,958,985	8,982,920	9,141,427	10,579,063	10,083,890	10,051,732	10,799,876	12,137,511
Public works	3,454,908	3,390,696	3,416,523	3,303,409	3,382,833	3,721,236	3,586,061	3,879,310	4,046,470	4,295,837
Health and welfare	8,086,910	8,145,021	7,491,729	5,652,391	5,681,716	5,839,666	5,719,077	5,899,788	5,961,155	6,163,082
Education	16,641,938	17,749,642	17,431,304	18,095,238	18,511,045	18,475,654	18,708,789	19,091,856	19,185,216	19,514,650
Parks, recreation and cultural	1,017,040	889,457	901,358	1,038,188	1,037,589	1,014,589	961,633	894,436	1,048,256	1,271,895
Community development	2,525,015	3,405,964	1,832,561	1,657,666	4,106,234	1,430,468	1,599,584	1,577,928	2,002,473	1,877,300
Interest on long-term debt	2,336,032	2,218,681	2,178,880	2,042,318	1,927,969	1,700,378	1,761,930	1,539,381	1,469,186	1,337,937
Total governmental activities expenses	47,960,023	50,124,835	47,167,771	45,490,960	48,570,639	47,919,333	47,476,917	47,988,579	50,352,169	52,473,310
Business-type activities:										
Landfill	3,271,543	2,409,034	3,006,263	2,522,546	2,783,554	2,126,739	2,579,104	2,951,816	2,548,558	3,401,827
Airport	-	-	-	-	-	375,864	825,992	731,287	670,222	700,391
Water and Sewer	-	63,189	246,816	236,253	126,703	153,116	596,534	243,334	203,169	314,703
Parks and recreation expenses	56,322	66,903	74,618	76,628	64,896	81,476	56,470	48,959	69,436	54,955
Total business-type activities expenses	3,327,865	2,539,126	3,327,697	2,835,427	2,975,153	2,737,195	4,068,100	3,975,396	3,491,385	4,471,876
Total primary government expenses	51,287,888	52,663,961	50,495,468	48,326,387	51,545,792	50,656,528	51,535,017	51,963,975	53,843,554	56,945,186
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	377,763	317,584	304,994	363,578	294,422	303,205	455,246	429,272	464,325	396,076
Judicial administration	146,069	105,652	99,318	95,242	96,434	94,495	100,293	89,168	76,993	108,135
Public safety	835,719	561,323	650,444	431,555	603,751	601,672	417,064	452,767	470,058	508,284
Public works	101,685	112,334	129,267	115,016	129,728	157,961	248,997	207,649	330,896	289,613
Health and welfare	370,942	345,336	308,474	339,200	313,962	296,399	300,016	433,837	406,018	398,651
Education	-	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural	80,146	84,709	81,704	283,305	93,772	96,514	227,902	72,419	63,915	72,873
Community development	204,832	121,442	188,553	57,156	77,943	64,579	66,137	129,832	201,284	120,274
Operating grants and contributions	11,500,081	12,240,597	10,180,279	8,437,999	7,655,170	8,116,557	9,481,299	8,288,541	8,838,571	8,929,145
Capital grants and contributions	-	-	398,973	160,367	2,965,210	271,414	785,074	4,143,748	91,253	39,520
Total governmental activities program revenues	13,617,237	13,888,977	12,342,006	10,283,418	12,230,392	10,002,796	12,082,028	14,247,233	10,943,313	10,842,571
Business-type activities:										
Charges for services:										
Landfill	2,887,533	2,687,525	2,719,422	2,587,858	2,556,568	2,764,529	2,423,020	2,832,220	2,944,380	3,209,523
Airport	-	-	-	-	-	143,170	319,374	288,003	242,236	253,556
Water and Sewer	-	47,751	194,458	223,069	203,836	218,395	215,641	270,507	200,897	217,078
Parks and recreation	63,979	62,611	62,750	52,753	61,826	55,165	63,196	53,942	49,740	53,444
Operating grants and contributions - Airport	-	-	-	-	-	14,652	149,934	20,108	52,142	33,597
Capital grants and contributions - Airport	-	-	-	-	-	-	-	1,048,914	-	47,703
Total business-type activities program revenues	2,951,512	2,797,887	2,976,630	2,863,680	2,822,230	3,195,911	3,171,165	4,513,694	3,489,395	3,814,901
Total primary government program revenues	16,568,749	16,686,864	15,318,636	13,147,098	15,052,622	13,198,707	15,253,193	18,760,927	14,432,708	14,657,472

COUNTY OF ACCOMACK, VIRGINIA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(accrual basis of accounting)

Table 2
Page 2 of 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Primary Government:										
Net (Expense)/Revenue¹										
Governmental activities	(34,342,786)	(36,235,858)	(34,825,765)	(35,207,542)	(36,340,247)	(37,916,537)	(35,394,889)	(33,741,346)	(39,408,856)	(41,630,739)
Business-type activities	655,862	(376,353)	(351,067)	28,253	(152,923)	458,716	(886,935)	538,298	(1,990)	(656,975)
Total primary government net expense	(33,686,924)	(36,612,211)	(35,176,832)	(35,179,289)	(36,493,170)	(37,457,821)	(36,281,824)	(33,203,048)	(39,410,846)	(42,287,714)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
General property taxes	21,985,812	21,354,527	23,360,447	29,221,909	27,583,562	28,500,128	28,872,306	29,258,518	31,940,238	32,114,931
Local sales and use taxes	3,036,498	2,966,467	2,998,382	2,863,318	3,623,339	3,618,865	3,358,791	3,579,831	3,583,326	3,659,682
Consumer utility taxes	1,269,586	916,728	941,541	1,043,339	986,409	1,089,368	1,005,667	1,144,722	1,069,085	1,105,834
Communication taxes	389,331	1,077,981	1,012,995	987,303	1,087,470	1,052,114	1,034,212	1,025,176	994,827	970,374
Other local taxes	2,003,950	1,762,776	1,664,831	1,291,448	1,591,001	1,592,735	1,775,122	1,779,509	1,836,328	1,866,503
Grants and contributions not restricted to specific programs	3,446,722	3,531,512	3,454,660	3,349,305	3,320,843	3,319,642	3,365,464	3,368,175	3,367,776	3,423,576
Investment earnings	532,916	253,241	80,515	8,272	1,967	10,954	22,857	13,120	9,583	8,463
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Other revenue	74,060	71,468	536,582	368,768	596,723	189,259	845,326	291,288	378,396	61,481
Transfers	(120,627)	(152,773)	32,885	(121,343)	(25,800)	(1,134,135)	(1,900,590)	(164,935)	(199,509)	(193,732)
Total governmental activities	32,618,248	31,781,927	34,082,838	39,012,319	38,765,514	38,238,930	38,379,155	40,295,404	42,980,050	43,017,112
Business-type activities:										
Investment earnings	112,375	105,506	37,129	7,047	8,312	9,985	4,311	3,446	11,347	20,285
Gain on sale of capital assets	4,943	-	-	90,115	-	-	-	-	1,533	190,000
Other revenue	-	-	151,865	-	-	2,770,557	298	3,457	73	-
Transfers	120,627	152,773	(32,885)	121,343	25,800	1,134,135	1,900,590	164,937	199,509	193,732
Total business-type activities	237,945	258,279	156,109	218,505	34,112	3,914,677	1,905,199	171,840	212,462	404,017
Total primary government	32,856,193	32,040,206	34,238,947	39,230,824	38,799,626	42,153,607	40,284,354	40,467,244	43,192,512	43,421,129
Change in Net Position										
Governmental activities	(1,724,538)	(4,453,931)	(742,927)	3,804,777	2,425,267	322,393	2,984,266	6,554,058	3,571,194	1,386,373
Business-type activities	893,807	(118,074)	(194,958)	246,758	(118,811)	4,373,393	1,018,264	710,138	210,472	(252,958)
Total primary government	\$ (830,731)	\$ (4,572,005)	\$ (937,885)	\$ 4,051,535	\$ 2,306,456	\$ 4,695,786	\$ 4,002,530	\$ 7,264,196	\$ 3,781,666	\$ 1,133,415

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

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

Table 3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Nonspendable	\$ 129,700	\$ 129,700	\$ 129,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700
Restricted	253,247	251,251	3,265	5,792	9,603	24,890	30,326	31,047	32,053	32,053
Committed	1,224,827	1,894,000	3,964,000	4,695,521	6,100,065	6,860,389	7,632,118	8,415,423	9,210,477	10,017,457
Assigned	3,046,938	575,043	982,567	3,113,920	5,663,962	5,077,891	3,376,508	3,093,131	3,221,067	4,505,194
Unassigned	-	1,307,812	2,751,457	4,093,028	2,066,357	1,862,007	1,680,028	1,426,505	1,804,578	2,312,267
Total general fund	4,654,712	4,157,806	7,830,989	12,012,961	13,944,687	13,929,877	12,823,680	13,070,806	14,372,875	16,971,671
All Other Governmental Funds:										
Restricted	4,469,619	3,147,073	3,264,378	2,732,804	2,792,758	2,485,291	5,475,920	3,032,136	2,824,950	3,058,455
Assigned	146,987	121,865	101,786	445,376	83,910	17,810	874,755	1,034,644	5,050,567	3,305,886
Total other governmental funds	4,616,606	3,268,938	3,366,164	3,178,180	2,876,668	2,503,101	6,350,675	4,066,780	7,875,517	6,364,341
Total governmental funds	\$ 9,271,318	\$ 7,426,744	\$ 11,197,153	\$ 15,191,141	\$ 16,821,355	\$ 16,432,978	\$ 19,174,355	\$ 17,137,586	\$ 22,248,392	\$ 23,336,012

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

Table 4

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
General property taxes	\$20,689,469	\$23,190,998	\$28,520,895	\$28,064,416	\$27,099,918	\$28,514,924	\$29,203,123	\$29,317,410	\$32,205,174	\$32,945,616
Other local taxes	6,723,952	6,617,749	6,185,408	6,946,687	6,999,466	7,353,082	7,173,792	7,529,238	7,483,566	7,602,393
Permits, fees and licenses	485,367	441,802	443,079	330,675	292,070	345,459	429,010	474,442	463,126	364,692
Fines and forfeitures	81,648	66,245	74,527	75,136	74,866	71,617	76,395	65,622	54,318	84,220
Revenue from the use of money and property	587,270	441,458	344,055	340,938	355,759	361,817	368,898	339,413	327,381	336,728
Charges for services	705,018	490,462	435,862	384,621	411,358	410,393	450,270	406,926	509,555	440,922
Miscellaneous	522,304	923,529	756,411	791,820	254,129	349,418	973,391	381,084	474,631	189,950
Recovered costs	335,331	194,925	234,332	487,134	471,604	404,211	482,952	354,927	530,191	513,209
Intergovernmental	14,709,267	15,465,434	13,684,196	11,772,915	13,809,384	11,547,042	13,491,118	15,800,484	12,297,600	12,392,241
Total revenues	44,839,626	47,832,602	50,678,765	49,194,342	49,768,554	49,357,963	52,648,949	54,669,526	54,345,542	54,869,971
Expenditures										
General government administration	3,625,175	3,231,156	3,529,339	3,027,586	3,233,212	3,446,289	3,624,767	3,784,605	4,290,115	3,975,056
Judicial administration	1,463,896	1,524,039	1,379,897	1,433,434	1,335,238	1,450,005	1,511,769	1,487,014	1,600,418	1,541,907
Public safety	8,632,187	8,931,578	8,759,597	8,826,388	8,875,289	10,984,465	11,672,064	10,510,653	11,183,476	11,817,851
Public works	4,301,146	3,875,609	3,257,691	3,758,181	3,395,947	3,834,542	3,893,852	4,212,124	4,557,952	5,151,776
Health and welfare	7,947,256	7,917,925	7,315,878	5,490,104	5,483,394	5,571,278	5,730,104	5,907,665	6,053,390	5,881,513
Education	13,975,115	15,124,559	14,853,300	15,583,300	16,035,534	16,035,534	16,304,689	16,709,372	16,820,374	17,150,107
Parks, recreation and cultural	968,194	882,326	1,229,808	1,001,101	1,273,121	885,719	1,486,121	1,425,756	1,046,266	1,074,410
Community development	2,400,500	3,337,174	1,724,416	1,565,892	4,046,635	1,526,050	2,872,289	7,558,117	2,628,054	1,678,827
Debt service:										
Principal	2,528,867	2,616,138	2,357,292	2,395,373	2,469,866	3,119,689	3,304,267	3,343,822	3,676,217	3,910,930
Interest	2,384,784	2,269,556	2,290,587	2,093,191	2,012,299	1,758,634	1,709,446	1,602,232	1,528,965	1,406,242
Total expenditures	48,227,120	49,710,060	46,697,805	45,174,550	48,160,535	48,612,205	52,109,428	56,541,360	53,385,227	53,588,619
Excess of revenues over (under) expenditures	(3,387,494)	(1,877,458)	3,980,960	4,019,792	1,608,019	745,758	539,521	(1,871,834)	960,315	1,281,352
Other Financing Sources (Uses)										
Issuance of debt (includes premiums/discounts)	-	-	4,314,000	-	4,263,000	-	10,904,973	-	4,350,000	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agents	-	-	(4,403,208)	-	(4,263,000)	-	(6,802,527)	-	-	-
Transfers in	4,175,569	3,327,871	2,753,223	1,091,580	1,324,601	1,351,662	2,032,221	2,104,275	1,727,343	2,427,762
Transfers out	(4,328,342)	(3,294,987)	(2,874,566)	(1,117,380)	(1,643,941)	(2,485,797)	(3,932,811)	(2,269,210)	(1,926,852)	(2,621,494)
Total other financing sources (uses)	(152,773)	32,884	(210,551)	(25,800)	(319,340)	(1,134,135)	2,201,856	(164,935)	4,150,491	(193,732)
Net change in fund balances	\$ (3,540,267)	\$ (1,844,574)	\$ 3,770,409	\$ 3,993,992	\$ 1,288,679	\$ (388,377)	\$ 2,741,377	\$ (2,036,769)	\$ 5,110,806	\$ 1,087,620
Debt service as a % of noncapital expenditures	10.5%	10.0%	10.2%	10.3%	9.5%	10.4%	10.4%	10.2%	10.2%	10.3%

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

Table 5A

Fiscal Year Ending June 30,	Residential Property	Commercial Property	Agricultural Property	Less Land Use Value Reduction	Total Taxable Assessed Value	Total Direct Real Property Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2008	3,347,392,430	401,704,706	676,800,600	291,567,300	4,134,330,436	0.380	4,425,897,736	93.41%
2009	3,375,157,810	527,353,676	660,766,200	292,741,800	4,270,535,886	0.450	4,563,277,686	93.58%
2010	3,363,432,110	660,176,147	657,001,700	290,503,900	4,390,106,057	0.480	4,680,609,957	93.79%
2011	3,380,611,410	678,014,822	657,292,500	291,946,100	4,423,972,632	0.480	4,715,918,732	93.81%
2012	2,924,021,460	636,396,590	624,792,100	274,869,000	3,910,341,150	0.550	4,185,210,150	93.43%
2013	2,932,083,560	638,622,345	620,948,600	270,528,700	3,921,125,805	0.550	4,191,654,505	93.55%
2014	2,744,011,700	683,547,550	494,192,400	127,309,000	3,794,442,650	0.605	3,921,751,650	96.75%
2015	2,766,112,100	684,978,350	494,890,600	125,088,100	3,820,892,950	0.605	3,945,981,050	96.83%
2016	2,715,931,400	667,447,926	501,728,300	93,490,200	3,791,617,426	0.635	3,885,107,626	97.59%
2017	2,729,710,800	681,463,717	509,588,300	92,379,500	3,828,383,317	0.635	3,828,383,317	100.00%

Source: Accomack County Finance Office

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

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

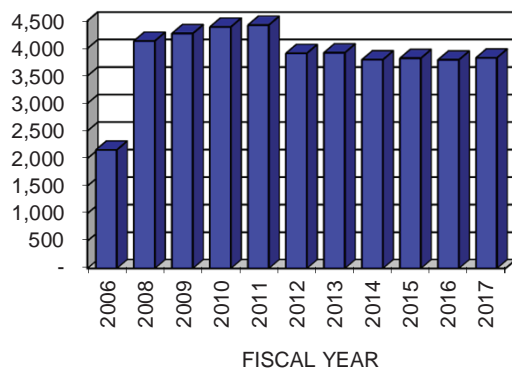
Table 5B

Fiscal Year Ending June 30,	Motor Vehicles & Other	Mobile Homes	Machinery & Tools	Total Taxable Assessed Value	Total Direct Personal Property Tax Rate
2008	270,757,469	35,525,219	20,052,659	326,335,347	3.30
2009	281,876,699	37,296,708	20,079,299	339,252,706	3.30
2010	238,849,342	41,811,733	19,133,642	299,794,717	3.75
2011	267,566,954	40,019,511	19,421,352	327,007,817	3.75
2012	273,560,910	31,692,295	17,919,794	323,172,999	3.72
2013	280,470,080	30,525,805	21,945,775	332,941,660	3.72
2014	287,138,572	29,964,327	22,255,434	339,358,333	3.72
2015	292,169,603	29,721,982	24,593,224	346,484,809	3.72
2016	303,996,890	29,194,660	20,668,398	353,859,948	3.72
2017	311,113,331	29,253,592	21,042,517	361,409,440	3.72

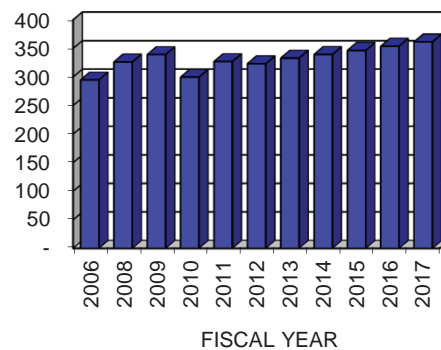
Source: Accomack County Finance Office

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

Taxable Assessed Value of Real Property
(in millions)



Taxable Assessed Value of Personal Property
(in millions)



COUNTY OF ACCOMACK, VIRGINIA

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

LAST TEN FISCAL YEARS

Type of tax	2008					2009					2010					2011				
	District Number					District Number					District Number					District Number				
	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
Real Property																				
County Direct Rates:																				
General	0.25	0.25	0.25	0.25	0.25	0.28	0.28	0.28	0.28	0.28	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Debt Service	0.05	0.05	0.05	0.05	0.05	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Emergency Medical Service	0.03	0.03	0.03	0.03	-	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-	0.05	0.05	0.05	0.05	-
Fire and Rescue	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-
Mosquito Control ²	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-
Total real property direct rates	0.38	0.35	0.35	0.36	0.30	0.45	0.42	0.42	0.43	0.35	0.48	0.45	0.45	0.46	0.38	0.48	0.45	0.45	0.46	0.38
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06
Town of Saxis	0.20	-	-	-	-	0.20	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-
Town of Hallwood	0.06	-	-	-	-	0.06	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-	-
Town of Bloxom	-	0.06	-	-	-	-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-
Town of Parksley	-	0.18	-	-	-	-	0.18	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-
Town of Tangier	0.25	-	-	-	-	0.25	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-
Town of Accomac	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-
Town of Onley	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.08	-	-	-	-	0.08	-	-
Town of Onancock	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-
Town of Melfa	-	-	-	0.03	-	-	-	-	0.03	-	-	-	-	0.05	-	-	-	-	0.05	-
Town of Wachapreague	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.15	-	-	-	-	0.15	-
Town of Keller	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-
Town of Painter	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.06	-	-	-	-	0.06	-
Town of Belle Haven	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.085	-	-	-	-	0.085	-
Personal Property																				
Overlapping Governments:																				
General	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48
Debt Service	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.06
Emergency Medical Service	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-
Fire and Rescue	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-
Total personal prop. direct rates	3.30	3.27	3.27	3.27	3.16	3.30	3.27	3.27	3.27	3.16	3.75	3.72	3.72	3.72	3.54	3.75	3.72	3.72	3.72	3.54
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
Town of Saxis	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-
Town of Hallwood	0.45	-	-	-	-	0.45	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
Town of Bloxom	-	0.15	-	-	-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-
Town of Parksley	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-
Town of Tangier	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Accomac	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
Town of Onley	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-
Town of Onancock	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
Town of Melfa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Wachapreague	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Keller	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-
Town of Painter	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
Town of Belle Haven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

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

Table 6

2012					2013					2014					2015					2016					2017				
District Number					District Number					District Number					District Number					District Number					District Number				
2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	0.395	
0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095	
0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-	0.090	0.090	0.090	0.090	-	0.090	0.090	0.090	0.090	-	0.120	0.120	0.120	0.120	-	0.120	0.120	0.120	0.120	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
0.02	-	-	-	-	0.02	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-	0.025	-	-	-	-
0.55	0.53	0.53	0.53	0.47	0.55	0.53	0.53	0.53	0.47	0.605	0.580	0.580	0.580	0.490	0.605	0.580	0.580	0.580	0.490	0.635	0.610	0.610	0.610	0.490	0.635	0.610	0.610	0.610	0.490
-	-	-	-	0.06	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07
-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-
0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-
-	0.10	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-	-	0.16	-	-	-
-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.29	-	-	-	-	0.29	-	-	-	-	0.32	-	-	-
-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	0.35	-	-	-	-	0.40	-	-	-
-	-	0.05	-	-	-	-	0.07	-	-	-	0.07	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-
-	-	0.08	-	-	-	-	0.08	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-
-	-	0.20	-	-	-	-	0.25	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.32	-	-	-
-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	0.06	-	-	-	-	0.09	-	-	-	-	0.09	-	-
-	-	-	0.15	-	-	-	-	0.16	-	-	-	-	0.13	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-
-	-	-	0.06	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-
-	-	-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-
3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	
0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	
0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63
-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-
0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
-	0.30	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-
-	0.80	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-	-	1.30	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.15	-	-	-	0.15	-	-	-	-	0.15	-	-	-
-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	0.30	-	-	-	-	0.30	-	-	-
-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	2.00	-	-	-	-	2.00	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	0.16	-	-	-	0.13	-	-	-	-	0.13	-	-	-	0.13	-	-	-	-	0.13	-	-	-
-	-	-	0.10	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	0.15	-	-	-	-	0.15	-	-	-
-	-	-	0.30	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	0.30	-	-	-	-	0.30	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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

Table 7

Taxpayer	2017			2008		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹
Commonwealth Chesapeake Company	\$ 142,704,428	1	3.37%	\$ 83,317,843	1	1.28%
A&N Electric Cooperative	82,195,879	2	1.94%	32,660,371	4	0.49%
Perdue Farms Inc.	23,313,119	3	0.55%	28,607,210	6	1.17%
Tyson Farms Inc.	19,900,440	4	0.47%	22,024,137	8	0.80%
Old Dominion Electric Cooperative	19,401,672	5	0.46%	-	-	-
Verizon Virginia Inc.	19,017,794	6	0.45%	35,132,470	3	0.74%
Delmarva Power	18,861,390	7	0.44%	46,475,651	2	0.70%
Wal-Mart	12,053,024	8	0.28%	-	-	-
Chincoteague Hotel LLC	8,147,722	9	0.19%	-	-	-
Tull, Edward Lunn	8,040,876	10	0.19%	-	-	0.27%
Captains Cove	-	-	-	28,707,680	5	-
Sustainable Conservation Inc.	-	-	-	25,320,400	7	-
Shore Land Investments LLC	-	-	-	20,386,751	9	0.85%
Richard F. Hall Jr.	-	-	-	12,397,651	10	0.35%

Source: Accomack County Finance Office

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

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

Table 8
Page 1 of 2

Fiscal Year	Property Tax Type	Month / Year Due	Original Levy ³	Adjustments	Adjusted Levy	Collected within the Fiscal Year of Levy		Collected in Subsequent Periods	Total Collections	
						Amount	Percent of Adjusted Levy		Amount	Percent of Adjusted Levy
2017	Personal Property-Public Svc. Corp.	12/2016	43,800		43,800	43,800	100.0%	0	43,800	100.0%
2017	Personal Property-Regular	12/2016	4,940,287	137,962	4,802,325	4,103,455	85.4%	0	4,103,454.90	85.4%
2017	Real Estate-Public Svc. Corp.	12/2016	923,300	(29,816)	953,116	953,116	100.0%	0	953,116.00	100.0%
2017	Real Estate-Regular	12/2016	10,174,102	82,722	10,091,380	9,611,265	95.2%	0	9,611,264.69	95.2%
2017	Real Estate-Special Assess.	12/2016	3,534	3,534	-	-	0.0%	0	-	0.0%
2017	Personal Property-Regular	03/2017	222,104	13,159	208,945	141,487	67.7%	0	141,487.00	67.7%
2017	Personal Property-Regular	06/2017	5,317,673	156,759	5,160,914	3,797,381	73.6%	0	3,797,381.00	73.6%
2017	Real Estate-Public Svc. Corp. ⁴	06/2017	893,813		893,813	893,813	100.0%	0	893,813.00	100.0%
2017	Personal Property-Public Svc. Corp. ⁴	06/2017	42,988		42,988	42,988	100.0%	0	42,988.00	100.0%
2017	Real Estate-Regular	06/2017	10,185,171	1,767	10,183,403	9,096,150	89.3%	0	9,096,150.00	89.3%
	Total									
2016	Personal Property-Public Svc. Corp.	12/2015	93,927	-	93,927	93,927	100.0%	-	93,927	100.0%
2016	Personal Property-Regular	12/2015	4,877,654	401,929	4,475,725	3,905,489	87.3%	252,365	4,157,854	92.9%
2016	Real Estate-Public Svc. Corp.	12/2015	1,693,297	-	1,693,297	1,693,297	100.0%	-	1,693,297	100.0%
2016	Real Estate-Regular	12/2015	9,828,979	77,889	9,751,090	9,185,938	94.2%	326,548	9,512,486	97.6%
2016	Real Estate-Special Assess.	12/2015	4,116	-	4,116	2,742	66.6%	1,374	4,116	100.0%
2016	Personal Property-Regular	03/2016	164,948	5,210	159,738	129,016	80.8%	12,684	141,700	88.7%
2016	Personal Property-Regular	06/2016	5,114,678	224,764	4,889,914	3,686,183	75.4%	720,194	4,406,377	90.1%
2016	Real Estate-Public Svc. Corp. ⁴	06/2016	863,998	-	863,998	856,085	99.1%	-	856,085	99.1%
2016	Personal Property-Public Svc. Corp. ⁴	06/2016	46,964	912	46,052	46,052	100.0%	-	46,052	100.0%
2016	Real Estate-Regular	06/2016	10,174,102	84,302	10,089,800	9,006,032	89.3%	748,252	9,754,284	96.7%
	Total		\$ 32,862,663	\$ 795,006	\$ 32,067,657	\$ 28,604,762	89.2%	\$ 2,061,416	\$ 30,666,178	95.6%
2015	Real Estate-Roll Back Taxes	10/2014	628	-	628	628	100.0%	-	628	100.0%
2015	Personal Property-Public Svc. Corp.	12/2014	88,216	-	88,216	86,019	97.5%	2,197	88,216	100.0%
2015	Personal Property-Regular	12/2014	4,586,058	381,603	4,204,455	3,613,511	85.9%	342,162	3,955,673	94.1%
2015	Real Estate-Public Svc. Corp.	12/2014	1,698,659	-	1,698,659	1,683,121	99.1%	15,539	1,698,659	100.0%
2015	Real Estate-Regular	12/2014	9,753,812	86,410	9,667,402	9,086,273	94.0%	428,667	9,514,940	98.4%
2015	Real Estate-Special Assess.	12/2014	4,172	90	4,082	2,293	56.2%	1,789	4,082	100.0%
2015	Personal Property-Regular	03/2015	164,969	34,679	130,290	92,254	70.8%	22,821	115,075	88.3%
2015	Personal Property-Regular	06/2015	5,015,816	230,466	4,785,350	3,426,729	71.6%	1,079,516	4,506,245	94.2%
2015	Real Estate-Regular	06/2015	9,828,979	82,250	9,746,729	8,279,637	84.9%	1,269,473	9,549,110	98.0%
2015	Total		\$ 31,141,309	\$ 815,498	\$ 30,325,811	\$ 26,270,465	86.6%	\$ 3,162,164	\$ 29,432,628	97.1%
2014	Real Estate-Roll Back Taxes	08/2013	1,957	-	1,957	1,957	100.0%	-	1,957	100.0%
2014	Personal Property-Public Svc. Corp.	12/2013	79,229	-	79,229	78,033	98.5%	1,196	79,229	100.0%
2014	Personal Property-Regular	12/2013	4,582,007	438,582	4,143,425	3,631,896	87.7%	328,190	3,960,086	95.6%
2014	Real Estate-Public Svc. Corp.	12/2013	1,577,174	-	1,577,174	1,562,467	99.1%	14,707	1,577,174	100.0%
2014	Real Estate-Regular	12/2013	9,301,052	91,728	9,209,324	8,671,064	94.2%	432,016	9,103,080	98.8%
2014	Real Estate-Special Assess.	12/2013	4,172	90	4,082	2,378	58.2%	1,704	4,082	100.0%
2014	Personal Property-Regular	03/2014	162,951	8,134	154,817	110,950	71.7%	28,190	139,140	89.9%
2014	Personal Property-Regular	06/2014	4,751,142	264,845	4,486,297	3,398,176	75.7%	830,064	4,228,240	94.2%
2014	Real Estate-Regular	06/2014	9,753,812	87,828	9,665,984	8,566,104	88.6%	972,130	9,538,234	98.7%
2014	Total		\$ 30,213,495	\$ 891,207	\$ 29,322,288	\$ 26,023,025	88.7%	\$ 2,608,197	\$ 28,631,222	97.6%
2013	Real Estate-Roll Back Taxes	09/2012	2,721	-	2,721	2,721	100.0%	-	2,721	100.0%
2013	Personal Property-Public Svc. Corp.	12/2012	86,264	-	86,264	85,075	98.6%	1,189	86,264	100.0%
2013	Personal Property-Regular	12/2012	4,361,353	408,926	3,952,427	3,435,520	86.9%	326,812	3,762,332	95.2%
2013	Real Estate-Public Svc. Corp.	12/2012	1,666,940	-	1,666,940	1,650,347	99.0%	16,593	1,666,940	100.0%
2013	Real Estate-Regular	12/2012	9,280,927	92,183	9,188,744	8,557,067	93.1%	559,901	9,116,968	99.2%
2013	Real Estate-Special Assess.	12/2012	4,172	90	4,082	1,966	48.2%	2,116	4,082	100.0%
2013	Personal Property-Regular	04/2013	230,699	30,519	200,180	157,646	78.8%	44,673	202,319	101.1%
2013	Personal Property-Regular	06/2013	4,723,284	277,718	4,445,566	3,198,351	71.9%	1,000,181	4,198,532	94.4%
2013	Real Estate-Regular	06/2013	9,301,052	87,057	9,213,995	8,052,980	87.4%	1,067,430	9,120,410	99.0%
2013	Total		\$ 29,657,411	\$ 896,492	\$ 28,760,919	\$ 25,141,673	87.4%	\$ 3,018,895	\$ 28,160,568	97.9%
2012	Real Estate-Roll Back Taxes	09/2011	5,487	-	5,487	5,487	100.0%	-	5,487	100.0%
2012	Personal Property-Public Svc. Corp.	12/2011	80,442	-	80,442	79,925	99.4%	516	80,442	100.0%
2012	Personal Property-Regular	12/2011	4,351,341	513,005	3,838,336	3,370,153	87.8%	333,028	3,703,181	96.5%
2012	Real Estate-Public Svc. Corp.	12/2011	1,424,539	-	1,424,539	1,409,649	99.0%	14,873	1,424,522	100.0%
2012	Real Estate-Regular	12/2011	8,970,567	93,582	8,876,985	8,281,800	93.3%	538,060	8,819,860	99.4%
2012	Real Estate-Special Assess.	12/2011	4,172	90	4,082	1,776	43.5%	1,769	3,545	86.8%
2012	Personal Property-Regular	02/2012	155,361	28,343	127,018	106,708	84.0%	21,463	128,171	100.9%
2012	Personal Property-Regular	06/2012	4,497,340	296,870	4,200,470	3,179,983	75.7%	817,568	3,997,551	95.2%
2012	Real Estate-Regular	06/2012	9,280,927	114,886	9,166,041	8,084,420	88.2%	1,019,613	9,104,033	99.3%
2012	Total		\$ 28,770,176	\$ 1,046,776	\$ 27,723,400	\$ 24,519,902	88.4%	\$ 2,746,890	\$ 27,266,792	98.4%

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

Table 8
Page 2 of 2

Fiscal Year Levied	Property Tax Type	Month / Year Due	Original Levy ³	Adjustments	Adjusted Levy	Collected within the Fiscal Year of Levy		Collected in Subsequent Periods	Total Collections	
						Amount	Percent of Adjusted Levy		Amount	Percent of Adjusted Levy
2011	Personal Property-Public Svc. Corp.	12/2010	79,299	-	79,299	78,783	99.3%	516	79,299	100.0%
2011	Personal Property-Regular	12/2010	4,526,770	498,769	4,028,001	3,461,327	85.9%	383,206	3,844,533	95.4%
2011	Real Estate-Public Svc. Corp.	12/2010	1,468,489	-	1,468,489	1,453,043	98.9%	15,420	1,468,463	100.0%
2011	Real Estate-Regular	12/2010	8,907,898	73,677	8,834,221	8,190,243	92.7%	515,397	8,705,641	98.5%
2011	Real Estate-Roll Back Taxes	12/2010	15,119	-	15,119	15,119	100.0%	-	15,119	100.0%
2011	Real Estate-Special Assess.	03/2011	4,172	90	4,082	2,051	50.3%	1,493	3,545	86.8%
2011	Personal Property-Regular	06/2011	4,397,670	345,593	4,052,077	3,126,275	77.2%	733,848	3,860,123	95.3%
2011	Personal Property-Regular	06/2011	145,034	4,260	140,774	89,230	63.4%	46,658	135,888	96.5%
2011	Real Estate-Regular	06/2011	8,970,567	100,262	8,870,305	7,777,688	87.7%	1,042,796	8,820,484	99.4%
2011	Total		<u>\$ 28,515,019</u>	<u>\$ 1,022,651</u>	<u>\$ 27,492,368</u>	<u>\$ 24,193,760</u>	<u>88.0%</u>	<u>\$ 2,739,335</u>	<u>\$ 26,933,095</u>	<u>98.0%</u>

⁽¹⁾ This schedule is prepared using the cash basis of accounting. Only seven years of information is available. Additional years will be added as they become available.

⁽²⁾ Does not include penalty or interest.

⁽³⁾ Levy is net of senior/disabled tax relief, veterans tax relief and relief provided by the Personal Property Tax Relief Act (PPTRA). The PPTRA provides personal property tax relief to owners of personal use vehicles via a tax credit that appears on the citizen's tax bill. Localities receive a fixed amount of restricted State for this program which is intended to reimburse the County for tax relief granted. Additional information on the PPTRA is found in the notes to the financial statements.

⁽⁴⁾ The County changed the billing frequency for Public Service Corp real estate and personal property taxes from annually to semi-annually in Fiscal Year 2016.

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

Table 9

Fiscal Year	Governmental Activities				Business-type Activities				
	General Obligation Bonds				General Obligation Bonds ²	Capital Leases	Total Primary Government	Per Capita ¹	Percentage of Personal Income ¹
	Literary Fund Loans	Va. Public School Authority Bonds	Qualified Zone Academy Bonds	Lease Revenue Bonds					
2008	5,215,983	37,073,904	865,787	5,815,000	2,395,000	66,000	51,431,674	1,488	3.62%
2009	4,755,474	35,350,933	791,129	5,490,000	2,045,000	33,000	48,465,536	1,427	3.23%
2010	4,294,965	33,567,305	713,974	5,748,000	2,112,000	-	46,436,244	1,390	3.10%
2011	3,834,456	31,712,181	634,234	5,748,000	2,112,000	-	44,040,871	1,328	2.88%
2012	3,373,947	29,785,242	551,816	5,748,000	2,203,000	-	41,662,005	1,252	2.69%
2013 ³	2,913,438	28,568,687	470,274	5,214,399	1,905,000	-	39,071,798	1,173	2.40%
2014 ³	-	26,443,695	381,142	11,138,973	1,602,000	-	39,565,810	1,199	2.43%
2015 ³	-	24,235,524	289,027	10,010,978	1,293,000	-	35,828,529	1,086	2.13%
2016 ³	-	21,942,094	193,841	12,988,922	979,000	-	36,103,857	1,095	2.07%
2017 ³	-	19,557,283	96,076	11,486,519	659,000	1,240,313	33,039,191	1,003	2.53%

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

¹ See Table 11 for population and personal income data.

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

³ Fiscal Years 2013-2017 have been adjusted to reflect the related unamortized premiums. Detailed premium information was not available for prior years.

COUNTY OF ACCOMACK, VIRGINIA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING¹
LAST TEN FISCAL YEARS

Table 10

Fiscal Year Ending June 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property ^{2,3}	Per Capita ³
2008	45,550,674	1,263,817	44,286,857	1.00%	1,282
2009	42,942,536	1,113,942	41,828,594	0.91%	1,231
2010	40,688,244	859,741	39,828,503	0.84%	1,192
2011	38,292,871	1,389,519	36,903,352	0.78%	1,113
2012	35,914,005	1,337,183	34,576,822	0.82%	1,039
2013 ⁴	30,943,961	1,101,726	29,842,235	0.70%	896
2014 ⁴	28,426,837	1,616,021	26,810,816	0.65%	812
2015 ⁴	25,817,551	1,402,488	24,415,063	0.59%	740
2016 ⁴	23,114,935	1,180,940	21,933,995	0.53%	665
2017 ⁴	20,312,359	863,859	19,448,500	0.47%	590

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

¹ Excludes lease revenue bonds and capital leases.

² Includes real and personal property estimated actual taxable value.

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

⁴ Fiscal Years 2013-2017 have been adjusted to reflect the related unamortized premiums. Detailed premium information was not available for prior years.

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

Table 11

Year	Population ¹	Personal Income (expressed in thousands) ²	Per Capita Personal Income ²	Unemployment Rate ⁴	School Enrollment ³
2008	33,970	\$1,500,400	\$32,927	5.00%	5,193
2009	33,415	\$1,498,000	\$33,122	6.60%	5,016
2010	33,165	\$1,529,700	\$33,593	7.10%	5,056
2011	33,287	\$1,546,000	\$34,181	7.30%	5,030
2012	33,314	\$1,626,900	\$35,733	6.90%	5,092
2013	33,005	\$1,627,200	\$37,628	6.50%	5,132
2014	32,998	\$1,681,000	\$36,960	5.70%	5,310
2015	32,973	\$1,745,300	\$38,683	5.20%	5,326
2016	32,947	\$1,304,585	\$39,412	4.30%	5,349
2017	33,276	N/A	N/A	4.40%	5,229

N/A - Not available

¹ Source: Years 2008-2016 U.S. Census Bureau Mid Year Estimates/Year 2017 estimated

² Source: U.S. Bureau of Economic Analysis

³ Source: Accomack County School Board

⁴ Source: Virginia Employment Commission/2017 unemployment rate as of June 2017

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

Table 12

Employer	2017			2008		
	Employees	Rank	Percentage of Total County Employment ¹	Employees	Rank	Percentage of Total County Employment ¹
Perdue Farms, Inc.	1000+	1	6.40%	1000+	1	7.68%
Tyson Foods, Inc.	1000+	2	6.40%	1000+	2	7.68%
Accomack County School Board	1000+	3	6.40%	500-999	3	3.84%
County of Accomack	250-499	4	1.60%	250-499	4	1.92%
National Aeronautics & Space Administration	250-499	5	1.60%	100-249	5	0.77%
LJT Associates	250-499	6	1.60%	-	-	-
Walmart	100-249	7	0.64%	-	-	-
Eastern Shore Community Services	100-249	8	0.64%	100-249	6	0.77%
Riverside Regional Medical Center	100-249	9	0.64%	-	-	-
Eastern Shore Rural Health System	100-249	10	0.64%	-	-	-
VT Griffin Services, Inc	-	-	-	100-249	7	0.77%
The Cube Corporation	-	-	-	100-249	8	0.77%
Shore Memorial Hospital	-	-	-	100-249	9	0.77%
Eastern Shore Ambulance	-	-	-	100-249	10	0.77%
			<u>26.57%</u>			<u>25.74%</u>

Source: Virginia Employment Commission

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

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

Table 13

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government administration										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	9.0	11.0	11.0	11.0	10.0	10.0	10.0	9.0	9.0	9.0
Elections	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other	27.0	27.0	27.5	33.5	32.0	30.0	32.0	32.0	30.0	29.0
Judicial administration										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	18.3	18.3	19.8	19.8	17.8	17.8	15.8	15.8	15.8	15.8
Other	3.0	3.0	3.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Public Safety										
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	64.7	64.7	63.7	62.7	62.7	63.7	63.7	63.7	63.7	63.7
Firefighters and emergency medical personnel	22.5	28.5	31.5	31.5	31.5	35.0	38.0	41.5	43.5	52.5
Other	12.5	14.5	14.0	13.0	13.0	13.0	13.0	13.0	12.5	11.5
Public Works										
Refuse collection and litter control	21.8	22.3	23.2	23.2	23.2	20.9	24.4	24.4	25.2	25.2
Refuse disposal	15.4	15.4	14.5	14.5	14.5	13.5	13.5	13.5	14.5	14.5
Building and grounds	14.8	14.8	14.8	14.8	14.8	14.3	14.3	14.3	14.3	14.3
Wastewater treatment	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Storm drainage	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Health and welfare										
Social services and welfare	64.0	64.0	64.0	64.0	64.0	55.0	55.0	55.0	55.0	55.0
Other	6.0	6.0	5.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0
Parks, recreation and cultural	6.0	6.0	5.0	5.0	5.0	4.5	4.8	4.8	5.3	5.3
Community development²	7.0	8.0	8.0	9.0	6.5	11.0	12.0	12.0	13.5	13.5
Total primary government	<u>295.0</u>	<u>306.5</u>	<u>308.0</u>	<u>311.0</u>	<u>304.5</u>	<u>295.2</u>	<u>302.0</u>	<u>304.5</u>	<u>307.7</u>	<u>314.7</u>

Source: Accomack County Finance Office

¹Temporary and seasonal employees and School Board employees are excluded from this table.

² The Airport Commission was abolished by the Board of Supervisors effective 1/1/2013. All FTE previously controlled by the Commission are now under the control of the Primary Government and are reported as such.

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

Table 14

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Assessor										
Taxable real estate number of parcels	39,134	39,440	39,620	39,707	39,786	39,800	39,844	39,847	39,895	39,851
Tax-exempt real estate number of parcels	917	921	932	936	940	941	943	955	962	968
Number of parcels enrolled in land use program	1,642	1,720	1,970	1,995	2,005	1,977	1,873	1,837	1,462	1,427
Commissioner of Revenue										
Mobile homes	4,214	4,214	3,512	3,418	3,253	3,169	3,152	3,139	3,092	3,949
Personal Property Tax Relief Act (PPTRA) qualifying vehicles	33,206	34,886	34,551	35,762	29,327	23,808	24,846	25,330	24,572	38,174
PPTRA tax credit percentages (vehicle value <\$1,000;\$1,000-\$20,000)	100% ; 51%	100%;51%	100%;51%	100%;51%	100%;49%	100%;49%	100%;49%	100%;46%	100%;46%	100%;44%
Finance										
Vendor checks issued	10,542	10,149	10,203	10,049	10,117	9,555	9,844	8,234	8,681	8,987
Annual County payroll checks/direct deposits	8,236	8,323	8,736	6,658	9,019	9,072	9,133	8,725	8,675	8,746
Annual School Board payroll checks/direct deposits	25,402	26,220	26,886	26,908	27,270	28,271	26,728	26,060	28,856	27,605
Treasurer										
Real estate bills created	76,178	76,617	77,399	78,926	79,026	79,092	79,152	79,042	79,184	79,180
Personal property bills created	35,365	37,419	65,899	67,789	66,814	66,378	68,132	68,579	68,710	68,621
Judicial Administration										
Clerk of Court										
Deed book recordings	5,886	5,611	5,311	5,085	4,781	5,374	5,203	4,497	6,159	4,997
Judgments	2,648	3,264	2,922	3,338	2,869	2,706	2,420	2,705	2,032	1,450
Public Safety										
Fire and Emergency Services										
Emergency responses ¹	3,230	2,605	3,798	3,635	4,490	4,751	5,542	5,887	4,635	5,860
Patients transported ¹	2,264	1,751	2,597	2,508	2,582	2,724	2,882	3,350	2,428	2,521
Fire responses ¹	387	253	343	370	361	406	247	281	216	327
EMS turn-out time when fully staffed ¹	2 minutes	< 2 minutes	< 2 minutes	2.4 minutes	3.8 minutes	3.2 minutes	2.4 minutes	2.7 minutes	2.3 minutes	2.54 minutes
EMS drive time when fully staffed ¹	< 12 minutes	< 7 minutes	< 7 minutes	11.3 minutes	15.6 minutes	11.6 minutes	12.1 minutes	13.27 minutes	12.53 minutes	13.30 minutes
EMS response time when fully staffed ¹	< 15 minutes	< 7 minutes	< 7 minutes	13 minutes	19.2 minutes	16.6 minutes	15.3 minutes	16.39 minutes	16.17 minutes	16.14 minutes
Jail										
Average daily inmate population	104	96	96	87	81	104	104	104	106	100
Sheriff's Office										
Physical arrests	837	864	671	893	1,038	1,673	1,262	1,450	1,563	456
Traffic violations	436	478	456	469	934	577	637	500	356	910
Health and Welfare										
Comprehensive Services Act										
Youth receiving services	121	121	67	55	20	21	23	45	32	29
Social Services										
Food Stamp Recipients	4,290	4,326	5,506	6,490	7,236	6,986	10,332	10,088	9,291	8,724
Households receiving Heating Assistance	3,414	3,217	3,231	2,899	2,749	2,737	3,057	1,672	1,821	1,680
Households receiving Cooling Assistance	453	426	739	944	718	608	842	756	1,314	1,110
Community Development										
Building permits issued	924	918	861	723	692	729	663	631	692	753
Other Funds										
Landfills										
Billable tons of refuse disposed	48,746	43,108	39,154	38,466	37,028	39,614	35,484	43,474	42,289	44,905
Tons of recycled materials ²	11,656	17,425	8,769	8,448	9,062	12,346	5,828	16,617	23,274	N/A

Sources: Various county departments.

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

²This information is reported on a calendar year basis.

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

Table 15

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units ¹	38	41	43	51	48	53	48	52	51	51
Fire training centers	1	1	1	1	1	1	1	1	1	1
Animal control facilities	1	1	1	1	1	1	1	1	1	1
Public Works										
County owned buildings	31	33	33	35	36	37	39	39	40	45
Square foot in buildings	187,037	187,373	187,373	151,849	153,049	153,149	161,549	162,797	164,297	167,094
Refuse collection sites (staffed) ²	3	4	5	6	6	6	6	6	7	7
Refuse collection sites (unstaffed) ²	14	4	4	1	1	-	-	-	-	-
Active landfills	2	2	2	2	2	1	1	1	1	1
Solid waste transfer stations	-	-	-	-	-	1	1	1	1	1
Refuse collection vehicles ²	4	4	4	4	4	4	4	4	4	4
Parks, Recreation and Cultural										
Athletic fields	18	18	18	18	18	18	18	18	18	18
Tennis courts	1	1	1	1	1	1	1	1	1	1
Fishing/boating facilities:										
Dock and/or ramp facilities	15	15	15	15	15	15	15	15	15	15
Low impact water access site	9	9	9	9	9	9	9	9	9	9
Pier or bulkhead only	3	3	3	3	3	3	3	3	3	3
Community Development										
Number of T-hangar buildings	2	2	2	2	2	2	2	2	2	2
Number of T-hangar units	18	18	18	18	18	18	18	18	18	18
Length of runway	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'
Education										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Elementary school capacity	2,775	2,775	2,775	2,775	2,775	2,975	2,975	2,975	2,975	2,975
Secondary schools	4	4	4	4	4	4	4	4	4	4
Secondary school capacity	2,750	2,750	2,750	2,750	2,750	2,900	2,900	2,900	2,900	2,900
Combined schools	2	2	2	2	2	2	2	2	2	2
Combined school capacity	525	525	525	525	525	575	575	575	575	575
School buses	107	110	109	110	110	110	110	111	111	119
Component Units										
Industrial Development Park										
Acreage available for sale	261.28	261.28	261.28	261.28	261.28	261.28	259.28	259.28	259.28	247.21

Sources: Various County departments.

¹Includes process server vehicles.

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



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Compliance Section



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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Accomack, Virginia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County of Accomack, Virginia's basic financial statements, and have issued our report thereon dated February 15, 2018. Our report includes a reference to other auditors who audited the financial statements of Accomack-Northampton Planning District Commission, as described in our report on the County of Accomack, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Hannul, Cox Associates

Charlottesville, Virginia

February 15, 2018

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited County of Accomack, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Accomack Virginia's major federal programs for the year ended June 30, 2017. 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 \$563,306 in federal awards which is not included in the schedule during the year ended Financial Statement June 30, 2017. Our audit, described below, did not include the operations of Accomack-Northampton Planning District Commission because the component unit engaged other auditors to perform an audit of compliance in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of County of Accomack, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Accomack, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, County of Accomack, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
February 15, 2018

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2017

Page 1

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Department of Justice:			
<u>Pass Through Payments:</u>			
Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16-A3320VU11	16.738	\$ 9,637
Crime Victim Assistance	N/A	16.575	44,543
Total Department of Justice			\$ 54,180
Department of Transportation:			
<u>Direct Payments:</u>			
Airport Improvement Program	N/A	20.106	\$ 44,934
<u>Pass Through Payments:</u>			
Virginia Department of Transportation:			
State and Community Highway Safety	OP1656326	20.600	\$ 898
Alcohol Open Container Requirements	154AL1656271 & 154AL1757139	20.607	27,254
Total Department of Transportation			\$ 73,086
Department of Homeland Security:			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services:			
Emergency Management Performance Grants	N/A	97.042	\$ 7,500
Hazard Mitigation Grant	N/A	97.039	241,650
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A	97.036	481,233
Total Department of Homeland Security			\$ 730,383
Department of Agriculture:			
<u>Direct Payments:</u>			
Summer Food Service Program for Children	N/A	10.559	\$ 103,057
Food Distribution	N/A	10.559	922
Total			\$ 103,979
Community Facilities Loans and Grants	N/A	10.766	12,000
			\$ 115,979
<u>Pass Through Payments:</u>			
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Programs	0010111/0010112/0040111/0040112	10.561	\$ 416,435
Total Department of Agriculture			\$ 532,414
Department of Health and Human Services:			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting Safe and Stable Families	950112	93.556	\$ 9,903
Temporary Assistance for Needy Families	0400111/0400112	93.558	403,491
Refugee and Entrant Assistance - State Administered Programs	0500110/0500111	93.566	1,523
Low-Income Home Energy Assistance	0600411/0600412	93.568	50,138
Child Care and Development Block Grant (Child Care and Development Fund Cluster)	0770111/0770112	93.575	(373)

Note: This schedule does not include Federal award expenditures of the Accomack-Northampton Planning District Commission.

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2017

Page 2

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT - CONTINUED:			
Department of Health and Human Services - continued :			
<u>Pass Through Payments - continued:</u>			
Department of Social Services - continued:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Child Care and Development Fund Cluster)	0760111/0760112	93.596	73,148
Total Child Care and Development Fund Cluster			72,775
Chafee Education and Training Vouchers Program	9160109	93.599	676
Stephanie Tubbs Jones Child Welfare Services Program	0900111/0900112	93.645	797
Foster Care-Title IV-E	1100111/1100112	93.658	205,271
Adoption Assistance	1120111/1120112	93.659	88,705
Social Services Block Grant	1000110/1000111	93.667	326,623
Chafee Foster Care Independence Program	9150111/9150112	93.674	2,148
Children's Health Insurance Program	0540111/0540112	93.767	17,365
Medical Assistance Program	1200111/1200112	93.778	538,630
Total Department of Social Services			\$ 1,718,045
Total Department of Health and Human Services			\$ 1,718,045
Department of the Interior:			
<u>Direct Payments:</u>			
Chincoteague Wildlife Refuge	N/A	15.000	\$ 98,739
Total Department of the Interior			\$ 98,739
TOTAL EXPENDITURE OF FEDERAL AWARDS - PRIMARY GOVERNMENT			\$ 3,206,847
COMPONENT UNIT-SCHOOL BOARD:			
Department of Agriculture:			
<u>Pass Through Payments:</u>			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution (Child Nutrition Cluster)	10.555/2010/2011	10.555	\$ 8,734
Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555/2010/2011	10.555	1,560,556
			\$ 1,569,290
School Breakfast Program (Child Nutrition Cluster)	10.553/2010/2011	10.553	651,291
Total Department of Agriculture			\$ 2,220,581
Department of Education:			
<u>Pass Through Payments:</u>			
Department of Education:			
Title I Grants to Local Educational Agencies	S010A120046/S011A130046	84.010	\$ 1,787,989
Migrant Education - State Grant Program	S011A120047/S011A130047	84.011	265,244
Special Education Cluster:			
Special Education - Grants to States (Special Education Cluster)	H027A120107/H027A130107	84.027	\$ 951,571
Special Education - Preschool Grants (Special Education Cluster)	H173A120112/H173A130112	84.173	41,660
Total special education cluster			\$ 993,231
Career and Technical Education - Basic Grants to States	V048A120046/V048A130046	84.048	111,941
Education for Homeless Children and Youth	NA	84.196	3,994
Migrant Education - Coordination Program	S144F110047	84.144	30,298
Rural Education	S358B120046	84.358	120,967
English Language Acquisition Grants	T365A120046	84.365	136,619
Supporting Effective Instruction State Grant (Formerly Improving Teacher Quality State Grants)	S367A110044/S367A120044	84.367	280,608
School Improvement Grants	S377A130047	84.377	533,871
Total Department of Education			\$ 4,264,762
TOTAL EXPENDITURES OF FEDERAL AWARDS COMPONENT UNIT-SCHOOL BOARD			\$ 6,485,343
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			\$ 9,692,190

Note: This schedule does not include Federal award expenditures of the Accomack-Northampton Planning District Commission.

COUNTY OF ACCOMACK, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

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, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the Schedule presents only a selected portion of the operations of the County of Accomack, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Accomack, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

The County did not elect to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - 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	\$ 866,610
Virginia Public Assistance Fund	2,065,502
Comprehensive Youth Services Fund	14,978
Airport	44,934
County Capital Projects Fund	241,650
Total primary government	\$ 3,233,674
Component Unit School Board:	
School Operating Fund	\$ 4,264,762
School Cafeteria Fund	2,211,847
Total component unit school board	\$ 6,476,609
Total federal expenditures per basic financial statements	\$ 9,710,283
Payments in lieu of taxes	\$ (27,749)
Non-cash expenditures - value of donated commodities	\$ 9,656
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 9,692,190

COUNTY OF ACCOMACK, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR Section 200.516(a)? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
93.667	Social Services Block Grant
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between Type A
and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

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