



Comprehensive  
Annual  
Financial  
Report

County of Accomack, Virginia  
Fiscal Year Ended June 30, 2013



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**COUNTY OF ACCOMACK, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2013**

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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, 2013

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# **Introductory Section**



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## COUNTY OF ACCOMACK CENTRAL ACCOUNTING

Post Office Box 620  
Accomack, Virginia 23301  
(757) 787-5714  
(757) 824-5444

Michael T Mason, CPA  
Finance Director

December 23, 2013

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, 2013. This report was prepared by the County's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

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

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

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

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

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

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

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

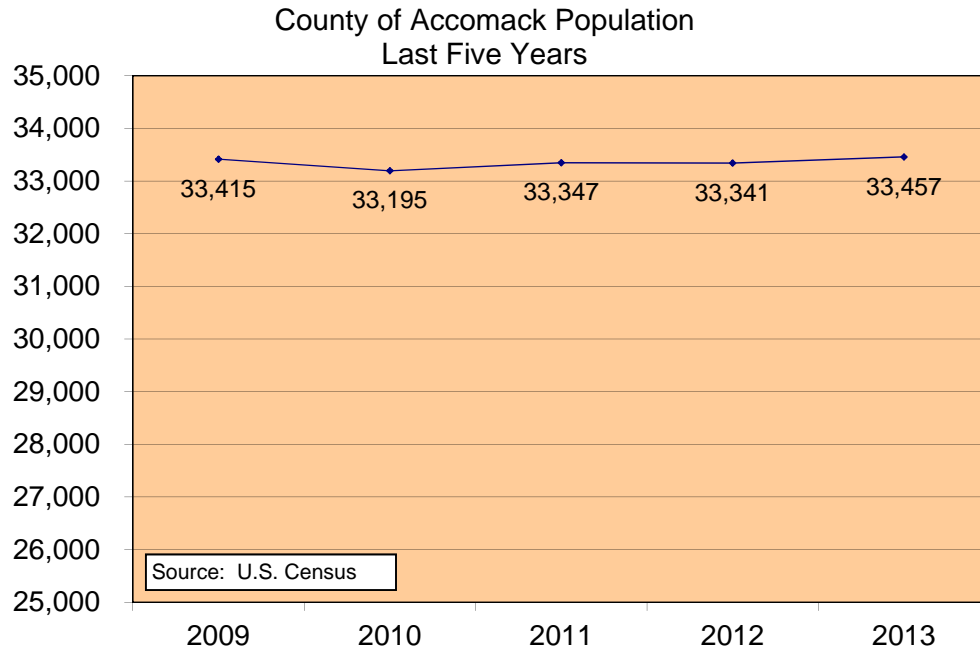
As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2013 has been completed and no material 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 33,457 as of June 30, 2013, an increase of less than 1% from the previous year.



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

- Partnering with NASA to provide wastewater treatment services to the County's Wallops Research Park,
- Continuing to pursue wastewater treatment options in the Central Accomack area. Current options include negotiating with the Town of Onancock for increased wastewater treatment capacity, construction of a County treatment facility and privatization. Note that the Town of Onancock is one of the few towns in Accomack County that provides water and wastewater services.

The manufacturing sector continues to account for the majority of jobs in the County, approximately 24% in 2013. The majority of the jobs in this sector are associated with poultry processing which includes the County's top two employers, Perdue Farms, Inc. and Tyson Foods, Inc.

Calendar Year	Employment by Sector						Total
	Manu- facturing	Accom- odations and Food Service	Retail Trade	Public Administ- ration	Health Care & Social Assistance	Other	
2012	3,076	1,241	1,343	1,230	1,180	4,577	12,647
2011	3,193	1,212	1,327	1,225	1,204	4,638	12,799
2010	3,451	1,172	1,278	1,214	1,241	4,951	13,307
2009	3,528	1,171	1,138	1,162	1,310	5,383	13,692
2008	3,331	1,182	1,187	1,139	1,315	5,177	13,331

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

Health care/social assistance and Public Administration sectors make up the next two largest sectors. The health care sector is expected to grow significantly by 2015 based on plans announced by Riverside Shore Memorial Hospital to relocate from Northampton County to Accomack County.



The accommodations/food services sector is significantly impacted by tourism which is a major economic engine in the County. Those that seek a more relaxed vacation far from the crowds with access to pristine beaches, wildlife and other outdoor activities are beginning to discover Accomack. In fact, the Town on Chincoteague, Accomack's largest incorporated town, was named best beach town by AOL travel.com in June of 2010. It was also named one of America's

best little beach towns by Travel and Leisure magazine in June of 2013.

Employment associated with The U.S. Navy Surface Combat Systems Center (SCSC), NASA Wallops Flight Facility, and NOAA Command and Data Acquisition Center, all located on Wallops Island, while not reflected in any one sector is worth noting. Average employment for these entities taken as a whole ranks third in the County with a large concentration of these jobs classified as high-skill and high-wage. In all, over 1,000 local military, civilian and contractor jobs are tied to these entities providing a variety of engineering, aerospace and naval operations services.

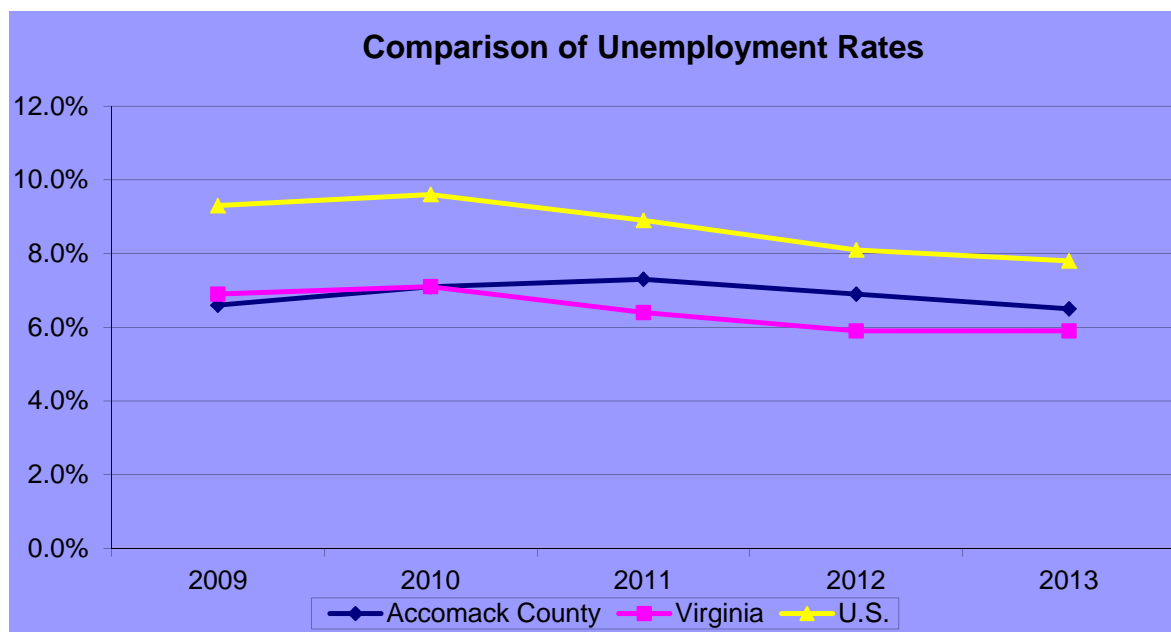
Future prospects for the Wallops Island area are high. This island is home to the Mid-Atlantic Regional Spaceport (MARS) whose mission is to develop and operate a multi user spaceport at the NASA Wallops Flight Facility which provides low cost, safe, reliable, "schedule friendly" space access to commercial, government, and academic users. In September 2013, Orbital Science Corporation, one of the world's leading space technology companies, successfully launched its Antares



rocket carrying the company's Cygnus cargo logistics spacecraft into its intended orbit from MARS. This successful launch marked the beginning of an in-orbit capabilities mission that culminated in rendezvous and birthing with the International Space Station. Also during September 2013, NASA launched the LADEE Mission to the Moon from MARS. Wallops Island's location of roughly 38 degrees north latitude makes it an ideal site to send loads into inclined orbits - between the equator and the poles - at a reduced expense.

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

*Unemployment:* Local unemployment rates decreased from the previous calendar year. Accomack County's unemployment rate as of June 2013 is 6.5% well below that of the nation.



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

- Continued to plan for the development of the Wallops Research Park, to be located on land adjacent to NASA's Wallops Flight Facility (WFF). This park is will contain not only all the necessary utilities to make it suitable for development but will also provide park inhabitants access to the NASA runway through a taxiway originating from the interior of the park. It's proximity not only to NASA, but also to U.S. Navy Surface Combat Systems Center, makes the park a prime location for many businesses. The County has approved the issuance of \$3.765 million in bonds to ready

the park for occupation and has secured an additional \$4 million in state matching funds to construct the taxiway.



- Began the preliminary planning on the development of the County's first recreational park to be located in the Central Accomack Area. The park will contain recreational fields, walking trails and other multi-use areas.
- Began closure of the County's South Landfill and the construction of a new solid waste transfer station.
- Set aside an additional \$760,324 to the County's "Rainy Day"/Stabilization Committed Fund Balance bringing the total amount committed to \$6,860,389 or approximately 9.7% of governmental fund revenue of the primary government and School Board component unit.
- Completed the Wallops Transit Clearance Project undertaken to reduce obstacles interfering with the transport of cargo to the Mid-Atlantic Regional Spaceport.

**Prospects for the Future.** For the 2014 Fiscal Year, the Board of Supervisors adopted a Primary Government operating and capital budget of \$51,992,666 which is a decrease of 10% from the previous year. This decrease is due to a reduction in capital spending.

The 2014 budget does not include a real estate tax increase. The County's real estate tax rate continues to be among the lowest in Virginia as compared to similar counties.

Significant projects funded for Fiscal Year 2014 include:

- Closure of the County's South Landfill.
- Construction of the Wallops Research Park described above.
- Construction of a Solid Waste Transfer Station located at the southern end of the County.
- Construction of the Central Accomack Recreation Park described above.
- Construction of a leachate spray irrigation system to reduce the cost of treating leachate at the North Landfill.

**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, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

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

Michael T. Mason, CPA  
Finance Director



Government Finance Officers Association

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

Presented to

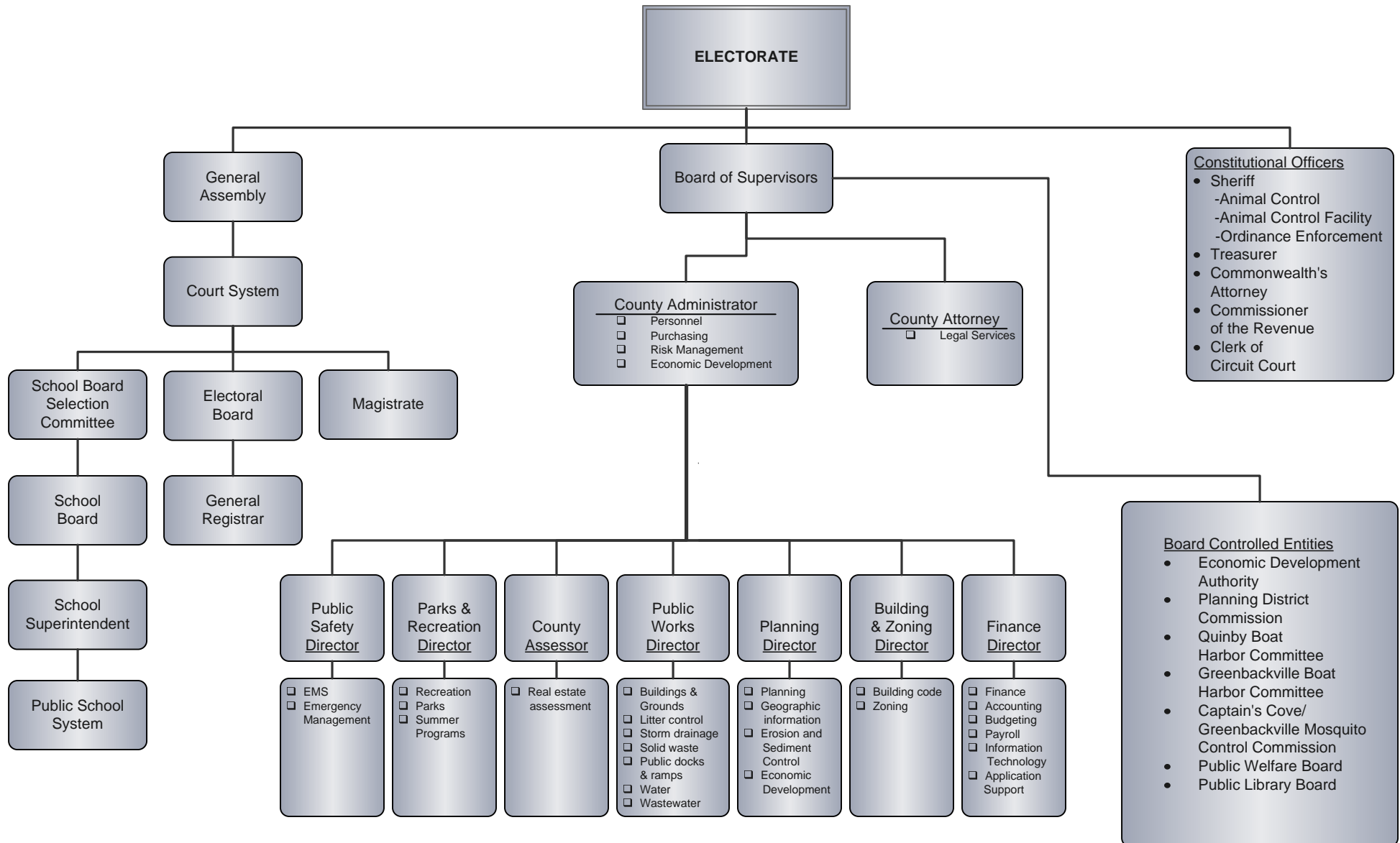
**County of Accomack  
Virginia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# COUNTY OF ACCOMACK, VIRGINIA ORGANIZATION CHART



# County of Accomack, Virginia

## Principal Officials

### Board of Supervisors

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

### Constitutional Officers

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

### County Administrative Officers

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

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

<b>School Board</b>
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Dr. Ronnie E. Holden, Chairman	Election District 8
Margaret T. Miles	Election District 4
J. Travis Thornton	Election District 1
Audrey A. Furness	Election District 2
Aaron E. Kane	Election District 3
Camesha A. Handy	Election District 5
Paul C. Bull	Election District 6
Shannon Wessells	Election District 7
Naudya D. Mapp	Election District 9

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

Dr. Willaim B. Benson	Superintendent
Dr. Rhonda Hall	Assistant Superintendent
Beth O. Charnock, CPA	Chief Operating Officer

## **Financial Section**



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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Accomack, Virginia, as of and for the year ended Financial June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Accomack-Northampton Planning District Commission which represent 3 percent, 3 percent, and 2 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Accomack-Northampton Planning District Commission is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, 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, 2013, 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.

### *Emphasis of Matter*

As described in Note 1 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement Nos. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and 65, Items Previously Reported as Assets and Liabilities. 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 on pages 19-29, budgetary comparison information, and schedule of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

#### *Other Information*

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

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

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

#### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of the County of Accomack, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Accomack, Virginia's internal control over financial reporting and compliance.

*Robinson, Farnell, Cox Associates*

Charlottesville, Virginia  
December 19, 2013



## 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, 2013. 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

<ul style="list-style-type: none"><li>• 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 \$24,671,294 (net position). Of this amount, \$14,291,451 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.</li></ul>
<ul style="list-style-type: none"><li>• The County's total net position increased by \$4,695,786 (24%). Net position of the governmental-type activities increased \$322,393 (2%) and net position of the business-type activities increased \$4,373,393 (2155%). The majority (63%) of the increase in business-type activities net position was due to abolishment of the Accomack County Airport Commission by the Primary Government which resulted in assets valued at \$2,770,557 being transferred to the Primary Government.</li></ul>
<ul style="list-style-type: none"><li>• The County's unrestricted nets assets decreased by \$266,893 (2%). Unrestricted net position of the governmental-type activities decreased \$847,930 (5%) and unrestricted net position of the business-type activities increased \$581,037 (33%).</li></ul>
<ul style="list-style-type: none"><li>• Program revenues of the County's business-type activities increased by 13% to \$3,195,911 while expenses decreased by 8% to \$2,737,195. Approximately 42% of the increase in program revenue was derived from the operation of the recently acquired County Airport.</li></ul>
<ul style="list-style-type: none"><li>• The General fund reported an ending fund balance of \$13,929,877, a decrease of \$14,810 (&lt;1%). Of the ending fund balance, \$129,590 was nonspendable or restricted, \$6,860,389 was committed pursuant to the County's "Rainy Day"/Revenue Stabilization policy, \$5,077,891 was assigned to various projects and \$1,862,007 was unassigned.<ul style="list-style-type: none"><li>○ The amount of General Fund ending fund balance committed pursuant to the County's "Rainy Day"/Revenue Stabilization Policy was equal to 9.7% of total General Fund Revenue and School Operating Revenue less contributions from the Primary Government.</li><li>○ The amount of General Fund ending fund balance available for expenditure (Committed Fund Balance + Assigned Fund Balance + Unassigned Fund Balance) was \$13,800,287 or 39 percent of total general fund expenditures.</li></ul></li></ul>
<ul style="list-style-type: none"><li>• The County's outstanding debt decreased by \$3,417,692 or 8.2 percent during the current fiscal year.</li></ul>

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic

financial statements. The County's basic financial statements comprise three components:

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

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

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

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

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

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

The Government-wide financial statements include not only the County of Accomack, Virginia itself (known as the primary government), but also legally separate entities for which the County of Accomack, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. Note that the Accomack County Airport Commission was abolished by the Primary Government as of January 1, 2013. Operation of the County Airport is now reported as a business-type activity in the Government-wide financial statements.

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

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

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

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

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

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

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

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

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

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

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial

position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$24,671,294 at year-end.

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

The next largest portion of the County's net position (38%) 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.

County of Accomack, Virginia						
Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 37,423,554	\$ 38,639,509	\$ 7,187,238	\$ 6,766,923	\$ 44,610,792	\$ 45,406,432
Capital assets	40,666,091	42,423,471	7,205,857	3,703,212	47,871,948	46,126,683
Total assets	78,089,645	81,062,980	14,393,095	10,470,135	92,482,740	91,533,115
Deferred Outflows of Resources	443,931	470,567	34,040	42,330	477,971	512,897
Current liabilities	8,400,691	9,666,603	3,531,626	524,248	11,932,317	10,190,851
Long -term liabilities	36,506,164	38,766,295	6,725,037	10,191,138	43,231,201	48,957,433
Total liabilities	44,906,855	48,432,898	10,256,663	10,715,386	55,163,518	59,148,284
Deferred Inflows of Resources	13,125,899	12,922,220	-	-	13,125,899	12,922,220
Net Position:						
Net investment in capital assets	3,943,220	2,537,440	5,334,897	1,584,871	9,278,117	4,122,311
Restricted	1,101,726	1,337,183	-	-	1,101,726	1,337,183
Unrestricted	15,455,876	16,303,806	(1,164,425)	(1,787,792)	14,291,451	14,516,014
Total net position	\$ 20,500,822	\$ 20,178,429	\$ 4,170,472	\$ (202,921)	\$ 24,671,294	\$ 19,975,508

An additional portion of the County's net position (4%) represents resources that are subject to external restrictions on how they may be used.

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

The County's net position increased by \$4,695,786 or 24% during the fiscal year. Business-type activities accounted for 93% of the total increase while governmental activities accounted for the remaining 7%. Of the total increase, \$2,552,515 or 54% was due to the inclusion of the Airport operation as a business-type activity.

**Governmental Activities** - Governmental activities increased the County's net position by \$322,393 or 2% during the fiscal year. Key elements of this increase are as follows:

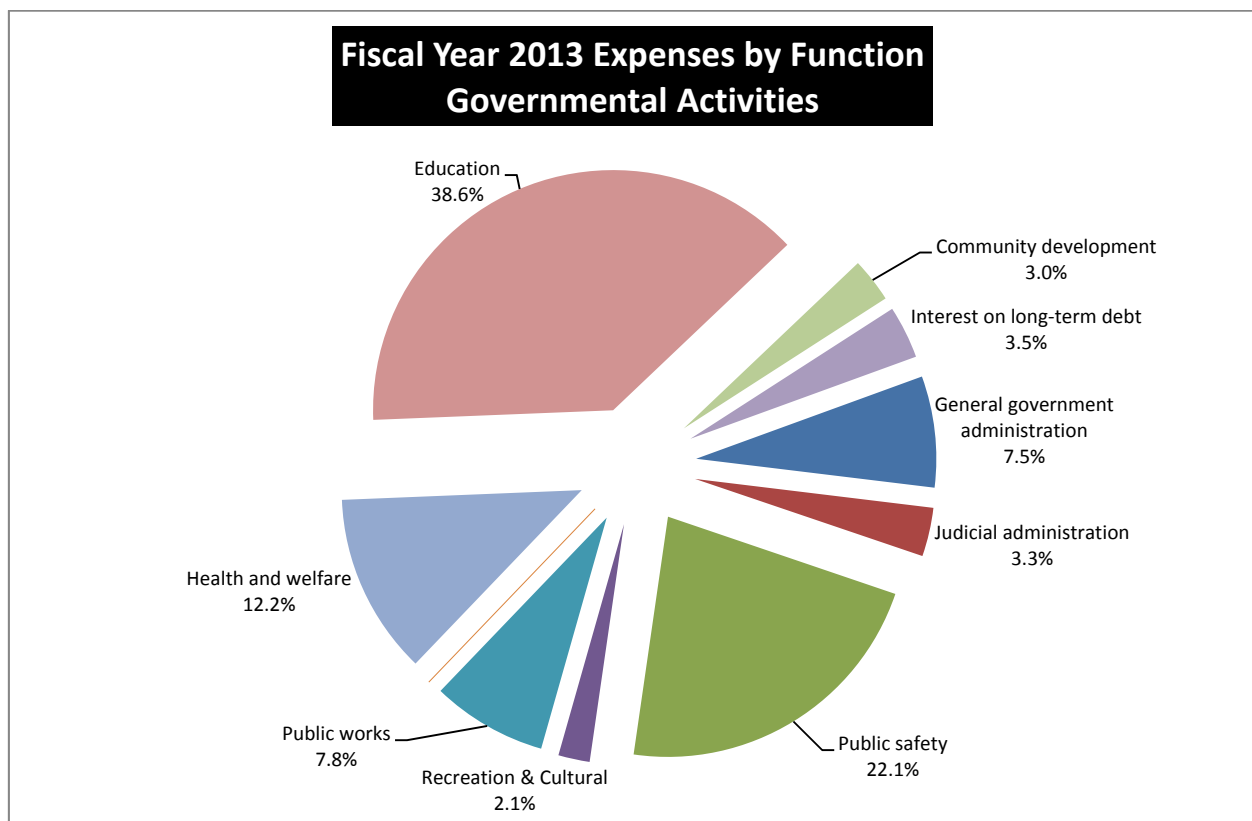
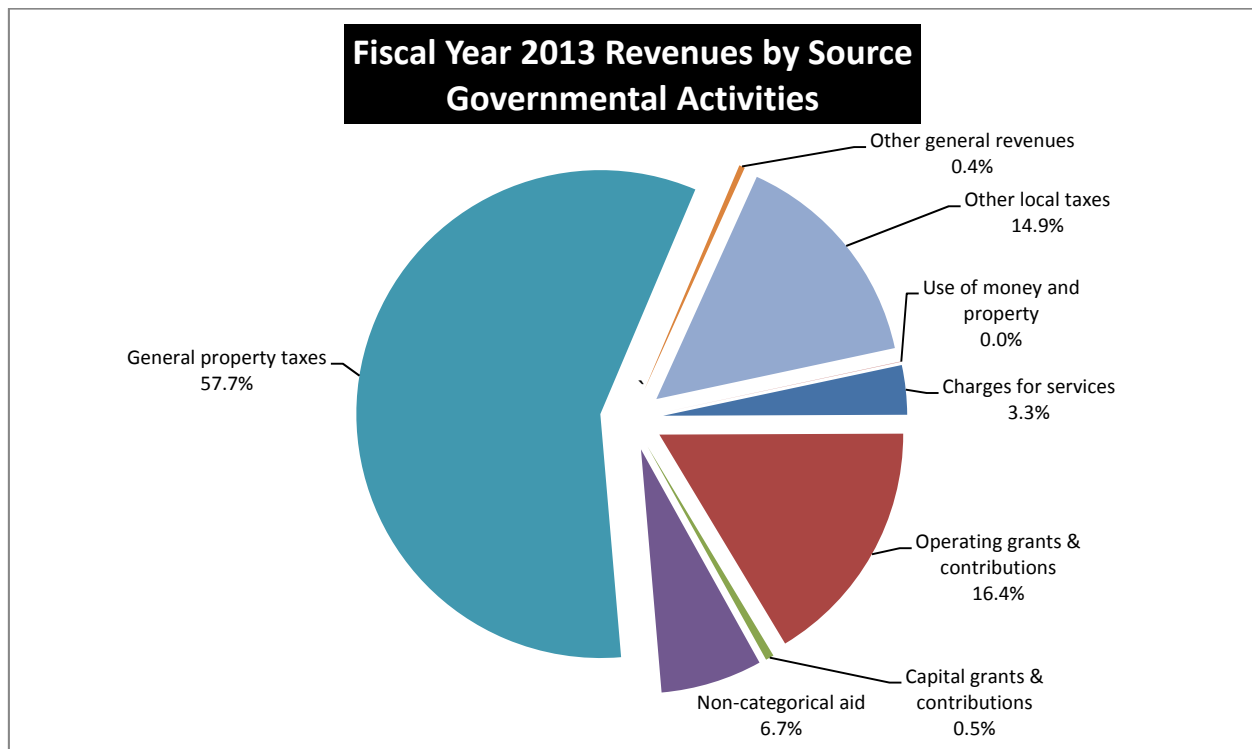
Accomack County, Virginia						
Change in Net Position						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	\$ 1,614,825	\$ 1,610,012	\$ 3,181,259	\$ 2,822,230	\$ 4,796,084	\$ 4,432,242
Operating grants & contributions	8,116,557	7,655,170	14,652	-	8,131,209	7,655,170
Capital grants & contributions	271,414	2,965,210	-	-	271,414	2,965,210
General Revenues:						
General property taxes	28,500,128	27,117,367	-	-	28,500,128	27,117,367
Other local taxes	7,353,082	6,999,466	-	-	7,353,082	6,999,466
Investment earnings	10,954	8,185	9,985	7,708	20,939	15,893
Non-categorical aid	3,319,642	3,322,295	-	-	3,319,642	3,322,295
Contribution from Airport Commission	-	-	2,770,557	-	2,770,557	-
Other general revenues	189,259	183,883	-	-	189,259	183,883
Total revenues	49,375,861	49,861,588	5,976,453	2,829,938	55,352,314	52,691,526
Expenses:						
General government administration	3,585,175	3,339,183	-	-	3,585,175	3,339,183
Judicial administration	1,573,104	1,442,643	-	-	1,573,104	1,442,643
Public safety	10,579,063	9,141,427	-	-	10,579,063	9,141,427
Public works	3,721,236	3,382,833	-	-	3,721,236	3,382,833
Health and welfare	5,839,666	5,681,716	-	-	5,839,666	5,681,716
Education	18,475,654	18,511,045	-	-	18,475,654	18,511,045
Parks, recreation and cultural	1,014,589	1,037,589	-	-	1,014,589	1,037,589
Community development	1,430,468	4,106,234	-	-	1,430,468	4,106,234
Interest on long-term debt	1,700,378	1,927,969	-	-	1,700,378	1,927,969
Business-type	-	-	2,737,195	2,979,198	2,737,195	2,979,198
Total expenses	47,919,333	48,570,639	2,737,195	2,979,198	50,656,528	51,549,837
Increase (decrease) in net position						
before transfers	1,456,528	1,290,949	3,239,258	(149,260)	4,695,786	1,141,689
Transfers	(1,134,135)	(319,340)	1,134,135	319,340	-	-
Increase (decrease) in net position	322,393	971,609	4,373,393	170,080	4,695,786	1,141,689
Net position, July 1, as restated	20,178,429	19,206,820	(202,921)	(373,001)	19,975,508	18,833,819
Net position, June 30	\$ 20,500,822	\$ 20,178,429	\$ 4,170,472	\$ (202,921)	\$ 24,671,294	\$ 19,975,508

Property taxes are the largest single revenue source comprising 58% of total governmental revenues. Property taxes increased by \$1,382,758 or 5% during the fiscal year.

- Operating grants for governmental activities is the second largest revenue source comprising 16% of governmental revenues. This revenue source increased by \$461,387 or 6% during the fiscal year.
- Capital grants and contributions decreased by 91%. In the prior year, the County received almost \$3 million in intergovernmental grant revenue to relocate over-head utilities allowing greater access to the Mid-Atlantic Regional Spaceport (MARS) located on Wallops Island. This one-time capital project was completed in fiscal year 2012.
- Other local taxes increased by 5% primarily due to an increase in local sales and use tax revenue.
- Education expense is the largest single category comprising 39% of total governmental expenses. Expenses for this category decreased by \$35,391 or .2% from the previous year.
- Public safety expense is the second largest category comprising 22% of governmental expenses. Expenses for this category increased \$1,437,636 or 16% from the previous year. Of

this increase, 62% was related to Hurricane Sandy which did minor damage to the County's public infrastructure.

- Community development expenses decreased \$2,675,766 or 65% from the prior year. This decrease is primarily associated with one-time grant funding benefiting MARS mentioned above. Grant expenditures for this project amounted to \$2.9 million in fiscal year 2012.

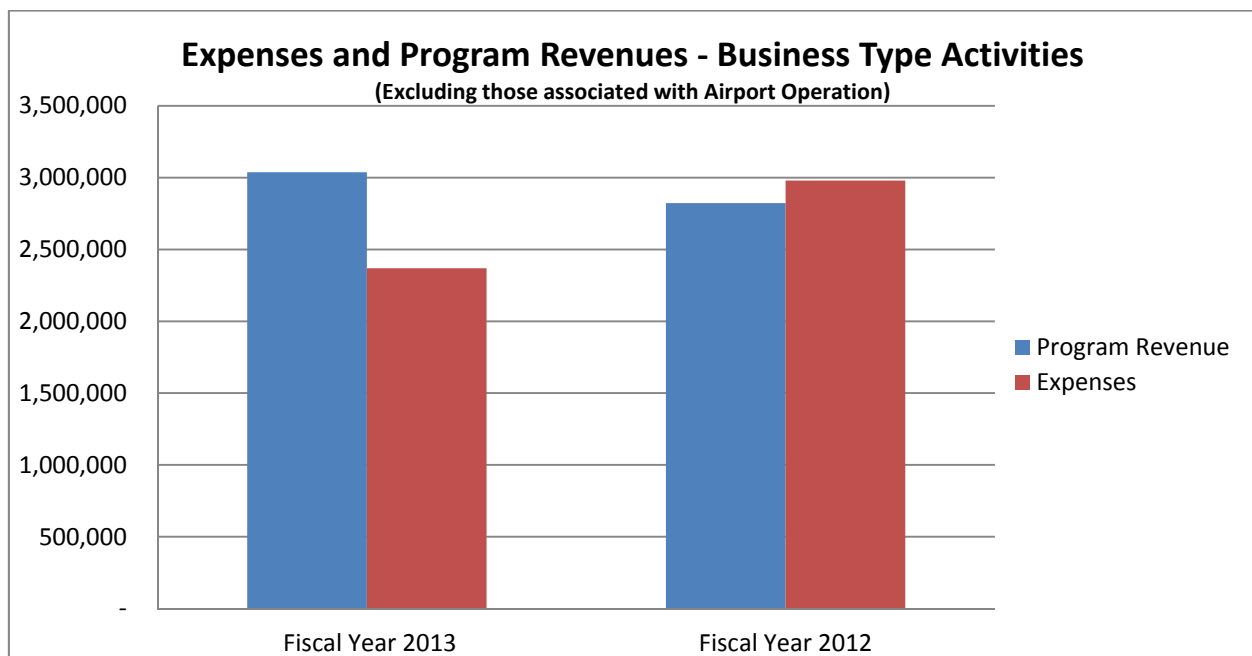


**Business-type Activities** - Business-type activities increased the County's net position by \$4,373,393 or 22% during the fiscal year. As previously mentioned, 63% or \$2,770,587 resulted from the transfer of assets from the Accomack Airport Commission which was dissolved by the Primary Government effective January 1, 2013.

*In order to allow for comparison to the prior year, the focus of the remaining portion of this section discussing business-type activities excludes all revenue and expenses associated with the Accomack Airport.*

Business-type revenues, excluding those associated with the Airport, increased by 8% due mostly to an increase in the billable waste stream received at the County's Landfills. Tons of waste received at the County landfills totaled 39,614 for the fiscal year, an increase of 2,586 or 7% from the prior year.

Business-type expenses, excluding those associated with Airport operation, decreased by 21% or \$617,867 as compared to the prior fiscal year. The key element of this decrease was reduction in the estimated closure cost of the South Landfill realized once the bid to close this landfill was awarded. This change resulted in the reduction of accrued landfill closure costs of \$723,937 and a corresponding increase in net position.



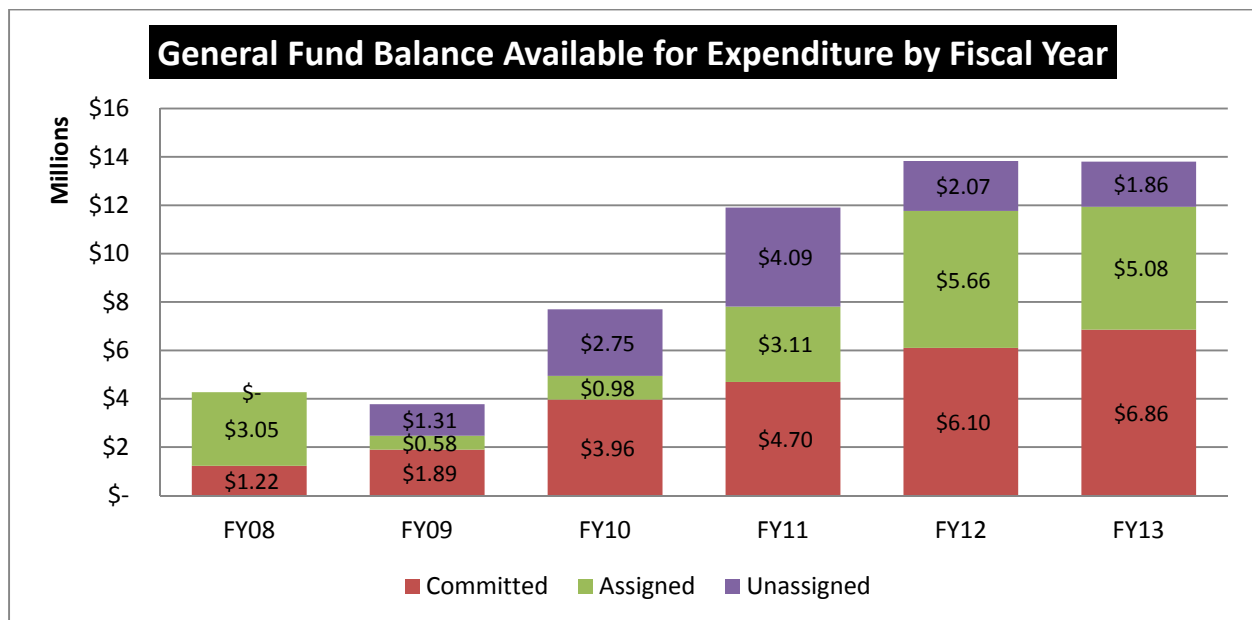
### Financial Analysis of the County's Funds

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 \$16,432,978. Details are as follows:

- The General Fund accounted for 85% percent or \$13,929,877 of the combined ending governmental fund balance.
  - Approximately \$1,862,007 or 13% of this balance constitutes unassigned fund balance which is not tied to any specific use and is available for spending at the County's discretion.
  - Approximately \$6,860,389 or 49% is committed for a "Rainy Day" or Revenue Stabilization. This amount represents 9.7% of General Fund Revenue combined with School Operating Fund Revenue less revenue from the Primary Government.
  - Approximately \$5,077,891 or 36% is assigned to various projects yet to be completed.
  - Approximately \$104,700 or 1% of this balance is due to noncurrent advances/receivables and is therefore nonspendable.
  - The remainder, \$24,890, of general fund balance is restricted to specific uses by entities external to County government.



- The General Fund reported a decrease in fund balance of \$14,810 or less than 1%. General Fund Committed Fund Balance increased by \$760,324 or 12%. The entire amount of committed fund balance is associated with the County's "Rainy Day"/Revenue Stabilization Policy. The General Fund unassigned fund balance decreased by \$204,350 or 10%.
- The School Debt Service Fund accounted for 7% or \$1,101,726 of the combined ending governmental fund balance. This entire balance is restricted for future debt service.

**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 \$1,503,108. The majority of the variance was due to budget amendments made to recognize other state and federal grant funds awarded to the County during the fiscal year.

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

#### Expenditures:

The difference between the Primary Government General Fund original budget and the final amended budget (schedule 2) was \$2,054,377. Significant differences can be summarized as follows:

- Public Safety related amendments - An amendment of \$728,241 was made to cover damages associated with Hurricane Sandy. In addition, the following amendments were made to reflect the award or carryover of grant funding:
  - Amendments totaling \$82,981 were made to recognize Virginia Homeland Security Grant awards. The purpose of these funds was to purchase safety equipment to handle potential hazardous material cleanup situations.
  - An amendment of \$80,000 was made to allow the Sheriff's department to purchase a replacement dispatch console.
  - An amendment of \$88,335 was made to recognize the award of Virginia Department of Criminal Justice Services grant funds used to provide local probation services for the General District Court and Juvenile Domestic & Relations Court.
- Public Works related amendments - The original budget was amended by \$108,322 and \$200,000 to reflect the carryover of funds used for storm drainage control and scheduled building repairs, respectively.
- Parks, Recreation and Cultural amendments - The original budget was amended by \$135,000 to recognize the acceptance of a grant award for the Summer Food/Playground Program.

### *General Fund Budget Variances:*

The Primary Government General Fund reported a positive variance between actual revenue and the final budget of \$761,011 and a positive variance between actual expenditures and the final budget of \$1,607,817.

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

## Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$47,871,948 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and

equipment.

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

**Long-term debt** - At the end of the current fiscal year, the County had total debt outstanding of \$38,244,313. Of this amount, \$33,072,313 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 \$31,167,318 in debt reported on the County's Statement of Net position and an expense increase of \$1,788,206 reported on the County's Statement of Activities for the transfer of school property on which debt was retired during the fiscal year to the school board. The legislation affects the reporting of local school capital assets as well.

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

#### **Economic Factors and Next Year's Budgets and Rates**

Overall, major revenues for fiscal year 2014 are forecast to relatively level (.4%) from those of FY13. No property tax rate or user fee increases were adopted for 2014.

Fiscal year 2014 operating expenditures are expected to increase due to a slight increase in the budgeted local funding subsidy (\$249,155) for the Accomack County School Board and a 3% general increase in employee salaries (\$220,741), the first since July 2008. These are the two most significant planned increases to the fiscal year 2014 operating budget.

The County will issue bonds through the Virginia Resource Authority to finance development of the Wallops Research Park which is slated to become a prime location for aerospace and aviation operations offering 226 acres of property available for development adjacent to the NASA Wallops Flight Facility (WFF) and minutes from the Mid-Atlantic Regional Spaceport (MARS) and the U.S. Navy's Surface Combat Systems Center.

In addition to this capital project, the County plans to complete closure of its South Landfill as originally scheduled. Closure cost is expected to be approximately \$3 million all of which is being funded from working capital of the Landfill enterprise fund. The County also expects to finish construction of a Solid Waste Transfer Station and construct one additional solid waste convenience center in close proximity to the Town of Wachapreague. This will become the County's seventh manned residential waste collection facility and its completion will bring to a close the waste collection facility construction program started in 2006. All other fiscal year 2014 planned capital expenditures are relatively minor.

The fiscal year 2014 budget continues with the plan implemented in fiscal year 2009 to strengthen the County's general fund balance committed for a "Rainy Day or Revenue Stabilization". The plan calls for this fund balance to be at least equal to 16.7% of County and School Board operating revenue by fiscal year 2021. Next year's budget sets aside an additional \$771,729 for this purpose.

The local unemployment rate decreased from 6.6% as of June 2012 to 6.5% as of June 2013 but still continues to be above the state average. The current local unemployment rate of 6.5% does compare favorably to the national rate of 7.8%.

Unemployment Rates			
	June 2011	June 2012	June 2013
Accomack County	7.0%	6.6%	6.5%
Commonwealth of Virginia	6.7%	6.2%	5.9%
USA	9.3%	8.4%	7.8%

According to the Virginia Employment Commission, the number of persons employed increased by less than 1% from 17,811 in June 2012 to 17,882 in June 2013.

Little change in population has occurred over the 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 addressed to the Accomack County Finance Department, 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, 2013**

**Exhibit 1**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
<b><u>Assets:</u></b>					
Cash and investments	\$ 17,996,218	\$ 6,939,194	\$ 24,935,412	\$ 11,291,441	\$ 1,027,600
Taxes receivable, net	16,620,789	-	16,620,789	-	-
Special assessments receivable, net	30,959	-	30,959	-	-
Accounts receivable, net	404,917	227,835	632,752	57,048	253,496
Loan receivables	-	-	-	-	328,470
Due from other government entities	2,277,378	914	2,278,292	3,625,899	17,643
Internal balances	45,774	(45,774)	-	-	-
Inventory	-	60,919	60,919	-	-
Prepaid items	-	4,150	4,150	-	12,990
Notes receivable	47,519	-	47,519	-	-
Restricted assets:					
Cash and cash equivalents	-	-	-	-	171,530
Capital Assets (net of accumulated depreciation):					
Land	1,489,299	396,167	1,885,466	974,862	704,533
Buildings	32,390,231	1,011,509	33,401,740	29,428,291	764,757
Improvements other than buildings	4,215,159	3,427,443	7,642,602	1,151,698	150,515
Machinery and equipment	1,913,398	895,573	2,808,971	2,570,204	21,633
Intangibles	122,878	-	122,878	-	-
Construction in progress	535,126	1,475,165	2,010,291	-	41,973
Total assets	78,089,645	14,393,095	92,482,740	49,099,443	3,495,140
<b><u>Deferred Outflows of Resources:</u></b>					
Deferred charge on refunding	443,931	34,040	477,971	-	-
Total deferred outflows of resources	443,931	34,040	477,971	-	-
<b><u>Liabilities:</u></b>					
Accounts payable	2,294,567	403,653	2,698,220	1,527,865	53,717
Wages and benefits payable	47,913	3,317	51,230	4,548,855	19,589
Retainage payable	-	49,282	49,282	-	-
Due to other government entities	221,486	-	221,486	21,375	-
Accrued interest payable	729,907	1,461	731,368	-	-
Unearned revenue	279,735	8,713	288,448	382,497	143,399
Customer deposits	47,450	22,124	69,574	-	-
Noncurrent liabilities:					
Due within one year	4,779,633	3,043,076	7,822,709	1,595,086	-
Due in more than one year	36,506,164	6,725,037	43,231,201	840,145	160,930
Total liabilities	44,906,855	10,256,663	55,163,518	8,915,823	377,635
<b><u>Deferred Inflows of Resources:</u></b>					
Deferred property tax revenue	13,125,899	-	13,125,899	-	-
Total deferred outflows of resources	13,125,899	-	13,125,899	-	-
<b><u>Net Position:</u></b>					
Net investment in capital assets	3,943,220	5,334,897	9,278,117	34,125,055	1,683,411
Restricted for:					
Future debt service	1,101,726	-	1,101,726	-	661,996
Unrestricted	15,455,876	(1,164,425)	14,291,451	6,058,565	772,098
Total net position	\$ 20,500,822	\$ 4,170,472	\$ 24,671,294	\$ 40,183,620	\$ 3,117,505

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE, 30 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government administration	\$ 3,585,175	\$ 303,205	\$ 248,452	\$ -
Judicial administration	1,573,104	94,495	992,771	-
Public safety	10,579,063	601,672	2,757,543	31,023
Public works	3,721,236	157,961	22,069	-
Health and welfare	5,839,666	296,399	3,881,323	-
Education	18,475,654	-	-	-
Parks, recreation and cultural	1,014,589	96,514	144,082	-
Community development	1,430,468	64,579	70,317	240,391
Interest on long-term debt	1,700,378	-	-	-
Total governmental activities	<u>47,919,333</u>	<u>1,614,825</u>	<u>8,116,557</u>	<u>271,414</u>
Business-type activities:				
Landfill	2,126,739	2,764,529	-	-
Airport	375,864	143,170	14,652	-
Water and sewer	153,116	218,395	-	-
Parks and recreation	81,476	55,165	-	-
Total business-type activities	<u>2,737,195</u>	<u>3,181,259</u>	<u>14,652</u>	<u>-</u>
Total primary government	<u>\$ 50,656,528</u>	<u>\$ 4,796,084</u>	<u>\$ 8,131,209</u>	<u>\$ 271,414</u>
<b>Component Units:</b>				
School Board	\$ 53,565,575	\$ 916,367	\$ 35,111,552	\$ -
Airport Commission	3,311,105	186,751	-	123,565
Economic Development Authority	5,615	-	-	-
Public Library	784,673	94,712	217,681	-
Planning District Commission	1,176,701	1,006,353	95,768	-
Quinby Harbor Committee	28,219	20,692	-	-
Greenbackville Harbor Committee	11,226	22,495	-	-
Captain's Cove/Greenbackville Mosquito Control Commission	50,669	-	-	-
Total component units	<u>\$ 58,933,783</u>	<u>\$ 2,247,370</u>	<u>\$ 35,425,001</u>	<u>\$ 123,565</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

Contributions from Accomack County Airport Commission

Grants and contributions not restricted to specific programs

Investment earnings

Gain on the sale of capital assets

Other revenue

Transfers

    Total general revenue and transfers

    Change in net position

Net position-beginning, as restated

Net position-ending

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

Exhibit 2

Net (Expense) Revenue and  
Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	Other
\$ (3,033,518)	\$ -	\$ (3,033,518)	\$ -	\$ -
(485,838)	-	(485,838)	-	-
(7,188,825)	-	(7,188,825)	-	-
(3,541,206)	-	(3,541,206)	-	-
(1,661,944)	-	(1,661,944)	-	-
(18,475,654)	-	(18,475,654)	-	-
(773,993)	-	(773,993)	-	-
(1,055,181)	-	(1,055,181)	-	-
(1,700,378)	-	(1,700,378)	-	-
(37,916,537)	-	(37,916,537)	-	-
-	637,790	637,790	-	-
-	(218,042)	(218,042)	-	-
-	65,279	65,279	-	-
-	(26,311)	(26,311)	-	-
-	458,716	458,716	-	-
(37,916,537)	458,716	(37,457,821)	-	-
-	-	-	(17,537,656)	-
-	-	-	-	(3,000,789)
-	-	-	-	(5,615)
-	-	-	-	(472,280)
-	-	-	-	(74,580)
-	-	-	-	(7,527)
-	-	-	-	11,269
-	-	-	-	(50,669)
-	-	-	(17,537,656)	(3,600,191)
28,500,128	-	28,500,128	-	-
3,618,865	-	3,618,865	-	-
1,052,114	-	1,052,114	-	-
1,089,368	-	1,089,368	-	-
1,592,735	-	1,592,735	-	-
-	-	-	17,782,712	748,717
-	2,770,557	2,770,557	-	-
3,319,642	-	3,319,642	-	-
10,954	9,985	20,939	2,781	8,991
-	-	-	-	-
189,259	-	189,259	49,580	-
(1,134,135)	1,134,135	-	-	-
38,238,930	3,914,677	42,153,607	17,835,073	757,708
322,393	4,373,393	4,695,786	297,417	(2,842,483)
20,178,429	(202,921)	19,975,508	39,886,203	5,959,988
\$ 20,500,822	\$ 4,170,472	\$ 24,671,294	\$ 40,183,620	\$ 3,117,505

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AT JUNE 30, 2013**

**Exhibit 3**

	Major Funds						
	General	Virginia	Comprehen-	County	County	Nonmajor	Total
	Fund	Public	sive Youth	Capital	Debt	Governmental	Governmental
	Fund	Assistance	Services	Projects	Service	Funds	Funds
	Fund	Fund	Fund	Fund	Fund	Funds	Funds
<b>Assets:</b>							
Cash and investments	\$ 13,962,446	\$ -	\$ -	\$ 434,721	\$ 1,301,879	\$ 2,297,171	\$ 17,996,217
Taxes receivable, net	12,588,019	-	-	-	2,139,298	1,893,472	16,620,789
Special assessments receivable, net	30,959	-	-	-	-	-	30,959
Accounts receivable, net	399,772	-	4,026	-	-	1,119	404,917
Notes receivable, net	-	-	-	-	-	47,519	47,519
Due from other government entities	1,793,045	218,675	254,975	-	-	10,683	2,277,378
Interfund receivables	273,651	-	-	-	-	-	273,651
Total assets	<u>29,047,892</u>	<u>218,675</u>	<u>259,001</u>	<u>434,721</u>	<u>3,441,177</u>	<u>4,249,964</u>	<u>37,651,430</u>
<b>Liabilities:</b>							
Accounts payable	1,198,574	14,158	229,880	406,911	-	445,044	2,294,567
Wages and benefits payable	34,686	5,761	-	-	-	7,466	47,913
Due to other government entities	221,486	-	-	-	-	-	221,486
Customer deposits	27,450	-	-	10,000	-	10,000	47,450
Interfund payables	-	198,756	29,121	-	-	-	227,877
Unearned revenue	911	-	-	-	-	278,824	279,735
Total liabilities	<u>1,483,107</u>	<u>218,675</u>	<u>259,001</u>	<u>416,911</u>	<u>-</u>	<u>741,334</u>	<u>3,119,028</u>
<b>Deferred Inflows of Resources:</b>							
Deferred property tax revenue	9,916,468	-	-	-	1,697,550	1,511,881	13,125,899
Unavailable revenue-property taxes	3,687,481	-	-	-	641,901	565,665	4,895,047
Unavailable revenue-notes receivable	-	-	-	-	-	47,519	47,519
Unavailable revenue-special assessments	30,959	-	-	-	-	-	30,959
Total deferred inflows of resources	<u>13,634,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,339,451</u>	<u>2,125,065</u>	<u>18,099,424</u>
<b>Fund Balances:</b>							
Nonspendable: Noncurrent advances	104,700	-	-	-	-	-	104,700
Restricted for:							
Debt service	-	-	-	-	1,101,726	-	1,101,726
Fire and rescue	-	-	-	-	-	1,104,453	1,104,453
Captain's Cove mosquito control	-	-	-	-	-	7,437	7,437
Law library	-	-	-	-	-	27,924	27,924
Drug seizures	-	-	-	-	-	22,108	22,108
Courthouse security	-	-	-	-	-	61,249	61,249
Rehabilitation projects	-	-	-	-	-	160,394	160,394
Wetlands mitigation	24,890	-	-	-	-	-	24,890
Committed to Rainy Day/Stabilization	6,860,389	-	-	-	-	-	6,860,389
Assigned to:							
Storm drainage	195,591	-	-	-	-	-	195,591
Solid waste transfer station	1,011,415	-	-	-	-	-	1,011,415
Solid waste collection equipment	221,125	-	-	-	-	-	221,125
Building improvement or repair projects	808,376	-	-	-	-	-	808,376
Public boating facility improvement or repair	370,046	-	-	17,810	-	-	387,856
Subsequent year's expenditures	2,052,638	-	-	-	-	-	2,052,638
Information technology projects	277,968	-	-	-	-	-	277,968
Hazardous materials response	4,039	-	-	-	-	-	4,039
Other purposes	136,693	-	-	-	-	-	136,693
Unassigned:	<u>1,862,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,862,007</u>
Total fund balances	<u>13,929,877</u>	<u>-</u>	<u>-</u>	<u>17,810</u>	<u>1,101,726</u>	<u>1,383,565</u>	<u>16,432,978</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,047,892</u>	<u>\$ 218,675</u>	<u>\$ 259,001</u>	<u>\$ 434,721</u>	<u>\$ 3,441,177</u>	<u>\$ 4,249,964</u>	<u>\$ 37,651,430</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, 2013**

**Exhibit 4**

Total fund balances - governmental funds (Exhibit 3) \$ 16,432,978

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	1,489,299	
Buildings, net of depreciation	6,449,729	
Improvements other than buildings, net of depreciation	4,215,159	
Machinery and equipment, net of depreciation	1,913,398	
Intangibles, net of amortization	122,878	
Construction in progress	535,126	
School Board capital assets, net of depreciation	25,940,502	
Total capital assets		40,666,091

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds. 4,973,525

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	(27,787,250)	
State Literary Fund loans	(2,913,438)	
Qualified zone academy bonds	(466,625)	
Lease revenue bonds	(5,172,000)	
Accrued interest on debt	(729,906)	
Bond premiums and discounts, net of amortization	(383,558)	
Compensated absences	(1,753,995)	
Net other postemployment benefit obligation	(2,365,000)	
Net adjustment		(41,571,772)

Total net position - governmental activities (Exhibit 1) \$ 20,500,822

**COUNTY OF ACCOMACK, VIRGINIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit 5**

	Major Funds						
	General	Virginia	Comprehen-	County	County	Nonmajor	Total
	Fund	Public	sive Youth	Capital	Debt	Governmental	Governmental
	Fund	Assistance	Services	Projects	Service	Funds	Funds
Revenues:							
General property taxes	\$21,208,931	\$ -	\$ -	\$ -	\$3,788,155	\$3,517,838	\$28,514,924
Other local taxes	7,276,542	-	-	-	-	76,540	7,353,082
Permits, fees and licenses	345,459	-	-	-	-	-	345,459
Fines and forfeitures	71,617	-	-	-	-	-	71,617
Revenue from the use of money & property	361,308	-	-	-	-	509	361,817
Charges for services	410,393	-	-	-	-	-	410,393
Miscellaneous	132,908	-	153,871	-	-	62,639	349,418
Recovered costs	382,383	-	-	-	-	21,828	404,211
Intergovernmental	7,315,387	2,790,255	937,197	240,391	82,376	181,436	11,547,042
Total revenues	<u>37,504,928</u>	<u>2,790,255</u>	<u>1,091,068</u>	<u>240,391</u>	<u>3,870,531</u>	<u>3,860,790</u>	<u>49,357,963</u>
Expenditures:							
General government administration	3,418,657	-	-	27,632	-	-	3,446,289
Judicial administration	1,354,239	-	-	-	-	95,766	1,450,005
Public safety	7,220,044	-	-	-	-	3,764,421	10,984,465
Public works	3,488,725	-	-	345,817	-	-	3,834,542
Health and welfare	755,617	3,462,248	1,297,026	-	-	56,387	5,571,278
Education	16,035,534	-	-	-	-	-	16,035,534
Parks, recreation and cultural	835,937	-	-	49,782	-	-	885,719
Community development	1,152,853	-	-	356,971	-	16,226	1,526,050
Debt service:							
Principal	576,000	-	-	-	2,543,689	-	3,119,689
Interest	196,335	-	-	-	1,562,299	-	1,758,634
Total expenditures	<u>35,033,941</u>	<u>3,462,248</u>	<u>1,297,026</u>	<u>780,202</u>	<u>4,105,988</u>	<u>3,932,800</u>	<u>48,612,205</u>
Revenues over (under) expenditures	<u>2,470,987</u>	<u>(671,993)</u>	<u>(205,958)</u>	<u>(539,811)</u>	<u>(235,457)</u>	<u>(72,010)</u>	<u>745,758</u>
Other financing sources (uses):							
Transfers in	-	671,993	205,958	473,711	-	-	1,351,662
Transfers out	(2,485,797)	-	-	-	-	-	(2,485,797)
Total other financing sources (uses)	<u>(2,485,797)</u>	<u>671,993</u>	<u>205,958</u>	<u>473,711</u>	<u>-</u>	<u>-</u>	<u>(1,134,135)</u>
Net changes in fund balance	(14,810)	-	-	(66,100)	(235,457)	(72,010)	(388,377)
Fund balance, beginning of year	13,944,687	-	-	83,910	1,337,183	1,455,575	16,821,355
Fund balance, end of year	<u>\$13,929,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,810</u>	<u>\$1,101,726</u>	<u>\$1,383,565</u>	<u>\$16,432,978</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, 2013**

**Exhibit 6**

Net changes in fund balances-governmental funds (Exhibit 5) \$ (388,377)

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

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

Capital asset expenditures	1,856,478	
Depreciation on capital assets	(1,823,781)	
Retirement of capital assets	(1,871)	
Net adjustment		30,826

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.

(1,788,206)

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

(25,573)

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.

3,163,160

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

Accrued interest expense	58,256	
Compensated absences	(181,693)	
Other postemployment benefit expenses	(546,000)	
Net adjustment		(669,437)

Change in net position of governmental activities (Exhibit 2)

\$ 322,393

**COUNTY OF ACCOMACK, VIRGINIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**AT JUNE 30, 2013**

**Exhibit 7**

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 6,067,856	\$ -	\$ 871,338	\$ 6,939,194
Accounts receivable (net of allowance for uncollectibles)	197,067	2,834	27,934	227,835
Due from other government entities	-	914	-	914
Prepaid items	-	4,150	-	4,150
Inventory	-	60,919	-	60,919
Total current assets	6,264,923	68,817	899,272	7,233,012
Noncurrent assets:				
Capital Assets (net of accumulated depreciation):				
Land	205,767	190,400	-	396,167
Buildings	797,150	208,460	5,899	1,011,509
Improvements other than buildings	1,462,195	1,910,822	54,426	3,427,443
Machinery and equipment	853,636	15,840	26,097	895,573
Construction in progress	1,242,809	232,356	-	1,475,165
Total capital assets	4,561,557	2,557,878	86,422	7,205,857
Total assets	10,826,480	2,626,695	985,694	14,438,869
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	34,040	-	-	34,040
Total deferred outflows of resources	34,040	-	-	34,040
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	352,967	5,329	45,357	403,653
Retainage payable	49,282	-	-	49,282
Wages and benefits payable	1,098	1,401	818	3,317
Unearned revenue	-	8,713	-	8,713
Accrued interest payable	1,461	-	-	1,461
Customer deposits	22,124	-	-	22,124
Interfund payables	-	45,774	-	45,774
Compensated absences-current	53,433	11,537	-	64,970
General obligation bonds payable-current	303,000	-	-	303,000
Landfill closure/post closure care-current	2,675,106	-	-	2,675,106
Total current liabilities	3,458,471	72,754	46,175	3,577,400
Noncurrent liabilities:				
Compensated absences	6,604	1,426	-	8,030
General obligation bonds payable	1,602,000	-	-	1,602,000
Landfill closure/post closure care	5,115,007	-	-	5,115,007
Total noncurrent liabilities	6,723,611	1,426	-	6,725,037
Total liabilities	10,182,082	74,180	46,175	10,302,437
<b>Net Position:</b>				
Net investment in capital assets	2,690,597	2,557,878	86,422	5,334,897
Unrestricted	(2,012,159)	(5,363)	853,097	(1,164,425)
Total net position	\$ 678,438	\$ 2,552,515	\$ 939,519	\$ 4,170,472

(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, 2013**

**Exhibit 8**

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Operating revenues:				
Use of property	\$ -	\$ 3,609	\$ -	\$ 3,609
Charges for services	2,645,760	139,561	269,952	3,055,273
Other operating revenue	118,769	-	3,608	122,377
Total operating revenues	<u>2,764,529</u>	<u>143,170</u>	<u>273,560</u>	<u>3,181,259</u>
Operating expenses:				
Personnel services and fringe benefits	640,513	80,384	1,217	722,114
Other operating expenses	932,187	148,803	210,678	1,291,668
Depreciation	510,013	146,677	22,697	679,387
Total operating expenses	<u>2,082,713</u>	<u>375,864</u>	<u>234,592</u>	<u>2,693,169</u>
Operating income (loss)	<u>681,816</u>	<u>(232,694)</u>	<u>38,968</u>	<u>488,090</u>
Nonoperating revenues (expenses):				
Interest income	9,985	-	-	9,985
Interest expense	(44,026)	-	-	(44,026)
State grants	-	6,794	-	6,794
Federal Grants	-	7,858	-	7,858
Total nonoperating revenues (expenses)	<u>(34,041)</u>	<u>14,652</u>	<u>-</u>	<u>(19,389)</u>
Income (loss) before transfers and special items	<u>647,775</u>	<u>(218,042)</u>	<u>38,968</u>	<u>468,701</u>
Transfers:				
Transfers in	734,135	-	400,000	1,134,135
Total transfers	<u>734,135</u>	<u>-</u>	<u>400,000</u>	<u>1,134,135</u>
Special items:				
Contribution from Airport Commission Component Unit	-	2,770,557	-	2,770,557
Changes in net position	1,381,910	2,552,515	438,968	4,373,393
Total net position, beginning of year, as restated	(703,472)	-	500,551	(202,921)
Total net position, end of year	<u>\$ 678,438</u>	<u>\$ 2,552,515</u>	<u>\$ 939,519</u>	<u>\$ 4,170,472</u>

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit 9**

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Cash flows from operating activities:				
Receipts from customers	\$ 2,639,039	\$ 154,783	\$ 266,397	\$ 3,060,219
Payments to suppliers	(1,568,850)	(148,010)	(175,905)	(1,892,765)
Payments to employees and benefits paid on behalf of employees	(634,821)	(79,122)	(583)	(714,526)
Other receipts	118,769	-	3,608	122,377
Payments to General Fund for indirect services	173,517	-	-	173,517
Net cash provided by (used for) operating activities	727,654	(72,349)	93,517	748,822
Cash flows from noncapital financing activities:				
Advance from the General Fund	-	45,773	-	45,773
Operating Transfer from the General Fund	734,135	-	150,000	884,135
Transfer from the Airport Commission Component Unit	-	18,481	-	18,481
Operating grant proceeds from the Commonwealth and Federal Government	-	11,945	-	11,945
Net cash provided by (used for) noncapital financing activities	734,135	76,199	150,000	960,334
Cash flows from capital and related financing activities:				
Purchase of capital assets	(1,536,636)	(7,700)	-	(1,544,336)
Capital Transfer from the General Fund	-	-	250,000	250,000
Capital grant proceeds from the Commonwealth and Federal Government	-	3,850	-	3,850
Proceeds from sale of capital assets	294,000	-	-	294,000
Principal payments on debt	(298,000)	-	-	(298,000)
Interest payments on debt	(37,717)	-	-	(37,717)
Other debt related payments	(1)	-	-	(1)
Net cash provided by (used for) capital and related financing activities	(1,578,354)	(3,850)	250,000	(1,332,204)
Cash flows from investing activities:				
Interest income	9,985	-	-	9,985
Net increase in cash and cash equivalents	(106,580)	-	493,517	386,937
Cash and cash equivalents, beginning of year	6,174,436	-	377,821	6,552,257
Cash and cash equivalents, end of year	\$ 6,067,856	\$ -	\$ 871,338	\$ 6,939,194
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ 681,816	\$ (232,694)	\$ 38,968	\$ 488,090
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	510,013	146,677	22,697	679,387
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	(6,770)	3,971	(3,555)	(6,354)
(Increase) Decrease in inventory	-	4,253	-	4,253
(Increase) Decrease in prepaid items	-	(4,150)	-	(4,150)
Increase (Decrease) in wages and benefits payable	565	1,400	818	2,783
Increase (Decrease) in accounts payable	68,913	(487)	34,589	103,015
Increase (Decrease) in prepaid rent	-	7,642	-	7,642
Increase (Decrease) in customer deposits	49	-	-	49
Increase (Decrease) in closure/post closure liabilities	(532,345)	-	-	(532,345)
Increase (Decrease) in compensated absences payable	5,413	1,039	-	6,452
Total adjustments	(464,175)	13,668	31,852	(418,655)
Net cash provided (used for) by operating activities	\$ 727,654	\$ (72,349)	\$ 93,517	\$ 748,822

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

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

Exhibit 10

**Assets:**

	Total
Cash and investments held by Treasurer	\$ 42,497
Cash and investments in custody of others	12,726
Total assets	<u>55,223</u>

**Liabilities:**

Amounts held for social service clients	39,462
Amounts held for others	12,726
Amounts held for war memorial ceremonies	3,035
Total liabilities	<u>\$ 55,223</u>

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

At June 30, 2013

**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, 2013.

- 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.
- ii. **Accomack County Airport Commission** - The Accomack County Airport Commission was created for the purpose of improving, equipping, maintaining, operating, and promoting the Accomack County Airport. Prior to January 1, 2013, the Commission consisted of nine members all of which were appointed and served at the pleasure of the County Board of Supervisors. Effective January 1, 2013, the Board of Supervisors exercised its authority to dissolve the Commission. The financial data reported for the Commission in the Component

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

At June 30, 2013 (Continued)

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

**B. The Reporting Entity-continued**

Unit Section reflects the results of its operation through December 31, 2012. Operation of the County Airport is now reported as an enterprise fund of the Primary Government.

- iii. **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.
- iv. **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.
- v. **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.
- vi. **Quinby Boat Harbor Committee** - The Quinby Boat Harbor Committee was established to diligently conduct and enforce the rules and regulations regarding the use and occupancy of the Quinby Boat Harbor. The Committee consists of nine members, all of which are appointed and serve at the pleasure of the County Board of Supervisors. Separately issued financial statements can be obtained from the Quinby Boat Harbor Committee, Post Office Box 343, Quinby, Virginia 23423. The Committee is reported as a governmental fund type.

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2013 (Continued)

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

##### **B. The Reporting Entity-continued**

- vii. **Greenbackville Boat Harbor Committee** - The Greenbackville Boat Harbor Committee was established to diligently conduct and enforce the rules and regulations regarding the use and occupancy of the Greenbackville Boat Harbor. The Committee consists of five members, all of which are appointed by and serve at the pleasure of the County Board of Supervisors. Separately issued financial statements can be obtained from the Greenbackville Harbor Committee, Post Office Box 74, Greenbackville, Virginia 23356. The Committee is reported as a governmental fund type.
- viii. **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 2013, the County contributed \$483,977 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 2013, the County contributed \$134,995 to the Board for operations. Complete financial statements for the Commission may be obtained by contacting the Eastern Shore Community Services Board, P.O. Box 453, Nassawadox, Virginia 23413.

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

At June 30, 2013 (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 eight 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 seven are consolidated into one column in the government-wide financial statements labeled "other". Individual component unit financial data for these nonmajor component units is reported in the *Other Supplemental Information* section.

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

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

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

The County reports the following major governmental funds:

- **General Fund:** The General Fund is the County's primary operating fund. It accounts for 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 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 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 primarily

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

At June 30, 2013 (Continued)

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

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

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

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

- **Special Revenue Funds:** Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- **Enterprise Funds:** Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services.
- **Agency Funds:** Agency funds are used to account for assets held as an agent for other individuals or organizations. The County's agency funds consist of the Special Welfare Fund, War Memorial Fund and Sheriff Canteen Fund.

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

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

At June 30, 2013 (Continued)

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

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

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

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

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

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

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

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

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

## **COUNTY OF ACCOMACK, VIRGINIA**

### **NOTES TO FINANCIAL STATEMENTS**

At June 30, 2013 (Continued)

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

##### **F. Budgetary Basis of Accounting**

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

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

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

###### **i. Cash and Investments**

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

###### **ii. Receivables**

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

# COUNTY OF ACCOMACK, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

At June 30, 2013 (Continued)

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

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

##### **iii. Inventories and Prepaid Items**

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

##### **iv. Capital Assets**

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

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

##### **v. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position in the amount of \$477,971. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2013 (Continued)

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows or resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of property taxes paid in advance and unbilled installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. In addition, the portion of uncollected property taxes due as of June 30 but not considered available is also reported in this section. Under the accrual basis of accounting, only taxes paid in advance and unbilled installments are reported as deferred inflows of resources.

##### **vi. Net Position**

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

##### **vii. Net Position Flow Assumption**

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

##### **viii. Fund Balance Flow Assumptions**

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

##### **ix. Adoption of Accounting Principles**

Governmental Accounting Standards Board Statement No. 63 - The County implemented the financial reporting provisions of Statement No. 63 of the Governmental Accounting Standards Board for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and deferred outflows of resources. With the implementation of this Statement, certain terminology has changed and financial statement descriptions have changed from "net

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

At June 30, 2013 (Continued)

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

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

**ix. Adoption of Accounting Principles-continued**

assets" to "net position". The net equity reported in the financial statements was not changed as a result of implementing this Statement and nor restatement of prior balances was required.

Governmental Accounting Standards Board Statement No. 65 - The County implemented the financial reporting provisions of Statement No. 65 of the Governmental Accounting Standards Board for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The net position was restated by \$192,824 as disclosed in Note 21.

**x. Fund Balance**

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

<b>Fund Balance Category</b>	<b>Definition</b>	<b>Applicability</b>
Nonspendable	Includes amounts that are not in expendable form.	The County reports long-term receivables that are not available for expenditure in this category.
Restricted	Includes amounts restricted to specific uses by external entities or by law. Externally imposed restrictions include amounts that are restricted for specific purposes.	The County reports residual amounts of taxes levied exclusively for debt service, fire & rescue and mosquito control along with unspent bond proceeds held in trust in this category.
Committed	Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Accomack County Board of Supervisors.	The County reports amounts reserved by resolution of the Board of Supervisors for use in emergency situations or when revenue shortages arise as committed fund balance. This amount is shown in the financial statements as committed to <i>Rainy Day/Stabilization</i> . Additions are approved by Board action. Use of these funds is only permitted to address revenue shortages that are greater than 1% of General Fund revenue, an urgent event that jeopardizes public safety or to mitigate damage caused by a natural disaster.
Assigned	Consists of amounts intended to be used by the County for a specific purpose but are neither restricted nor committed.	<i>Assigned for subsequent year's expenditures</i> is the portion of fund balance that has been approved by formal action of the Board of Supervisors for appropriation in the fiscal year 2014 budget. Amendment of this amount requires approval of the Board. Additional assignments for residual funds associated with ongoing capital projects and special revenue funds have been made by the Finance Director who is given that authority.
Unassigned	Fund balance that has not been reported in any other classification.	Unassigned fund balance is only reported in the General Fund.

**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, 2013 (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 2013 was equal to 49% of the tax assessment. The tax credit on vehicles with a taxable value of less than \$1,000 was equal to 100% of the tax assessment. Revenue from the Commonwealth pertaining to PPTRA is recorded as non-categorical aid.

**iii. Compensated Absences**

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

**iv. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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

**v. Use of Estimates**

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

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

At June 30, 2013 (Continued)

**2. DEPOSITS AND INVESTMENTS**

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

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

The carrying amount of cash and investments of the Primary Government and the School Board Component Unit at June 30, 2013 is as follows:

	Amount
Deposits with Financial Institutions	\$ 24,645,848
Investments	11,616,042
Petty Cash	<u>7,460</u>
Total Cash and Investments of the Primary Government and School Board Component Unit	<u><u>\$ 36,269,350</u></u>

A reconciliation to the basic financial statements is as follows:

	Amount
Primary Government Cash and Investments per Exhibit 1	\$ 24,935,412
School Board Component Unit Cash and Investments per Exhibit 1	11,291,441
Other Component Unit Cash and Investments per Exhibit 1	1,027,600
Agency Funds Cash and Investments per Exhibit 10	<u>55,223</u>
Total Cash and Investments for the Reporting Entity	37,309,676
Less: Other Component Unit Cash and Investments per Exhibit 1 not in the custody of the Treasurer	(1,027,600)
Less: Agency Funds Cash and Investments per Exhibit 10 not in the custody of the Treasurer	<u>(12,726)</u>
Total Cash and Investments in the custody of the Treasurer	<u><u>\$ 36,269,350</u></u>

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

At June 30, 2013 (Continued)

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

Per state statute requirements, all commercial paper must be rated "prime quality" by at least two nationally recognized statistical rating organizations (A-1 by both Standard & Poor's and Moody's Investor Service) and corporate notes and bonds must be rated in the AAA or AA categories by both Standard & Poor's and Moody's Investor Service. As of June 30, 2013, the County's investments as rated by Standard & Poor's were as follows:

<b><u>Investment Type</u></b>	<b><u>AAA</u></b>	<b><u>A-1</u></b>
State Treasurer's Local Government Investment Pool	\$ 6,621,070	\$ -
Commercial Paper	-	4,994,972
Total Investments	<u>\$ 6,621,070</u>	<u>\$ 4,994,972</u>

**Concentration of Credit Risk**

State statute limits the percentage of the portfolio that can be invested in any one issuer, excluding the U.S. Government, U.S. Government Agencies, the Commonwealth of Virginia and its authorities, mutual funds and pooled investment funds. No more than 35% of total available funds may be invested in commercial paper. Furthermore, not more than 5% of the total funds available for investment may be invested in commercial paper of any one issuing corporation.

	<b><u>As of June 30, 2013</u></b>
Total Cash & Investments in the Custody of the Treasurer	\$ 36,269,350
Total Commercial Paper	\$ 4,994,972
Percentage of total of available funds invested in commercial paper <i>(Maximum allowable by the Code of Virginia §2.2-4502 is 35%)</i>	14%
	<b><u>As of June 30, 2013</u></b>
Total Cash & Investments in the Custody of the Treasurer	\$ 36,269,350
Total Commercial Paper issued by GE	\$ 4,994,972
Percentage of total of available funds invested in one corporation <i>(Maximum allowable by the Code of Virginia §2.2-4502 is 5%)</i>	14%

As of June 30, 2013 the Treasurer investment in GE commercial paper exceeded the maximum allowable under the Code of Virginia. The Treasurer has since diversified this investment and is no longer in violation of the Code of Virginia.

**Interest Rate Risk**

The County's investments as of June 30, 2013 are presented below along with their maturity. The County had no policy on interest rate risk at June 30.

	<b><u>Fair Value</u></b>	<b><u>Maturity less than 1 year</u></b>
<b>Primary Government &amp; School Board Component Unit:</b>		
State Treasurer's Local Government Investment Pool	\$ 6,621,070	\$ 6,621,070
Commercial Paper	4,994,972	4,994,972
Total	<u>\$ 11,616,042</u>	<u>\$ 11,616,042</u>

**Custodial Credit Risk**

As of June 30, 2013, 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, 2013 (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, 2013 are as follows:

**PRIMARY GOVERNMENT:**

Type:	Major Funds			Total
	General Fund	School Debt Fund	Non-Major Funds	
Taxes receivable	\$ 4,505,497	\$ 584,715	\$ 531,834	\$ 5,622,046
Special assessments receivable	1,467	-	-	1,467
Total Primary Government	<u>\$ 4,506,964</u>	<u>\$ 584,715</u>	<u>\$ 531,834</u>	<u>\$ 5,623,513</u>

**4. NOTES RECEIVABLE**

A. Primary Government:

The County was awarded a community improvement grant from the Virginia Department of Housing and Community Development for the purpose of creating twenty-three jobs for low and moderate-income persons. A portion of the grant proceeds, \$186,009, was used to provide a low-interest loan to one area business. The term of the loan is twenty years payable in monthly installments to the Authority at an annual percentage rate of three percent. The loan is secured by a first Deed of Trust. All payments due the County are current as of June 30, 2013. The repayment schedule is as follows:

Year Ending June 30,	Note Receivable		
	Principal	Interest	Total
2014	\$ 11,105	\$ 1,274	\$ 12,379
2015	11,443	936	12,379
2016	11,791	588	12,379
2017	12,150	229	12,379
2018	1,030	2	1,032
Total	<u>\$ 47,519</u>	<u>\$ 3,029</u>	<u>\$ 50,548</u>

# COUNTY OF ACCOMACK, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

At June 30, 2013 (Continued)

### 5. DUE FROM OTHER GOVERNMENT ENTITIES

Amounts due from other governments at June 30, 2013 consisted of the following:

#### A. Primary Government:

	Major Governmental Funds			Nonmajor Governmental Funds	Total Primary Governmental Activities	Major Fund Airport Enterprise Fund	Total Primary Government
	General Fund	Comprehensive Youth Services Fund	Virginia Public Assistance Fund				
Miscellaneous government entities:							
Eastern Shore Public Service Authority	\$ 104,700	\$ -	\$ -	\$ -	\$ 104,700	\$ -	\$ 104,700
County of Northampton, Virginia	-	-	-	10,683	10,683	-	10,683
Total due from miscellaneous governments	104,700	-	-	10,683	115,383	-	115,383
Commonwealth of Virginia:							
Local sales tax	717,115	-	-	-	717,115	-	717,115
Recordation tax	14,632	-	-	-	14,632	-	14,632
Constitutional officer shared expenses	281,751	-	-	-	281,751	-	281,751
Jail per diem for prisoner housing	43,616	-	-	-	43,616	-	43,616
Mobile home tax	11,577	-	-	-	11,577	-	11,577
Communications tax	166,343	-	-	-	166,343	-	166,343
Miscellaneous	4,468	-	-	-	4,468	-	4,468
Public assistance funds	-	-	83,243	-	83,243	-	83,243
Airport maintenance funds	-	-	-	-	-	914	914
Comprehensive services act reimbursements	-	254,975	-	-	254,975	-	254,975
Total due from the Commonwealth	1,239,502	254,975	83,243	-	1,577,720	914	1,578,634
Federal Government:							
Refuge revenue sharing	75,762	-	-	-	75,762	-	75,762
Joint Land Use Study (JLUS) grant reimbursement	38,677	-	-	-	38,677	-	38,677
Summer foods grant	32,261	-	-	-	32,261	-	32,261
Hurricane Sandy FEMA reimbursements	270,146	-	-	-	270,146	-	270,146
Hazardous materials equipment grant	31,997	-	-	-	31,997	-	31,997
Public assistance funds	-	-	135,432	-	135,432	-	135,432
Total due from the Federal Government	448,843	-	135,432	-	584,275	-	584,275
Total due from other government entities	\$ 1,793,045	\$ 254,975	\$ 218,675	\$ 10,683	\$ 2,277,378	\$ 914	\$ 2,278,292

#### School Board Component Unit:

Commonwealth of Virginia:	
State sales tax contribution	\$ 373,993
SOL web base	284,442
Miscellaneous	13,552
Total due from Commonwealth	671,987
Federal Government:	
Title I	1,428,268
Title II	115,231
Title VI-B Special Education	1,224,532
United Healthcare	21,154
Food services	139,238
Miscellaneous	25,489
Total due from Federal Government	2,953,912
Total due from other governmental entities	\$ 3,625,899

### 6. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2013 are as follows:

	Interfund	
	Receivables	Payables
<b>PRIMARY GOVERNMENT:</b>		
<b>Governmental Funds:</b>		
General Fund	\$ 273,651	\$ -
Comprehensive Youth Services Fund	-	29,121
Virginia Public Assistance Fund	-	198,756
Total Governmental Funds	273,651	227,877
Non-major proprietary funds		45,774
Total Primary Government	\$ 273,651	\$ 273,651

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, 2013 (Continued)

**7. CAPITAL ASSETS**

**A. Primary Government:**

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,364,968	\$ 124,331	\$ -	\$ 1,489,299
Construction in progress	50,603	513,258	(28,735)	535,126
Total capital assets not being depreciated	1,415,571	637,589	(28,735)	2,024,425
Other capital assets:				
Buildings	10,003,850	15,436	-	10,019,286
School buildings	33,711,009	-	(2,543,691)	31,167,318
Improvements other than buildings	6,395,001	416,453	(63,481)	6,747,973
Machinery and equipment	5,108,368	815,736	(109,273)	5,814,831
Intangibles	1,138,096	-	-	1,138,096
Total other capital assets	56,356,324	1,247,625	(2,716,445)	54,887,504
Less accumulated depreciation:				
Buildings	(3,298,494)	(271,063)	-	(3,569,557)
School buildings	(5,338,975)	(643,323)	755,483	(5,226,815)
Improvements other than buildings	(2,203,325)	(392,970)	63,481	(2,532,814)
Machinery and equipment	(3,564,040)	(444,795)	107,402	(3,901,433)
Intangibles	(943,590)	(71,629)	-	(1,015,219)
Total accumulated depreciation	(15,348,424)	(1,823,780)	926,366	(16,245,838)
Total governmental activities, net	42,423,471	61,434	(1,818,814)	40,666,091
Business-type activities:				
Capital assets not being depreciated:				
Land	205,767	190,400	-	396,167
Construction in progress	294,608	1,222,222	(41,665)	1,475,165
Total capital assets not being depreciated	500,375	1,412,622	(41,665)	1,871,332
Other capital assets:				
Buildings	960,551	1,133,667	-	2,094,218
Improvements other than buildings	5,555,217	5,458,463	-	11,013,680
Motor vehicles and equipment	4,390,665	658,910	(491,158)	4,558,417
Intangibles	29,710	-	-	29,710
Total other capital assets	10,936,143	7,251,040	(491,158)	17,696,025
Less accumulated depreciation:				
Buildings	(305,117)	(777,592)	-	(1,082,709)
Improvements other than buildings	(4,059,846)	(3,526,391)	-	(7,586,237)
Motor vehicles and equipment	(3,338,633)	(567,743)	243,532	(3,662,844)
Intangibles	(29,710)	-	-	(29,710)
Total accumulated depreciation	(7,733,306)	(4,871,726)	243,532	(12,361,500)
Total business-type activities, net	3,703,212	3,791,936	(289,291)	7,205,857
Total primary government, net	\$ 46,126,683	\$ 3,853,370	\$ (2,108,105)	\$ 47,871,948

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

At June 30, 2013 (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	\$ 117,120	\$ -	\$ 117,120
Judicial administration	93,705	-	93,705
Public safety	306,398	-	306,398
Public works	332,617	-	332,617
Health and welfare	146,827	-	146,827
Education	651,914	-	651,914
Parks, recreation and cultural	137,728	-	137,728
Community development	37,471	-	37,471
Landfill	-	510,013	510,013
Airport	-	146,677	146,677
Water and sewer	-	19,129	19,129
Parks and recreation revolving	-	3,568	3,568
Total	\$ 1,823,780	\$ 679,387	\$ 2,503,167

**B. School Board Component Unit:**

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 974,862	\$ -	\$ -	\$ 974,862
Total capital assets not being depreciated	974,862	-	-	974,862
Other capital assets:				
Buildings	52,408,143	2,554,831	-	54,962,974
Improvements other than buildings	3,391,249	12,300	-	3,403,549
Motor vehicles and equipment	10,396,965	403,588	-	10,800,553
Total other capital assets	66,196,357	2,970,719	-	69,167,076
Less accumulated depreciation:				
Buildings	(23,360,782)	(2,173,902)	-	(25,534,684)
Improvements other than buildings	(2,139,934)	(111,917)	-	(2,251,851)
Motor vehicles and equipment	(7,632,558)	(597,790)	-	(8,230,348)
Total accumulated depreciation	(33,133,274)	(2,883,609)	-	(36,016,883)
Total school board component unit	\$ 34,037,945	\$ 87,110	\$ -	\$ 34,125,055

Total depreciation expense charged to the School Board component unit was \$2,128,128.

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, 2013, is that debt and related assets in the amount of \$31,167,318 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, 2013 (Continued)

**7. CAPITAL ASSETS - continued**

**C. Airport Commission Component Unit:**

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 190,400	\$ -	\$ (190,400)	\$ -
Construction in progress	232,356	-	(232,356)	-
Total capital assets not being depreciated	422,756	-	(422,756)	-
Other capital assets:				
Buildings	961,207	-	(961,207)	-
Improvements other than buildings	5,151,754	-	(5,151,754)	-
Motor vehicles and equipment	334,647	-	(334,647)	-
Total other capital assets	6,447,608	-	(6,447,608)	-
Less accumulated depreciation:				
Buildings	(704,640)	(24,054)	728,694	-
Improvements other than buildings	(2,994,518)	(125,268)	3,119,786	-
Motor vehicles and equipment	(323,877)	(1,152)	325,029	-
Total accumulated depreciation	(4,023,035)	(150,474)	4,173,509	-
Total airport commission component unit	\$ 2,847,329	\$ (150,474)	\$ (2,696,855)	\$ -

Total depreciation expense charged to the airport component unit was \$150,474. This represents depreciation from July 1, 2012 to December 31, 2012. The Commission was dissolved effective December 31, 2012 with all Commission assets transferred to the Primary Government as of this date.

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

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 317,726	\$ -	\$ -	\$ 317,726
Other capital assets:				
Improvements other than buildings	1,406,601	-	-	1,406,601
Total other capital assets	1,406,601	-	-	1,406,601
Less accumulated depreciation:				
Improvements other than buildings	(1,406,601)	-	-	(1,406,601)
Total accumulated depreciation	(1,406,601)	-	-	(1,406,601)
Total economic development authority component unit	\$ 317,726	\$ -	\$ -	\$ 317,726

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

**8. UNEARNED REVENUE**

The amounts reported as unearned revenue as of June 30, 2013 for the Primary Government and School Board Component Unit in the amounts of \$279,735 and \$382,497 respectfully, represent advance grant funding received.

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

At June 30, 2013 (Continued)

**9. COMPENSATED ABSENCES**

Accrued compensated absences are as follows at June 30, 2013:

Compensated Leave	Primary Government		School Board Component Unit
	Governmental Activities	Business-type Activities	
Annual	\$ 925,800	\$ 42,523	\$ 618,391
Sick	334,537	27,474	1,173,840
Compensatory	493,658	3,003	-
Total	<u>\$ 1,753,995</u>	<u>\$ 73,000</u>	<u>\$ 1,792,231</u>

**10. LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2013:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amount due within 1 year
<b>Primary Government:</b>					
<b>Governmental Activities:</b>					
Compensated absences	\$ 1,572,302	\$ 1,385,250	\$ 1,203,557	\$ 1,753,995	\$ 1,561,056
Net other postemployment benefit obligation	1,819,000	614,000	68,000	2,365,000	-
Literary fund loans	3,373,947	-	460,509	2,913,438	460,509
Virginia Public School Authority bonds	29,785,239	-	1,997,989	27,787,250	2,069,003
Lease revenue bonds	5,748,000	-	576,000	5,172,000	601,000
Qualified zone academy bonds	551,816	-	85,191	466,625	88,065
Deferred premiums and discounts, net	897,596	-	70,107	827,489	-
Total governmental activities long-term obligations	<u>43,747,900</u>	<u>1,999,250</u>	<u>4,461,353</u>	<u>41,285,797</u>	<u>4,779,633</u>
<b>Business-type Activities:</b>					
Compensated absences	54,623	78,529	60,152	73,000	64,970
Landfill closure/postclosure	8,322,459	299,311	831,657	7,790,113	2,675,106
General obligation bonds	<u>2,203,000</u>	<u>-</u>	<u>298,000</u>	<u>1,905,000</u>	<u>303,000</u>
Total business-type entities long-term obligations	<u>10,580,082</u>	<u>377,840</u>	<u>1,189,809</u>	<u>9,768,113</u>	<u>3,043,076</u>
Total primary government long-term obligations	<u>\$ 54,327,982</u>	<u>\$ 2,377,090</u>	<u>\$ 5,651,162</u>	<u>\$ 51,053,910</u>	<u>\$ 7,822,709</u>
<b>School Board Component Unit:</b>					
Compensated absences	\$ 1,901,039	1,583,117	\$ 1,691,925	\$ 1,792,231	\$ 1,595,086
Net other postemployment benefit obligation	<u>524,000</u>	<u>230,000</u>	<u>111,000</u>	<u>643,000</u>	<u>-</u>
Total School Board long-term obligations	<u>\$ 2,425,039</u>	<u>\$ 1,813,117</u>	<u>\$ 1,802,925</u>	<u>\$ 2,435,231</u>	<u>\$ 1,595,086</u>

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

**A. Primary Government:**

Year Ending June 30,	Governmental Activities						Business-type Activities		
	VPSA Bonds		Qualified Zone		Lease Revenue Bonds		General Obligation Bonds		
	& Literary Fund Loans		Academy Bonds						
	Principal	Interest	Principal	Interest	Principal	Interest	Total		
2014	2,529,512	1,423,577	88,065	17,754	601,000	171,238	303,000	32,264	5,166,410
2015	2,612,690	1,302,337	91,041	14,778	620,000	148,016	309,000	26,634	5,124,496
2016	2,697,942	1,175,542	94,124	11,695	645,000	123,950	314,000	20,903	5,083,156
2017	2,789,326	1,043,497	97,320	8,499	671,000	98,849	320,000	15,070	5,043,561
2018	2,886,903	907,096	17,194	5,188	168,000	80,632	326,000	9,127	4,400,140
2019-2023	7,858,320	3,207,679	78,881	9,791	922,000	322,678	333,000	3,064	12,735,413
2024-2028	7,695,996	1,265,856	-	-	1,070,000	172,922	-	-	10,204,774
2029-2033	1,629,999	57,241	-	-	475,000	21,910	-	-	2,184,150
Total	\$ 30,700,688	\$ 10,382,825	\$ 466,625	\$ 67,705	\$ 5,172,000	\$ 1,140,195	\$ 1,905,000	\$ 107,062	\$ 49,942,100

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, 2013 (Continued)

**10. LONG-TERM OBLIGATIONS - continued**

**B. Details of long-term indebtedness as of June 30, 2013:**

Financing Type	Purpose	Amount Issued	Interest Rates	Date Issued	Final Maturity Date	Amount Outstanding
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
Literary Fund loan	School construction	\$ 2,935,486	3.00%	12/1/1998	12/1/2018	\$ 835,486
Literary Fund loan	School construction	956,225	3.00%	4/1/1999	4/1/2019	286,872
Literary Fund loan	School construction	956,226	3.00%	4/1/1999	4/1/2019	286,871
Literary Fund loan	School construction	4,297,743	3.00%	4/1/2000	4/1/2020	1,504,209
Virginia Public School Authority bond	School construction	8,422,232	5.15% <sup>1</sup>	11/20/1997	7/15/2017	2,372,983
Virginia Public School Authority bond	School construction	8,305,000	5.17% <sup>1</sup>	11/20/1997	7/15/2017	2,955,000
Virginia Public School Authority bond	School construction	6,270,000	4.47% <sup>1</sup>	5/15/2003	7/15/2028	4,840,000
Virginia Public School Authority bond	School construction	12,170,000	4.69% <sup>1</sup>	11/6/2003	7/15/2028	9,415,000
Virginia Public School Authority bond	School construction	1,935,000	4.46% <sup>1</sup>	11/10/2005	7/15/2030	1,615,000
Virginia Public School Authority bond	School construction	9,370,000	4.28% <sup>1</sup>	11/10/2005	7/15/2025	6,589,267
Qualified zone academy bond	School construction	1,433,003	3.00% <sup>2</sup>	12/31/2002	12/31/2016	310,144
Qualified zone academy bond	School construction	439,100	5.40% <sup>2</sup>	12/30/2004	12/30/2020	156,481
Lease revenue refunding bond	Office construction	4,263,000	3.06% <sup>1</sup>	12/21/2011	3/1/2030	3,957,000
Lease revenue bond	Waste collection centers	2,665,000	3.82% <sup>1</sup>	11/29/2006	10/1/2016	1,215,000
Total governmental activities:						<u>36,339,313</u>
<b>Business-type Activities:</b>						
General obligation refunding bond	Landfill improvements	2,203,000	1.84% <sup>1</sup>	12/8/2011	12/15/2018	1,905,000
Total primary government						<u>\$ 38,244,313</u>

<sup>1</sup> True interest cost

<sup>2</sup> Imputed interest rate

**11. LANDFILL CLOSURE AND POSTCLOSURE CARE COST**

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

The \$7,790,113 reported as landfill closure and postclosure care liability at June 30, 2013, represents the cumulative amount reported to date based on the use of 58% and 100% of the estimated capacity of the North Landfill Cell Two and the South Landfill, respectively. The South Landfill stopped accepting waste in Fiscal Year 2013. Closure activities for this landfill have been initiated. The County will recognize the remaining estimated North Landfill cost of closure and postclosure care of \$1,509,378 as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The North Landfill Cell Two has sufficient capacity to continue accepting waste until fiscal year 2018. The County expects to fund landfill closure and postclosure care costs from operating revenues.

Change in South Landfill Closure Estimate: A change in the estimated closure cost of the South Landfill during the fiscal year resulted in the reduction in accrued landfill closure costs of \$723,937 and a corresponding increase in net position. The effect of this change is recognized as a reduction in expenses in the current period.

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

At June 30, 2013 (Continued)

**12. DEFERRED INFLOWS OF RESOURCES**

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

	Primary Government			Total
	General Fund	County Debt Service Fund	Nonmajor Special Revenue Funds	
Unavailable Revenue:				
Uncollected taxes	\$ 3,687,481	\$ 641,901	\$ 565,665	\$ 4,895,047
Uncollected charges for services	-	-	-	-
Note receivable not yet due	-	-	47,519	47,519
Special assessments not yet due	30,959	-	-	30,959
Total unavailable revenue	<u>\$ 3,718,440</u>	<u>\$ 641,901</u>	<u>\$ 613,184</u>	<u>\$ 4,973,525</u>
Deferred Revenue:				
Unbilled property taxes	\$ 8,025,888	\$ 1,397,111	\$ 1,231,184	\$ 10,654,183
Prepaid taxes	1,890,580	300,439	280,697	2,471,716
Total deferred revenue	<u>\$ 9,916,468</u>	<u>\$ 1,697,550</u>	<u>\$ 1,511,881</u>	<u>\$ 13,125,899</u>

**13. INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2013 were made up of the following:

	Transfers In	Transfers Out
<b>Primary Government:</b>		
Governmental funds:		
General fund	\$ -	\$ 2,485,797
Virginia Public Assistance Fund	671,993	
Comprehensive Youth Services Fund	205,958	
County capital projects fund	473,711	
Non-major governmental funds		
Total governmental funds	<u>1,351,662</u>	<u>2,485,797</u>
Enterprise funds:		
Landfill fund	734,135	-
Non-major enterprise funds	400,000	-
Total enterprise funds	<u>1,134,135</u>	<u>-</u>
Total Primary Government	<u>\$ 2,485,797</u>	<u>\$ 2,485,797</u>

The purpose of the interfund transfers is as follows:

Purpose	Amount
Finance pay-as-you-go capital projects	\$ 1,607,846
Satisfy grant local match requirements	205,958
Supplement operations of the Virginia Public Assistance Fund (major fund)	671,993
Total interfund transfers	<u>\$ 2,485,797</u>

The Primary Government also transferred \$15,994,506 to the School Board Component Unit, \$335,907 to the Eastern Shore Library Component Unit, \$93,972 to the Planning District Component Unit, \$159,697 to the Airport Component Unit and \$56,387 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, 2013 (Continued)

### 14. CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The primary government and its component units are defendants in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the reporting entity.

### 15. RISK MANAGEMENT

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

### 16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

#### A. Primary Government:

For the year ended June 30, 2013, the following expenditures exceeded appropriations:

#### Major Funds:

##### General Fund:

Hurricane Irene	\$ 187,512
Medical Examiner	500
Translator Television	555
Parks and Recreation	27,594
Total General Fund	<u>\$ 216,161</u>

#### Nonmajor Funds:

Greenbackville/Captains Cove Mosquito Control	\$ 6,060
Rehabilitation Projects Fund	16,226
Total nonmajor funds	<u>\$ 22,286</u>

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

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

At June 30, 2013 (Continued)

**17. SURETY BONDS**

The following elected officials and County employees were covered by surety bonds at June 30, 2013:

Commonwealth of Virginia Division of Risk Management (Commonwealth funded):	
Dana T. Bundick, Treasurer <sup>(1)</sup>	\$ 500,000
Todd Godwin, Sheriff <sup>(1)</sup>	30,000
Leslie A. Savage, Commissioner of the Revenue <sup>(1)</sup>	3,000
Samuel H. Cooper, Clerk of the Court <sup>(1)</sup>	350,000
Virginia Association of Counties Self Insurance-Risk Pool:	
All County employees - Blanket bond coverage	250,000
All School employees - Blanket bond coverage	1,000,000
All Social Services employees - Blanket bond coverage	100,000
Mary E. Parker, Director of Social Services	5,000

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

**18. 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 supplemental health insurance benefits for employees who retire from service with the County. Employees who are full-time and limited-term employees who are retiring at age 65 or older, who are enrolled in Medicare parts A and B, and who have at least 15 years of service with the County are eligible. Also, a portion of this policy applies to all full-time and limited employees who retire with at least 15 years of service before age 65. The County's Post-Retirement Medical Plan does not issue a separate, audited GAAP-basis report.

B. Funding Policy:

The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again this is determined annually as part of the budgetary process. For participating retirees who retire at age 65 with 15 years of service with the County, the County pays 50% of the monthly premium and the retiree is responsible for the remainder. For participating retirees who are younger than age 65, with at least 15 years of service with the county or those with less than 15 years of service with the County who have retired due to line-of-duty injuries, may choose to continue their health insurance coverage with the county at their own expense until they reach 65 years of age. Retirees pay 100% of spousal premiums. Surviving spouses cannot access the plan.

C. Annual OPEB Cost and Net OPEB Obligation

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

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

At June 30, 2013 (Continued)

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

County-continued:

**C. Annual OPEB Cost and Net OPEB Obligation-continued**

Annual required contribution	\$ 617,000
Interest on net OPEB obligation	73,000
Adjustment to annual required contribution	<u>(76,000)</u>
Annual OPEB cost (expense)	614,000
Contribution made	<u>68,000</u>
Interest in net OPEB obligation	546,000
Net OPEB Obligation-beginning of year	1,819,000
Net OPEB Obligation-end of year	<u><u>\$ 2,365,000</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 are as follows:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2011	\$ 562,000	15%	\$ 1,349,000
June 30, 2012	593,000	21%	1,819,000
June 30, 2013	614,000	21%	2,365,000

**D. Funded Status and Funding Progress**

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

Actuarial accrued liability (AAL)	\$ 6,195,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	6,195,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	10,077,000
UAAL as a percentage of covered payroll	61.50%

**E. Actuarial Methods and Assumptions**

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

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2013 (Continued)

#### 18. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE-continued

##### County-continued:

##### E. Actuarial Methods and Assumptions- continued

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

##### Cost Method

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

##### Interest Assumptions

In the July 1, 2012, actuarial valuation, the date of the most recent actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50%, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012, was 30 years.

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

##### School Board:

##### A. Plan Description:

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

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

At June 30, 2013 (Continued)

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

School Board-continued:

**B. Funding Policy:**

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

**C. Annual OPEB Cost and Net OPEB Obligation:**

The School Board's annual other post employment benefit (OPEB) cost (expense) is calculated base 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	\$ 240,000
Interest on net OPEB obligation	21,000
Adjustment to annual required contribution	<u>(31,000)</u>
Annual OPEB cost (expense)	230,000
Contribution made	<u>111,000</u>
Interest in net OPEB obligation	119,000
Net OPEB Obligation-beginning of year	<u>524,000</u>
Net OPEB Obligation-end of year	<u><u>\$ 643,000</u></u>

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years are as follows:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual OPEB Cost Contributed	Net Pension Obligation
June 30, 2011	\$ 279,000	58.78%	\$ 418,000
June 30, 2012	288,000	63.20%	524,000
June 30, 2013	230,000	48.30%	643,000

**D. Funded Status and Funding Progress**

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

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

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

At June 30, 2013 (Continued)

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

School Board-continued

E. Actuarial Methods and Assumptions

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

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

Cost Method

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

Interest Assumptions

In the July 1, 2012, actuarial valuation, the date of the most recent actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an inflation rate of 2.50%, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5.50 percent after eighty years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2012, was 20 years.

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

## COUNTY OF ACCOMACK, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS

At June 30, 2013 (Continued)

#### **19. OTHER POSTEMPLOYMENT BENEFITS-VRS Health Insurance Credit**

##### **A. Plan Description**

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as discussed in Note 20.

##### **B. Funding Policy**

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2013, 2012, and 2011 were \$264,070, \$144,954, and \$141,517, respectively, and equaled the required contributions for each year.

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

At June 30, 2013 (Continued)

**20. DEFINED BENEFIT PENSION PLAN**

A. Plan Description

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

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

VRS administers two defined benefit plans for local government employees – Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who were vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least five years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

# COUNTY OF ACCOMACK, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS

At June 30, 2013 (Continued)

### 20. DEFINED BENEFIT PENSION PLAN-continued

#### A. Plan Description-continued

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The system issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2012-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. This 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School Board's non-professional employee contribution rates for the fiscal year ended 2013 were 8.47% and 8.91% of annual covered payroll, respectively.

The School Board's contributions for professional employees were \$2,773,922, \$1,529,268 and \$926,938, to the teacher cost-sharing pool for the fiscal years ended June 30, 2013, 2012 and 2011, respectively and these contributions represented 11.66%, 6.33% and 3.93%, respectively, of current covered payroll.

#### C. Annual Pension Cost

For fiscal year 2013, the County's annual pension cost of \$865,776 was equal to the County's required and actual contributions.

For fiscal year 2013, the County School Board's annual pension cost for the Board's non-professional employees was \$260,650 which was equal to the Board's required and actual contributions.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) <sup>1</sup></u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2013	\$ 865,776	100.00%	\$ -
June 30, 2012	415,570	100.00%	-
June 30, 2011	422,892	100.00%	-
School Board Non-Professional:			
June 30, 2013	\$ 260,650	100.00%	\$ -
June 30, 2012	226,208	100.00%	-
June 30, 2011	221,848	100.00%	-

<sup>1</sup> Employer and employee portion

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

At June 30, 2013 (Continued)

**20. DEFINED BENEFIT PENSION PLAN-continued**

**C. Annual Pension Cost-continued**

The FY2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

**D. Funded Status and Funding Progress**

As of June 30, 2012, the most recent actuarial valuation date, the County's plan was 85.38% funded. The actuarial accrued liability for benefits was \$46,299,763, and the actuarial value of assets was \$39,529,852, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,769,911. The covered payroll (annual payroll of active employees covered by the plan) was \$9,755,198 and ratio of the UAAL to the covered payroll was 69.40%.

As of June 30, 2012 the most recent actuarial valuation date, the School Board's plan was 82.34% funded. The actuarial accrued liability for benefits was \$10,744,862, and the actuarial value of assets was \$8,847,409, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,897,453. The covered payroll (annual payroll of active employees covered by the plan) was \$3,036,534, and ratio of UAAL to the covered payroll was 62.49%.

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

**21. RESTATEMENT OF NET POSITION**

Net position was restated due to the implementation of Statement No. 65 of the Governmental Accounting Standards Board (GASB) as follows:

	Governmental Activities	Business-Type Activities	Total Primary Government
Net Position, beginning of year, as previously reported	\$ 20,322,412	\$ (154,080)	\$ 20,168,332
Unamortized debt issuance costs	(143,983)	(48,841)	(192,824)
Net position, beginning of year, as restated	\$ 20,178,429	\$ (202,921)	\$ 19,975,508

**22. SUBSEQUENT EVENTS**

Subsequent to June 30, 2013, the County issued bonds in the amount of \$3,765,000, dated August 14, 2013 to finance the development of the Wallops Research Park including the removal of deed restrictions imposed by the Federal Government on portions of the Park property slated for development. The bonds have a term of 20 years and a true interest cost of 4.1%.

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

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

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



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COUNTY OF ACCOMACK, VIRGINIA

SCHEDULE OF FUNDING PROGRESS FOR DEFINED BENEFIT PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS  
LAST THREE YEARS

Exhibit 11

Virginia Retirement System

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

A. Primary Government:

June 30, 2012	\$ 39,529,852	\$ 46,299,763	\$ 6,769,911	85.4%	\$ 9,755,198	69.4%
June 30, 2011	39,930,864	44,626,951	4,696,087	89.5%	9,722,466	48.3%
June 30, 2010	39,373,436	43,480,937	4,107,501	90.6%	10,260,220	40.0%

B. Discretely Presented Component Unit-School Board:

June 30, 2012	\$ 8,847,409	\$ 10,744,862	\$ 1,897,453	82.3%	\$ 3,036,534	62.5%
June 30, 2011	8,797,861	10,117,629	1,319,768	87.0%	2,769,877	47.6%
June 30, 2010	8,591,028	9,664,841	1,073,813	88.9%	3,224,289	33.3%

Other Post Employment Benefits

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

A. Primary Government:

June 30, 2013	\$ -	\$ 6,195,000	\$ 6,195,000	0.0%	\$ 10,077,000	61.5%
June 30, 2012	-	5,280,000	5,280,000	0.0%	9,863,000	53.5%
June 30, 2011	-	5,280,000	5,280,000	0.0%	9,863,000	53.5%

B. Discretely Presented Component Unit-School Board

June 30, 2013	\$ -	\$ 1,997,000	\$ 1,997,000	0.0%	\$ 26,292,000	7.6%
June 30, 2012	-	2,329,000	2,329,000	0.0%	25,252,000	9.2%
June 30, 2011	-	2,329,000	2,329,000	0.0%	25,252,000	9.2%

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit 12**  
**Page 1 of 3**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 20,858,678	\$ 20,858,678	\$ 21,208,931	\$ 350,253
Other local taxes	6,773,538	6,775,291	7,276,542	501,251
Permits, fees and licenses	312,194	312,194	345,459	33,265
Fines and forfeitures	75,000	75,000	71,617	(3,383)
Revenue from the use of money and property	342,147	342,147	361,308	19,161
Charges for services	341,488	341,488	410,393	68,905
Miscellaneous	-	43,625	132,908	89,283
Recovered costs	76,552	356,359	382,383	26,024
Intergovernmental	6,461,212	7,639,135	7,315,387	(323,748)
Total revenues	35,240,809	36,743,917	37,504,928	761,011
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	147,176	147,176	109,162	38,014
General and financial administration:				
County administrator	498,533	545,832	506,497	39,335
Legal services	225,880	229,421	227,406	2,015
Commissioner of the revenue	281,448	289,614	286,181	3,433
County assessor	695,902	704,162	537,004	167,158
Treasurer	551,272	567,934	488,711	79,223
Central accounting	418,079	450,012	330,091	119,921
Information technology	524,206	596,613	552,341	44,272
Risk management	212,742	212,742	209,871	2,871
Total general and financial administration	3,408,062	3,596,330	3,138,102	458,228
Board of elections:				
Electoral board	48,628	53,628	44,656	8,972
Registrar	137,049	139,137	126,737	12,400
Total board of elections	185,677	192,765	171,393	21,372
Total general government administration	3,740,915	3,936,271	3,418,657	517,614
Judicial administration:				
Courts:				
Circuit court	94,352	95,117	78,987	16,130
General district court	9,971	9,971	9,842	129
Chief magistrate	16,938	16,938	15,100	1,838
Juvenile and domestic relations court	13,650	13,650	8,835	4,815
Clerk of the circuit court	438,904	466,007	436,905	29,102
Sheriff court services	373,265	377,828	355,890	21,938
Commissioner of accounts	214	214	-	214
Victim and witness assistance	57,695	58,460	57,040	1,420
Total courts	1,004,989	1,038,185	962,599	75,586
Commonwealth's attorney	393,010	399,381	391,640	7,741
Total judicial administration	1,397,999	1,437,566	1,354,239	83,327
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	1,904,060	2,520,005	2,510,810	9,195
Fire and rescue services:				
Volunteer fire and rescue	271,860	356,069	350,562	5,507
Emergency medical services	191,908	208,497	204,899	3,598
Payments to 911 commission	498,456	498,456	483,977	14,479
Total fire and rescue services	962,224	1,063,022	1,039,438	23,584

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

**Exhibit 12**  
**Page 2 of 3**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Public safety: (continued)				
Correction and detention:				
Jail	\$ 2,285,958	\$ 1,853,502	\$ 1,742,294	\$ 111,208
Juvenile probation	123,037	123,869	80,103	43,766
Community correction	-	90,253	89,953	300
Total correction and detention	2,408,995	2,067,624	1,912,350	155,274
Other protection:				
Building and zoning	492,085	497,903	398,063	99,840
Ordinance enforcement	86,078	86,844	68,980	17,864
Animal control	127,497	133,984	133,841	143
Regional animal control facility	102,301	103,137	90,196	12,941
S.P.C.A. supplement	921	3,896	3,896	-
Emergency management	80,337	198,136	183,133	15,003
Hurricane Irene	-	-	187,512	(187,512)
Hurricane Sandy	-	728,241	686,285	41,956
Medical examiner	-	-	500	(500)
Cleanup/disposal of hazardous materials	13,000	13,000	5,040	7,960
Total other protection	902,219	1,765,141	1,757,446	7,695
Total public safety	6,177,498	7,415,792	7,220,044	195,748
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Storm drainage	170,420	295,418	93,916	201,502
Sanitation and waste removal:				
General operations	208,965	210,532	205,035	5,497
Refuse disposal	1,000,000	1,006,200	1,002,549	3,651
Refuse collection	595,609	726,514	694,476	32,038
Maintenance garage	211,511	268,556	261,039	7,517
Litter control	193,229	219,294	214,996	4,298
Total sanitation and waste removal	2,209,314	2,431,096	2,378,095	53,001
Maintenance of buildings and grounds:				
Buildings and grounds	929,736	1,078,472	1,016,714	61,758
Total public works	3,309,470	3,804,986	3,488,725	316,261
Health and welfare:				
Health:				
Local health department supplement	477,319	477,319	469,266	8,053
Rural health dental program supplement	4,971	4,971	4,971	-
Total health	482,290	482,290	474,237	8,053
Mental health and mental retardation:				
Community services board supplement	134,995	134,995	134,995	-
Welfare:				
Property tax relief for the elderly	134,525	134,525	127,955	6,570
Area agency on aging supplement	18,430	18,430	18,430	-
Total welfare	152,955	152,955	146,385	6,570
Total health and welfare	770,240	770,240	755,617	14,623
Education:				
Contribution to School Board component unit	15,994,506	15,994,506	15,994,506	-
Community College supplement	41,028	41,028	41,028	-
Total education	16,035,534	16,035,534	16,035,534	-

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

**Exhibit 12**  
**Page 3 of 3**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 254,083	\$ 257,584	\$ 285,178	\$ (27,594)
Summer food program	-	135,000	144,231	(9,231)
Boating facilities	44,692	44,914	23,315	21,599
Total parks and recreation	298,775	437,498	452,724	(15,226)
Cultural enrichment:				
Translator television	74,457	46,752	47,306	(554)
Contribution to Public Library component unit	335,907	335,907	335,907	-
Total cultural enrichment	410,364	382,659	383,213	(554)
Total parks, recreation and cultural	709,139	820,157	835,937	(15,780)
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	65,036	65,036	65,036	-
Housing/Redevelopment Corp. supplement	9,215	9,215	9,215	-
Planning	527,365	745,617	553,685	191,932
Tourism Commission supplement	86,853	88,606	88,606	-
Chamber of Commerce supplement	18,000	18,000	18,000	-
Star Transit public transportation supplement	90,524	90,524	87,184	3,340
Transportation District Commission supplement	19,307	19,307	18,665	642
Contribution to Airport Commission component unit	156,857	159,697	159,697	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	977,764	1,200,609	1,004,695	195,914
Environmental management:				
Johnsongrass/gypsy moth control program	11,593	11,845	11,226	619
Soil and Water Conservation District supplement	21,154	21,154	21,154	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	10,183	10,183	10,183	-
Total environmental management	62,651	62,903	62,284	619
Cooperative extension program	90,453	93,491	85,874	7,617
Total community development	1,130,868	1,357,003	1,152,853	204,150
Nondepartmental:				
Contingency	442,657	191,148	-	191,148
Debt service	873,061	873,061	772,335	100,726
Total expenditures	34,587,381	36,641,758	35,033,941	1,607,817
Revenues over (under) expenditures	653,428	102,159	2,470,987	2,368,828
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(3,576,671)	(4,989,673)	(2,485,797)	2,503,876
Total other financing sources (uses)	(3,576,671)	(4,989,673)	(2,485,797)	2,503,876
Net changes in fund balance	(2,923,243)	(4,887,514)	(14,810)	4,872,704
Fund balance, beginning of year	13,944,687	13,944,687	13,944,687	-
Fund balance, end of year	\$ 11,021,444	\$ 9,057,173	\$ 13,929,877	\$ 4,872,704

**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, 2013**

**Exhibit 13**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,401,207	\$ 3,004,750	\$ 2,790,255	\$ (214,495)
Total revenues	3,401,207	3,004,750	2,790,255	(214,495)
Expenditures:				
Health and welfare				
Welfare administrator	3,308,385	2,974,356	2,938,251	36,105
Public assistance	555,419	531,459	386,841	144,618
Fuel administrator	38,381	38,381	40,399	(2,018)
Local only administrator	41,701	58,683	84,094	(25,411)
CDC quality initiative program	10,558	10,558	10,773	(215)
Eligibility pass-through	18,257	18,257	-	18,257
Guardian fees administrator	-	1,270	1,890	(620)
Service pass-through	118,666	118,666	-	118,666
Total expenditures	4,091,367	3,751,630	3,462,248	289,382
Revenues over (under) expenditures	(690,160)	(746,880)	(671,993)	74,887
Other financing sources (uses)				
Transfers in	690,160	746,880	671,993	(74,887)
Total other financing sources (uses)	690,160	746,880	671,993	(74,887)
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, 2013

Exhibit 14

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 100,274	\$ 100,274	\$ 153,871	\$ 53,597
Intergovernmental	914,665	914,665	937,197	22,532
Total revenues	1,014,939	1,014,939	1,091,068	76,129
Expenditures:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families program	1,386,450	1,386,450	1,297,026	89,424
Total expenditures	1,386,450	1,386,450	1,297,026	89,424
Revenues over (under) expenditures	(371,511)	(371,511)	(205,958)	165,553
Other financing sources (uses):				
Transfers in	371,511	371,511	205,958	(165,553)
Total other financing sources (uses)	371,511	371,511	205,958	(165,553)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

## **Other Supplemental Information**



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# **Nonmajor Governmental Funds**

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

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

**COUNTY OF ACCOMACK, VIRGINIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AT JUNE 30, 2013**

	Special Revenue			
	Law Library Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund
<b>Assets:</b>				
Cash and investments	\$ 28,950	\$ 22,878	\$ 64,824	\$ 371,802
Receivables (net):				
Taxes, including penalties	-	-	-	-
Accounts / other	48	-	46	-
Notes receivable	-	-	-	-
Due from other governmental entities:				
Commonwealth of Virginia	-	-	-	10,683
Total assets	<u>28,998</u>	<u>22,878</u>	<u>64,870</u>	<u>382,485</u>
<b>Liabilities:</b>				
Accounts payable	1,074	770	-	182
Wages payable	-	-	3,621	-
Customer deposits	-	-	-	-
Unearned revenues	-	-	-	278,824
Total liabilities	<u>1,074</u>	<u>770</u>	<u>3,621</u>	<u>279,006</u>
<b>Deferred Inflows of Resources:</b>				
Deferred property tax revenue	-	-	-	-
Deferred note receivable collections	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Restricted for:				
Fire and Rescue	-	-	-	103,479
Mosquito Control	-	-	-	-
Judicial Administration	-	8,104	-	-
Courthouse Security	-	-	61,249	-
Law Library	27,924	-	-	-
Law Enforcement	-	14,004	-	-
Community Development	-	-	-	-
Total fund balances	<u>27,924</u>	<u>22,108</u>	<u>61,249</u>	<u>103,479</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,998</u>	<u>\$ 22,878</u>	<u>\$ 64,870</u>	<u>\$ 382,485</u>

Exhibit 15

Special Revenue				
Rehabilitation Projects Fund	Captains Cove Greenbackville Mosquito Control Fund	Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 173,494	\$ 27,397	\$ 761,276	\$ 846,550	\$ 2,297,171
-	31,352	1,088,565	773,555	1,893,472
1,025	-	-	-	1,119
47,519	-	-	-	47,519
-	-	-	-	10,683
222,038	58,749	1,849,841	1,620,105	4,249,964
4,125	17,643	34,135	387,115	445,044
-	-	3,845	-	7,466
10,000	-	-	-	10,000
-	-	-	-	278,824
14,125	17,643	37,980	387,115	741,334
-	24,431	841,047	646,403	1,511,881
47,519	-	-	-	47,519
-	9,238	324,669	231,758	565,665
47,519	33,669	1,165,716	878,161	2,125,065
-	-	646,145	354,829	1,104,453
-	7,437	-	-	7,437
-	-	-	-	8,104
-	-	-	-	61,249
-	-	-	-	27,924
-	-	-	-	14,004
160,394	-	-	-	160,394
160,394	7,437	646,145	354,829	1,383,565
\$ 222,038	\$ 58,749	\$ 1,849,841	\$ 1,620,105	\$ 4,249,964

**COUNTY OF ACCOMACK, VIRGINIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Special Revenue					Captains Cove Greenbackville Mosquito Control Fund
	Law Library Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund	
Revenues:						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,462
Other local taxes	7,416	-	69,124	-	-	-
Revenue from the use of money and property	-	-	-	476	33	-
Miscellaneous	-	-	-	50,260	12,379	-
Recovered costs	-	-	-	-	21,828	-
Intergovernmental	-	12,598	-	53,406	-	-
Total revenues	7,416	12,598	69,124	104,142	34,240	48,462
Expenditures:						
Judicial administration	3,111	-	92,655	-	-	-
Public safety	-	8,041	-	73,664	-	-
Health and welfare	-	-	-	-	-	56,387
Community development	-	-	-	-	16,226	-
Total expenditures	3,111	8,041	92,655	73,664	16,226	56,387
Revenues over (under) expenditures	4,305	4,557	(23,531)	30,478	18,014	(7,925)
Net change in fund balances	4,305	4,557	(23,531)	30,478	18,014	(7,925)
Fund balance, beginning of year	23,619	17,551	84,780	73,001	142,380	15,362
Fund balance, end of year	\$ 27,924	\$ 22,108	\$ 61,249	\$ 103,479	\$ 160,394	\$ 7,437

**Exhibit 16**Special  
Revenue

Consolidated Emergency Medical Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
\$ 2,008,033	\$ 1,461,343	\$ 3,517,838
-	-	76,540
-	-	509
-	-	62,639
-	-	21,828
74,244	41,188	181,436
2,082,277	1,502,531	3,860,790
-	-	95,766
2,166,288	1,516,428	3,764,421
-	-	56,387
-	-	16,226
2,166,288	1,516,428	3,932,800
(84,011)	(13,897)	(72,010)
(84,011)	(13,897)	(72,010)
730,156	368,726	1,455,575
\$ 646,145	\$ 354,829	\$ 1,383,565

**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, 2013**

	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	7,416	416
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues	7,000	7,000	7,416	416
Expenditures:				
Judicial administration	7,000	7,000	3,111	3,889
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	7,000	7,000	3,111	3,889
Revenues over (under) expenditures	-	-	4,305	4,305
Net changes in fund balance	-	-	4,305	4,305
Fund balance, beginning of year	23,619	23,619	23,619	-
Fund balance, end of year	\$ 23,619	\$ 23,619	\$ 27,924	\$ 4,305

Drug Seizures Fund				Courthouse Security Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	75,000	75,000	69,124	(5,876)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	12,598	12,598	-	-	-	-
-	-	12,598	12,598	75,000	75,000	69,124	(5,876)
-	-	-	-	-	153,572	92,655	60,917
2,000	2,000	8,041	(6,041)	67,000	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,000	2,000	8,041	(6,041)	67,000	153,572	92,655	60,917
(2,000)	(2,000)	4,557	6,557	8,000	(78,572)	(23,531)	55,041
(2,000)	(2,000)	4,557	6,557	8,000	(78,572)	(23,531)	55,041
17,551	17,551	17,551	-	84,780	84,780	84,780	-
\$ 15,551	\$ 15,551	\$ 22,108	\$ 6,557	\$ 92,780	\$ 6,208	\$ 61,249	\$ 55,041

**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, 2013 (continued)**

	Fire Programs Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	476	476
Miscellaneous	6,700	50,766	50,260	(506)
Recovered costs	-	-	-	-
Intergovernmental	-	500,000	53,406	(446,594)
Total revenues	6,700	550,766	104,142	(446,624)
Expenditures:				
Judicial administration	-	-	-	-
Public safety	41,790	596,070	73,664	522,406
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	41,790	596,070	73,664	522,406
Revenues over (under) expenditures	(35,090)	(45,304)	30,478	75,782
Net changes in fund balance	(35,090)	(45,304)	30,478	75,782
Fund balance, beginning of year	73,001	73,001	73,001	-
Fund balance, end of year	\$ 37,911	\$ 27,697	\$ 103,479	\$ 75,782

Rehabilitation Projects Fund				Captains Cove Greenbackville Mosquito Control Fund			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 49,327	\$ 49,327	\$ 48,462	\$ (865)
-	-	-	-	-	-	-	-
-	-	33	33	-	-	-	-
-	-	12,379	12,379	-	-	-	-
-	-	21,828	21,828	-	-	-	-
-	-	-	-	-	-	-	-
-	-	34,240	34,240	49,327	49,327	48,462	(865)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	50,327	50,327	56,387	(6,060)
-	-	16,226	(16,226)	-	-	-	-
-	-	16,226	(16,226)	50,327	50,327	56,387	(6,060)
-	-	18,014	18,014	(1,000)	(1,000)	(7,925)	(6,925)
-	-	18,014	18,014	(1,000)	(1,000)	(7,925)	(6,925)
142,380	142,380	142,380	-	15,362	15,362	15,362	-
\$ 142,380	\$ 142,380	\$ 160,394	\$ 18,014	\$ 14,362	\$ 14,362	\$ 7,437	\$ (6,925)

**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, 2013 (continued)**

	Consolidated EMS Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
General property taxes	\$ 1,935,141	\$ 1,935,141	\$ 2,008,033	\$ 72,892
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental	64,514	73,794	74,244	450
Total revenues	1,999,655	2,008,935	2,082,277	73,342
Expenditures:				
Judicial administration	-	-	-	-
Public safety	2,185,105	2,226,906	2,166,288	60,618
Health and welfare	-	-	-	-
Community development	-	-	-	-
Total expenditures	2,185,105	2,226,906	2,166,288	60,618
Revenues over (under) expenditures	(185,450)	(217,971)	(84,011)	133,960
Net changes in fund balance	(185,450)	(217,971)	(84,011)	133,960
Fund balance, beginning of year	730,156	730,156	730,156	-
Fund balance, end of year	\$ 544,706	\$ 512,185	\$ 646,145	\$ 133,960

Consolidated Fire & Rescue Fund				Total Nonmajor Governmental Funds			
Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 1,518,140	\$ 1,518,140	\$ 1,461,343	\$ (56,797)	\$ 3,502,608	\$ 3,502,608	\$ 3,517,838	\$ 15,230
-	-	-	-	82,000	82,000	76,540	(5,460)
-	-	-	-	-	-	509	509
-	-	-	-	6,700	50,766	62,639	11,873
-	-	-	-	-	-	21,828	21,828
41,860	41,860	41,188	(672)	106,374	615,654	181,436	(434,218)
1,560,000	1,560,000	1,502,531	(57,469)	3,697,682	4,251,028	3,860,790	(390,238)
-	-	-	-	7,000	160,572	95,766	(64,806)
1,560,000	1,560,000	1,516,428	43,572	3,855,895	4,384,976	3,764,421	(620,555)
-	-	-	-	50,327	50,327	56,387	6,060
-	-	-	-	-	-	16,226	16,226
1,560,000	1,560,000	1,516,428	43,572	3,913,222	4,595,875	3,932,800	(663,075)
-	-	(13,897)	(13,897)	(215,540)	(344,847)	(72,010)	(1,053,313)
-	-	(13,897)	(13,897)	(215,540)	(344,847)	(72,010)	(1,053,313)
368,726	368,726	368,726	-	1,455,575	1,455,575	1,455,575	-
\$ 368,726	\$ 368,726	\$ 354,829	\$ (13,897)	\$ 1,240,035	\$ 1,110,728	\$ 1,383,565	\$ (1,053,313)

**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, 2013**

**Exhibit 18**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 3,681,264	\$ 3,681,264	\$ 3,788,155	\$ 106,891
Intergovernmental	82,369	82,369	82,376	7
Total revenues	<u>3,763,633</u>	<u>3,763,633</u>	<u>3,870,531</u>	<u>106,898</u>
Expenditures:				
Debt Service:				
Principal	2,543,689	2,543,689	2,543,689	-
Interest and fiscal charges	1,562,804	1,562,804	1,562,299	505
Total expenditures	<u>4,106,493</u>	<u>4,106,493</u>	<u>4,105,988</u>	<u>505</u>
Revenues over (under) expenditures	<u>(342,860)</u>	<u>(342,860)</u>	<u>(235,457)</u>	<u>107,403</u>
Net changes in fund balance	(342,860)	(342,860)	(235,457)	107,403
Fund balance, beginning of year	1,337,183	1,337,183	1,337,183	-
Fund balance, end of year	<u>\$ 994,323</u>	<u>\$ 994,323</u>	<u>\$ 1,101,726</u>	<u>\$ 107,403</u>

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COUNTY CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit 19**

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Recovered costs	\$ -	\$ 124,040	\$ -	\$ (124,040)
Intergovernmental	-	941,835	240,391	(701,444)
Total revenues	-	1,065,875	240,391	(825,484)
Expenditures:				
General government administration	200,000	287,842	27,632	260,210
Public works	1,268,445	1,368,445	345,817	1,022,628
Parks and recreation	60,000	713,032	49,782	663,250
Community development	-	501,837	356,971	144,866
Total expenditures	1,528,445	2,871,156	780,202	2,090,954
Revenues over (under) expenditures	(1,528,445)	(1,805,281)	(539,811)	1,265,470
Other financing sources (uses):				
Transfers in	1,528,445	1,716,287	473,711	(1,242,576)
Total other financing sources (uses)	1,528,445	1,716,287	473,711	(1,242,576)
Net changes in fund balance	-	(88,994)	(66,100)	22,894
Fund balance, beginning of year	83,910	83,910	83,910	-
Fund balance, end of year	\$ 83,910	\$ (5,084)	\$ 17,810	\$ 22,894



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# Nonmajor Proprietary Funds

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

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

COUNTY OF ACCOMACK, VIRGINIA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 AT JUNE 30, 2013

Exhibit 20

	Business-type Activities - Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
<b><u>Assets:</u></b>			
Current assets:			
Cash and investments	\$ 865,552	\$ 5,786	\$ 871,338
Accounts receivable (net of allowance for uncollectibles)	24,812	3,122	27,934
Total current assets	890,364	8,908	899,272
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	5,899	-	5,899
Improvements other than buildings	54,426	-	54,426
Machinery and equipment	7,573	18,524	26,097
Total capital assets	67,898	18,524	86,422
Total assets	958,262	27,432	985,694
<b><u>Liabilities:</u></b>			
Current liabilities:			
Accounts payable	34,689	10,668	45,357
Wages and benefits payable	-	818	818
Total current liabilities	34,689	11,486	46,175
<b><u>Net Position:</u></b>			
Net investment in capital assets	67,898	18,524	86,422
Unrestricted	855,675	(2,578)	853,097
Total net position	\$ 923,573	\$ 15,946	\$ 939,519

COUNTY OF ACCOMACK, VIRGINIA  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

Exhibit 21

	Business-type Activities - Enterprise Funds		
	Nonmajor		
	Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Operating revenues:			
Charges for services	\$ 214,787	\$ 55,165	\$ 269,952
Other operating revenue	3,608	-	3,608
Total operating revenues	218,395	55,165	273,560
Operating expenses:			
Personnel services and fringe benefits	-	1,217	1,217
Other operating expenses	133,987	76,691	210,678
Depreciation	19,129	3,568	22,697
Total operating expenses	153,116	81,476	234,592
Operating income (loss)	65,279	(26,311)	38,968
Transfers:			
Transfers in	400,000	-	400,000
Changes in net position	465,279	(26,311)	438,968
Total net position, beginning of year	458,294	42,257	500,551
Total net position, end of year	\$ 923,573	\$ 15,946	\$ 939,519

**COUNTY OF ACCOMACK, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit 22**

	Business-type Activities-Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 214,354	\$ 52,043	\$ 266,397
Payments to suppliers	(103,088)	(72,817)	(175,905)
Payments to employees and benefits paid on behalf of employees	-	(583)	(583)
Other receipts	3,608	-	3,608
Net cash provided by (used for) operating activities	114,874	(21,357)	93,517
Cash flows from noncapital financing activities:			
Transfer from (to) the General Fund	150,000	-	150,000
Net cash provided by (used for) noncapital financing activities	150,000	-	150,000
Cash flows from capital and related financing activities:			
Transfer from (to) the General Fund	250,000	-	250,000
Net cash provided by (used for) capital and related financing activities	250,000	-	250,000
Net increase in cash and cash equivalents	514,874	(21,357)	493,517
Cash and cash equivalents, beginning of year	350,678	27,143	377,821
Cash and cash equivalents, end of year	\$ 865,552	\$ 5,786	\$ 871,338
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 65,279	\$ (26,311)	\$ 38,968
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	19,129	3,568	22,697
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	(433)	(3,122)	(3,555)
Increase (Decrease) in accrued payroll costs	-	818	818
Increase (Decrease) in accounts payable	30,899	3,690	34,589
Total adjustments	30,466	1,386	31,852
Net cash provided by (used for) operating activities	\$ 114,874	\$ (21,357)	\$ 93,517

# Agency Funds

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

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

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

Exhibit 23

	Agency Funds			Totals
	Special Welfare Fund	War Memorial Fund	Sheriff Canteen Fund	
<b>Assets:</b>				
Cash & investments held by Treasurer	\$ 39,462	\$ 3,035	\$ -	\$ 42,497
Cash & investments in custody of others	-	-	12,726	12,726
Total assets	<u>39,462</u>	<u>3,035</u>	<u>12,726</u>	<u>55,223</u>
<b>Liabilities:</b>				
Amounts held for social service clients	39,462	-	-	39,462
Amounts held for others	-	-	12,726	12,726
Amounts held for war memorial ceremonies	-	3,035	-	3,035
Total liabilities	<u>\$ 39,462</u>	<u>\$ 3,035</u>	<u>\$ 12,726</u>	<u>\$ 55,223</u>

COUNTY OF ACCOMACK, VIRGINIA  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

Exhibit 24

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Special Welfare Fund:</b>				
<b><u>Assets:</u></b>				
Cash and investments	\$ 37,745	\$ 61,918	\$ 60,201	\$ 39,462
<b><u>Liabilities:</u></b>				
Amount held for clients	37,745	\$ 61,918	\$ 60,201	39,462
<b>War Memorial Fund:</b>				
<b><u>Assets:</u></b>				
Cash and investments	3,026	9	-	3,035
<b><u>Liabilities:</u></b>				
Amount held for War Memorial Fund	3,026	9	-	3,035
<b>Sheriff Canteen:</b>				
<b><u>Assets:</u></b>				
Cash and investments	23,978	187,922	199,174	12,726
<b><u>Liabilities:</u></b>				
Amount held for others	23,978	187,922	199,174	12,726
<b>Totals-All Agency Funds:</b>				
<b><u>Assets:</u></b>				
Cash and investments	64,749	249,849	259,375	55,223
<b><u>Liabilities:</u></b>				
Amount held for clients	37,745	61,918	60,201	39,462
Amount held for others	23,978	187,922	199,174	12,726
Amount held for War Memorial Fund	3,026	9	-	3,035
Total Liabilities	\$ 64,749	\$ 249,849	\$ 259,375	\$ 55,223



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

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

**COUNTY OF ACCOMACK, VIRGINIA**  
**DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD**  
**STATEMENT OF NET POSITION**  
**AT JUNE 30, 2013**

**Exhibit 25**

	Governmental Activities
<b><u>Assets:</u></b>	
Cash and investments	\$ 11,291,441
Accounts receivable, net	57,048
Due from other governmental entities	3,625,899
Capital Assets (net of accumulated depreciation):	
Land	974,862
Buildings	29,428,291
Improvements other than buildings	1,151,698
Machinery and equipment	2,570,204
Total assets	<u>49,099,443</u>
<b><u>Liabilities:</u></b>	
Accounts payable	1,527,865
Wages and benefits payable	4,548,855
Due to other governmental entities	21,375
Unearned revenue	382,497
Noncurrent liabilities:	
Due within one year	1,595,086
Due in more than one year	840,145
Total liabilities	<u>8,915,823</u>
<b><u>Net Position:</u></b>	
Net investment in capital assets	34,125,055
Unrestricted	6,058,565
Total net position	<u><u>\$ 40,183,620</u></u>

COUNTY OF ACCOMACK, VIRGINIA  
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE, 30 2013

Exhibit 26

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Discretely Presented Component Unit-School Board:					
Governmental activities:					
Education	\$ 53,565,575	\$ 916,367	\$ 35,111,552	\$ -	\$ (17,537,656)
Total governmental activities	<u>\$ 53,565,575</u>	<u>\$ 916,367</u>	<u>\$ 35,111,552</u>	<u>\$ -</u>	<u>(17,537,656)</u>

General Revenues:	
Contribution from local government	17,782,712
Investment earnings	2,781
Miscellaneous	49,580
Total general revenues	<u>17,835,073</u>
Change in net position	297,417
Net position, beginning of year	39,886,203
Net position, end of year	<u>\$ 40,183,620</u>

**COUNTY OF ACCOMACK, VIRGINIA**  
**DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD**  
**BALANCE SHEET-GOVERNMENTAL FUNDS**  
**AT JUNE 30, 2013**

**Exhibit 27**

	Major Funds		Nonmajor Fund	Total Governmental Funds
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	
<b><u>Assets:</u></b>				
Cash and investments	\$ 9,441,712	\$ 149	\$ 1,849,580	\$ 11,291,441
Accounts receivable, net	57,048	-	-	57,048
Due from the Commonwealth	671,986	-	-	671,986
Due from the Federal Government	2,814,674	-	139,239	2,953,913
Total assets	<u>12,985,420</u>	<u>149</u>	<u>1,988,819</u>	<u>14,974,388</u>
<b><u>Liabilities:</u></b>				
Accounts payable	1,497,479	-	30,386	1,527,865
Wages and benefits payable	4,548,855	-	-	4,548,855
Due to other governmental entities	21,375	-	-	21,375
Unearned revenue	382,497	-	-	382,497
Total liabilities	<u>6,450,206</u>	<u>-</u>	<u>30,386</u>	<u>6,480,592</u>
<b><u>Fund Balances:</u></b>				
Restricted for:				
Education	6,535,214	-	-	6,535,214
Capital Projects	-	149	-	149
Assigned to:				
Food Services	-	-	1,958,433	1,958,433
Total fund balances	<u>6,535,214</u>	<u>149</u>	<u>1,958,433</u>	<u>8,493,796</u>
Total liabilities and fund balances	<u>\$ 12,985,420</u>	<u>\$ 149</u>	<u>\$ 1,988,819</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	55,368,793	
Improvements other than buildings, net of depreciation	1,151,698	
Machinery and equipment, net of depreciation	2,570,204	
School Board capital assets in primary government, net of depreciation	(25,940,502)	
Total capital assets		34,125,055

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	(1,792,231)	
Net other postemployment benefit obligation	(643,000)	
Net adjustment		(2,435,231)
Total net position		<u>\$ 40,183,620</u>

**COUNTY OF ACCOMACK, VIRGINIA**  
**DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit 28**

	Major Funds		Nonmajor Fund	Total Governmental Funds
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	
Revenues:				
Revenue from the use of money and property	\$ -	\$ 147	\$ 2,634	\$ 2,781
Charges for services	152,690	-	569,510	722,200
Miscellaneous	49,580	-	-	49,580
Recovered costs	194,167	-	-	194,167
From the local government	15,994,506	-	-	15,994,506
From the Commonwealth	27,263,772	-	50,781	27,314,553
From the Federal Government	5,658,178	-	2,138,821	7,796,999
Total revenues	49,312,893	147	2,761,746	52,074,786
Expenditures:				
Education:				
Instruction	35,586,214	-	-	35,586,214
Administration of schools	999,764	-	-	999,764
Attendance and health services	1,519,245	-	-	1,519,245
Operation and maintenance services	4,605,991	274,838	-	4,880,829
Pupil transportation services	2,884,349	-	-	2,884,349
Technology Services	3,506,795	-	-	3,506,795
Food services	38,638	-	2,438,453	2,477,091
Total expenditures	49,140,996	274,838	2,438,453	51,854,287
Revenues over (under) expenditures	171,897	(274,691)	323,293	220,499
Net changes in fund balance	171,897	(274,691)	323,293	220,499
Fund balance, beginning of year	6,363,317	274,840	1,635,140	8,273,297
Fund balance, end of year	\$ 6,535,214	\$ 149	\$ 1,958,433	\$ 8,493,796

Net changes in fund balance per above \$ 220,499

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

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

Capital asset expenditures	427,031	
Depreciation on capital assets	(2,128,127)	
Net adjustment		(1,701,096)

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.

1,788,206

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	108,808	
Other postemployment benefit expenses	(119,000)	
Net adjustment		(10,192)

Change in net position of governmental activities \$ 297,417

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, 2013

Exhibit 29

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 131,000	\$ 131,000	\$ 152,690	\$ 21,690
Miscellaneous	40,000	40,000	49,580	9,580
Recovered costs	241,776	241,776	194,167	(47,609)
From the local government	15,994,506	15,994,506	15,994,506	-
From the Commonwealth	25,595,037	26,933,161	27,263,772	330,611
From the Federal Government	182,730	3,959,961	5,658,178	1,698,217
Total revenues	42,185,049	47,300,404	49,312,893	2,012,489
Expenditures:				
Education:				
Instruction	29,468,838	35,989,043	35,586,214	402,829
Administration of schools	1,019,786	1,193,177	999,764	193,413
Attendance and health services	1,285,008	1,412,008	1,519,245	(107,237)
Operation and maintenance services	5,183,964	7,879,681	4,605,991	3,273,690
Pupil transportation services	2,854,504	2,854,504	2,884,349	(29,845)
Technology services	1,822,660	2,187,220	3,506,795	(1,319,575)
Food services	-	40,000	38,638	1,362
Total expenditures	41,634,760	51,555,633	49,140,996	2,414,637
Revenues over (under) expenditures	550,289	(4,255,229)	171,897	4,427,126
Net changes in fund balance	550,289	(4,255,229)	171,897	4,427,126
Fund balance, beginning of year	6,363,317	6,363,317	6,363,317	-
Fund balance, end of year	\$ 6,913,606	\$ 2,108,088	\$ 6,535,214	\$ 4,427,126

COUNTY OF ACCOMACK, VIRGINIA  
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD  
STATEMENT OF FIDUCIARY NET POSITION-AGENCY FUNDS  
AT JUNE 30, 2013

Exhibit 30

	School Activities Fund
<b><u>Assets:</u></b>	
Cash & investments in custody of others	\$ 565,895
<b><u>Liabilities:</u></b>	
Amounts held for school activities	\$ 565,895

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, 2013

Exhibit 31

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>School Activities Fund:</b>				
<u><b>Assets:</b></u>				
Cash and investments	\$ 502,365	\$ 1,260,534	\$ 1,197,004	\$ 565,895
<u><b>Liabilities:</b></u>				
Amounts held for school activities	\$ 502,365	\$ 1,260,534	\$ 1,197,004	\$ 565,895

## **Nonmajor Discretely Presented Component Units**

- **Accomack County Airport Commission (abolished 1/1/13)**
- **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, 2013**

	Component Units				
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund	Greenbackville Harbor Committee
<b><u>Assets:</u></b>					
Cash and investments	\$ 574,517	\$ 163,037	\$ 55,591	\$ 70,969	\$ 152,499
Restricted cash and cash equivalents	171,530	-	-	-	-
Accounts receivables, net	253,496	-	-	-	-
Loan receivables	328,470	-	-	-	-
Due from other governmental entities	-	-	-	17,643	-
Prepaid expenses	12,599	-	-	391	-
Capital Assets (net of accumulated depreciation):					
Land	106,807	280,000	-	-	-
Buildings	39,323	725,434	-	-	-
Improvements other than buildings	85,592	-	64,923	-	-
Machinery and equipment	6,417	12,190	-	-	3,026
Construction in progress	-	41,973	-	-	-
Total assets	1,578,751	1,222,634	120,514	89,003	155,525
<b><u>Liabilities:</u></b>					
Accounts payable	43,914	7,250	859	1,500	-
Wages and benefits payable	11,013	8,576	-	-	-
Deferred revenues	128,737	-	14,662	-	-
Noncurrent liabilities:					
Due in more than one year	120,536	40,394	-	-	-
Total liabilities	304,200	56,220	15,521	1,500	-
<b><u>Net Position:</u></b>					
Net investment in capital assets	238,139	1,059,597	64,923	-	3,026
Restricted	500,000	161,996	-	-	-
Unrestricted	536,412	(55,179)	40,070	87,503	152,499
Total net position	\$ 1,274,551	\$ 1,166,414	\$ 104,993	\$ 87,503	\$ 155,525

**Exhibit 32**

Component Units			
		Total	
		Nonmajor	
Economic	Discretely		
Development	Presented Comp-		
Authority	onent Units		
\$ 10,987	\$ 1,027,600		
-	171,530		
-	253,496		
-	328,470		
-	17,643		
-	12,990		
317,726	704,533		
-	764,757		
-	150,515		
-	21,633		
-	41,973		
328,713	3,495,140		
194	53,717		
-	19,589		
-	143,399		
-	160,930		
194	377,635		
317,726	1,683,411		
-	661,996		
10,793	772,098		
\$ 328,519	\$ 3,117,505		

**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, 2013**

	Component Units			
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Fund
Operating revenues:				
Operating grants and contributions	\$ 95,768	\$ 75,942	\$ -	\$ -
Use of property	31,168	1,721	-	-
Charges for services	975,185	30,442	20,692	-
Miscellaneous	-	62,549	-	-
Total operating revenues	<u>1,102,121</u>	<u>170,654</u>	<u>20,692</u>	<u>-</u>
Operating expenses:				
General and administration	147,975	-	-	-
Contractual services	-	50,679	7,424	50,096
Personnel	-	436,768	-	-
Materials and supplies	-	94,466	-	-
Other operating expenses	-	161,616	6,566	573
Project expenses	1,009,437	-	-	-
Depreciation	19,289	41,144	14,229	-
Total operating expenses	<u>1,176,701</u>	<u>784,673</u>	<u>28,219</u>	<u>50,669</u>
Operating income (loss)	<u>(74,580)</u>	<u>(614,019)</u>	<u>(7,527)</u>	<u>(50,669)</u>
Nonoperating revenues (expenses):				
Contributions from local government	84,757	447,876	-	56,387
Contributions to local government (entity dissolved)	-	-	-	-
Investment earnings	8,886	-	8	-
State grants	-	141,739	-	-
Federal grants	-	-	-	-
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>93,643</u>	<u>589,615</u>	<u>8</u>	<u>56,387</u>
Changes in net position	19,063	(24,404)	(7,519)	5,718
Total net position, beginning of year, as restated	<u>1,255,488</u>	<u>1,190,818</u>	<u>112,512</u>	<u>81,785</u>
Total net position, end of year	<u>\$ 1,274,551</u>	<u>\$ 1,166,414</u>	<u>\$ 104,993</u>	<u>\$ 87,503</u>

**Exhibit 33**

Component Units			
Greenbackville Harbor Committee	Airport Commission	Economic Development Authority	Total Nonmajor Discretely Presented Comp- onent Units
\$ -	\$ -	\$ -	\$ 171,710
-	3,610	-	36,499
22,495	171,644	-	1,220,458
-	11,497	-	74,046
22,495	186,751	-	1,502,713
-	-	-	147,975
8,840	9,926	1,519	128,484
-	79,859	2,640	519,267
-	144,428	358	239,252
1,382	14,215	1,098	185,450
-	141,551	-	1,150,988
1,004	150,474	-	226,140
11,226	540,453	5,615	2,597,556
11,269	(353,702)	(5,615)	(1,094,843)
-	159,697	-	748,717
-	(2,770,557)	-	(2,770,557)
90	-	7	8,991
-	83,104	-	224,843
-	40,461	-	40,461
-	(95)	-	(95)
90	(2,487,390)	7	(1,747,640)
11,359	(2,841,092)	(5,608)	(2,842,483)
144,166	2,841,092	334,127	5,959,988
\$ 155,525	\$ -	\$ 328,519	\$ 3,117,505

**COUNTY OF ACCOMACK, VIRGINIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Exhibit 34**

	Component Units		
	Airport Commission	Economic Development Authority	Total Nonmajor Discretely Presented Comp- onent Units
Cash flows from operating activities:			
Receipts from customers	\$ 163,950	\$ -	\$ 163,950
Payments to suppliers	(368,066)	(2,963)	(371,029)
Payments to employees and benefits paid on behalf of employees	(80,937)	(2,640)	(83,577)
Other receipts	11,497	-	11,497
Net cash provided by (used for) operating activities	(273,556)	(5,603)	(279,159)
Cash flows from noncapital financing activities:			
Repayment of advance to Primary Government	(31,278)	-	(31,278)
Grant proceeds from the Commonwealth and Federal Government	176,459	-	176,459
Operating subsidy from Primary Government	146,549	-	146,549
Transfer to Primary Government	(18,481)	-	(18,481)
Net cash provided by (used for) noncapital financing activities	273,249	-	273,249
Cash flows from capital and related financing activities:			
Capital subsidy from Primary Government	10,308	-	10,308
Principal payments on debt	(10,331)	-	(10,331)
Interest payments on debt	(95)	-	(95)
Net cash provided by (used for) capital and related financing activities	(118)	-	(118)
Cash flows from investing activities:			
Interest income	-	7	7
Net increase (decrease) in cash and cash equivalents	(425)	(5,596)	(6,021)
Cash and cash equivalents at beginning of the year	425	16,583	17,008
Cash and cash equivalents at end of year	-	10,987	10,987
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	(353,702)	(5,615)	(359,317)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	150,474	-	150,474
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(3,016)	-	(3,016)
(Increase) in rent receivable	(1,327)	-	(1,327)
(Increase) decrease in accrued payroll costs	(1,078)	-	(1,078)
Increase (decrease) in accounts payable	(57,976)	12	(57,964)
Increase (decrease) in sales tax payable	30	-	30
Increase (decrease) in prepaid rent	(6,961)	-	(6,961)
Total adjustments	(70,328)	12	(70,316)
Net cash provided by (used for) operating activities	\$ (273,556)	\$ (5,603)	\$ (279,159)

## **Supporting Schedules**

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 12,106,770	\$ 12,106,770	\$ 12,205,947	\$ 99,177
Real and personal public service taxes	1,094,098	1,094,098	1,158,700	64,602
Personal property taxes	5,129,010	5,129,010	5,180,974	51,964
Machinery and tools taxes	1,792,800	1,792,800	1,989,256	196,456
Penalties - all taxes	320,000	320,000	303,625	(16,375)
Interest - all taxes	416,000	416,000	370,429	(45,571)
Total general property taxes	20,858,678	20,858,678	21,208,931	350,253
Other local taxes:				
Local sales and use taxes	3,253,602	3,253,602	3,618,865	365,263
Consumers' utility and consumption taxes	1,050,000	1,050,000	1,089,368	39,368
Public service corporation license taxes	99,000	99,000	63,355	(35,645)
Communications tax	1,091,555	1,091,555	1,052,114	(39,441)
Motor vehicle licenses	493,200	493,200	626,015	132,815
Bank stock taxes	35,000	35,000	33,271	(1,729)
Taxes on recordation and wills	213,581	213,581	241,025	27,444
Hotel and motel room taxes	454,800	456,553	476,071	19,518
Business, professional and occupational license taxes	60,000	60,000	55,515	(4,485)
Other local taxes	22,800	22,800	20,943	(1,857)
Total other local taxes	6,773,538	6,775,291	7,276,542	501,251
Permits, Privilege Fees and Licenses:				
Animal licenses	11,000	11,000	10,350	(650)
Building permits	173,844	173,844	178,652	4,808
Health department permits	25,000	25,000	33,135	8,135
Land use application fees	48,450	48,450	49,950	1,500
Zoning permits	27,000	27,000	27,898	898
Erosion & sediment control	18,000	18,000	17,874	(126)
Other licenses and permits	8,900	8,900	27,600	18,700
Total permits, privilege fees and licenses	312,194	312,194	345,459	33,265
Fines and forfeitures	75,000	75,000	71,617	(3,383)
Revenue from use of money and property:				
From use of money	-	-	10,954	10,954
From use of property	342,147	342,147	350,354	8,207
Total revenue from use of money and property	342,147	342,147	361,308	19,161
Charges for services:				
General government administration charges	232,433	232,433	217,223	(15,210)
Judicial administration charges	1,000	1,000	2,472	1,472
Public safety charges	43,055	43,055	105,805	62,750
Public works charges	65,000	65,000	84,893	19,893
Total charges for services	341,488	341,488	410,393	68,905
Miscellaneous revenue	-	43,625	132,908	89,283

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

**Schedule 1**  
**Page 2 of 8**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from local sources:				
Recovered costs:				
General government administration	\$ 21,800	\$ 33,177	\$ 25,169	\$ (8,008)
Judicial administration	18,044	18,044	18,777	733
Public safety	33,708	33,708	29,863	(3,845)
Public works	3,000	58,914	73,068	14,154
Health and welfare	-	-	9,924	9,924
Nondepartmental (Insurance recoveries)	-	212,516	225,582	13,066
Total recovered costs	76,552	356,359	382,383	26,024
Total revenue from local sources	28,779,597	29,104,782	30,189,541	1,084,759
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	8,000	8,000	12,287	4,287
Rolling stock tax	2,000	2,000	1,902	(98)
Mobile home titling tax	38,000	38,000	32,559	(5,441)
Tax on deeds (grantor)	80,000	80,000	64,974	(15,026)
Personal Property Tax Relief Act	2,866,466	2,866,466	2,866,681	215
Total noncategorical aid	2,994,466	2,994,466	2,978,403	(16,063)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	322,655	322,655	301,750	(20,905)
Sheriff	2,205,878	2,205,878	2,253,489	47,611
Commissioner of the revenue	100,429	100,429	100,353	(76)
Treasurer	110,465	110,465	108,266	(2,199)
Registrar / electoral board	40,000	45,000	39,833	(5,167)
Clerk of circuit court	266,087	286,975	292,457	5,482
Jail	194,472	194,472	174,792	(19,680)
Total shared expenses	3,239,986	3,265,874	3,270,940	5,066
Other categorical aid:				
Litter control	-	22,981	22,069	(912)
"Four for Life" program	-	34,209	34,209	-
Juvenile crime control act	39,418	39,418	36,269	(3,149)
Victim / witness assistance grant	47,342	47,342	50,831	3,489
Community corrections grant	-	88,635	115,691	27,056
Emergency management assistance	-	22,154	1,279	(20,875)
Coastal Zone management grant	-	29,242	-	(29,242)
Hazardous materials response grants	5,000	5,000	-	(5,000)
Other	4,000	6,975	19,519	12,544
Total other categorical aid	95,760	295,956	279,867	(16,089)
Total revenue from the Commonwealth	6,330,212	6,556,296	6,529,210	(27,086)
Revenue from the Federal Government:				
Payments in lieu of taxes	25,000	25,000	25,194	194

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

**Schedule 1**  
**Page 3 of 8**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Federal Government:				
Noncategorical aid:				
Refuge revenue sharing	\$ 75,000	\$ 75,000	\$ 75,762	\$ 762
Indirect costs	31,000	31,000	51,755	20,755
Total noncategorical aid	106,000	106,000	127,517	21,517
Categorical aid:				
Summer food service program	-	135,000	144,082	9,082
Emergency management assistance	-	499,290	281,975	(217,315)
Homeland security related grants	-	113,229	96,656	(16,573)
Joint land use study grant	-	182,577	38,678	(143,899)
Selective enforcement grant	-	-	20,043	20,043
USDA grants	-	21,743	21,743	-
Other	-	-	30,289	30,289
Total categorical aid	-	951,839	633,466	(318,373)
Total revenue from the Federal Government	131,000	1,082,839	786,177	(296,662)
Total General Fund	35,240,809	36,743,917	37,504,928	761,011
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from the Commonwealth:				
Categorical aid:				
Welfare	1,379,005	1,328,677	1,091,066	(237,611)
Revenue from the Federal Government:				
Categorical aid:				
Welfare	2,022,202	1,676,073	1,699,189	23,116
Total categorical aid	2,022,202	1,676,073	1,699,189	23,116
Total Virginia Public Assistance Fund	3,401,207	3,004,750	2,790,255	(214,495)
Comprehensive Youth Services Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
From Northampton County	100,274	100,274	153,871	53,597
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act pooled services grants	895,044	895,044	884,654	(10,390)
Comprehensive Services Act Trust Fund grant	19,621	19,621	19,620	(1)
Total categorical aid from the Commonwealth	914,665	914,665	904,274	(10,391)
Revenue from the Federal Government:				
Categorical aid:				
Comprehensive Services Act pooled services grants	-	-	32,923	32,923
Total Comprehensive Youth Services Fund	1,014,939	1,014,939	1,091,068	76,129

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (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	\$ 7,416	\$ 416
Drug Seizures Fund:				
Revenue from the Commonwealth:				
Categorical Aid:				
Drug forfeitures and seizures	-	-	12,598	12,598
Revenue from the Federal Government:				
Categorical aid:				
Drug forfeitures and seizures	2,000	2,000	-	(2,000)
Total Drug Seizures Fund	2,000	2,000	12,598	10,598
Courthouse Security Fund:				
Revenue from local sources:				
Other local taxes:				
Court security fees	75,000	75,000	69,124	(5,876)
Total Courthouse Security Fund	75,000	75,000	69,124	(5,876)
Fire Programs Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	476	476
Miscellaneous revenue:				
Contributions	-	44,066	43,560	(506)
From Northampton County	6,700	6,700	6,700	-
Total revenue from local sources	6,700	50,766	50,736	(30)
Revenue from the Commonwealth:				
Categorical Aid:				
Fire programs grant	-	500,000	53,406	(446,594)
Total Fire Programs Fund	6,700	550,766	104,142	(446,624)
Rehabilitation Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	33	33
Miscellaneous revenue:				
From Truss-Tech	-	-	12,379	12,379
Recovered costs:				
Grant project income	-	-	21,828	21,828
Total Rehabilitation Projects Fund	-	-	34,240	34,240
Greenbackville - Captain's Cove Mosquito Control Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	49,327	49,327	47,088	(2,239)
Penalties - all taxes	500	500	536	36
Interest - all taxes	500	500	838	338
Total Greenbackville Mosquito Control Fund	50,327	50,327	48,462	(1,865)

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Emergency Medical Services Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 1,561,894	\$ 1,561,894	\$ 1,599,898	\$ 38,004
Public service taxes	173,138	173,138	182,300	9,162
Personal property taxes	114,452	114,452	128,227	13,775
Machinery and tools taxes	39,657	39,657	45,300	5,643
Penalties - all taxes	23,000	23,000	23,992	992
Interest - all taxes	23,000	23,000	28,316	5,316
Total general property taxes	1,935,141	1,935,141	2,008,033	72,892
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	64,514	64,514	64,964	450
Categorical Aid:				
Citizen core preparedness	-	9,280	9,280	-
Total revenue from the Commonwealth	64,514	73,794	74,244	450
Total Consolidated Emergency Medical Services Fund	1,999,655	2,008,935	2,082,277	73,342
Consolidated Fire and Rescue Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,201,307	1,201,307	1,205,885	4,578
Public service taxes	105,105	105,105	110,619	5,514
Personal property taxes	124,328	124,328	81,435	(42,893)
Machinery and tools taxes	38,400	38,400	28,507	(9,893)
Penalties - all taxes	20,000	20,000	15,766	(4,234)
Interest - all taxes	29,000	29,000	19,131	(9,869)
Total revenue from local sources	1,518,140	1,518,140	1,461,343	(56,797)
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	41,860	41,860	41,188	(672)
Total Consolidated Fire and Rescue Fund	1,560,000	1,560,000	1,502,531	(57,469)
Total Special Revenue Funds	8,116,828	8,273,717	7,742,113	(531,604)
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Recovered costs:				
From Greenbackville Boat Harbor Committee	-	124,040	-	(124,040)
Revenue from the Commonwealth:				
Categorical aid:				
Harbor improvement grants	-	525,000	-	(525,000)
Wallops transit clearance grant	-	416,835	240,391	(176,444)
Total revenue from the Commonwealth	-	941,835	240,391	(701,444)
Total County Capital Projects Fund	-	1,065,875	240,391	(825,484)

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 3,147,907	\$ 3,147,907	\$ 3,185,043	\$ 37,136
Public service taxes	269,712	269,712	283,795	14,083
Personal property taxes	152,834	152,834	170,754	17,920
Machinery and tools taxes	40,811	40,811	57,160	16,349
Penalties - all taxes	35,000	35,000	42,429	7,429
Interest - all taxes	35,000	35,000	48,974	13,974
Total general property taxes	3,681,264	3,681,264	3,788,155	106,891
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	82,369	82,369	82,376	7
Total County Debt Service Fund	3,763,633	3,763,633	3,870,531	106,898
Total revenue-Primary Government	47,121,270	49,847,142	49,357,963	(489,179)
School Board Component Unit:				
Special Revenue Funds:				
School Operating Fund:				
Revenue from local sources:				
Charges for services:				
Tuition	31,000	31,000	43,986	12,986
Health services	100,000	100,000	108,704	8,704
Total charges for services	131,000	131,000	152,690	21,690
Miscellaneous revenue:				
Miscellaneous	40,000	40,000	49,580	9,580
Recovered costs:				
Miscellaneous	241,776	241,776	194,167	(47,609)
Revenue from local government:				
Contribution from Accomack County, Virginia	15,994,506	15,994,506	15,994,506	-
Total revenue from local sources	16,407,282	16,407,282	16,390,943	(16,339)

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from
	Original	Final		Final Budget Positive (Negative)
School Board Component Unit (continued):				
Special Revenue Funds (continued):				
School Operating Fund (continued):				
Revenue from the Commonwealth:				
Categorical aid:				
Sales tax contribution	\$ 4,493,800	\$ 4,493,800	\$ 4,501,255	\$ 7,455
Basic school aid	13,539,848	13,539,848	13,540,811	963
Education of the gifted	143,262	143,262	143,471	209
Remedial education	699,948	699,948	752,652	52,704
Special education	1,380,806	1,380,806	1,382,821	2,015
Textbooks	273,509	273,509	273,908	399
Vocational education	475,510	475,510	476,203	693
Social Security	856,527	856,527	857,776	1,249
Retirement	1,429,577	1,429,577	1,431,662	2,085
Group life insurance	54,866	54,866	54,947	81
Governor's School	7,101	7,101	7,101	-
Special Education - homebound	30,593	30,593	19,411	(11,182)
Special Education - private tuition	24,952	24,952	11,046	(13,906)
Vocational education-equipment	-	-	8,667	8,667
Vocational education-occupational	55,109	55,109	55,478	369
Industry based certification	5,000	5,000	6,671	1,671
At risk	948,523	948,523	949,683	1,160
Trans courses	15,717	15,717	15,717	-
Four year old preschool program	337,392	337,392	407,009	69,617
Mentor teacher program	5,386	5,386	8,585	3,199
English as a second language	385,740	385,740	455,772	70,032
K-3 initiative	-	-	913,882	913,882
Lottery	-	913,882	-	(913,882)
Educational technology grant	-	336,000	416,807	80,807
Reading intervention	98,050	98,050	100,011	1,961
SOL algebra readiness	-	88,242	88,242	-
Supplemental costs	333,821	333,821	333,821	-
Other	-	-	50,363	50,363
Total revenue from the Commonwealth	25,595,037	26,933,161	27,263,772	330,611
Revenue from the Federal Government:				
Categorical aid:				
Vocational Education	182,730	182,730	105,131	(77,599)
Title I-Migrant education	-	231,232	288,160	56,928
Title I-School improvement	-	2,012,026	2,866,306	854,280
Title II	-	302,634	372,896	70,262
Title III	-	72,702	38,061	(34,641)
Title VI	-	93,437	136,119	42,682
Title VI-B Special Education	-	1,056,200	1,809,474	753,274
Title X	-	9,000	3,676	(5,324)
Education jobs funds	-	-	17,906	17,906
Other	-	-	20,449	20,449
Total revenue from the Federal Government	182,730	3,959,961	5,658,178	1,698,217
Total School Operating Fund	42,185,049	47,300,404	49,312,893	2,012,489

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (continued)**

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit (continued):				
Special Revenue Funds (continued):				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	\$ -	\$ -	\$ 2,634	\$ 2,634
Charges for services:				
Meal charges	650,000	650,000	569,510	(80,490)
Total revenue from local sources	650,000	650,000	572,144	(77,856)
Revenue from the Commonwealth:				
Categorical aid:				
School food payments	43,000	43,000	50,781	7,781
Revenue from the Federal Government:				
Categorical aid:				
School food payments	1,860,000	1,860,000	2,138,821	278,821
Total School Cafeteria Fund	2,553,000	2,553,000	2,761,746	208,746
Total Special Revenue Funds	44,738,049	49,853,404	52,074,639	2,221,235
Capital Projects Fund:				
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	-	-	147	147
Total School Capital Projects Fund	-	-	147	147
Total revenue-School Board Component Unit	44,738,049	49,853,404	52,074,786	2,221,382
Grand total revenue-Primary Government and School Board Component Unit	\$ 91,859,319	\$ 99,700,546	\$ 101,432,748	\$ 1,732,202

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 147,176	\$ 147,176	\$ 109,162	\$ 38,014
General and financial administration:				
County administrator	498,533	545,832	506,497	39,335
Legal services	225,880	229,421	227,406	2,015
Commissioner of the revenue	281,448	289,614	286,181	3,433
County assessor	695,902	704,162	537,004	167,158
Treasurer	551,272	567,934	488,711	79,223
Central accounting	418,079	450,012	330,091	119,921
Information technology	524,206	596,613	552,341	44,272
Risk management	212,742	212,742	209,871	2,871
Total general and financial administration	3,408,062	3,596,330	3,138,102	458,228
Board of elections:				
Electoral board	48,628	53,628	44,656	8,972
Registrar	137,049	139,137	126,737	12,400
Total board of elections	185,677	192,765	171,393	21,372
Total general government administration	3,740,915	3,936,271	3,418,657	517,614
Judicial administration:				
Courts:				
Circuit court	94,352	95,117	78,987	16,130
General district court	9,971	9,971	9,842	129
Chief magistrate	16,938	16,938	15,100	1,838
Juvenile and domestic relations court	13,650	13,650	8,835	4,815
Clerk of the circuit court	438,904	466,007	436,905	29,102
Sheriff court services	373,265	377,828	355,890	21,938
Commissioner of accounts	214	214	-	214
Victim and witness assistance	57,695	58,460	57,040	1,420
Total courts	1,004,989	1,038,185	962,599	75,586
Commonwealth's attorney	393,010	399,381	391,640	7,741
Total judicial administration	1,397,999	1,437,566	1,354,239	83,327
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	1,904,060	2,520,005	2,510,810	9,195
Fire and rescue services:				
Volunteer fire and rescue	271,860	356,069	350,562	5,507
Emergency medical services	191,908	208,497	204,899	3,598
Payments to 911 commission	498,456	498,456	483,977	14,479
Total fire and rescue services	962,224	1,063,022	1,039,438	23,584
Correction and detention:				
Jail	2,285,958	1,853,502	1,742,294	111,208
Juvenile probation	123,037	123,869	80,103	43,766
Community correction	-	90,253	89,953	300
Total correction and detention	2,408,995	2,067,624	1,912,350	155,274

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (Continued)**

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Public safety: (continued)				
Other protection:				
Building and zoning	\$ 492,085	\$ 497,903	\$ 398,063	\$ 99,840
Ordinance Enforcement	86,078	86,844	68,980	17,864
Animal control	127,497	133,984	133,841	143
Regional animal control facility	102,301	103,137	90,196	12,941
S.P.C.A. supplement	921	3,896	3,896	-
Emergency management	80,337	198,136	183,133	15,003
Hurricane Irene	-	-	187,512	(187,512)
Hurricane Sandy	-	728,241	686,285	41,956
Medical examiner	-	-	500	(500)
Cleanup/disposal of hazardous materials	13,000	13,000	5,040	7,960
Total other protection	902,219	1,765,141	1,757,446	7,695
Total public safety	6,177,498	7,415,792	7,220,044	195,748
Public works:				
Maintenance of streets, bridges and sidewalks:				
Storm drainage	170,420	295,418	93,916	201,502
Sanitation and waste removal:				
General operations	208,965	210,532	205,035	5,497
Refuse disposal	1,000,000	1,006,200	1,002,549	3,651
Refuse collection	595,609	726,514	694,476	32,038
Maintenance garage	211,511	268,556	261,039	7,517
Litter control	193,229	219,294	214,996	4,298
Total sanitation and waste removal	2,209,314	2,431,096	2,378,095	53,001
Maintenance of buildings and grounds:				
Buildings and grounds	929,736	1,078,472	1,016,714	61,758
Total public works	3,309,470	3,804,986	3,488,725	316,261
Health and welfare:				
Health:				
Local health department supplement	477,319	477,319	469,266	8,053
Rural health dental program supplement	4,971	4,971	4,971	-
Total health	482,290	482,290	474,237	8,053
Mental health and mental retardation:				
Community services board supplement	134,995	134,995	134,995	-
Welfare:				
Property tax relief for seniors and disabled veterans	134,525	134,525	127,955	6,570
Area agency on aging supplement	18,430	18,430	18,430	-
Total welfare	152,955	152,955	146,385	6,570
Total health and welfare	770,240	770,240	755,617	14,623
Education:				
Contribution to School Board component unit	15,994,506	15,994,506	15,994,506	-
Community College supplement	41,028	41,028	41,028	-
Total education	16,035,534	16,035,534	16,035,534	-

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (Continued)**

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 254,083	\$ 257,584	\$ 285,178	\$ (27,594)
Summer food program	-	135,000	144,231	(9,231)
Boating facilities	44,692	44,914	23,315	21,599
Total parks and recreation	298,775	437,498	452,724	(15,226)
Cultural enrichment:				
Translator television	74,457	46,752	47,306	(554)
Contribution to Public Library component unit	335,907	335,907	335,907	-
Total cultural enrichment	410,364	382,659	383,213	(554)
Total parks, recreation and cultural	709,139	820,157	835,937	(15,780)
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	65,036	65,036	65,036	-
E.S. of VA Housing Alliance supplement	9,215	9,215	9,215	-
Planning	527,365	745,617	553,685	191,932
Tourism Commission supplement	86,853	88,606	88,606	-
Wallops Research Park	18,000	18,000	18,000	-
Star Transit public transportation supplement	90,524	90,524	87,184	3,340
Transportation District Commission supplement	19,307	19,307	18,665	642
Contribution to Airport Commission component unit	156,857	159,697	159,697	-
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	977,764	1,200,609	1,004,695	195,914
Environmental management:				
Johnsongrass/gypsy moth control program	11,593	11,845	11,226	619
Soil and Water Conservation District supplement	21,154	21,154	21,154	-
Contribution to Planning Dist. Commission component unit	19,721	19,721	19,721	-
Resource Conservation and Dev. Council supplement	10,183	10,183	10,183	-
Total environmental management	62,651	62,903	62,284	619
Cooperative extension program	90,453	93,491	85,874	7,617
Total community development	1,130,868	1,357,003	1,152,853	204,150
Nondepartmental:				
Contingency	442,657	191,148	-	191,148
Debt service:				
Principal	576,000	576,000	576,000	-
Interest and fiscal charges	297,061	297,061	196,335	100,726
Total debt service	873,061	873,061	772,335	100,726
Total General Fund	34,587,381	36,641,758	35,033,941	1,607,817

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (Continued)**

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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	\$ 3,308,385	\$ 2,974,356	\$ 2,938,251	\$ 36,105
Public assistance	555,419	531,459	386,841	144,618
Fuel administration	38,381	38,381	40,399	(2,018)
Local only administration	41,701	58,683	84,094	(25,411)
CDC quality initiative program	10,558	10,558	10,773	(215)
Eligibility pass-through	18,257	18,257	-	18,257
Guardian fees administration	-	1,270	1,890	(620)
Service pass-through	118,666	118,666	-	118,666
Total welfare/social services	4,091,367	3,751,630	3,462,248	289,382
Comprehensive Youth Services Fund:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families	1,386,450	1,386,450	1,297,026	89,424
Total welfare	1,386,450	1,386,450	1,297,026	89,424
Law Library Fund:				
Judicial administration:				
Courts:				
Law library books	7,000	7,000	3,111	3,889
Drug Seizures Fund:				
Public safety:				
Law enforcement and traffic control:				
Sheriff	2,000	2,000	8,041	(6,041)
Fire Programs Fund:				
Public safety:				
Fire and rescue services:				
Payments to fire companies	24,000	24,000	24,000	-
Fire training center and other	17,790	572,070	49,664	522,406
Total fire and rescue services	41,790	596,070	73,664	522,406
Rehabilitation Projects Fund:				
Community development:				
Planning and community development:				
CDBG program income costs	-	-	3,845	(3,845)
Truss Tech Grant	-	-	12,381	(12,381)
Total planning and community development	-	-	16,226	(16,226)
Captains Cove/Greenbackville Mosquito Control				
Health and welfare:				
Health:				
Contribution to mosquito control commission	50,327	50,327	56,387	(6,060)
Consolidated Emergency Medical Services:				
Public safety:				
Fire and Rescue Services:				
Emergency Medical Services	2,185,105	2,226,906	2,166,288	60,618

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (Continued)**

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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Services:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	\$ 1,560,000	\$ 1,560,000	\$ 1,516,428	\$ 43,572
Courthouse Security Fund:				
Judicial Administration:				
Courts:				
Court security	67,000	153,572	92,655	60,917
Total Special Revenue Funds	9,391,039	9,733,955	8,692,074	1,041,881
Capital Project Funds:				
County Capital Projects Fund:				
General government administration:				
Software upgrades	-	87,842	-	87,842
VOIP telephone system	200,000	200,000	27,632	172,368
Total general government administration	200,000	287,842	27,632	260,210
Public works:				
Convenience center construction	50,000	-	-	-
Solid waste transfer station construction	253,445	253,445	253,445	-
Solid waste transfer station equipment	-	50,000	-	50,000
Dump truck replacement	173,000	173,000	-	173,000
Building improvements	157,000	257,000	88,625	168,375
Future office space solutions	635,000	635,000	-	635,000
Other improvements	-	-	3,747	(3,747)
Total public works	1,268,445	1,368,445	345,817	1,022,628
Parks, recreation and cultural				
Greenbackville Harbor boating facilities	-	653,032	17,182	635,850
Folly Creek boating facilities	60,000	60,000	32,600	27,400
Total parks, recreation and cultural	60,000	713,032	49,782	663,250
Planning and community development:				
Wallops transit clearance	-	416,835	240,391	176,444
Wallops research park	-	85,002	116,580	(31,578)
Total planning and community development	-	501,837	356,971	144,866
Total County capital projects fund	1,528,445	2,871,156	780,202	2,090,954
Debt Service Funds:				
County Debt Service Fund:				
Debt Service:				
Principal	2,543,689	2,543,689	2,543,689	-
Interest and fiscal charges	1,562,804	1,562,804	1,562,299	505
Total County Debt Service Fund	4,106,493	4,106,493	4,105,988	505
Total expenditures-Primary Government	49,613,358	53,353,362	48,612,205	4,741,157

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (Continued)**

**Schedule 2**  
**Page 6 of 7**

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Instruction Costs:				
Classroom instruction	\$ 23,399,181	\$ 29,403,689	\$ 28,710,589	\$ 693,100
Guidance services	1,108,823	1,108,823	950,720	158,103
Homebound instruction	114,448	114,448	114,248	200
Improvement of instruction	961,559	1,477,256	1,968,532	(491,276)
Media services	767,457	767,457	614,219	153,238
Office of the principal	3,117,370	3,117,370	3,227,906	(110,536)
Total instruction costs	29,468,838	35,989,043	35,586,214	402,829
Administration of schools:				
Board services	58,137	58,137	53,925	4,212
Executive administration services	327,124	490,115	334,827	155,288
Personnel services	271,274	271,274	228,588	42,686
Fiscal services	363,251	373,651	382,424	(8,773)
Total administration of schools	1,019,786	1,193,177	999,764	193,413
Attendance and health services:				
Attendance services	147,187	156,187	167,517	(11,330)
Health services	524,696	642,696	789,516	(146,820)
Psychological services	229,373	229,373	256,331	(26,958)
Speech/audiology services	383,752	383,752	305,881	77,871
Total attendance and health services	1,285,008	1,412,008	1,519,245	(107,237)
Operation and maintenance services:				
Management and direction	121,026	121,026	138,201	(17,175)
Building services	4,875,716	7,571,433	4,202,265	3,369,168
Grounds services	131,225	131,225	150,244	(19,019)
Equipment services	9,497	9,497	-	9,497
Vehicle services (other than pupil transportation)	46,500	46,500	115,281	(68,781)
Total operation and maintenance services	5,183,964	7,879,681	4,605,991	3,273,690
Pupil transportation services:				
Management and direction	61,551	61,551	57,301	4,250
Vehicle operation services	2,296,249	2,296,249	2,327,423	(31,174)
Vehicle maintenance services	496,704	496,704	499,625	(2,921)
Total pupil transportation services	2,854,504	2,854,504	2,884,349	(29,845)
Food Services:				
Food services	-	40,000	38,638	1,362
Technology services:				
Classroom instruction	1,223,519	1,588,079	1,852,281	(264,202)
Classroom support	-	-	466,207	(466,207)
Instructional support	594,141	594,141	1,149,115	(554,974)
Administration	5,000	5,000	22,084	(17,084)
Attendance and health	-	-	13,245	(13,245)
Pupil transportation	-	-	2,668	(2,668)
Operations and maintenance	-	-	1,195	(1,195)
Total technology services	1,822,660	2,187,220	3,506,795	(1,319,575)
Total school operating fund	41,634,760	51,555,633	49,140,996	2,414,637

**COUNTY OF ACCOMACK, VIRGINIA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013 (Continued)**

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

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
School Cafeteria Fund:				
Education:				
School Food Services:				
Operating costs	\$ 2,553,000	\$ 2,553,000	\$ 2,438,453	\$ 114,547
School Capital Projects Fund:				
Education:				
Capital outlay:				
School construction/renovation	-	-	274,838	(274,838)
Total expenditures-School Board Component Unit	44,187,760	54,108,633	51,854,287	2,254,346
Grand total expenditures-Primary Government and School Board Component Unit	\$ 93,801,118	\$ 107,461,995	\$ 100,466,492	\$ 6,995,503

## **Statistical Section**



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# Statistical Section

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	148
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	153
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future. <b>Note that no legal debt margin information is presented as the Code of Virginia only sets legal debt limits for towns and cities. Counties have no legal debt limit imposed by law. Also note that pledged revenue information is not presented as the County has not issued any revenue backed debt.</b>	158
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	160
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.	162

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

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

**Table 1**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$ 5,054,178	\$ 4,588,098	\$ 4,996,030	\$ 5,695,836	\$ 5,309,326	\$ 4,553,418	\$ 3,495,270	\$ 2,465,664	\$ 2,537,440	\$ 3,943,220
Restricted	2,265,149	2,094,566	1,318,113	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726
Unrestricted	6,985,058	8,423,849	9,155,264	8,676,001	6,991,452	5,749,276	11,496,365	15,554,168	16,447,789	15,455,876
Total governmental activities net position	<u>\$14,304,385</u>	<u>\$15,106,513</u>	<u>\$15,469,407</u>	<u>\$16,378,701</u>	<u>\$13,817,842</u>	<u>\$11,664,822</u>	<u>\$15,851,376</u>	<u>\$19,409,351</u>	<u>\$20,322,412</u>	<u>\$20,500,822</u>
Business-type activities:										
Net investment in capital assets	\$ (180,437)	\$ 893,786	\$ 1,749,947	\$ 2,254,741	\$ 2,994,885	\$ 2,960,129	\$ 2,441,845	\$ 2,108,712	\$ 1,542,541	\$ 5,334,897
Unrestricted	(2,560,758)	(2,926,220)	(3,198,558)	(2,809,545)	(3,617,763)	(3,218,137)	(2,832,415)	(2,436,917)	(1,696,621)	(1,164,425)
Total business-type activities net position	<u>\$ (2,741,195)</u>	<u>\$ (2,032,434)</u>	<u>\$ (1,448,611)</u>	<u>\$ (554,804)</u>	<u>\$ (622,878)</u>	<u>\$ (258,008)</u>	<u>\$ (390,570)</u>	<u>\$ (328,205)</u>	<u>\$ (154,080)</u>	<u>\$ 4,170,472</u>
Primary government:										
Net investment in capital assets	\$ 4,873,741	\$ 5,481,884	\$ 6,745,977	\$ 7,950,577	\$ 8,304,211	\$ 7,513,547	\$ 5,937,115	\$ 4,574,376	\$ 4,079,981	\$ 9,278,117
Restricted	2,265,149	2,094,566	1,318,113	2,006,864	1,517,064	1,362,128	859,741	1,389,519	1,337,183	1,101,726
Unrestricted	4,424,300	5,497,629	5,956,706	5,866,456	3,373,689	2,531,139	8,663,950	13,117,251	14,751,168	14,291,451
Total primary government net position	<u>\$11,563,190</u>	<u>\$13,074,079</u>	<u>\$14,020,796</u>	<u>\$15,823,897</u>	<u>\$13,194,964</u>	<u>\$11,406,814</u>	<u>\$15,460,806</u>	<u>\$19,081,146</u>	<u>\$20,168,332</u>	<u>\$24,671,294</u>

<sup>1</sup> This table reports financial information based on the accrual basis of accounting.

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

**Table 2**  
**Page 1 of 2**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Primary Government:</b>										
<b>Expenses</b>										
Governmental activities:										
General government administration	\$ 2,563,462	\$ 2,735,038	\$ 2,778,205	\$ 3,721,445	\$ 3,580,942	\$ 3,384,895	\$ 3,442,672	\$ 3,176,953	\$ 3,339,183	\$ 3,585,175
Judicial administration	1,193,487	1,232,697	1,314,413	1,445,432	1,527,924	1,611,685	1,513,759	1,541,877	1,442,643	1,573,104
Public safety	6,288,902	6,496,203	7,096,501	8,180,462	8,789,314	9,328,794	8,958,985	8,982,920	9,141,427	10,579,063
Public works	2,584,404	2,701,241	3,252,085	3,236,614	3,454,908	3,390,696	3,416,523	3,303,409	3,382,833	3,721,236
Health and welfare	6,605,823	7,359,153	8,260,567	8,013,244	8,086,910	8,145,021	7,491,729	5,652,391	5,681,716	5,839,666
Education	14,356,110	15,157,208	17,405,759	16,228,512	16,641,938	17,749,642	17,431,304	18,095,238	18,511,045	18,475,654
Parks, recreation and cultural	720,923	807,517	954,097	888,283	1,017,040	889,457	901,358	1,038,188	1,037,589	1,014,589
Community development	1,645,533	1,485,057	2,113,031	1,508,436	2,525,015	3,405,964	1,832,561	1,657,666	4,106,234	1,430,468
Interest on long-term debt	1,953,433	2,157,264	2,299,638	2,401,860	2,336,032	2,218,681	2,178,880	2,042,318	1,927,969	1,700,378
Total governmental activities expenses	37,912,077	40,131,378	45,474,296	45,624,288	47,960,023	50,124,835	47,167,771	45,490,960	48,570,639	47,919,333
Business-type activities:										
Landfill	2,391,930	2,039,570	2,506,013	2,350,625	3,271,543	2,409,034	3,006,263	2,522,546	2,783,554	2,126,739
Airport	-	-	-	-	-	-	-	-	-	375,864
Water and Sewer	-	-	-	-	-	63,189	246,816	236,253	126,703	153,116
Parks and recreation expenses	66,767	82,048	62,827	63,085	56,322	66,903	74,618	76,628	64,896	81,476
Total business-type activities expenses	2,458,697	2,121,618	2,568,840	2,413,710	3,327,865	2,539,126	3,327,697	2,835,427	2,975,153	2,737,195
Total primary government expenses	40,370,774	42,252,996	48,043,136	48,037,998	51,287,888	52,663,961	50,495,468	48,326,387	51,545,792	50,656,528
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government administration	542,398	350,334	339,472	346,970	377,763	317,584	304,994	363,578	294,422	303,205
Judicial administration	44,984	76,666	184,174	153,144	146,069	105,652	99,318	95,242	96,434	94,495
Public safety	275,091	369,647	396,733	841,787	835,719	561,323	650,444	431,555	603,751	601,672
Public works	31,553	52,403	107,766	111,011	101,685	112,334	129,267	115,016	129,728	157,961
Health and welfare	159,924	203,271	415,219	417,954	370,942	345,336	308,474	339,200	313,962	296,399
Education	-	-	-	199,909	-	-	-	-	-	-
Parks, recreation and cultural	-	50,050	53,759	99,919	80,146	84,709	81,704	283,305	93,772	96,514
Community development	206,628	192,802	364,260	55,262	204,832	121,442	188,553	57,156	77,943	64,579
Operating grants and contributions	9,675,027	10,205,520	11,549,379	11,329,693	11,500,081	12,240,597	10,180,279	8,437,999	7,655,170	8,116,557
Capital grants and contributions	257,919	264,480	1,763,748	359,685	-	-	398,973	160,367	2,965,210	271,414
Total governmental activities program revenues	11,193,524	11,765,173	15,174,510	13,915,334	13,617,237	13,888,977	12,342,006	10,283,418	12,230,392	10,002,796
Business-type activities:										
Charges for services:										
Landfill	2,234,899	2,364,664	2,877,386	3,002,824	2,887,533	2,687,525	2,719,422	2,587,858	2,556,568	2,764,529
Airport	-	-	-	-	-	-	-	-	-	143,170
Water and Sewer	-	-	-	-	-	47,751	194,458	223,069	203,836	218,395
Parks and recreation	68,740	76,048	71,033	66,748	63,979	62,611	62,750	52,753	61,826	55,165
Operating grants and contributions - Airport	-	-	-	-	-	-	-	-	-	14,652
Total business-type activities program revenues	2,303,639	2,440,712	2,948,419	3,069,572	2,951,512	2,797,887	2,976,630	2,863,680	2,822,230	3,195,911
Total primary government program revenues	13,497,163	14,205,885	18,122,929	16,984,906	16,568,749	16,686,864	15,318,636	13,147,098	15,052,622	13,198,707

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Primary Government:</b>										
<b>Net (Expense)/Revenue<sup>1</sup></b>										
Governmental activities	(26,718,553)	(28,366,205)	(30,299,786)	(31,708,954)	(34,342,786)	(36,235,858)	(34,825,765)	(35,207,542)	(36,340,247)	(37,916,537)
Business-type activities	(155,058)	319,094	379,579	655,862	655,862	(376,353)	(351,067)	28,253	(152,923)	458,716
Total primary government net expense	(26,873,611)	(28,047,111)	(29,920,207)	(31,053,092)	(33,686,924)	(36,612,211)	(35,176,832)	(35,179,289)	(36,493,170)	(37,457,821)
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental activities:										
Taxes:										
General property taxes	16,429,587	17,782,739	18,883,630	19,143,135	21,985,812	21,354,527	23,360,447	29,221,909	27,583,562	28,500,128
Local sales and use taxes	2,443,653	2,674,849	2,761,611	2,808,207	3,036,498	2,966,467	2,998,382	2,863,318	3,623,339	3,618,865
Consumer utility taxes	1,491,038	1,613,718	1,639,299	1,671,949	1,269,586	916,728	941,541	1,043,339	986,409	1,089,368
Communication taxes	-	-	-	-	389,331	1,077,981	1,012,995	987,303	1,087,470	1,052,114
Other local taxes	1,687,148	1,715,271	1,973,002	2,156,184	2,003,950	1,762,776	1,664,831	1,291,448	1,591,001	1,592,735
Grants and contributions not restricted to specific programs	3,359,625	3,418,462	3,693,035	3,815,820	3,446,722	3,531,512	3,454,660	3,349,305	3,320,843	3,319,642
Investment earnings	174,212	117,154	179,784	343,247	532,916	253,241	80,515	8,272	1,967	10,954
Gain on sale of capital assets	-	-	-	551,206	-	-	-	-	-	-
Other revenue	20,524	19,304	93,497	286,082	74,060	71,468	536,582	368,768	596,723	189,259
Transfers	(631,909)	(63,653)	(55,525)	(113,150)	(120,627)	(152,773)	32,885	(121,343)	(25,800)	(1,134,135)
Total governmental activities	24,973,878	27,277,844	29,168,333	30,662,680	32,618,248	31,781,927	34,082,838	39,012,319	38,765,514	38,238,930
Business-type activities:										
Investment earnings	28,775	16,806	47,215	90,894	112,375	105,506	37,129	7,047	8,312	9,985
Gain on sale of capital assets	-	-	-	200	4,943	-	-	90,115	-	-
Other revenue	-	-	879	-	-	-	151,865	-	-	2,770,557
Transfers	631,909	63,653	55,525	113,150	120,627	152,773	(32,885)	121,343	25,800	1,134,135
Total business-type activities	660,684	80,459	103,619	204,244	237,945	258,279	156,109	218,505	34,112	3,914,677
Total primary government	25,634,562	27,358,303	29,271,952	30,866,924	32,856,193	32,040,206	34,238,947	39,230,824	38,799,626	42,153,607
<b>Change in Net Position</b>										
Governmental activities	(1,744,675)	(1,088,361)	(1,131,453)	(1,046,274)	(1,724,538)	(4,453,931)	(742,927)	3,804,777	2,425,267	322,393
Business-type activities	505,626	399,553	483,198	860,106	893,807	(118,074)	(194,958)	246,758	(118,811)	4,373,393
Total primary government	\$ (1,239,049)	\$ (688,808)	\$ (648,255)	\$ (186,168)	\$ (830,731)	\$ (4,572,005)	\$ (937,885)	\$ 4,051,535	\$ 2,306,456	\$ 4,695,786

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

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

**Table 3**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund:										
Nondisposable	\$ 94,700	\$ 115,215	\$ 166,112	\$ 171,346	\$ 129,700	\$ 129,700	\$ 129,700	\$ 104,700	\$ 104,700	\$ 104,700
Restricted	317,930	254,341	248,175	259,869	253,247	251,251	3,265	5,792	9,603	24,890
Committed	1,614,000	1,614,000	1,614,000	1,714,000	1,224,827	1,894,000	3,964,000	4,695,521	6,100,065	6,860,389
Assigned	2,436,551	3,359,656	3,855,587	3,673,749	3,046,938	575,043	982,567	3,113,920	5,663,962	5,077,891
Unassigned	2,423,458	2,010,838	2,020,833	983,821	-	1,307,812	2,751,457	4,093,028	2,066,357	1,862,007
Total general fund	<u>6,886,639</u>	<u>7,354,050</u>	<u>7,904,707</u>	<u>6,802,785</u>	<u>4,654,712</u>	<u>4,157,806</u>	<u>7,830,989</u>	<u>12,012,961</u>	<u>13,944,687</u>	<u>13,929,877</u>
All Other Governmental Funds:										
Restricted	4,798,384	2,961,585	3,192,680	5,704,835	4,469,619	3,147,073	3,264,378	2,732,804	2,792,758	2,485,291
Assigned	-	298,419	320,047	303,965	146,987	121,865	101,786	445,376	83,910	17,810
Total other governmental funds	<u>4,798,384</u>	<u>3,260,004</u>	<u>3,512,727</u>	<u>6,008,800</u>	<u>4,616,606</u>	<u>3,268,938</u>	<u>3,366,164</u>	<u>3,178,180</u>	<u>2,876,668</u>	<u>2,503,101</u>
Total governmental funds	<u>\$11,685,023</u>	<u>\$10,614,054</u>	<u>\$11,417,434</u>	<u>\$12,811,585</u>	<u>\$ 9,271,318</u>	<u>\$ 7,426,744</u>	<u>\$11,197,153</u>	<u>\$15,191,141</u>	<u>\$16,821,355</u>	<u>\$16,432,978</u>

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

**Table 4**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
General property taxes	\$ 17,853,441	\$ 18,644,966	\$ 19,158,773	\$ 20,359,076	\$ 20,689,469	\$ 23,190,998	\$ 28,520,895	\$ 28,064,416	\$ 27,099,918	\$ 28,514,924
Other local taxes	6,003,838	6,373,912	6,636,340	6,699,365	6,723,952	6,617,749	6,185,408	6,946,687	6,999,466	7,353,082
Permits, fees and licenses	363,562	337,349	555,337	479,797	485,367	441,802	443,079	330,675	292,070	345,459
Fines and forfeitures	38,873	52,864	40,420	58,090	81,648	66,245	74,527	75,136	74,866	71,617
Revenue from the use of money and property	214,258	325,375	631,594	886,586	587,270	441,458	344,055	340,938	355,759	361,817
Charges for services	556,465	616,311	790,119	787,281	705,018	490,462	435,862	384,621	411,358	410,393
Miscellaneous	526,744	537,938	314,766	650,369	522,304	923,529	756,411	791,820	254,129	349,418
Recovered costs	192,883	126,700	158,488	173,434	335,331	194,925	234,332	487,134	471,604	404,211
Intergovernmental	12,988,603	13,700,332	16,878,323	14,876,814	14,709,267	15,465,434	13,684,196	11,772,915	13,809,384	11,547,042
Total revenues	38,738,667	40,715,747	45,164,160	44,970,812	44,839,626	47,832,602	50,678,765	49,194,342	49,768,554	49,357,963
<b>Expenditures</b>										
General government administration	2,547,990	2,778,295	2,821,809	3,693,455	3,625,175	3,231,156	3,529,339	3,027,586	3,233,212	3,446,289
Judicial administration	1,096,919	1,145,685	1,221,627	1,350,755	1,463,896	1,524,039	1,379,897	1,433,434	1,335,238	1,450,005
Public safety	6,732,957	6,722,409	7,480,178	7,966,410	8,632,187	8,931,578	8,759,597	8,826,388	8,875,289	10,984,465
Public works	2,588,261	2,849,099	3,800,114	3,971,185	4,301,146	3,875,609	3,257,691	3,758,181	3,395,947	3,834,542
Health and welfare	7,912,916	8,979,402	8,129,866	7,868,626	7,947,256	7,917,925	7,315,878	5,490,104	5,483,394	5,571,278
Education	38,197,927	13,204,268	18,893,969	13,528,120	13,975,115	15,124,559	14,853,300	15,583,300	16,035,534	16,035,534
Parks, recreation and cultural	715,839	765,244	888,541	876,450	968,194	882,326	1,229,808	1,001,101	1,273,121	885,719
Community development	1,625,056	1,474,781	2,290,764	2,256,961	2,400,500	3,337,174	1,724,416	1,565,892	4,046,635	1,526,050
Debt service:										
Principal	1,366,345	1,761,990	1,812,043	2,237,395	2,528,867	2,616,138	2,357,292	2,395,373	2,469,866	3,119,689
Interest	1,435,438	2,295,105	1,987,037	2,514,418	2,384,784	2,269,556	2,290,587	2,093,191	2,012,299	1,758,634
Total expenditures	64,219,648	41,976,278	49,325,948	46,263,775	48,227,120	49,710,060	46,697,805	45,174,550	48,160,535	48,612,205
Excess of revenues over (under) expenditures	(25,480,981)	(1,260,531)	(4,161,788)	(1,292,963)	(3,387,494)	(1,877,458)	3,980,960	4,019,792	1,608,019	745,758
<b>Other Financing Sources (Uses)</b>										
Issuance of debt (includes premiums/discounts)	16,282,346	245,087	11,888,518	2,807,741	-	-	4,314,000	-	4,263,000	-
Sale of capital assets	-	-	689,800	-	-	-	-	-	-	-
Payments to refunded bond escrow agents	-	-	(7,500,000)	-	-	-	(4,403,208)	-	(4,263,000)	-
Transfers in	2,406,526	2,024,579	10,795,281	3,812,738	4,175,569	3,327,871	2,753,223	1,091,580	1,324,601	1,351,662
Transfers out	(2,470,179)	(2,080,104)	(10,908,431)	(3,933,365)	(4,328,342)	(3,294,987)	(2,874,566)	(1,117,380)	(1,643,941)	(2,485,797)
Total other financing sources (uses)	16,218,693	189,562	4,965,168	2,687,114	(152,773)	32,884	(210,551)	(25,800)	(319,340)	(1,134,135)
<b>Net change in fund balances</b>	<b>\$ (9,262,288)</b>	<b>\$ (1,070,969)</b>	<b>\$ 803,380</b>	<b>\$ 1,394,151</b>	<b>\$ (3,540,267)</b>	<b>\$ (1,844,574)</b>	<b>\$ 3,770,409</b>	<b>\$ 3,993,992</b>	<b>\$ 1,288,679</b>	<b>\$ (388,377)</b>
Debt service as a % of noncapital expenditures	4.5%	10.3%	8.0%	10.7%	10.5%	10.0%	10.2%	10.3%	9.5%	10.4%

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

**Table 5A**

Fiscal Year Ending June 30,	Residential Property	Commercial Property	Agricultural Property	Less Land Use Value Reduction	Total Taxable Assessed Value	Total Direct Real Property Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2004	\$ 1,436,618,500	\$ 420,064,497	\$ 299,783,100	\$ 89,073,700	\$ 2,067,392,397	0.71	\$ 2,156,466,097	95.87%
2005	1,493,602,522	398,769,694	300,482,030	92,941,990	2,099,912,256	0.71	2,192,854,246	95.76%
2006	1,562,047,822	381,463,096	301,208,730	90,126,180	2,154,593,468	0.77	2,244,719,648	95.98%
2007	1,644,028,102	253,967,441	300,592,990	90,746,130	2,107,842,403	0.77	2,198,588,533	95.87%
2008	3,347,392,430	401,704,706	676,800,600	291,567,300	4,134,330,436	0.38	4,425,897,736	93.41%
2009	3,375,157,810	527,353,676	660,766,200	292,741,800	4,270,535,886	0.45	4,563,277,686	93.58%
2010	3,363,432,110	660,176,147	657,001,700	290,503,900	4,390,106,057	0.48	4,680,609,957	93.79%
2011	3,380,611,410	678,014,822	657,292,500	291,946,100	4,423,972,632	0.48	4,715,918,732	93.81%
2012	2,924,021,460	636,396,590	624,792,100	274,869,000	3,910,341,150	0.55	4,185,210,150	93.43%
2013	2,932,083,560	638,622,345	620,948,600	270,528,700	3,921,125,805	0.55	4,191,654,505	93.55%

**Source:** Accomack County Central Accounting Office

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

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

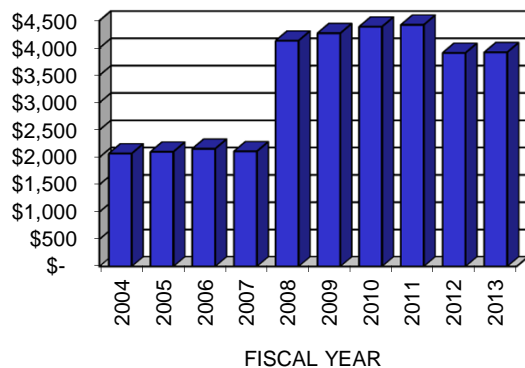
**Table 5B**

Fiscal Year Ending June 30,	Motor Vehicles & Other	Mobile Homes	Machinery & Tools	Total Taxable Assessed Value	Total Direct Personal Property Tax Rate
2004	\$ 213,309,403	\$ 33,045,031	\$ 16,778,502	\$ 263,132,936	3.26
2005	215,549,860	36,302,255	19,777,993	271,630,108	3.26
2006	236,835,630	38,233,114	19,728,462	294,797,206	3.26
2007	250,925,206	37,176,644	17,818,455	305,920,305	3.30
2008	270,757,469	35,525,219	20,052,659	326,335,347	3.30
2009	281,876,699	37,296,708	20,079,299	339,252,706	3.30
2010	238,849,342	41,811,733	19,133,642	299,794,717	3.75
2011	267,566,954	40,019,511	19,421,352	327,007,817	3.75
2012	273,560,910	31,692,295	17,919,794	323,172,999	3.72
2013	280,470,080	30,525,805	21,945,775	332,941,660	3.72

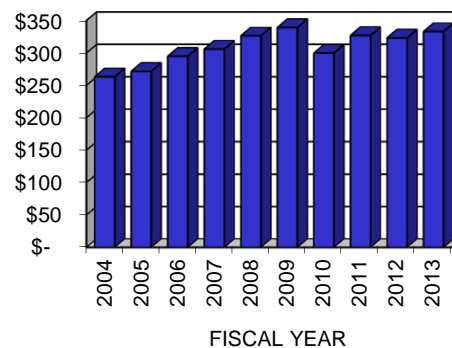
**Source:** Accomack County Central Accounting Office

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

**Taxable Assessed Value of Real Property**  
(in millions)



**Taxable Assessed Value of Personal Property**  
(in millions)



COUNTY OF ACCOMACK, VIRGINIA

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

LAST TEN FISCAL YEARS

Type of tax	2004					2005					2006					2007				
	District Number					District Number					District Number					District Number				
	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
<b>Real Property</b>																				
County Direct Rates:																				
General	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Debt Service	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Emergency Medical Service	0.05	0.07	0.04	0.04	-	0.05	0.05	0.05	0.05	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-
Fire and Rescue	0.05	0.04	0.04	0.04	-	0.05	0.04	0.04	0.04	-	0.07	0.04	0.04	0.05	-	0.07	0.04	0.04	0.05	-
Mosquito Control <sup>2</sup>	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-
Total real property direct rates	0.71	0.68	0.65	0.65	0.57	0.71	0.66	0.66	0.66	0.57	0.77	0.70	0.70	0.71	0.60	0.77	0.70	0.70	0.71	0.60
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13
Town of Saxis	0.10	-	-	-	-	0.10	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-
Town of Hallwood	0.14	-	-	-	-	0.14	-	-	-	-	0.14	-	-	-	-	0.14	-	-	-	-
Town of Bloxom	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-
Town of Parksley	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-
Town of Tangier	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-
Town of Accomac	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-
Town of Onley	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-
Town of Onancock	-	-	0.31	-	-	-	-	0.31	-	-	-	-	0.34	-	-	-	-	0.34	-	-
Town of Melfa	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-	-	-	-	0.07	-
Town of Wachapreague	-	-	-	0.18	-	-	-	-	0.19	-	-	-	-	0.22	-	-	-	-	0.22	-
Town of Keller	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.13	-
Town of Painter	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-
Town of Belle Haven	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.04	-
<b>Personal Property</b>																				
County Direct Rates:																				
General	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.07	3.10	3.10	3.10	3.10	3.10
Debt Service	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Emergency Medical Service	0.05	0.08	0.04	0.05	-	0.05	0.08	0.04	0.05	-	0.05	0.08	0.04	0.05	-	0.06	0.06	0.06	0.06	-
Fire and Rescue	0.06	0.05	0.05	0.04	-	0.06	0.05	0.05	0.04	-	0.06	0.05	0.05	0.04	-	0.08	0.05	0.05	0.05	-
Total personal prop. direct rates	3.24	3.26	3.22	3.22	3.13	3.24	3.26	3.22	3.22	3.13	3.24	3.26	3.22	3.22	3.13	3.30	3.27	3.27	3.27	3.16
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
Town of Saxis	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.50	-	-	-	-
Town of Hallwood	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-	0.45	-	-	-	-
Town of Bloxom	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-
Town of Parksley	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-
Town of Tangier	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Accomac	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
Town of Onley	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-
Town of Onancock	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
Town of Melfa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Wachapreague	-	-	-	-	-	-	-	-	0.18	-	-	-	-	-	-	-	-	-	-	-
Town of Keller	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-
Town of Painter	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
Town of Belle Haven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

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

Table 6

2008					2009					2010					2011					2012					2013				
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
0.25	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	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
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	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
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	-	0.06	0.06	0.06	0.06	-	0.06	0.06	0.06	0.06	-
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	-	-	-	-	-	-	-	-	-	-	-
0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-
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	0.55	0.53	0.53	0.53	0.47	0.55	0.53	0.53	0.53	0.47
-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.07
0.20	-	-	-	-	0.20	-	-	-	-	0.12	-	-	-	-	0.12	-	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-
0.06	-	-	-	-	0.06	-	-	-	-	0.09	-	-	-	-	0.09	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-
-	0.06	-	-	-	-	0.06	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.16	-	-	-
-	0.18	-	-	-	-	0.18	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-
0.25	-	-	-	-	0.25	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-	-	-	0.35	-	-	-	-	0.35	-	-	-
-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	0.05	-	-	-	-	0.07	-	-	-
-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	0.08	-	-	-	-	0.08	-	-	-
-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	0.20	-	-	-	-	0.25	-	-	-
-	-	-	0.03	-	-	-	-	0.03	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	0.05	-	-	-	-	0.05	-	-
-	-	-	0.13	-	-	-	-	0.13	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	0.15	-	-	-	-	0.16	-	-
-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	0.06	-	-	-	-	0.12	-	-
-	-	-	0.04	-	-	-	-	0.04	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	0.06	-	-	-	-	0.10	-	-
-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	0.085	-	-	-	-	0.085	-	-
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	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53	3.53
0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.06	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
0.06	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	-	0.09	0.09	0.09	0.09	-	0.09	0.09	0.09	0.09	-
0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	-	-	-	-	-	-	-	-	-	-
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	3.72	3.72	3.72	3.72	3.63	3.72	3.72	3.72	3.72	3.63
-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-
0.45	-	-	-	-	0.45	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
-	0.15	-	-	-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.50	-	-	-
-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	1.30	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	0.10	-	-	-	-	-	0.10	-	-
-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	0.30	-	-	-	-	-	0.30	-	-
-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	2.00	-	-	-	-	-	2.00	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.16	-	-
-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	0.10	-	-	-	-	-	0.15	-
-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	0.30	-	-	-	-	-	0.30	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

**Table 7**

Taxpayer	2013			2004		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value <sup>1</sup>	Total Assessed Valuation	Rank	Percentage of Total Assessed Value <sup>1</sup>
Commonwealth Chesapeake Company	\$ 165,787,804	1	3.67%	\$ 113,146,188	1	4.85%
A&N Electric Cooperative	76,292,833	2	1.69%	18,688,287	6	0.80%
Verizon Virginia Inc.	32,733,655	3	0.73%	33,960,905	3	1.46%
Perdue Farms Inc.	32,275,378	4	0.72%	34,368,869	2	1.47%
Tyson Farms Inc.	29,235,904	5	0.65%	20,277,607	5	0.87%
Delmarva Power	19,445,987	6	0.43%	-	-	-
Wal-Mart	14,639,188	7	0.32%	-	-	-
Captains Cove Group LLC	11,784,600	8	0.26%	-	-	-
Madonia, Batista or Evelyn Madonia	11,502,608	9	0.25%	-	-	-
Old Dominion Electric Cooperative	10,856,222	10	0.24%	-	-	-
Conectiv	-	-	-	32,756,935	4	1.41%
Richard F. Hall Jr.	-	-	-	8,673,931	7	0.37%
Virginia Landing Corporation	-	-	-	6,961,500	8	0.30%
Chincoteague Hotel LLC	-	-	-	6,451,651	9	0.28%
Sustainable Conservation Inc.	-	-	-	6,023,300	10	0.26%

**Source:** Accomack County Central Accounting Office.

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

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

**Table 8**

Fiscal Year Ending June 30,	Total Tax Levy	Personal Property Tax Relief Act Credits <sup>(3)</sup>	Adjusted Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date		
					Percent of Adjusted			Percent of Adjusted	
				Amount	Levy		Amount	Levy	
Real Estate Taxes:									
2004	\$ 13,162,264	\$ -	\$ 13,162,264	\$ 12,159,094	92.38%	\$ 959,997	\$ 13,119,091	99.67%	
2005	13,149,338	-	13,149,338	12,107,697	92.08%	996,712	13,104,409	99.66%	
2006	13,959,366	-	13,959,366	12,824,656	91.87%	1,087,487	13,912,143	99.66%	
2007	14,441,421	-	14,441,421	13,100,144	90.71%	1,355,810	14,455,954	100.10%	
2008	14,587,494	-	14,587,494	12,498,041	85.68%	1,836,004	14,334,045	98.26%	
2009	15,860,887	-	15,860,887	14,204,453	89.56%	1,438,864	15,643,317	98.63%	
2010	18,407,802	-	18,407,802	16,804,990	91.29%	1,678,589	18,483,579	100.41%	
2011	19,242,035	-	19,242,035	17,448,166	90.68%	1,191,417	18,639,583	96.87%	
2012	19,485,027	-	19,485,027	17,771,980	91.21%	939,604	18,711,584	96.03%	
2013	20,183,114	-	20,183,114	18,267,476	90.51%	-	18,267,476	90.51%	
Personal Property Taxes:									
2004	\$ 7,568,164	\$ (2,904,983)	\$ 4,663,180	\$ 3,977,981	85.31%	\$ 586,063	\$ 4,564,043	97.87%	
2005	7,772,875	(2,820,715)	4,952,160	4,259,666	86.02%	565,783	4,825,449	97.44%	
2006	8,406,000	(3,014,681)	5,391,319	4,570,749	84.78%	723,300	5,294,049	98.20%	
2007	8,943,981	(2,673,704)	6,270,277	5,526,354	88.14%	605,905	6,132,259	97.80%	
2008	9,272,941	(2,728,454)	6,544,487	5,510,543	84.20%	746,810	6,257,353	95.61%	
2009	9,173,062	(2,832,095)	6,340,967	5,554,130	87.59%	784,160	6,338,290	99.96%	
2010 <sup>4</sup>	15,911,251	(4,609,338)	11,301,913	7,247,272	64.12%	3,144,970	10,392,242	91.95%	
2011	11,600,267	(3,139,170)	8,461,097	6,420,870	75.89%	1,045,310	7,466,180	88.24%	
2012	11,370,499	(3,048,353)	8,322,146	6,570,046	78.95%	872,694	7,442,740	89.43%	
2013	11,771,209	(3,075,577)	8,695,632	6,719,547	77.27%	-	6,719,547	77.27%	

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

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

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

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

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

Table 9

Fiscal Year	Governmental Activities						Business-type Activities				
	General Obligation Bonds										
	Literary Fund Loans	Va. Public School Authority Bonds	Qualified Zone Academy Bonds	Revenue/ Bond Anticipation Notes	Lease Revenue Bonds	Capital Leases	General Obligation Bonds <sup>2</sup>	Capital Leases	Total Primary Government	Per Capita <sup>1</sup>	Percentage of Personal Income <sup>1</sup>
2004	\$ 7,083,979	\$ 31,252,554	\$ 887,348	\$ 7,500,000	\$3,740,000	\$ 198,000	\$ 3,625,000	\$ -	\$ 54,286,881	\$ 1,495	5.88%
2005	6,610,493	30,143,870	1,075,619	7,500,000	3,650,000	165,000	3,340,000	-	52,484,982	1,465	5.63%
2006	6,137,001	40,305,984	1,007,951	-	3,555,000	132,000	3,040,000	-	54,177,936	1,539	5.47%
2007	5,676,492	38,727,015	938,032	-	6,125,000	99,000	2,725,000	-	54,290,539	1,571	5.10%
2008	5,215,983	37,073,904	865,787	-	5,815,000	66,000	2,395,000	-	51,431,674	1,514	4.60%
2009	4,755,474	35,350,933	791,129	-	5,490,000	33,000	2,045,000	-	48,465,536	1,450	4.38%
2010	4,294,965	33,567,305	713,974	-	5,748,000	-	2,112,000	-	46,436,244	1,399	4.16%
2011	3,834,456	31,712,181	634,234	-	5,748,000	-	2,112,000	-	44,040,871	1,321	3.86%
2012	3,373,947	29,785,242	551,816	-	5,748,000	-	2,203,000	-	41,662,005	1,250	3.50%
2013	2,913,438	27,787,250	466,625	-	5,172,000	-	1,905,000	-	38,244,313	1,143	*

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

\* Unavailable

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

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

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

Table 10

Fiscal Year Ending June 30,	General Bonded Debt Outstanding <sup>1</sup>				Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property <sup>2,3</sup>		Per Capita <sup>3</sup>
	General Obligation Bonds	Revenue/Bond Anticipation Notes	Lease Revenue Bonds	Total					
2004	\$ 39,223,881	\$ 7,500,000	\$ 3,740,000	\$ 50,463,881	\$ 1,843,672	\$ 48,620,209	2.09%		\$ 1,339
2005	37,829,982	7,500,000	3,650,000	48,979,982	1,736,301	47,243,681	1.99%		1,318
2006	47,450,935	-	3,555,000	51,005,935	2,122,742	48,883,193	2.00%		1,389
2007	45,341,539	-	6,125,000	51,466,539	1,746,995	49,719,544	2.06%		1,439
2008	43,155,674	-	5,815,000	48,970,674	1,263,817	47,706,857	1.07%		1,404
2009	40,897,536	-	5,490,000	46,387,536	1,113,942	45,273,594	0.98%		1,355
2010	38,576,244	-	5,748,000	44,324,244	859,741	43,464,503	0.93%		1,309
2011	36,180,871	-	5,748,000	41,928,871	1,389,519	40,539,352	0.85%		1,216
2012	33,711,005	-	5,748,000	39,459,005	1,337,183	38,121,822	0.90%		1,143
2013	31,167,313	-	5,172,000	36,339,313	1,101,726	35,237,587	0.83%		1,053

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

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

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

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

COUNTY OF ACCOMACK, VIRGINIA  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

Table 11

Year	Population <sup>1</sup>	Personal Income (expressed in thousands) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Unemployment Rate <sup>4</sup>	School Enrollment <sup>3</sup>
2004	36,310	\$923,208	\$25,426	4.60%	5,390
2005	35,835	\$932,812	\$26,868	4.60%	5,385
2006	35,192	\$990,097	\$28,134	4.20%	5,414
2007	34,553	\$1,065,010	\$30,823	4.10%	5,370
2008	33,970	\$1,118,517	\$32,927	5.00%	5,193
2009	33,415	\$1,106,764	\$33,122	6.60%	5,016
2010	33,195	\$1,115,117	\$33,593	7.10%	5,056
2011	33,347	\$1,139,818	\$34,181	7.30%	5,030
2012	33,341	\$1,191,372	\$35,733	6.90%	5,092
2013	33,457	N/A	N/A	6.50%	5,132

N/A - Not available

<sup>1</sup> Source: Years 2004-2012 U.S. Census Bureau Mid Year Estimates/Year 2013 estimated

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

<sup>3</sup> Source: Accomack County School Board

<sup>4</sup> Source: Virginia Employment Commission/2013 unemployment rate as of June 2013

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

**Table 12**

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment <sup>1</sup>	Employees	Rank	Percentage of Total County Employment <sup>1</sup>
Perdue Farms, Inc.	1000+	1	5.90%	1000+	1	5.41%
Tyson Foods, Inc.	1000+	2	5.90%	1000+	2	5.41%
Accomack County School Board	1000+	3	5.90%	500-999	3	4.33%
County of Accomack	250-499	4	1.47%	250-499	4	1.35%
National Aeronautics & Space Administration	250-499	5	1.47%	250-499	5	1.35%
Wal-Mart	250-499	6	1.47%	-	-	-
Eastern Shore Community Services	100-249	7	0.59%	100-249	7	0.54%
LJT Associates	100-249	8	0.59%	-	-	-
Riverside Regional Medical Center	100-249	9	0.59%	-	-	-
The Cube Corporation	100-249	10	0.59%	100-249	6	0.54%
King's Choice	-	-	-	100-249	8	0.54%
Eastern Shore Seafood	-	-	-	100-249	9	0.54%
Shore Memorial Hospital	-	-	-	100-248	10	0.54%
			<u>24.47%</u>			<u>20.56%</u>

**Source:** Virginia Employment Commission

<sup>1</sup>Percentage of total County employment based on total employment as of December 31 of preceding year.

COUNTY OF ACCOMACK, VIRGINIA

AUTHORIZED FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION

LAST NINE FISCAL YEARS<sup>1,2</sup>

Table 13

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General government administration</b>									
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	9.0	9.0	9.0	11.0	11.0	11.0	10.0	10.0	10.0
Elections	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other	25.0	25.0	27.0	27.0	27.5	33.5	32.0	32.0	30.0
<b>Judicial administration</b>									
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	17.8	18.3	18.3	18.3	19.8	19.8	18.8	15.8	15.8
Other	2.0	2.0	3.0	3.0	3.0	2.0	2.5	2.5	2.5
<b>Public Safety</b>									
Constitutional Officers and employees (funded in part by the Commonwealth of Virginia)	64.7	64.7	64.7	64.7	63.7	62.7	60.7	63.7	64.7
Firefighters and emergency medical personnel	20.0	22.5	22.5	28.5	31.5	31.5	31.5	31.5	33.5
Other	12.5	12.5	12.5	14.5	14.0	13.0	13.0	13.0	13.0
<b>Public Works</b>									
Refuse collection and litter control	17.0	19.0	21.8	22.3	23.2	23.2	23.2	23.2	23.2
Refuse disposal	13.7	14.7	15.4	15.4	14.5	14.5	14.5	14.5	14.5
Building and grounds	14.3	14.8	14.8	14.8	14.8	14.8	13.3	13.3	13.3
Wastewater treatment	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0
Storm drainage	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Health and welfare</b>									
Social services and welfare	63.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Other	6.0	6.0	6.0	6.0	5.0	3.0	0.0	0.0	0.0
<b>Parks, recreation and cultural</b>	6.0	6.0	6.0	6.0	5.0	5.0	4.0	4.0	4.5
<b>Community development<sup>3</sup></b>	4.0	5.0	7.0	8.0	8.0	9.0	6.5	6.5	11.0
<b>Total primary government</b>	278.0	286.5	295.0	306.5	308.0	311.0	298.0	298.0	303.0

**Source:** Accomack County Central Accounting Office

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

<sup>2</sup>Temporary and seasonal employees are excluded from this table.

<sup>3</sup> The Airport Commission was abolished by the Board of Supervisors effective 1/1/2013. All FTE previously controlled by the Commission are now under the control of the Primary Government and are reported as such.

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

**Table 14**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>General Government</b>								
Assessor								
Taxable real estate number of parcels	38,021	38,689	39,134	39,440	39,620	39,707	39,786	39,800
Tax-exempt real estate number of parcels	892	898	917	921	932	936	940	941
Number of parcels enrolled in land use program	1,543	1,569	1,642	1,720	1,970	1,995	2,005	1,977
Commissioner of Revenue								
Mobile homes	4,230	4,219	4,214	4,214	3,512	3,418	3,253	3,169
Personal Property Tax Relief Act (PPTRA) qualifying vehicles	34,235	35,831	33,206	34,886	34,551	35,762	29,327	23,808
PPTRA tax credit percentages (vehicle value <\$1000;\$1000-\$20,000)	100% ; 51%	100% ; 51%	100% ; 51%	100%;51%	100%;51%	100%;51%	100%;49%	100%;49%
<b>Finance</b>								
Vendor checks issued	11,793	11,131	10,542	10,149	10,203	10,049	10,117	9,555
Annual County payroll checks/direct deposits	7,902	7,766	8,236	8,323	8,736	6,658	9,019	9,072
Annual School Board payroll checks/direct deposits	29,716	25,721	25,402	26,220	26,886	26,908	27,270	28,271
<b>Treasurer</b>								
Real estate bills created	72,535	74,014	76,178	76,617	77,399	78,926	79,026	79,092
Personal property bills created	38,314	38,540	35,365	37,419	65,899	67,789	66,814	66,378
<b>Judicial Administration</b>								
Clerk of Court								
Deed book recordings	8,684	7,588	5,886	5,611	5,311	5,085	4,781	5,374
Judgments	2,612	4,364	2,648	3,264	2,922	3,338	2,869	2,706
<b>Public Safety</b>								
<b>Fire and Emergency Services</b>								
Emergency responses <sup>2</sup>	3,001	2,979	3,230	2,605	3,798	3,635	4,490	4,751
Patients transported <sup>2</sup>	2,125	2,134	2,264	1,751	2,597	2,508	2,582	2,724
Fire responses <sup>2</sup>	325	322	387	253	343	370	361	406
Fire investigations	60	17	N/A	N/A	N/A	N/A	N/A	N/A
EMS turn-out time when fully staffed <sup>2</sup>	2 minutes	2 minutes	2 minutes	< 2 minutes	< 2 minutes	2.4 minutes	3.8 minutes	3.2 minutes
EMS drive time when fully staffed <sup>2</sup>	< 14 minutes	< 12 minutes	< 12 minutes	< 7 minutes	< 7 minutes	11.3 minutes	15.6 minutes	11.6 minutes
EMS response time when fully staffed <sup>2</sup>	< 15 minutes	< 14 minutes	< 15 minutes	< 7 minutes	< 7 minutes	13 minutes	19.2 minutes	16.6 minutes
<b>Jail</b>								
Average daily inmate population	99	116	104	96	96	87	81	104
<b>Sheriff's Office</b>								
Physical arrests	786	788	837	864	671	893	1,038	1,673
Traffic violations	364	629	436	478	456	469	934	577
<b>Health and Welfare</b>								
<b>Comprehensive Services Act</b>								
Youth receiving services	106	121	121	121	67	55	20	21
<b>Social Services</b>								
Food Stamp Recipients	3,890	4,042	4,290	4,326	5,506	6,490	7,236	6,986
Households receiving Heating Assistance	1,698	1,631	3,414	3,217	3,231	2,899	2,749	2,737
Households receiving Cooling Assistance	491	394	453	426	739	944	718	608
<b>Community Development</b>								
Building permits issued	1,109	1,073	924	918	861	723	692	729
<b>Other Funds</b>								
<b>Landfills</b>								
Billable tons of refuse disposed	54,673	52,711	48,746	43,108	39,154	38,466	37,028	39,614
Tons of recycled materials <sup>3</sup>	6,251	7,931	11,656	17,425	8,769	8,448	9,062	N/A

**Sources:** Various county departments.

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

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

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

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

**Table 15**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Function</b>										
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units <sup>1</sup>	35	35	35	35	38	41	43	51	48	53
Fire training centers	-	1	1	1	1	1	1	1	1	1
Animal control facilities	-	-	1	1	1	1	1	1	1	1
<b>Public Works</b>										
County owned buildings	23	29	29	30	31	33	33	35	36	37
Square foot in buildings	160,551	192,790	186,749	186,893	187,037	187,373	187,373	151,849	153,049	153,149
Refuse collection sites (staffed) <sup>2</sup>	1	1	1	2	3	4	5	6	6	6
Refuse collection sites (unstaffed) <sup>2</sup>	18	18	18	16	14	4	4	1	1	-
Active landfills	2	2	2	2	2	2	2	2	2	1
Solid waste transfer stations	-	-	-	-	-	-	-	-	-	1
Refuse collection vehicles <sup>2</sup>	4	4	4	4	4	4	4	4	4	4
<b>Parks, Recreation and Cultural</b>										
Athletic fields	8	18	18	18	18	18	18	18	18	18
Tennis courts	1	1	1	1	1	1	1	1	1	1
Fishing/boating facilities:										
Dock and/or ramp facilities	15	15	15	15	15	15	15	15	15	15
Low impact water access site	9	9	9	9	9	9	9	9	9	9
Pier or bulkhead only	3	3	3	3	3	3	3	3	3	3
<b>Community Development</b>										
Number of T-hangar buildings	2	2	2	2	2	2	2	2	2	2
Number of T-hangar units	18	18	18	18	18	18	18	18	18	18
Length of runway	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'
<b>Education</b>										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Elementary school capacity	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,775	2,975
Secondary schools	4	4	4	4	4	4	4	4	4	4
Secondary school capacity	n/a	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,900
Combined schools	2	2	2	2	2	2	2	2	2	2
Combined school capacity	525	525	525	525	525	525	525	525	525	575
School buses	109	109	109	108	107	110	109	110	110	110
<b>Component Units</b>										
<b>Industrial Development Park</b>										
Acreage available for sale	264.25	261.28	261.28	261.28	261.28	261.28	261.28	261.28	261.28	261.28

**Sources:** Various county departments.

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

<sup>2</sup>This information does not include the county's active landfill.

## **Compliance Section**



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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Members of the Board of Supervisors  
County of Accomack, Virginia  
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, 2013, and the related notes to the financial statements, which collectively comprise the County of Accomack, Virginia's basic financial statements, and have issued our report thereon dated December 19, 2013.

### Internal Control Over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Robinson, Farnell, Cox Associates*

Charlottesville, Virginia

December 19, 2013

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

### Report on Compliance for Each Major Federal Program

We have audited County of Accomack, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Accomack Virginia's major federal programs for the year ended June 30, 2013. 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 \$545,044 in federal awards which is not included in the schedule during the year ended Financial Statement June 30, 2013. Our audit, described below, did not include the operations of Accomack-Northampton Planning District Commission because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

### *Management's Responsibility*

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

### *Auditors' Responsibility*

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

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

### *Opinion on Each Major Federal Program*

In our opinion, County of Accomack, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

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

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

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

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

*Robinson, Farnell, Cox Associates*

Charlottesville, Virginia  
December 19, 2013

COUNTY OF ACCOMACK, VIRGINIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT  
FOR THE YEAR ENDED JUNE 30, 2013

Page 1

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>PRIMARY GOVERNMENT:</b>			
<b>Department of Defense:</b>			
<u>Direct Payments:</u>			
Community Economic Adjustment Assistance for Compatible Use and Joint Land Use Studies	N/A	12.610	\$ 38,678
<b>Department of Justice:</b>			
<u>Direct Payments:</u>			
Inmate Social Security Bounty	N/A	16.000	1,200
<b>Total Department of Justice</b>			<u>1,200</u>
<b>Department of Motor Vehicles:</b>			
<u>Direct Payments:</u>			
Airport Improvement Program	N/A	20.106	<u>48,319</u>
<b>Department of Motor Vehicles:</b>			
<u>Pass Through Payments:</u>			
State and community highway safety	OP1353213	20.600	634
Alcohol open container requirements	154AL1353209 & 154AL1252240	20.607	19,409
			<u>20,043</u>
<b>Department of Homeland Security:</b>			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services:			
State Homeland Security Program	N/A	97.073	96,655
Emergency Management Performance Grants	N/A	97.042	6,782
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A	97.036	275,194
<b>Total Department of Homeland Security</b>			<u>378,631</u>
<b>Department of Agriculture:</b>			
<u>Direct Payments:</u>			
Summer Food Service Program for Children (Child Nutrition Cluster)	N/A	10.559	144,082
Food Distribution (Child Nutrition Cluster)	N/A	10.555	2,055
Community Facilities Loans and Grants	N/A	10.766	21,743
			<u>167,880</u>
<u>Pass Through Payments:</u>			
Department of Social Services:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Programs	0010111/0010112/0040111/0040112	10.561	463,175
<b>Total Department of Agriculture</b>			<u>631,055</u>
<b>Department of Health and Human Services:</b>			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting Safe and Stable Families	950112	93.556	8,405
Temporary Assistance for Needy Families	0400111/0400112	93.558	402,840
Refugee and Entrant Assistance - State Administered Programs	0500110/0500111	93.566	1,430
Low-Income Home Energy Assistance	0600411/0600412	93.568	51,833
Child Care and Development Block Grant (Child Care and Development Fund Cluster)	0770111/0770112	93.575	(1,764)
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Child Care and Development Fund Cluster)	0760111/0760112	93.596	70,324
1 Chafee Education and Training Vouchers Program	9160109	93.599	1,147
Stephanie Tubbs Jones Child Welfare Services Program	0900111/0900112	93.645	2,332
Foster Care-Title IV-E	1100111/1100112	93.658	108,879
Adoption Assistance	1120111/1120112	93.659	72,802
Social Services Block Grant	1000110/1000111	93.667	309,801

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, 2013

Page 2

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<b>Department of Health and Human Services - continued :</b>			
<u>Pass Through Payments - continued:</u>			
Department of Social Services - continued:			
Chafee Foster Care Independence Program	9150111/9150112	93.674	\$ 2,701
Children's Health Insurance Program	0540111/0540112	93.767	11,582
Medical Assistance Program	1200111/1200112	93.778	278,380
Total Department of Social Services			1,320,692
<b>Total Department of Health and Human Services</b>			1,320,692
<b>Department of the Interior:</b>			
<u>Direct Payments:</u>			
Chincoteague Wildlife Refuge	N/A	15.000	75,762
<b>Total Department of the Interior</b>			75,762
<b>Department of Commerce:</b>			
<u>Pass Through Payments:</u>			
Department of Environmental Quality: Costal Zone Management Administration Awards	NA10NOS4190205	11.419	29,089
<b>Total Department of the Commerce</b>			29,089
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS - PRIMARY GOVERNMENT</b>			2,543,469
<b>COMPONENT UNIT-SCHOOL BOARD:</b>			
<b>Department of Agriculture:</b>			
<u>Pass Through Payments:</u>			
Virginia Department of Agriculture and Consumer Services: Food Distribution (Child nutrition cluster)	10.555/2010/2011	10.555	164,704
Department of Education: National School Lunch Program (Child Nutrition Cluster)	10.555/2010/2011	10.555	1,510,019
			1,674,723
School Breakfast Program (Child Nutrition Cluster)	10.553/2010/2011	10.553	628,802
<b>Total Department of Agriculture</b>			2,303,525
<b>Department of Homeland Security:</b>			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	N/A	97.036	20,449
<b>Department of Education:</b>			
<u>Pass Through Payments:</u>			
Department of Education:			
Title I Grants to Local Educational Agencies	S010A090046/S011A090046	84.010	2,866,306
Migrant Education - State Grant Program	S011A090047/S011A080047	84.011	257,883
Special Education - Grants to States (Special Education Cluster)	H027A090107/H027A100107	84.027	1,785,639
Career and Technical Education - Basic Grants to States	V048A100046/V048A090046	84.048	105,131
Special Education - Preschool Grants (Special Education Cluster)	H173A090112/H173A100112	84.173	23,834
Charter Schools	NA	84.282	3,676
Migrant Education - Coordination Program	S144F090047	84.144	30,277
ARRA-Education Jobs Fund	S394A100047	84.410	17,906
Rural Education	S358B090046	84.358	136,120
English Language Acquisition Grants	T365A090046	84.365	38,061
Improving Teacher Quality State Grants	S367A080044/S367A090044/S367A100044	84.367	372,896
<b>Total Department of Education</b>			5,637,729
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS COMPONENT UNIT-SCHOOL BOARD</b>			7,961,703
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY</b>			\$ 10,505,172

See accompanying notes to schedule of expenditures of federal awards.

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

## COUNTY OF ACCOMACK, VIRGINIA

### Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

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#### Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the County of Accomack, Virginia under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the County of Accomack, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Accomack, Virginia.

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

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

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

#### Note 3 - Food Donation

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

#### Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 786,177
Virginia Public Assistance Fund	1,699,189
Comprehensive Youth Services Fund	<u>32,923</u>

Total Primary Government	<u>2,518,289</u>
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Component Unit Airport:

Airport	<u>48,319</u>
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Component Unit School Board:

School Operating Fund	5,658,178
School Cafeteria Fund	<u>2,138,821</u>
Total component unit School Board	<u>7,796,999</u>

Total federal expenditures per basic financial statements	<u>10,363,607</u>
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Payments in lieu of taxes	<u>(25,194)</u>
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Non-cash expenditures - value of donated commodities	<u>166,759</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 10,505,172</u>
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COUNTY OF ACCOMACK, VIRGINIA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013

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

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

    Material weakness(es) identified? No

    Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

    Material weakness(es) identified? No

    Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be  
reported in accordance with Section .510(a)  
of OMB Circular A-133? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Programs
84.367	Improving Teacher Quality State Grants
93.558	Temporary Assistance for Needy Families
93.667	Social Services Block Grant

Dollar threshold used to distinguish between Type A  
and Type B programs \$315,155

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.