



Comprehensive

Annual

Financial

Report



County of Accomack, Virginia

Fiscal Year Ended June 30, 2019



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COUNTY OF ACCOMACK, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019

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Introductory Section



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COUNTY OF ACCOMACK FINANCE DEPARTMENT

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Michael T Mason, CPA
County Administrator

February 28, 2020

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

We are pleased to present the County of Accomack (the County) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. The objective of this report is to present fairly the 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 as of June 30, 2019 in all material respects and to demonstrate compliance with the requirements that could have a direct and material effect on each of the County's major federal programs.

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

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

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

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

- ☐ **Introductory Section:** The Introductory Section includes this letter of transmittal, a certificate of achievement for excellence in financial reporting, the County's organizational chart and list of principal officials.
- ☐ **Financial Section:** The Financial Section includes Management's Discussion and Analysis (MD&A), government-wide and fund financial statements, notes to the financial statements, required and other supplementary information and the independent auditor's report on the MD&A, financial statements and schedules.
- ☐ **Statistical Section:** The Statistical Section contains selected financial and demographic information generally presented on a multi-year basis.
- ☐ **Compliance Section:** The Compliance Section contains information on County programs that are financed by federal grants. This information is required by the Single Audit Act and by the Commonwealth of Virginia Auditor of Public Accounts.

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

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

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

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

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

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations. The audit for the fiscal year ended June 30, 2019 has been completed and no material internal control weaknesses or material violations of laws and regulations have been found.

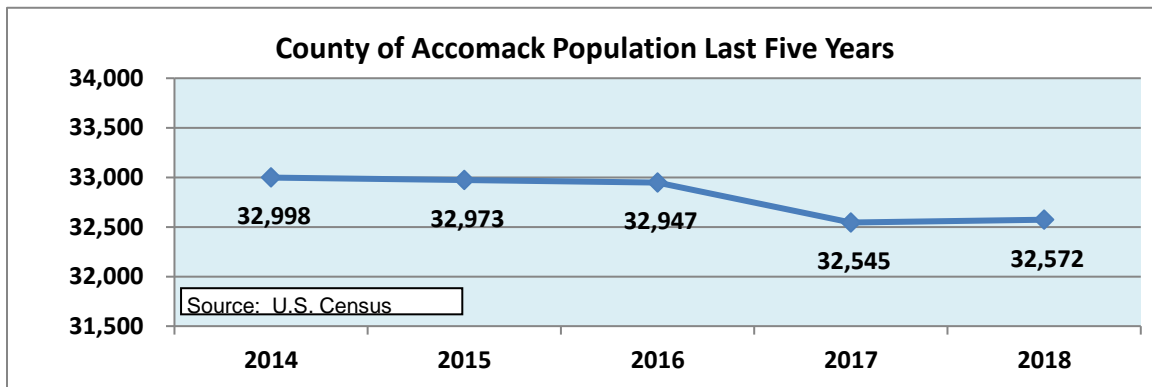
The County adopts an annual budget by July 1 of each year as required by Section 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds.

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. Agriculture remains a preeminent force for the County. Primary crops grown are wheat, soybeans and corn. As noted further in the CAFR, Accomack County ranks number one in Virginia in corn production.

Population: The County had a population of 32,439 as of June 30, 2019. No material changes in population are predicted for the area over the next few years.

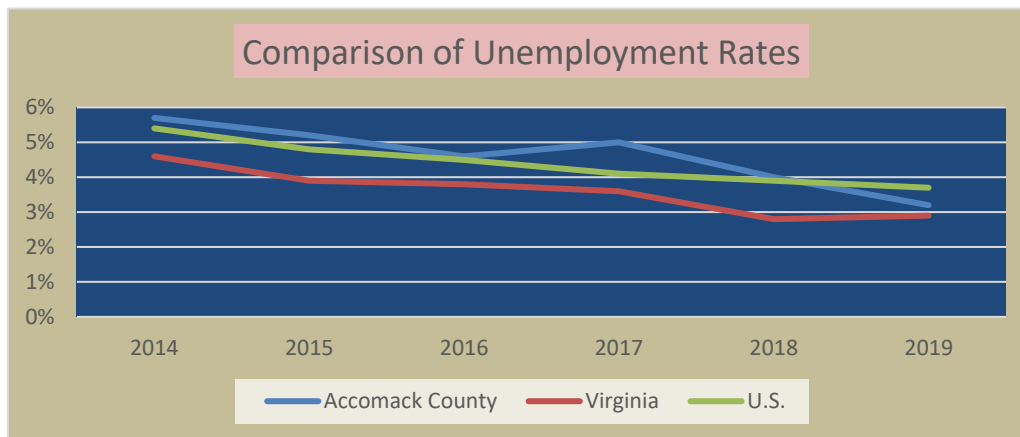


Labor Force Employment: Over the past several years, there have been minor changes in average employment. Isolation along with the lack of centralized wastewater in growing, industrial and commercial areas and lack of a skilled and ready workforce have been cited as major deterrents of economic development in the County.

Calendar Year	Employment by Sector						Total
	Manuf-acturing	Accomo-dations and Food Service	Retail Trade	Public Administ-ration	Health Care & Social Assistance	Other	
2018	3,432	1,303	1,330	1,255	1,534	4,604	13,458
2017	3,337	1,165	1,318	1,283	1,619	4,613	13,335
2016	3,228	1,360	1,338	1,281	1,628	4,805	13,640
2015	3,220	1,192	1,378	1,248	1,283	4,570	12,891
2014	3,066	1,227	1,422	1,282	1,252	4,409	12,658

The manufacturing sector continues to account for the majority of jobs in the County, approximately 26% in 2018. 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.

Unemployment: The County's unemployment rate decreased by approximately 1 percentage point from 4.3% in 2017 to 3.8% in 2018 and fell again to 3.2% in 2019. The County is slightly below the national unemployment rate of 3.7%.



Major initiatives looking forward for Accomack County include:

- Becoming part of the Hampton Roads Sanitation District (HRSD)-** A new effort is underway to address one of the frequently cited deterrents to economic development in the County, the lack of available centralized wastewater treatment. In 2018, a regional Infrastructure Summit was held by the region's congressional representative. Present at this meeting were a number of local, state and federal representatives along with local community leaders who assembled to discuss regional issues affecting the vitality of the Eastern Shore of Virginia. During this meeting, consensus was obtained that the lack of centralized sewer options was the top regional obstacle limiting further economic development of the area. Shortly after this meeting, a stakeholder group was created to explore ways to address this issue. This group convened to gain insight and expertise into wastewater treatment standards of practice and technologies available. The group later spearheaded the completion of the Eastern Shore Sanitary Sewer Transmission Force Main Study which focused conceptually on not only how to bring more centralized treatment options to the Eastern Shore, but also on assisting existing government-owned treatment facilities which were either nearing the end of their useful lives or operating at well under their designed capacity. The study recommended a phased approach to meeting local wastewater treatment needs with the scope of phase 1 to constructing a force main (sewer line) from the Town of Nassawadox to the Town of Onancock along with a service spur to the Town of Accomac.



This force main would connect the existing wastewater treatment facilities located along its path to the Town of Onancock's wastewater treatment plant, a modern, well-maintained plant operating at significantly under its designed treatment capacity. This phase of the project is expected to cost approximately \$24 million.

The HRSD, a political subdivision of the Commonwealth, agreed to partner on this proposed project at the

request of the Counties of Accomack and

Northampton and the concurrence of other major project stakeholders. HRSD has agreed in principal to fund and construct this force main in exchange for obtaining ownership of the Town of Onancock wastewater treatment plan. There is no expected cost to the County. Efforts to advance this project from concept to reality are currently ongoing with the next major step being for each County to petition their circuit courts to become part of the HRSD service area. The prospect of this project for the entire Eastern Shore is truly transformative for Accomack County and its future.

- Continue to market Wallops Research Park – As noted before, construction of the Park was completed in Fiscal Year 2017. The Wallops Research Park is a prime location for aerospace and aviation operations offering 200+ acres specifically for Unmanned Aircraft Systems and medium



class space launch vehicles, particularly those seeking to leverage and enhance capabilities of the Mid-Atlantic Spaceport and NASA Wallops Flight Facility. During FY 2019, the Park saw its first tenant, Rocket Lab begin construction. The WRP is adjacent to the NASA Wallops Flight Facility and offers tenants a distinctive business advantage not available anywhere. The Wallops Flight Facility is home to unique and valuable assets that can be leveraged for federal, state and private sector development. In total, there are approximately 6200 acres within the WFF which provide three major capabilities: Research

Airport; World Class Launch Range; and end-to-end engineering design, fabrication, and testing facilities. In total, the Wallops Research Park represents over \$8M in County and Commonwealth investment.

- Complete construction of the new Eastern Shore Public Library & Heritage Center -This new 20,110 square foot facility will be located in Parksley, Virginia. It is currently under construction and is expected to open in 2020. A separate wing of the library will be devoted to the Eastern Shore Heritage Center, a state-of-the art, climate controlled facility that will house books, photographs, genealogical records, and manuscripts. It will also contain a research room, lecture hall and makerspace. The Heritage Center will enhance the ability of the library to teach humanities and to partner with other community resources, including the public schools, the Literacy Council, local museums, and civic groups. At the same time, the Heritage Center will provide multimedia opportunities for teaching and learning humanities in the fields of history, genealogy, archaeology, and other disciplines. Thus, the Heritage Center will serve as a resource for students and scholars, local, regional, and national, and provide the infrastructure for the archiving, cataloging, digitalization, and dissemination of a superb collection of books, pamphlets, documents, and photographs.



To conclude FY 2019, the County set aside an additional \$518,944 to our “Rainy Day”/Stabilization Committed Fund Balance bringing the total amount committed to \$11,355,486 or approximately 13.6% of the sum of the Primary Government’s total General Fund revenue and School Board Component Unit’s total School Operating Fund revenue.

For the 2020 Fiscal Year, the Board of Supervisors adopted a Primary Government total operating and capital budget of \$61,630,495 which is again an increase of 1.2% from the previous year. Property tax rates will not change for the second year in Fiscal Year 2020. The County’s real estate tax rate continues to be among the lowest of Virginia’s 95 counties. The Fiscal Year 2020 property tax rates are detailed in the *Management Discussion and Analysis* section. The development of the Fiscal Year 2020 budget was driven by the following priorities:

1. **Keep property tax rates at or below their current levels**
2. **Become a more business resilient County**
The County continues to plan for a new Emergency Operating Center. Several initiatives are being pursued that will ensure that county services remain operational in times of public need even when confronted with disasters both natural and manmade.
3. **Continue to attract and retain a high-performing workforce**
All County employees will receive a 2% pay raise in Fiscal Year 2020. Employees who insure their spouse and/or dependents will pay a reduced share of the costs for employer provided insurance coverage.
4. **Maintain the County’s investment in its infrastructure and prepare for future capital replacement**
The County has earmarked approximately \$2.4 million for capital additions and replacements, as well as maintenance.
5. **Maintain or improve customer service & employee/customer safety**
6. **Continue to strengthen “Rainy Day” fund to a “best practice” level**
The County will continue to add to its rainy day fund to meet its goal of 16.7% of budgeted governmental funds net operating revenues by fiscal year 2024. Subsequent to the fiscal year end of June 30, 2019, we have extended this timeline by two years.

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, 2018. 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. This is the

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

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'M. T. Mason', is written over the typed name.

Michael T. Mason, CPA
County Administrator

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



Government Finance Officers Association

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

Presented to

**County of Accomack
Virginia**

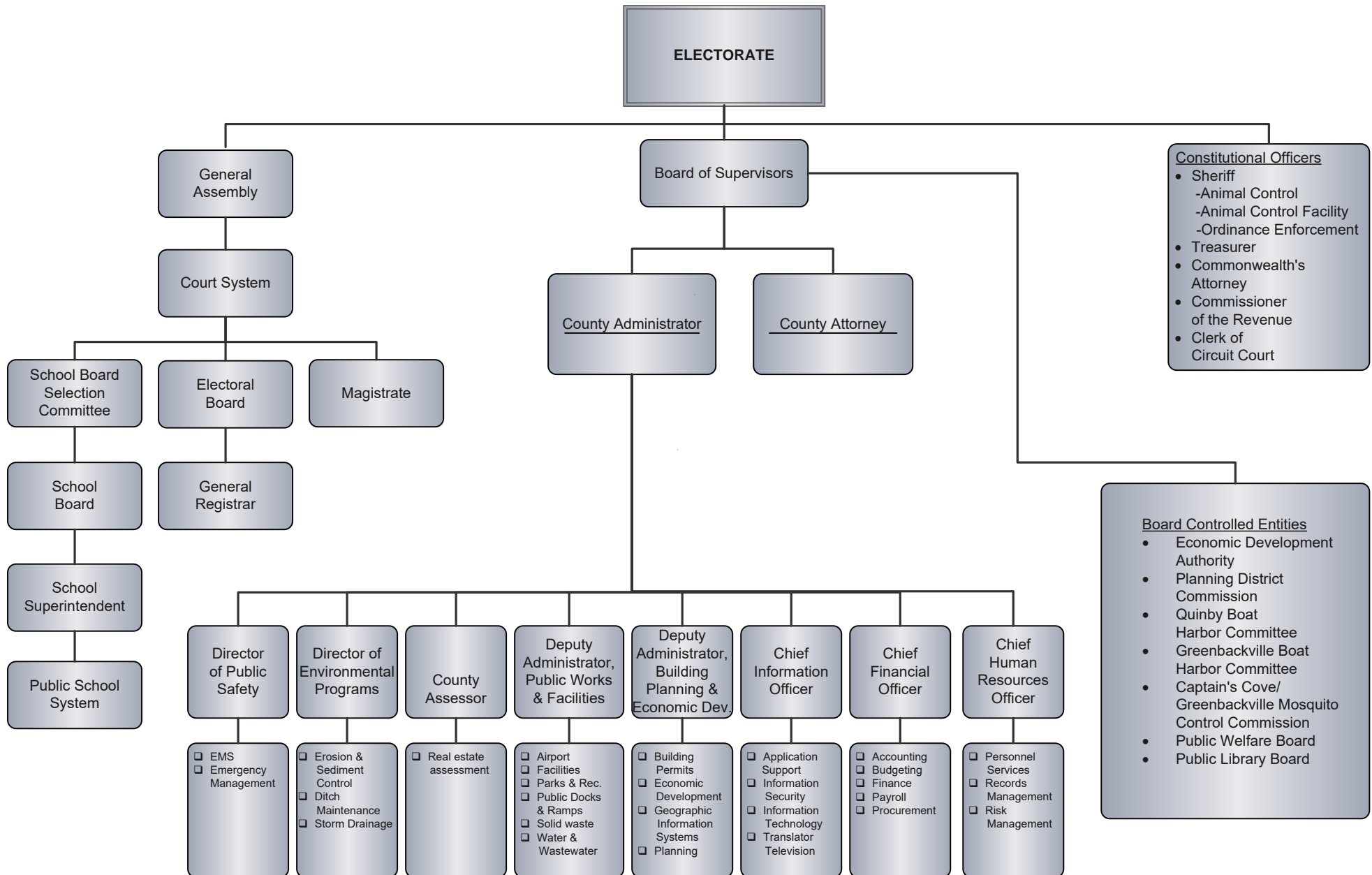
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

COUNTY OF ACCOMACK, VIRGINIA ORGANIZATION CHART



County of Accomack, Virginia

Principal Officials

Board of Supervisors

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

Constitutional Officers

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

County Administrative Officers

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

County of Accomack, Virginia
Principal Officials
(continued)

School Board

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

School Board Administrative Officers

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



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Financial Section



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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of County of Accomack, Virginia, as of and for the year ended Financial June 30, 2019, 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 4 percent, (53) percent, and 3 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Accomack-Northampton Planning District Commission is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Accomack, Virginia, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2019, the County adopted new accounting guidance, GASB Statement No. 83, *Certain Asset Retirement Obligations* and GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Borrowing Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 20-30, 151-156, and 137-150 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary and Other Information

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

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

Other Matters: (Continued)

Supplementary and Other Information: (Continued)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2020, on our consideration of the County of Accomack, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Accomack, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Accomack, Virginia's internal control over financial reporting and compliance.

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
February 27, 2020



County of Accomack
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2019

Honorable Members of the Board of Supervisors
Citizens of Accomack County

As management of the County of Accomack, Virginia we offer readers of the County's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. This Management's Discussion and Analysis (MD&A) section is intended to introduce the County's basic financial statements and provide an analytical overview of the County's financial activities. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and with the County's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$48,636,905 (net position). Of this amount, \$13,324,676 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$7,878,261 (19%). Net position of the governmental-type activities increased \$5,605,680 (16%) and net position of the business-type activities increased \$2,272,581 (41%).
- The County's unrestricted net position increased by \$1,629,316 (14%). Unrestricted net position of the governmental-type activities increased \$2,622,722 (15%) and unrestricted net position of the business-type activities decreased \$993,406 (18%).
- Program revenues of the County's business-type activities increased by 80% to \$7,168,080 primarily as a result of new grants for the Airport while expenses increased by 9% to \$5,255,563.
- The General fund reported an ending fund balance of \$21,277,363, an increase of \$2,781,508 (15%). Of the ending fund balance, \$140,896 was nonspendable or restricted, \$11,355,486 was committed pursuant to the County's "Rainy Day"/Revenue Stabilization policy, \$6,782,375 was assigned to various projects and \$2,998,606 was unassigned.
 - The amount of General Fund ending fund balance committed pursuant to the County's "Rainy Day"/Revenue Stabilization Policy was equal to 13.6% of total General Fund Revenue and Component Unit School Operating Revenue less contributions from the Primary Government.
 - The amount of General Fund ending fund balance available for expenditure (Committed Fund Balance + Assigned Fund Balance + Unassigned Fund Balance) was \$21,136,467 or 57% of total general fund expenditures.
- The County's outstanding debt decreased by \$3,059,406 or 10.6% during the current fiscal year.

Overview of the Financial Statements

The County's financial statements present two types of statements, each with a different focus on the County's finances. The focus is on both the County as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both short-term and long-term information about the County's overall financial status. The fund financials focus on the individual parts of County government, reporting the County's operation in more detail than the government-wide statements, which present a longer-term view. Presentation of both perspectives provides the user a broader overview, enhances the basis for comparison, and better reflects the County's accountability.

Government-wide financial statements - Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business, and use the full accrual method of accounting. They include the Statement of Net Position (Exhibit 1) and the Statement of Activities (Exhibit 2). All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid.

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. To assess the overall health of the County, one needs to consider other nonfinancial factors such as changes in the County's property tax base and condition of the County's infrastructure.

In the Statement of Net Position and the Statement of Activities, the County's fund-based activity is classified as follows:

Governmental activities – Most the County's basic services are reported here, including general government, judicial administration, public safety, public works, health and welfare, parks and recreation and community development departments. Property taxes, other local taxes and federal and state grants finance most of these activities.

Business-type activities – The County's Airport, Landfill, Parks and Recreation Revolving and Water/Sewer Funds are reported here as the County charges fees for services.

Component Units – The County has seven component units with one discretely presented. Although legally separate, the component units are included as the County is financially accountable for them and as such, exclusion could cause the County's financial statements to be misleading.

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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the county's most significant funds – not the County as a whole. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Virginia Public Assistance Fund, Comprehensive Youth Services Fund, County Debt Service Fund and County Capital Projects Funds, all of which are considered to be major funds. Data from the remaining nine governmental funds are combined into a single aggregated presentation. Individual fund data for these nonmajor funds is provided in the "Other Supplemental Information" section of the report. The County adopts an appropriated budget annually for its Governmental funds. A budgetary comparison statement has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget. Budgetary comparison schedules for nonmajor funds are also provided in the "Other Supplemental Information" section of the report.

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial health. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,636,903 at year-end.

The largest portion of the County's net position (65%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities.

The next largest portion of the County's net position (27%) is unrestricted meaning it may be used to meet the government's ongoing obligations.

County of Accomack, Virginia
Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2018	2017
Current and other assets	\$ 49,656,564	\$ 45,184,117	\$ 1,765,676	\$ 1,189,550	\$ 51,422,240	\$ 46,373,667
Capital assets	41,390,754	42,198,480	14,962,690	12,318,429	56,353,444	54,516,909
Total assets	91,047,318	87,382,597	16,728,366	13,507,979	107,775,684	100,890,576
Deferred Outflows of Resources	1,777,999	1,470,688	90,531	88,750	1,868,530	1,559,438
Current liabilities	7,977,577	6,797,381	849,467	1,008,525	8,827,044	7,805,906
Long -term liabilities	25,823,266	28,354,008	8,014,186	6,857,420	33,837,452	35,211,428
Total liabilities	33,800,843	35,151,389	8,863,653	7,865,945	42,664,496	43,017,334
Deferred Inflows of Resources	18,267,046	18,550,146	75,769	123,890	18,342,815	18,674,036
Net Position:						
Net investment in capital assets	17,160,190	14,803,829	14,262,266	10,996,279	31,422,456	25,800,108
Restricted	3,889,773	3,263,176	-	-	3,889,773	3,263,176
Unrestricted	19,707,467	17,084,745	(6,382,791)	(5,389,385)	13,324,676	11,695,360
Total net position	\$ 40,757,430	\$ 35,151,750	\$ 7,879,475	\$ 5,606,894	\$ 48,636,905	\$ 40,758,644

A portion of the County's net position (8%) represents resources that are subject to restrictions (external and internal) 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 \$7,878,261 or 19% during the fiscal year. Governmental activities accounted for 71% of the total increase while business-type activities accounted for 29%.

Governmental Activities – Governmental activities increased the County's net position by \$5,605,680 or 16% during the fiscal year. Key elements of this increase are as follows:

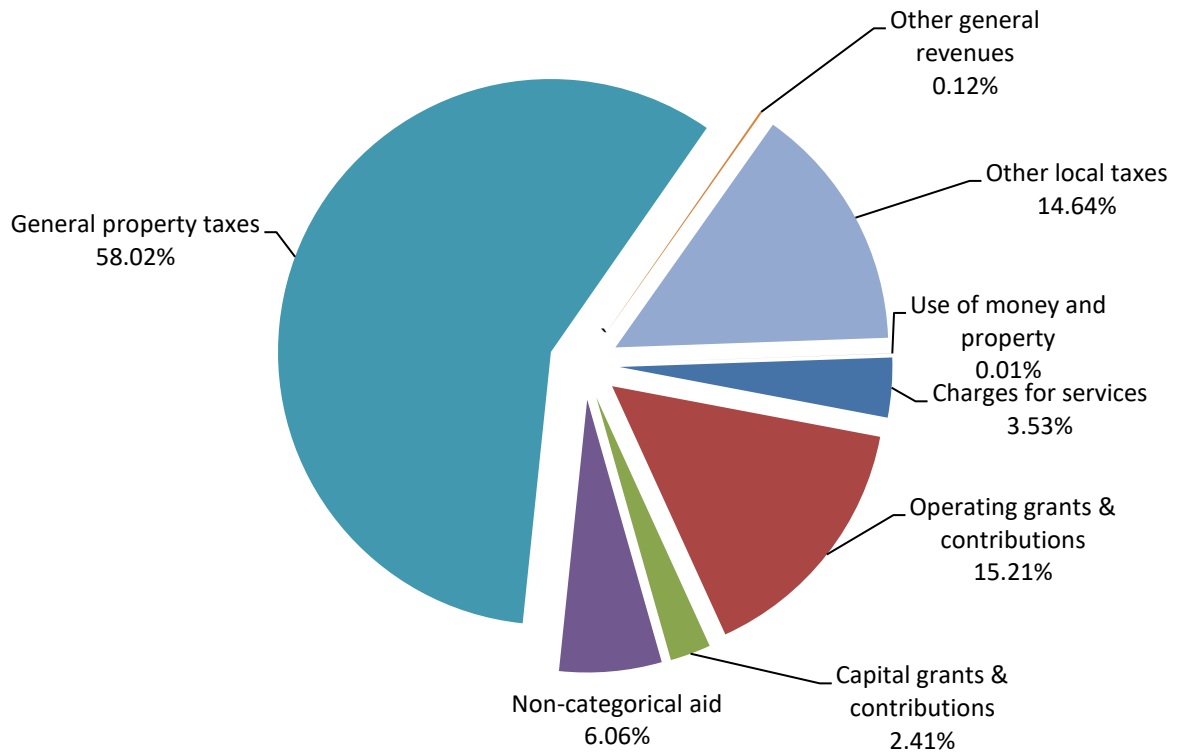
**Accomack County, Virginia
Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 2,000,676	\$ 1,717,007	\$ 3,881,614	\$ 3,500,814	\$ 5,882,290	\$ 5,217,821
Operating grants & contributions	8,623,343	8,437,334	26,435	33,597	8,649,778	8,470,931
Capital grants & contributions	1,364,751	335,000	3,260,031	451,081	4,624,782	786,081
General Revenues:					-	
General property taxes	32,888,029	33,963,969	-	-	32,888,029	33,963,969
Other local taxes	8,295,396	7,691,607	-	-	8,295,396	7,691,607
Investment earnings	5,907	46,368	-	11,662	5,907	58,030
Non-categorical aid	3,433,736	3,400,198	-	-	3,433,736	3,400,198
Other general revenues	70,010	329,248	-	-	70,010	329,248
Total revenues	56,681,848	55,920,731	7,168,080	3,997,154	63,849,928	59,917,885
Expenses:						
General government administration	3,869,051	4,235,991	-	-	3,869,051	4,235,991
Judicial administration	1,847,818	1,524,872	-	-	1,847,818	1,524,872
Public safety	12,521,804	11,411,784	-	-	12,521,804	11,411,784
Public works	4,295,730	4,434,819	-	-	4,295,730	4,434,819
Health and welfare	5,772,749	5,945,902	-	-	5,772,749	5,945,902
Education	17,990,881	19,334,027	-	-	17,990,881	19,334,027
Parks, recreation and cultural	1,301,533	1,239,140	-	-	1,301,533	1,239,140
Community development	2,034,036	1,884,504	-	-	2,034,036	1,884,504
Interest on long-term debt	1,082,502	1,134,137	-	-	1,082,502	1,134,137
Business-type	-	-	5,255,563	4,804,148	5,255,563	4,804,148
Total expenses	50,716,104	51,145,176	5,255,563	4,804,148	55,971,667	55,949,324
Increase (decrease) in net position before transfers	5,965,744	4,775,555	1,912,517	(806,994)	7,878,261	3,968,561
Transfers	(360,064)	(758,393)	360,064	758,393	-	-
Increase (decrease) in net position	5,605,680	4,017,162	2,272,581	(48,601)	7,878,261	3,968,561
Net position-Beginning as restated	35,151,750	31,134,588	5,606,894	5,655,495	40,758,644	36,790,083
Net position, June 30	\$ 40,757,430	\$ 35,151,750	\$ 7,879,475	\$ 5,606,894	\$ 48,636,905	\$ 40,758,644

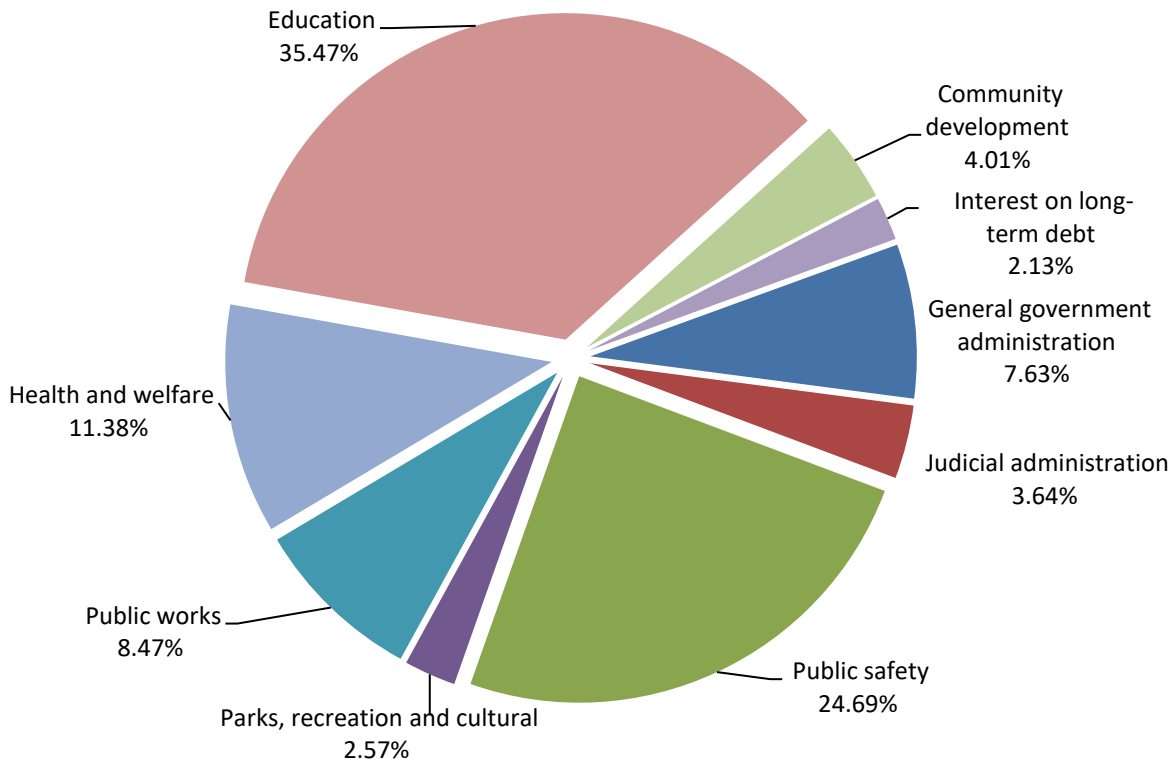
Property taxes are the largest single revenue source comprising 58% of total governmental revenues. Property taxes decreased by \$1,075,940 or 3% during the fiscal year.

- Operating grants for governmental activities is the second largest revenue source comprising 15% of governmental revenues. This revenue source increased by \$186,009 or 2% during the fiscal year.
- Other local taxes increased by \$603,789 or 8% primarily due to an increase (for the second year) in local sales and use tax revenue.
- Education expense is the largest single category comprising 35% of total governmental expenses. Expenses for this category decreased by \$1,343,146 or 7% from the previous year.
- Public safety expense is the second largest category comprising 25% of governmental expenses. Expenses for this category increased \$1,110,020 or 10% as compared to the previous year.
- Health & Welfare expense is the third largest category comprising 11% of governmental expenses. Expenses for this category decreased \$173,153 or 3% as compared to the previous year.

Fiscal Year 2019 Revenues by Source Governmental Activities

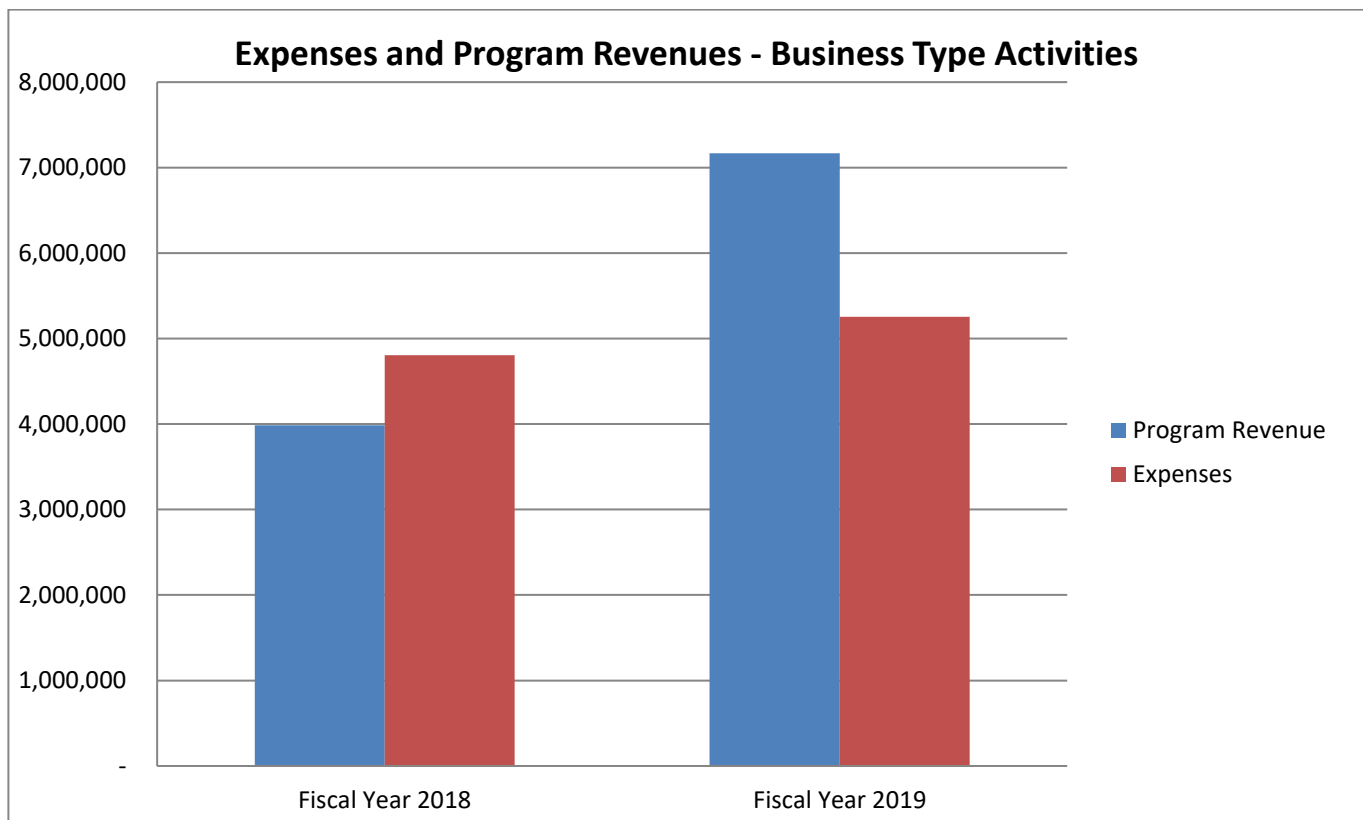


Fiscal Year 2019 Expenses by Function Governmental Activities



Business-type Activities – Business-type activities increased the County’s net position by \$2,272,581 or 29% during the fiscal year.

Business-type program revenues increased by \$3,182,588 or 80%. Grants awarded in the amount of almost \$3 million for capital improvements for the County’s airport account for the majority of the increase, with a like increase in the Airport’s fixed assets. The Landfill did have a fee increase in FY 2019 which improved business-type charges for services income by \$396,780. All business-type expenses increased by 9% or \$451,415 as compared to the prior fiscal year. The Airport and Landfill expenses increased by 7% and 14% respectively or \$48,930 and \$511,313 while the Water and Sewer fund had a reduction in expenses of \$114,900.



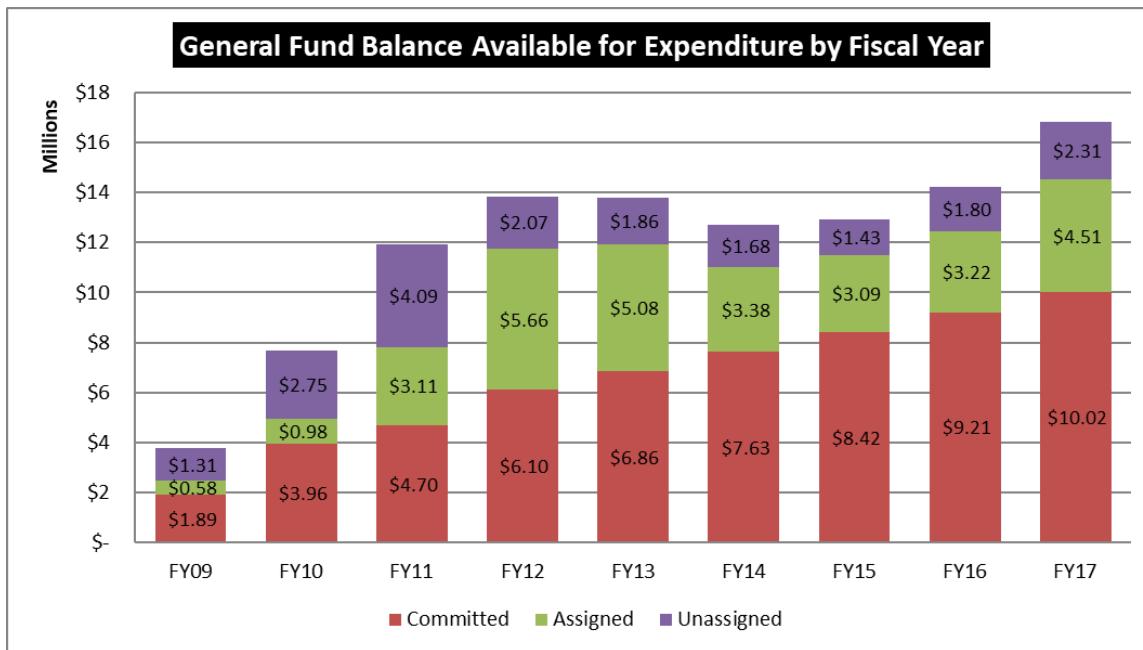
Financial Analysis of the County's Funds

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 \$26,922,372. Details are as follows:

- The General Fund accounted for 79% percent or \$21,277,363 of the combined ending governmental fund balance.
 - Approximately \$2,998,606 or 14% of this balance constitutes unassigned fund balance which is not tied to any specific use and is available for spending at the County's discretion.
 - Approximately \$11,355,486 or 53% is committed for a "Rainy Day" or Revenue Stabilization. This amount represents 13.6% of General Fund Revenue combined with School Operating Fund Revenue less revenue from the Primary Government.
 - Use of these funds is only permitted to temporarily address significant revenue shortfalls, to mitigate public safety threats both man-made and natural or to take emergency actions necessary to preserve the County and School Divisions overall financial health.
 - Approximately \$6,782,375 or 32% is assigned to various projects yet to be completed.
 - Approximately \$104,700 or less than 1% of this balance is due to noncurrent advances/receivables and is therefore nonspendable.
 - The remainder, approximately \$36,196, of general fund balance is restricted to specific uses by entities external to County government.



- The General Fund reported an increase in fund balance of \$2,781,508 or 15%. General Fund Committed Fund Balance increased by \$518,944 or 5%. The entire amount of committed fund balance, \$11,355,486, is associated with the County's "Rainy Day"/Revenue Stabilization Policy. The General Fund unassigned fund balance increased by \$1,745,455 or 139%. This large increase in unassigned fund balance as compared to the prior year primarily resulted from an increase in both general property taxes as well as other local taxes.
- The Consolidated Emergency Services Fund accounted for 12% or \$3,144,371 of the combined ending governmental fund balance. This entire balance is restricted for providing emergency medical services throughout the County.

Proprietary funds - The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All of the proprietary funds except the Parks and Recreation Revolving fund 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 \$1,264,874 or 3.2%. 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.

Expenditures:

The difference between the Primary Government General Fund original budget and the final amended budget (schedule 2) was \$3,479,279 or 9%. Significant individual adjustments making up this difference are explained as follows:

- Public Safety related amendments – The following budget increases were made to reflect:
 - Amendments totaling \$187,915 were made to recognize Virginia Homeland Security and Four for Life grant awards and carryovers. The purpose of these funds was to purchase safety equipment to handle potential hazardous material cleanup situations, training of EMS personnel and purchase of equipment and supplies for emergency medical and rescue services.
 - An amendment of \$92,242 was made to recognize the award of Community Court Corrections grant.

- Public Works related amendments – The original budget was amended to increase by \$969,773, including \$343,343 to reflect the carryover of funds used for storm drainage control, \$349,300 for purchase of property and other project carryovers, \$77,385 to record various building and dock projects carryovers, \$ 87,771 hazardous waste program award and \$111,974 to capture Garage service recoveries.
- Parks, Recreation and Cultural amendments – The original budget was increased by \$282,904 to recognize the carryover and acceptance of a grant award for the Summer Food/Playground Program.
- Education amendments – The original budget was increased by \$931,156 to carryover previous year funds for encumbrances of Accomack County Schools.

General Fund Budget Variances:

The Primary Government General Fund reported a positive variance between actual revenue and the final budget of \$2,278,607 and a positive variance between actual expenditures and the final budget of \$4,630,571.

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, 2019 amounts to \$56,353,444 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment and construction in progress.

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

Long-term debt – At the end of the fiscal year, the County had total debt outstanding, including unamortized bond premiums, of \$25,830,073. Of this amount, \$15,304,732 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 \$12,676,058 in debt reported on the County's Statement of Net position and an expense increase of \$1,200,690 reported on the County's Statement of Activities for the transfer of school property on which debt was retired during the fiscal year to the school board. The legislation affects the reporting of local school capital assets as well.

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

Economic Factors and Next Year's Budgets and Rates

Overall, General Fund revenues for fiscal year 2020 are forecast to increase by 2.4% from those of FY19. Total General Fund expenditures, including capital expenditures, are forecast to increase 1.4%.

Property Tax Rates/Fees

Below are the adopted property tax rates for calendar year 2018 (fiscal year 2019) and calendar year 2019 (fiscal year 2020). They were set as part of the budget process which included only .6% of real estate tax revenue growth resulting from new construction.

2020 Real Estate Tax Rates:

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

2019 Real Estate Tax Rates:

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

There were no user fee increases for the fiscal year 2020.

Operating Expenditures

Fiscal year 2020 operating expenditures are expected to increase slightly to provide a 2% wage increase for County and state-supported local positions that goes into effect July 1, 2019. The 2020 operating budget also provides an additional \$550,000 to the School Division based on the County's traditional revenue sharing formula. The County shares "new" revenue with the School Division based on this formula which calls for 53% of the annual growth from general fund property taxes, other local taxes and non-categorical aid to be appropriated to the School Division.

Capital Expenditures

The County's adopted capital budget (before revisions) for 2020 totals just over \$1 million. This entire capital budget is cash funded using unassigned fund balance and a portion of 2020 projected operating revenues to pay for infrastructure improvements. The capital plan includes funding that will address a variety of County buildings that have long needed improvements, such as the Circuit Courthouse HVAC, several County maintained docks and ramps and the County portion towards funding new financial and human resources software.

Other Initiatives

The fiscal year 2020 budget continues with the plan implemented in fiscal year 2009 to strengthen the portion of the County's general fund balance that is committed for a "Rainy Day" or revenue stabilization. The plan calls for this fund balance to be at least equal to 16.7% of County and School Board operating revenue by fiscal year 2021. Next year's budget sets aside an additional \$447,231 for this purpose. With this increase, the amount committed is expected to reach 14.7% of General Fund Revenue combined with School Operating Fund Revenue (less revenue from the Primary Government).

Employment and Population

The local unemployment rate decreased from June 2018 to June 2019 as shown below. The County's 3.2% unemployment rate falls between the unemployment rate for the Commonwealth and the country as of June 30, 2019.

	Unemployment Rates		
	June 2017	June 2018	June 2019
Accomack County	4.3%	3.8%	3.2%
Commonwealth of Virginia	3.9%	3.3%	2.9%
USA	4.5%	4.2%	3.7%

According to the Virginia Employment Commission, the number of persons employed in the County increased from 15,619 in June, 2017 to 16,072 in June, 2018 and to 16,947 in June, 2019. This equates to an increase of 875 or approximately 6%.

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

Requests for Information

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



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Basic Financial Statements



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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
AT JUNE 30, 2019

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Other
Assets:					
Cash and investments	\$ 29,026,964	\$ 1,287,901	\$ 30,314,865	\$ 5,714,006	\$ 1,105,231
Taxes receivable, net	17,646,142	-	17,646,142	-	-
Special assessments receivable, net	17,920	-	17,920	-	-
Accounts receivable, net	397,622	404,047	801,669	23,272	492,920
Loans receivable	-	-	-	-	36,999
Due from other governmental entities	2,567,916	31,511	2,599,427	2,070,574	28,667
Inventory	-	42,217	42,217	-	187,400
Prepaid items	-	-	-	-	32,461
Notes receivable	-	-	-	-	373,200
Restricted assets:					
Cash and cash equivalents	-	-	-	-	463,001
Capital assets (net of accumulated depreciation):					
Land	2,497,342	1,663,795	4,161,137	974,862	417,737
Buildings	22,076,984	664,477	22,741,461	34,460,281	433,960
Improvements other than buildings	12,779,035	9,890,988	22,670,023	2,370,652	83,311
Machinery and equipment	2,731,519	2,162,042	4,893,561	5,279,200	62,403
Intangibles	361,797	-	361,797	-	-
Construction in progress	944,077	581,388	1,525,465	35,000	-
Net pension asset	-	-	-	1,067,412	390,786
Total assets	91,047,318	16,728,366	107,775,684	51,995,259	4,108,076
Deferred Outflows of Resources:					
Deferred amount on refunding	263,434	-	263,434	-	-
Pension related items	1,223,710	82,967	1,306,677	5,398,027	26,293
OPEB related items	290,855	7,564	298,419	903,023	-
Total deferred outflows of resources	1,777,999	90,531	1,868,530	6,301,050	26,293
Liabilities:					
Accounts payable	2,192,395	445,299	2,637,694	1,265,836	139,112
Wages and benefits payable	180,649	3,005	183,654	5,594,922	20,767
Due to other governmental entities	153,690	-	153,690	-	-
Accrued interest payable	406,272	538	406,810	-	-
Unearned revenue	503,411	5,321	508,732	390,850	114,152
Customer deposits	259,346	30,032	289,378	-	-
Internal balances	(3,977)	3,977	-	-	-
Long-term liabilities:					
Due within one year	4,285,791	361,292	4,647,083	1,645,005	-
Due in more than one year	25,823,266	8,014,189	33,837,455	50,611,437	135,639
Total liabilities	33,800,843	8,863,653	42,664,496	59,508,050	409,670
Deferred Inflows of Resources:					
Deferred property tax revenue	16,574,153	-	16,574,153	-	-
Pension related items	1,109,276	70,976	1,180,252	5,279,102	127,810
OPEB related items	583,617	4,793	588,410	392,277	-
Total deferred inflows of resources	18,267,046	75,769	18,342,815	5,671,379	127,810
Net Position:					
Net investment in capital assets	17,160,190	14,262,266	31,422,456	43,119,995	997,411
Restricted:					
Future debt service	374,229	-	374,229	-	500,000
Grant purposes	242,188	-	242,188	-	-
Public safety	3,171,828	-	3,171,828	-	-
Health and welfare	8,140	-	8,140	-	-
Parks Recreation and Culture	-	-	-	-	655,053
Judicial administration	57,192	-	57,192	-	-
Community development	36,196	-	36,196	-	-
Unrestricted	19,707,467	(6,382,791)	13,324,676	(50,003,115)	1,444,425
Total net position	\$ 40,757,430	\$ 7,879,475	\$ 48,636,905	\$ (6,883,120)	\$ 3,596,889

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

**COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE, 30 2019**

Exhibit 2

					Net (Expense) Revenue and Changes in Net Position				
Program Revenues					Primary Government			Component Units	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Board	Other
Primary government:									
Governmental activities:									
General government administration	\$ 3,869,051	\$ 575,757	\$ 274,107	\$ -	\$ (3,019,187)	\$ -	\$ (3,019,187)	\$ -	\$ -
Judicial administration	1,847,818	117,902	1,195,688	-	(534,228)	-	(534,228)	-	-
Public safety	12,521,804	549,903	2,778,538	69,115	(9,124,248)	-	(9,124,248)	-	-
Public works	4,295,730	206,417	18,840	-	(4,070,473)	-	(4,070,473)	-	-
Health and welfare	5,772,749	450,225	4,253,196	-	(1,069,328)	-	(1,069,328)	-	-
Education	17,990,881	-	-	-	(17,990,881)	-	(17,990,881)	-	-
Parks, recreation and cultural	1,301,533	61,009	72,974	1,270,636	103,086	-	103,086	-	-
Community development	2,034,036	39,463	30,000	25,000	(1,939,573)	-	(1,939,573)	-	-
Interest on long-term debt	1,082,502	-	-	-	(1,082,502)	-	(1,082,502)	-	-
Total governmental activities	50,716,104	2,000,676	8,623,343	1,364,751	(38,727,334)	-	(38,727,334)	-	-
Business-type activities:									
Landfill	4,080,602	3,289,632	-	-	-	(790,970)	(790,970)	-	-
Airport	739,944	251,371	26,435	3,260,031	-	2,797,893	2,797,893	-	-
Water and sewer	389,764	305,519	-	-	-	(84,245)	(84,245)	-	-
Parks and recreation	45,253	35,092	-	-	-	(10,161)	(10,161)	-	-
Total business-type activities	5,255,563	3,881,614	26,435	3,260,031	-	1,912,517	1,912,517	-	-
Total primary government	55,971,667	5,882,290	8,649,778	4,624,782	(38,727,334)	1,912,517	(36,814,817)	-	-
Component Units:									
School Board	55,854,714	423,184	39,716,953	-	-	-	-	(15,714,577)	-
Economic Development Authority	6,301	-	-	-	-	-	-	-	(6,301)
Public Library	896,348	47,884	684,028	500,000	-	-	-	-	335,564
Planning District Commission	1,549,291	1,582,092	82,601	-	-	-	-	-	115,402
Quinby Harbor Committee	11,899	19,912	-	-	-	-	-	-	8,013
Greenbackville Harbor Committee	35,375	22,840	-	-	-	-	-	-	(12,535)
Captain's Cove/Greenbackville Mosquito Control Commis	68,923	57,797	-	-	-	-	-	-	(11,126)
Total component units	\$58,422,851	\$ 2,153,709	\$40,483,582	\$ 500,000	-	-	-	(15,714,577)	429,017
General Revenues:									
Taxes:									
General property taxes					32,888,029	-	32,888,029	-	-
Local sales and use taxes					4,273,866	-	4,273,866	-	-
Communication taxes					872,078	-	872,078	-	-
Consumer utility taxes					1,042,562	-	1,042,562	-	-
Other local taxes					2,106,890	-	2,106,890	-	-
Contributions from Accomack County					-	-	-	17,639,156	(1,473,057)
Grants and contributions not restricted to specific prograrr					3,433,736	-	3,433,736	-	-
Investment earnings					5,907	-	5,907	4,295	8,309
Other revenue					70,010	-	70,010	242,332	32,269
Transfers					(360,064)	360,064	-	-	-
Total general revenue and transfers					44,333,014	360,064	44,693,078	17,885,783	(1,432,479)
Change in net position					5,605,680	2,272,581	7,878,261	2,171,206	(1,003,462)
Net position-beginning					35,151,750	5,606,894	40,758,644	(9,004,326)	4,600,351
Net position-ending					\$40,757,430	\$ 7,879,475	\$48,636,905	\$ (6,833,120)	\$ 3,596,889

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

**COUNTY OF ACCOMACK, VIRGINIA
BALANCE SHEET
GOVERNMENTAL FUNDS
AT JUNE 30, 2019**

Exhibit 3

	Major Funds						
	General	Virginia	Consolidated	County	County	Nonmajor	Total
	Fund	Public	Emergency	Capital	Debt	Governmental	Governmental
	Fund	Assistance	Medical Service	Projects	Service	Funds	Funds
	Fund	Fund	Fund	Fund	Fund		
Assets:							
Cash and investments	\$ 21,654,080	\$ -	\$ 3,340,035	\$ 1,594,171	\$ 516,061	\$ 1,922,617	\$ 29,026,964
Taxes receivable, net	12,944,226	-	2,246,303	-	1,654,205	801,408	17,646,142
Special assessments receivable, net	17,920	-	-	-	-	-	17,920
Accounts receivable, net	353,808	-	-	-	-	43,814	397,622
Due from other governmental entities	1,770,181	236,468	-	292,500	-	268,767	2,567,916
Interfund receivables	272,487	-	-	-	-	-	272,487
Total assets	37,012,702	236,468	5,586,338	1,886,671	2,170,266	3,036,606	49,929,051
Liabilities:							
Accounts payable	790,228	27,835	15,703	239,266	625	1,118,738	2,192,395
Wages and benefits payable	161,692	7,267	7,487	-	-	4,203	180,649
Due to other governmental entities	136,570	-	-	-	-	17,120	153,690
Customer deposits	259,346	-	-	-	-	-	259,346
Interfund payables	-	201,366	-	-	-	67,144	268,510
Unearned revenue	37,226	-	-	374,552	-	91,633	503,411
Total liabilities	1,385,062	236,468	23,190	613,818	625	1,298,838	3,558,001
Deferred Inflows of Resources:							
Deferred property tax revenue	12,234,816	-	2,059,040	-	1,525,972	754,325	16,574,153
Unavailable revenue-property taxes	2,097,541	-	359,737	-	269,440	129,887	2,856,605
Unavailable revenue-special assessment	17,920	-	-	-	-	-	17,920
Total deferred inflows of resources	14,350,277	-	2,418,777	-	1,795,412	884,212	19,448,678
Fund Balances:							
Nonspendable: Noncurrent advances	104,700	-	-	-	-	-	104,700
Restricted:							
Debt service	-	-	-	-	374,229	-	374,229
Fire and rescue	-	-	3,144,371	-	-	24,155	3,168,526
Captain's Cove mosquito control	-	-	-	-	-	8,140	8,140
Law library	-	-	-	-	-	57,192	57,192
Drug seizures	-	-	-	-	-	42,048	42,048
Courthouse security	-	-	-	-	-	3,302	3,302
Rehabilitation projects	-	-	-	-	-	200,140	200,140
Wetlands mitigation	36,196	-	-	-	-	-	36,196
Committed to Rainy Day/Stabilization	11,355,486	-	-	-	-	-	11,355,486
Assigned:							
Storm drainage	327,096	-	-	-	-	-	327,096
Fire and rescue	-	-	-	-	-	518,579	518,579
Public boating facility improvement or repair	182,127	-	-	-	-	-	182,127
Subsequent year's expenditures	1,344,924	-	-	-	-	-	1,344,924
Information technology projects	269,095	-	-	-	-	-	269,095
County projects (Series 15 Bonds)	-	-	-	1,139,303	-	-	1,139,303
Hazardous materials response	28,756	-	-	-	-	-	28,756
School Board	2,299,015	-	-	-	-	-	2,299,015
County grants	(1,764)	-	-	-	-	-	(1,764)
Other purposes	2,333,126	-	-	133,550	-	-	2,466,676
Unassigned	2,998,606	-	-	-	-	-	2,998,606
Total fund balances	21,277,363	-	3,144,371	1,272,853	374,229	853,556	26,922,372
resources							
and fund balances	\$ 37,012,702	\$ 236,468	\$ 5,586,338	\$ 1,886,671	\$ 2,170,266	\$ 3,036,606	\$ 49,929,051

(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, 2019

Exhibit 4

Total fund balances - governmental funds (Exhibit 3)	\$ 26,922,372
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Land	2,497,342	
Buildings, net of depreciation	9,400,926	
Improvements other than buildings, net of depreciation	12,779,035	
Machinery and equipment, net of depreciation	2,731,519	
Intangibles, net of amortization	361,797	
Construction in progress	944,077	
School Board capital assets, net of depreciation	<u>12,676,058</u>	
Total capital assets		41,390,754

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	2,874,525
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Deferred inflows of resources are not due in the current period and, therefore, are not reported in the funds.	
Deferred inflows related to pensions	(1,109,276)
Deferred inflows related to OPEB	<u>(583,617)</u>
Total deferred inflows of resources	(1,692,893)

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

Deferred outflows related to pensions	1,223,710	
Deferred outflows related to OPEB	<u>290,855</u>	
Total deferred outflows of resources		1,514,565

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	(15,243,971)	
Qualified zone academy bonds	(60,761)	
Lease revenue bonds	(9,189,266)	
Accrued interest on debt	(406,272)	
Bond premiums and discounts, net of amortization	(635,652)	
Bond deferred charge on refunding	263,434	
Compensated absences	(2,179,937)	
Net OPEB liability	(2,639,423)	
Net pension liability	<u>(160,047)</u>	
Net adjustment		<u>(30,251,895)</u>

Total net position - governmental activities (Exhibit 1)	<u>\$ 40,757,430</u>
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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit 5

	Major Funds						
	General Fund	Virginia Public Assistance Fund	Consolidated Emergency Medical Services Fund	County Capital Projects Fund	County Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
General property taxes	\$ 25,302,037	\$ -	\$ 4,299,170	\$ -	\$ 3,238,920	\$ 1,642,447	\$ 34,482,574
Other local taxes	8,206,445	-	-	-	-	88,952	8,295,397
Permits, fees and licenses	403,364	-	-	-	-	11,399	414,763
Fines and forfeitures	85,100	-	-	-	-	-	85,100
Revenue from the use of money & property	479,288	-	-	353	-	64	479,705
Charges for services	569,072	-	-	-	-	8,629	577,701
Miscellaneous	40,819	9,943	-	1,120,188	-	1,135	1,172,085
Recovered costs	413,261	-	3,450	-	-	4,068	420,779
Intergovernmental	7,609,150	3,201,513	72,897	175,448	82,362	1,166,974	12,308,344
Total revenues	43,108,536	3,211,456	4,375,517	1,295,989	3,321,282	2,923,668	58,236,448
Expenditures:							
General government administration	4,143,102	-	-	-	-	-	4,143,102
Judicial administration	1,574,698	-	-	222,795	-	4,101	1,801,594
Public safety	7,307,541	-	3,700,164	283,291	-	1,964,541	13,255,537
Public works	4,157,779	-	-	417,761	-	-	4,575,540
Health and welfare	1,037,366	3,886,016	-	(9,920)	-	1,355,303	6,268,765
Education	16,479,494	-	-	-	-	-	16,479,494
Parks, recreation and cultural	1,164,590	-	-	550,092	-	-	1,714,682
Community development	1,083,729	-	-	382,300	-	211,190	1,677,219
Debt service:							
Principal Retirement	218,900	-	-	-	2,164,992	-	2,383,892
Interest and Other Charges	73,060	-	-	-	1,046,797	-	1,119,857
Total expenditures	37,240,259	3,886,016	3,700,164	1,846,319	3,211,789	3,535,135	53,419,682
Revenues over (under) expenditures	5,868,277	(674,560)	675,353	(550,330)	109,493	(611,467)	4,816,766
Other financing sources (uses):							
Transfers in	129,760	674,560	-	1,718,907	-	462,997	2,986,224
Transfers out	(3,216,529)	-	(129,760)	-	-	-	(3,346,289)
Total other financing sources (uses)	(3,086,769)	674,560	(129,760)	1,718,907	-	462,997	(360,065)
Net changes in fund balance	2,781,508	-	545,593	1,168,577	109,493	(148,470)	4,456,701
Fund balance, beginning of year	18,495,855	-	2,598,778	104,276	264,736	1,002,026	22,465,671
Fund balance, end of year	\$ 21,277,363	\$ -	\$ 3,144,371	\$ 1,272,853	\$ 374,229	\$ 853,556	\$ 26,922,372

(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, 2019

Exhibit 6

Net changes in fund balances-governmental funds (Exhibit 5)	\$ 4,456,701
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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.

Expenditures for capital outlays	2,723,613	
Depreciation expense	(2,330,650)	
Net adjustment		392,963

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.

(1,200,690)

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

Property taxes	(1,594,545)	
Change in deferred inflows related OPEB	(147,913)	
Change in deferred inflows related to pensions	827,124	
Net adjustment		(915,334)

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, This amount is the net effect of these differences in the treatment of long-term debt and related items.

2,450,275

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

Change in accrued interest payable	37,356	
Change in compensated absences	(125,797)	
Change in net OPEB obligation	226,860	
Change in net pension liability	(27,926)	
Change in deferred outflows related to OPEB	45,048	
Change in deferred outflows related to pensions	292,660	
Net adjustment		448,201

Change in net position of governmental activities (Exhibit 2)	\$ 5,605,680
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COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AT JUNE 30, 2019

Exhibit 7

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
<u>Assets:</u>				
Current assets:				
Cash and investments	\$ 396,346	\$ 522,914	\$ 368,641	\$ 1,287,901
Accounts receivable (net of allowance for uncollectibles)	355,501	12,006	36,540	404,047
Due from other government entities	-	31,511	-	31,511
Inventory	-	42,217	-	42,217
Total current assets	751,847	608,648	405,181	1,765,676
Noncurrent assets:				
Capital Assets (net of accumulated depreciation):				
Land	402,959	1,260,836	-	1,663,795
Buildings	663,405	-	1,072	664,477
Improvements other than buildings	5,603,917	4,287,071	-	9,890,988
Machinery and equipment	1,945,053	11,850	205,139	2,162,042
Construction in progress	289,836	265,142	26,410	581,388
Total capital assets	8,905,170	5,824,899	232,621	14,962,690
Total assets	9,657,017	6,433,547	637,802	16,728,366
<u>Deferred Outflows of Resources:</u>				
Pension related items	70,812	12,155	-	82,967
OPEB related items	6,565	999	-	7,564
Total deferred outflows of resources	77,377	13,154	-	90,531
<u>Liabilities:</u>				
Current liabilities:				
Accounts payable	199,608	204,930	44,741	449,279
Wages and benefits payable	339	2,505	161	3,005
Unearned revenue	-	5,321	-	5,321
Accrued interest payable	538	-	-	538
Customer deposits	30,029	-	-	30,029
Compensated absences-current	70,077	14,510	-	84,587
Capital leases payable-current	276,705	-	-	276,705
Total current liabilities	577,296	227,266	44,902	849,464
Noncurrent liabilities:				
Compensated absences	8,661	1,793	-	10,454
Capital leases payable	423,718	-	-	423,718
Landfill closure/post closure care	7,509,822	-	-	7,509,822
Net pension liability	7,539	1,137	-	8,676
Net OPEB liability	53,277	8,242	-	61,519
Total noncurrent liabilities	8,003,017	11,172	-	8,014,189
Total liabilities	8,580,313	238,438	44,902	8,863,653
<u>Deferred Inflow of Resources:</u>				
Pension related items	60,971	10,005	-	70,976
OPEB related items	4,151	642	-	4,793
Total deferred inflows of resources	65,122	10,647	-	75,769
<u>Net Position:</u>				
Net investment in capital assets	8,204,747	5,824,899	232,621	14,262,267
Unrestricted	(7,115,788)	372,717	360,279	(6,382,792)
Total net position	\$ 1,088,959	\$ 6,197,616	\$ 592,900	\$ 7,879,475

(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, 2019

Exhibit 8

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Operating revenues:				
Use of property	\$ -	\$ (2,846)	\$ -	\$ (2,846)
Charges for services	3,155,214	253,653	335,431	3,744,298
Intergovernmental	-	26,435	-	26,435
Other operating revenue	134,418	564	5,180	140,162
Total operating revenues	3,289,632	277,806	340,611	3,908,049
Operating expenses:				
Personnel services and fringe benefits	742,996	149,758	8,904	901,658
Other operating expenses	2,527,115	278,626	412,824	3,218,565
Depreciation	789,721	207,390	13,289	1,010,400
Total operating expenses	4,059,832	635,774	435,017	5,130,623
Operating income (loss)	(770,200)	(357,968)	(94,406)	(1,222,574)
Nonoperating revenues (expenses):				
Interest expense and related debt expense	(20,770)	-	-	(20,770)
Gain (Loss) on disposal of capital assets	-	(104,170)	-	(104,170)
State grants - capital contribution	-	285,624	-	285,624
Federal grants - capital contribution	-	2,974,407	-	2,974,407
Total nonoperating revenues (expenses)	(20,770)	3,155,861	-	3,135,091
Income (loss) before transfers	(790,970)	2,797,893	(94,406)	1,912,517
Transfers:				
Transfers in	-	360,064	-	360,064
Total transfers	-	360,064	-	360,064
Changes in net position	(790,970)	3,157,957	(94,406)	2,272,581
Total net position, beginning of year	1,879,929	3,039,659	687,306	5,606,894
Total net position, end of year	\$ 1,088,959	\$ 6,197,616	\$ 592,900	\$ 7,879,475

(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, 2019**

Exhibit 9

	Business-type Activities-Enterprise Funds			
	Major Funds			
	Landfill Fund	Airport Fund	Nonmajor Funds	Total
Cash flows from operating activities:				
Receipts from customers	\$3,136,299	\$ 257,483	\$ 335,133	\$ 3,728,915
Payments to suppliers	(689,253)	(274,210)	(412,020)	(1,375,483)
Payments to employees and benefits paid on behalf of employees	(791,244)	(156,473)	(11,123)	(958,840)
Intergovernmental	-	26,435	-	26,435
Other receipts	134,418	563	4,826	139,807
Payments to General Fund for indirect services	(227,112)	-	-	(227,112)
Net cash provided by (used for) operating activities	1,563,108	(146,202)	(83,184)	1,333,722
Cash flows from noncapital financing activities:				
Repayment of advance to the General Fund	(153,520)	-	-	(153,520)
Transfer from the General Fund	-	349,756	-	349,756
Operating grant proceeds from the Commonwealth and Federal Government	-	50,360	-	50,360
Net cash provided by (used for) noncapital financing activities	(153,520)	400,116	-	246,596
Cash flows from capital and related financing activities:				
Purchase of capital assets	(390,307)	(3,200,466)	(25,710)	(3,616,483)
Capital transfer from the General Fund	-	10,308	3,977	14,285
Capital grant proceeds from the Commonwealth and Federal Government	-	3,236,437	-	3,236,437
Principal payments on debt	(605,173)	-	-	(605,173)
Interest payments on debt	(17,762)	-	-	(17,762)
Net cash provided by (used for) capital and related financing activities	(1,013,242)	46,279	(21,733)	(988,696)
Net increase in cash and cash equivalents	396,346	300,193	(104,917)	591,622
Cash and cash equivalents, beginning of year	-	222,721	473,558	696,279
Cash and cash equivalents, end of year	\$ 396,346	\$ 522,914	\$ 368,641	\$ 1,287,901
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (770,200)	\$ (357,968)	\$ (94,406)	\$(1,222,574)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	789,721	207,390	13,289	1,010,400
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	(18,915)	6,652	(652)	(12,915)
(Increase) Decrease in inventory	-	1,641	-	1,641
(Increase) Decrease in deferred outflows related to pensions	(2,002)	237	-	(1,765)
(Increase) Decrease in deferred outflows related to OPEB	(2,621)	(404)	-	(3,025)
Increase (Decrease) in wages and benefits payable	57	1,361	(2,219)	(801)
Increase (Decrease) in accounts payable	35,769	1,856	804	38,429
Increase (Decrease) in prepaid rent	-	22	-	22
Increase (Decrease) in closure/post closure liabilities	1,568,798	-	-	1,568,798
Increase (Decrease) in compensated absences payable	1,012	326	-	1,338
Increase (Decrease) in net pension liability	1,333	178	-	1,511
Increase (Decrease) in net OPEB liability	678	105	-	783
Increase (Decrease) in deferred inflows related to pensions	(39,691)	(7,469)	-	(47,160)
Increase (Decrease) in deferred inflows related to OPEB	(831)	(129)	-	(960)
Total adjustments	1,543,587	4,376	(2,067)	1,545,896
Net cash provided (used for) by operating activities	\$1,563,108	\$ (146,202)	\$ (83,184)	\$ 1,333,722

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

**COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AT JUNE 30, 2019**

Exhibit 10

	Other Postemployment Benefits Trust Fund	Agency Funds
<u>Assets:</u>		
Cash and investments held by Treasurer	\$ -	\$ 43,668
Cash and investments in custody of others	323,732	166,332
Accounts Receivable	7,831	-
Total assets	<u>331,563</u>	<u>210,000</u>
<u>Liabilities:</u>		
Reconciled overdraft	15,973	-
Accounts payable	8,019	-
Amounts held for social service clients	-	43,668
Amounts held for others	-	166,332
Total liabilities	<u>23,992</u>	<u>210,000</u>
<u>Net Position:</u>		
Net position restricted for OPEB	307,571	-
Total net position	<u>\$ 307,571</u>	<u>\$ -</u>

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

**COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Exhibit 11

	Other Postemployment Benefits Trust Fund
<u>Additions:</u>	
Contributions:	
Employer	\$ 119,789
Retiree	122,152
Total contributions	<u>241,941</u>
Investment earnings:	
Interest	11,292
Total investment earnings	<u>11,292</u>
Total additions	<u>253,233</u>
<u>Deductions</u>	
Health insurance credit payments	31,466
Benefits	140,197
Total deductions	<u>171,663</u>
Change in net position	81,570
Net position - beginning	226,001
Net position - ending	<u><u>\$ 307,571</u></u>

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies for the County of Accomack, Virginia, (the County) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

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 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 elected officials of the primary government are financially accountable.

B. Financial Reporting Entity

The County was formed as an independent county in 1634. The County is governed by a Board of Supervisors consisting of nine members each of which are elected to 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. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the Primary Government, or (b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the Primary Government. The County and its component units are together referred to herein as the reporting entity.

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, 2019.

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. The Reporting Entity-continued

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. The Reporting Entity-continued

- vii. **Captain's Cove Greenbackville Mosquito Control Commission** - The Captain's Cove Greenbackville Mosquito Control Commission is responsible for insect control in the Captain's Cove Greenbackville 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 Captain's Cove Greenbackville 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 purpose of the Commission is 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 2019, the County contributed \$685,223 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 2019, the County contributed \$196,114 to the Board for operations. Complete financial statements for the Board may be obtained by contacting the Eastern Shore Community Services Board, P.O. Box 453, Nassawadox, Virginia 23413.

C. Basis of Presentation-Government-Wide Financial Statements

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

D. Basis of Presentation-Fund Financial Statements

The County’s financial statements, which have been prepared in accordance with GAAP, as promulgated by the Governmental Accounting Standards Board (GASB) includes the following major funds:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Basis of Presentation-Fund Financial Statements – continued

The County reports the following major proprietary funds:

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

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

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

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

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

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

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

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

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

F. Budgetary Basis of Accounting

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Budgetary Basis of Accounting – continued

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

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

i. Deposits 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. Cash and cash equivalents are recorded at cost, which approximates market. This definition also applies to cash and cash equivalents presented in the statement of cash flows.

Short-term investments may consist of certificates of deposit, repurchase agreements, commercial paper, and investments in the Local Government Investment Pool (LGIP). Applicable investments are measured at fair value and are categorized within the fair value hierarchy using valuation techniques promulgated by GAAP.

ii Receivables

All receivables, including tax receivables, are shown net of allowance for uncollectibles. At June 30, 2019, the allowance for General fund uncollectible taxes receivable as shown in footnote 3 represents 23.3% of the outstanding balance of taxes receivable in that fund. Similarly, for the Consolidated Emergency Medical Services fund, the County Debt Service fund and all non-major funds the allowance of uncollectible taxes receivable represent 22.7%, 22.8% and 22.8% respectively.

Outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statements as internal balances. Outstanding balances between the County and its component units are reported as due to/from component unit or due to/from Primary Government.

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.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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. Gifts or contributions of capital assets are recorded at their acquisition value as of the date of the donation. Capital assets are depreciated over their useful lives using the straight-line method. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the current or previous year. Estimated lives for County and School Board Component Unit assets are as follows:

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

v. Deferred Outflows/Inflows of Resources

Deferred inflows and outflows of resources represent the acquisition and consumption, respectively, of net position that applies to a future period. At June 30, 2019, the Primary Government had \$263,434 in deferred outflows of resources representing debt refunding resulting in loss transactions which are amortized over the life of the refunded debt, \$1.6 million in deferred charges related to Pension and OPEB contributions, experience, assumptions, earnings, and proportion. The Primary Government also had \$16.6 million in deferred inflows of resources related to property tax revenue and \$1.8 million of deferred inflows related to changes in the Pension and OPEB experience, assumptions, earning and proportion which are amortized over the average future service life of all plan members, except earnings, which are amortized over a five year period.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

v. Deferred Outflows/Inflows of Resources continued

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item is comprised of certain items related to the measurement of the net pension asset/liability and net OPEB asset/liability (ies) and/or contributions to the pension and OPEB plan(s) made during the current year and subsequent to the net pension asset/liability and net OPEB asset/liability measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amounts become available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liability and net OPEB asset/liability (ies) are reported as deferred inflows of resources.

vi. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is comprised of three components:

Net Investment in Capital Assets – Consists of the historical cost of capital assets net of any accumulated depreciation and outstanding debt which was used to finance 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.

Restricted – Consists of assets where limitations are imposed on their use through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantor or the laws and regulations of other governments.

Unrestricted – Net position not reported as net investment in capital assets or restricted.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

vi. 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.

vi. 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.

vii. Fund Balance

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

Fund Balance Category	Definition	Applicability
Nonspendable	Includes amounts that are not in expendable form.	The County reports long-term receivables that are not available for expenditure in this category.
Restricted	Includes amounts restricted to specific uses by external entities or by law. Externally imposed restrictions include amounts that are restricted for specific purposes.	The County reports residual amounts of taxes levied exclusively for debt service, fire & rescue and mosquito control along with unspent bond proceeds held in trust in this category.
Committed	Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Accomack County Board of Supervisors.	The County reports amounts committed by resolution of the Board of Supervisors for use in emergency situations or when revenue shortages arise as committed fund balance. This amount is shown in the financial statements as committed to <i>Rainy Day/Stabilization</i> . Additions are approved by Board action. Use of these funds is only permitted to address revenue shortages that are greater than 1% of General Fund revenue, an urgent event that jeopardizes public safety or to mitigate damage caused by a natural disaster.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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 2018 budget. Amendment of this amount requires approval of the Board. Additional assignments for residual funds associated with ongoing capital projects and special revenue funds have been made by the Finance Director who is given that authority.
Unassigned	Fund balance that has not been reported in any other classification.	Positive unassigned fund balance is only reported in the General Fund. In governmental funds other than the General Fund, a negative unassigned fund balance may be reported if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes.

H. Revenues and expenditures/expenses

i. Program Revenue

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

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 2019 was equal to 42% 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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Revenues and expenditures/expenses – continued

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 generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Pensions

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

J. Other Postemployment Benefits (OPEB)

Group Life Insurance

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

J. *Political Subdivision and Teacher Employee Health Insurance Credit Program*

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

K. New GASB Pronouncements

The County has adopted these pronouncements in the fiscal year ending June 30, 2019:

GASB pronouncements are reviewed upon issuance to determine applicability and adoption. The following pronouncements have been analyzed by the County:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued to address accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs.
- GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, was issued to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements.

L. Future GASB Pronouncements

- The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective.
- Statement No. 84, *Fiduciary Activities* issued January, 2017 – This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018.
- The GASB issued Statement No. 90, *Majority Equity Interests*, and amendment of GASB Statements No. 14 and No. 61 in August 2018. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

L. Future GASB Pronouncements continued

Statement No. 90 (continued)

government's holding of the equity interest meets the definition of an investment. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flow statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for periods beginning after December 15, 2018.

- GASB issued Statement No. 91, *Conduit Debt Obligations* in May 2019. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associate with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2020.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

2. DEPOSITS AND INVESTMENTS

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

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

The carrying amount of cash and investments of the Primary Government and the School Board Component Unit at June 30, 2019 is as follows:

Deposits with Financial Institutions	\$ 36,017,844
Investments	46,933
Petty Cash	6,102
Cash on Hand	1,660
Total Cash and Investments of the Primary	<hr/>
Government and School Board Component Unit	<u>\$ 36,072,539</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. DEPOSITS AND INVESTMENTS – CONTINUED

A reconciliation to the basic financial statements is as follows:

Primary Government Cash and Investments per Exhibit 1	\$ 30,314,865
School Board Component Unit Cash and Investments per Exhibit 1	5,714,006
Other Component Unit Cash and Investments per Exhibit 1	1,105,231
Fiduciary Funds Cash and Investments per Exhibit 10	533,732
Total Cash and Investments for the Reporting Entity	<u>37,667,834</u>
Less: Other Component Unit Cash and Investments per Exhibit 1 not in the custody of the Treasurer	(1,105,231)
Less: Fiduciary Funds Cash and Investments per Exhibit 10 not in the custody of the Treasurer	(490,064)
Total Cash and Investments in the custody of the Treasurer	<u><u>\$ 36,072,539</u></u>

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, 2019, the County’s investments as rated by Standard & Poor’s were as follows:

<u>Investment Type</u>	<u>AAAm</u>
Virginia Local Government Investment Pool	\$ 46,933

Concentration of Credit Risk

State statute limits the percentage of the portfolio that can be invested in any one issuer, excluding the U.S. Government, U.S. Government Agencies, the Commonwealth of Virginia and its authorities, mutual funds and pooled investment funds. No more than 35% of total available funds may be invested in commercial paper. Furthermore, not more than 5% of the total funds available for investment may be invested in commercial paper of any one issuing corporation. As of June 30, 2019, the County’s entire investment portfolio was invested with Virginia Local Investment Pool which is administered by the Treasury Board of the Commonwealth of Virginia.

Interest Rate Risk

The County’s investments as of June 30, 2019 are presented below along with their maturity. The County had no policy on interest rate risk at June 30.

	<u>Fair Value</u>	<u>Maturity less than 1 year</u>
Primary Government & School Board Component Unit:		
Virginia Local Government Investment Pool	\$ 46,933	\$ 46,933

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

2. DEPOSITS AND INVESTMENTS – CONTINUED

Custodial Credit Risk

As of June 30, 2019, all investment securities purchased by the County Treasurer were held by bank trust departments in the County's name and evidenced by safekeeping receipts in the County's name.

3. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The County calculates its allowance for uncollectible accounts using historical collection data, specific account analysis and subsequent cash receipts. The allowances at June 30, 2019 are as follows:

PRIMARY GOVERNMENT:

Type:	Major Funds				
	Consolidated Emergency				
	General Fund	Medical Services Fund	County Debt Fund	Nonmajor Funds	Total
Taxes receivable	\$ 5,118,985	\$ 692,358	\$ 521,662	\$ 253,285	\$ 6,586,290

4. DUE FROM OTHER GOVERNMENTAL ENTITIES

Amounts due from other governments at June 30, 2019 consisted of the following:

	Major Governmental Funds			Nonmajor Govern- mental Funds	Total Primary Government Activities	Major Fund Airport Enterprise Fund	Total Primary Government
	General Fund	Virginia Public Assistance Fund	County Capital Projects Fund				
Miscellaneous government entities:							
Eastern Shore Public Service Authority	\$104,700	\$ -	\$ -	\$ -	\$104,700	\$ -	\$104,700
Commonwealth of Virginia:							
Local sales tax	959,802	-	-	-	959,802	-	959,802
Recordation tax	20,577	-	-	-	20,577	-	20,577
Constitutional officer shared expenses	306,744	-	-	-	306,744	-	306,744
Jail per diem for prisoner housing	48,444	-	-	-	48,444	-	48,444
Mobile home tax	15,012	-	-	-	15,012	-	15,012
Communications tax	139,192	-	-	-	139,192	-	139,192
Miscellaneous	9,394	-	-	-	9,394	-	9,394
Greenbackville Harbor Improvement	-	-	292,500	-	292,500	-	292,500
Public assistance funds	-	83,821	-	-	83,821	-	83,821
Airport maintenance funds	-	-	-	-	-	31,511	31,511
Comprehensive services act reimbursements	-	-	-	268,767	268,767	-	268,767
Total due from the Commonwealth	1,499,165	83,821	292,500	268,767	2,144,253	31,511	2,175,764
Federal Government:							
Victim Witness Assistance Grant Program	46,808	-	-	-	46,808	-	46,808
Summer foods grant	30,414	-	-	-	30,414	-	30,414
Hazardous Material Response	89,094	-	-	-	89,094	-	89,094
Public assistance funds	-	152,647	-	-	152,648	-	152,648
Total due from the Federal Government	166,316	152,647	-	-	318,964	-	318,964
Total due from other governmental entities	\$1,770,181	\$ 236,468	\$292,500	\$268,767	\$2,567,917	\$31,511	\$2,599,428

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

4. DUE FROM OTHER GOVERNMENTAL ENTITIES continued

School Board Component Unit:

Commonwealth of Virginia:	
State sales tax contribution	\$ 427,875
SOL web base	35,896
Total due from Commonwealth	<u>463,771</u>
Federal Government:	
Title I	929,280
Title II	63,654
Title III	29,738
Title IV	4,360
Title V	8,916
Title VI-B Special Education	342,644
Migrant	93,504
Vocational/Perkins	82,859
Food services	51,848
Total due from Federal Government	<u>1,606,803</u>
Total due from other governmental entities	<u><u>\$ 2,070,574</u></u>

5. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2019 are as follows:

Governmental Funds:

General Fund	\$ 268,510	\$ -
Comprehensive Youth Services Fund	-	67,144
Virginia Public Assistance Fund	-	201,366
Total Governmental Funds	<u>268,510</u>	<u>268,510</u>
Total Primary Government	<u><u>\$ 268,510</u></u>	<u><u>\$ 268,510</u></u>

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

6. CAPITAL ASSETS

A. Primary Government:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,212,337	\$ 360,195	\$ (75,190)	\$ 2,497,342
Construction in progress	2,878,860	563,147	(2,497,930)	944,077
Total capital assets not being depreciated	5,091,197	923,342	(2,573,120)	3,441,419
Other capital assets:				
Buildings	12,510,172	2,482,869	-	14,993,041
School buildings	17,263,203	-	(1,743,582)	15,519,621
Improvements other than buildings	18,815,553	787,454	-	19,603,007
Machinery and equipment	8,018,766	744,431	(57,136)	8,706,061
Intangibles	1,138,636	358,638	-	1,497,274
Total other capital assets	57,746,330	4,373,392	(1,800,718)	60,319,004
Less accumulated depreciation:				
Buildings	(5,061,763)	(362,589)	-	(5,424,352)
School buildings	(3,243,522)	(310,696)	542,892	(3,011,326)
Improvements other than buildings	(5,759,099)	(1,064,873)	-	(6,823,972)
Machinery and equipment	(5,441,292)	(590,386)	57,136	(5,974,542)
Intangibles	(1,133,371)	(2,106)	-	(1,135,477)
Total accumulated depreciation	(20,639,047)	(2,330,650)	600,028	(22,369,669)
Total governmental activities, net	42,198,480	2,966,084	(3,773,810)	41,390,754
Business-type activities:				
Capital assets not being depreciated:				
Land	1,663,795	-	-	1,663,795
Construction in progress	779,786	390,054	(588,452)	581,388
Total capital assets not being depreciated	2,443,581	390,054	(588,452)	2,245,183
Other capital assets:				
Buildings	2,162,256	-	-	2,162,256
Improvements other than buildings	17,148,399	3,852,518	(2,101,440)	18,899,477
Motor vehicles and equipment	6,699,649	104,711	(48,845)	6,755,515
Intangibles	29,710	-	-	29,710
Total other capital assets	26,040,014	3,957,229	(2,150,285)	27,846,958
Less accumulated depreciation:				
Buildings	(1,462,823)	(34,956)	-	(1,497,779)
Improvements other than buildings	(10,345,979)	(659,781)	2,101,440	(8,904,320)
Motor vehicles and equipment	(4,326,655)	(315,663)	48,845	(4,593,473)
Intangibles	(29,710)	-	-	(29,710)
Total accumulated depreciation	(16,165,167)	(1,010,400)	2,150,285	(15,025,282)
Total business-type activities, net	12,318,428	3,336,883	(588,452)	15,066,859
Total primary government, net	\$ 54,516,908	\$ 6,302,967	\$ (4,362,262)	\$ 56,457,613

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

6. CAPITAL ASSETS – CONTINUED

A. Primary Government: continued

Depreciation expense was charged to the primary government as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
General government administration	\$ 92,622	\$ -	\$ 92,622
Judicial administration	98,493	-	98,493
Public safety	289,834	-	289,834
Public works	593,953	-	593,953
Health and welfare	171,656	-	171,656
Education	310,697	-	310,697
Parks, recreation and cultural	363,961	-	363,961
Community development	409,434	-	409,434
Landfill	-	789,721	789,721
Airport	-	207,390	207,390
Water and sewer	-	12,291	12,291
Parks and Recreation	-	998	998
Total	<u>\$ 2,330,650</u>	<u>\$ 1,010,400</u>	<u>\$ 3,341,050</u>

B. School Board Component Unit:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 974,862	\$ -	\$ -	\$ 974,862
Construction in progress	85,000	-	(50,000)	35,000
Total capital assets not being depreciated	<u>1,059,862</u>	<u>-</u>	<u>(50,000)</u>	<u>1,009,862</u>
Other capital assets:				
Buildings	71,938,615	1,743,582	-	73,682,197
Improvements other than buildings	4,669,368	751,218	-	5,420,586
Motor vehicles and equipment	15,312,097	209,347	(17,218)	15,504,226
Total other capital assets	<u>91,920,080</u>	<u>2,704,147</u>	<u>(17,218)</u>	<u>94,607,009</u>
Less accumulated depreciation:				
Buildings	(37,235,481)	(1,986,435)	-	(39,221,916)
Improvements other than buildings	(2,897,990)	(151,944)	-	(3,049,934)
Motor vehicles and equipment	(9,255,731)	(986,513)	17,218	(10,225,026)
Total accumulated depreciation	<u>(49,389,202)</u>	<u>(3,124,892)</u>	<u>17,218</u>	<u>(52,496,876)</u>
Total school board component unit, net	<u>\$ 43,590,740</u>	<u>\$ (420,745)</u>	<u>\$ (50,000)</u>	<u>\$ 43,119,995</u>

Total depreciation expense charged to the School Board component unit was \$ 3,124,892.

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, 2019, is that debt and related assets in the amount of \$12,508,295 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

YEAR ENDED JUNE 30, 2019

6. CAPITAL ASSETS – CONTINUED

C. Economic Development Authority Component Unit:

	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 301,678	\$ -	\$ -	\$ 301,678
Other capital assets:				
Improvements other than buildings	779,575	-	-	779,575
Motor vehicles and equipment	7,799	-	-	7,799
Total other capital assets	787,374	-	-	787,374
Less accumulated depreciation:				
Improvements other than buildings	(779,575)	-	-	(779,575)
Motor vehicles and equipment	(2,925)	(780)	-	(3,705)
Total accumulated depreciation	(782,500)	(780)	-	(783,280)
Total economic development authority component unit	\$ 306,552	\$ (780)	\$ -	\$ 305,772

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

7. UNEARNED REVENUE

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

Unearned revenue at June 30, 2019 consisted of the following:

Unearned Revenue	General Fund	County Capital Projects	Special Revenue Funds - Nonmajor	Enterprise Funds	School Board Component Unit
Advance grant funding received	\$ 37,226	\$ 374,352	\$ 91,633	\$ -	\$ 390,850
Prepaid rent received	-	-	-	5,321	-
Total	\$ 37,226	\$ 374,352	\$ 91,633	\$ 5,321	\$ 390,850

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

8. COMPENSATED ABSENCES

Accrued compensated absences are as follows at June 30, 2019:

Compensated Leave	Primary Government		School Board Component Unit
	Governmental Activities	Business-type Activities	
Annual	\$ 1,058,405	\$ 54,654	\$ 723,371
Sick	434,410	34,439	991,162
Compensatory	687,122	5,948	-
Total	<u>\$ 2,179,937</u>	<u>\$ 95,041</u>	<u>\$ 1,714,533</u>

9. OPERATING LEASES

The primary government leases approximately 66.4 acres of land from the National Aeronautics and Space Administration (NASA) Goddard Space Flight Center's Wallops Flight Facility. The leased property is located in the County's Wallops Research Park and will be used to support economic growth opportunities affiliated with activities of the Wallops Flight Facility. The expiration of the lease is September 30, 2099. The lease stipulates an annual base rent equal to no less than 2% of the fair market value of the land currently appraised at \$900,000. Total lease cost for the year ended June 30, 2019 was \$20,173. Future rent increases are contingent upon changes in the Consumer Price Index, measured every 5 years with the next measurement date October 1, 2019 and future property appraisals, scheduled every 20 years. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2020	\$ 21,510
2021	21,510
2022	21,510
2023	21,510
2024	21,510
2025-2100	1,634,760
Total	<u>\$ 1,742,310</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

10. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2019:

	Balance July 1, 2018 as restated	Additions	Deletions	Balance June 30, 2019	Amount due within 1 year
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 2,054,140	\$ 125,797		\$ 2,179,937	\$ 1,940,144
Virginia Public School Authority bonds (1)	16,573,425	-	1,329,454	15,243,971	1,382,755
Lease revenue bonds(1)	10,225,582	-	1,036,316	9,189,266	873,449
Qualified zone academy bonds	78,882	-	18,121	60,761	19,101
Deferred premiums and discounts, net	705,994	-	70,342	635,652	70,342
Net OPEB liability:					
Net Health Insurance OPEB liability	1,746,533	128,252	369,549	1,505,236	-
Net VRS Group Life Insurance OPEB liability	875,512	149,871	140,385	884,998	-
Net VRS Health Insurance Credit OPEB liability	244,238	32,841	27,890	249,189	-
Net OPEB liability	2,866,283	310,964	537,824	2,639,423	-
Net Pension Liability	132,121	5,403,517	5,375,591	160,047	-
Total governmental activities long-term obligations	32,636,427	5,840,278	8,367,648	30,109,057	4,285,791
Business-type Activities:					
Compensated absences	93,703	1,338	-	95,041	84,587
General Obligation Bonds(1)	333,000	-	333,000	-	-
Capital leases	972,596	-	272,173	700,423	276,705
Landfill closure/postclosure	5,941,025	1,724,807	156,010	7,509,822	-
Net OPEB liability:					
Net VRS Group Life Insurance OPEB liability	47,488	8,129	7,614	48,003	-
Net VRS Health Insurance Credit OPEB liability	13,248	1,782	1,514	13,516	-
Net OPEB liability	60,736	9,911	9,128	61,519	-
Net Pension Liability	7,166	292,963	291,452	8,676	-
Total business-type entities long-term obligations	7,408,226	2,029,019	1,061,763	8,375,481	361,292
Total primary government long-term obligations	40,044,653	7,869,297	9,429,411	38,484,538	4,647,083
School Board Component Unit:					
Compensated absences	2,103,501	-	388,968	1,714,533	1,525,934
Early retirement termination benefits	456,467	-	170,802	285,665	119,071
Net pension liability - Non-Professional plan	-	-	-	-	-
Net pension liability-Teacher Plan	42,264,000	8,884,000	10,496,000	40,652,000	-
Net OPEB liability:					
Net Health Insurance OPEB liability	2,516,299	314,465	97,520	2,733,244	-
Net VRS Group Life Insurance OPEB liability	2,457,000	454,000	434,000	2,477,000	-
Net VRS Health Insurance Credit OPEB liability	4,366,000	469,000	441,000	4,394,000	-
Net OPEB Liability	9,339,299	1,237,465	972,520	9,604,244	-
Total School Board long-term obligations	\$ 54,163,267	\$ 10,121,465	\$ 12,028,290	\$ 52,256,442	\$ 1,645,005

(1) Direct borrowing and/or direct placement.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

10. LONG-TERM OBLIGATIONS – CONTINUED

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

A. Primary Government:

Year Ending June 30,	Governmental Activities						Business Type Activity		
	VPSA Bonds(1)		Qualified Zone Academy Bonds(1)		Lease Revenue Bonds(1)		Capital Lease		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2020	1,382,755	711,275	19,101	3,281	873,449	359,867	276,705	10,471	3,636,904
2021	1,446,753	640,448	41,660	2,250	689,770	344,115	281,311	5,864	3,452,171
2022	1,511,483	565,013	-	-	713,383	318,438	142,407	1,182	3,251,906
2023	1,576,984	487,057	-	-	737,195	291,855	-	-	3,093,091
2024	1,641,855	408,257	-	-	762,110	265,055	-	-	3,077,277
2025-2029	7,429,141	903,073	-	-	3,896,377	890,060	-	-	13,118,651
2030-2034	255,000	11,766	-	-	1,516,982	267,513	-	-	2,051,261
Total	\$ 15,243,971	\$ 3,726,888	\$ 60,761	\$ 5,531	\$ 9,189,266	\$ 2,736,902	\$ 700,423	\$ 17,517	\$ 31,681,259

(1) Direct borrowing and/or direct placement.

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

B. Details of long-term indebtedness as of June 30, 2019:

Financing Type	Purpose	Amount Issued	Interest Rates	Date Issued	Final Maturity Date	Amount Outstanding
Primary Government:						
Governmental Activities:						
Virginia Public School Authority (VPSA) 2003A	School construction	\$ 6,270,000	3.10% - 5.35%	5/15/2003	7/15/2028	\$ 3,445,000
VPSA 2003B	School construction	12,170,000	3.10% - 5.35%	11/6/2003	7/15/2028	6,740,000
VPSA 2005A	School construction	1,935,000	4.35% - 5.10%	11/10/2005	7/15/2030	1,230,000
VPSA 2005B	School construction	9,370,000	4.28%	11/10/2005	7/15/2025	3,828,971
Qualified Zone Academy Bond 2004	School construction	439,100	2.00%	12/30/2004	12/30/2020	60,761
VRA 2013B Lease Revenue Bond	Research park construction	3,765,000	4.125% - 4.847%	8/14/2013	10/1/2032	3,300,000
Lease revenue bond	Various Projects	4,350,000	1.66%	10/21/2015	6/15/2030	3,405,666
Lease revenue refunding bond	School construction	2,833,000	1.66%	12/19/2013	3/1/2020	209,000
2013 Lease Revenue Refunding Bond	Office construction	4,031,900	2.93%	12/19/2013	3/1/2028	2,274,600
Total governmental activities:						<u>24,493,998</u>
Business-type Activities:						
Tax-exempt capital lease	Landfill Heavy Equip	1,372,523	1.66%	12/29/2016	12/29/2021	700,423
Total primary government						<u>\$ 25,194,421</u>

Subsequent to year end, the County issued lease revenue bonds through the EDA in the amount of \$ 2,086,000 to provide funding for a capital project. The rate of interest is 3.173% and has a final maturity date of June, 2039.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

11. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

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

The \$7,509,822 reported as landfill closure and post-closure care liability at June 30, 2019, represents the cumulative amount reported to date based on the use of 49% of the estimated capacity of the North Landfill Cell Six A. The County will recognize the remaining estimated North Landfill cost of closure and post-closure care of \$3,124,096 as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County expects to fund landfill closure and post-closure care costs from operating revenues.

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

12. DEFERRED INFLOWS OF RESOURCES

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

Primary Government					
	General Fund	County Debt Service Fund	Consolidated Emergency Medical Services Fund	Nonmajor Special Revenue Funds	Total
Unavailable Revenues:					
Uncollected taxes	\$ 2,097,541	\$ 269,440	\$ 359,737	\$ 129,887	\$ 2,856,605
Special assessments not yet due	17,920	-	-	-	17,920
Total unavailable revenue	2,115,461	269,440	359,737	129,887	2,874,525
Deferred Revenue:					
Unbilled property taxes	9,724,636	1,254,183	1,674,494	604,597	13,257,910
Prepaid taxes	2,510,180	271,789	384,546	149,728	3,316,243
Total deferred revenue	\$ 12,234,816	\$ 1,525,972	\$ 2,059,040	\$ 754,325	\$ 16,574,153

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

13. INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2019 were made up of the following:

	Transfers In	Transfers Out
Primary Government:		
Governmental funds:		
General fund	\$ 129,760	\$ 3,216,529
Virginia Public Assistance Fund	674,560	-
Consolidated emergency medical services	-	129,760
County capital projects fund	1,718,907	-
Non-major governmental funds	462,997	-
Total governmental funds	<u>2,986,224</u>	<u>3,346,289</u>
Enterprise funds:		
Airport fund	360,064	-
Landfill fund	-	-
Non-major enterprise funds	-	-
Total enterprise funds	<u>360,064</u>	<u>-</u>
Total Primary Government	<u>\$ 3,346,289</u>	<u>\$ 3,346,289</u>

The purpose of the interfund transfers is as follows:

<u>Purpose</u>	<u>Amount</u>
Finance pay-as-you-go capital projects	\$ 1,733,907
Satisfy grant local match requirements	252,314
Supplement operations and local match requirements of the Dept. of Social Services	674,560
Satisfy local share of hazardous duty supplement	129,760
Supplement operations of the County's Stormwater Ordinance Fund	157,254
Supplement operations of the Accomack County Landfill	38,430
Supplement operations of the Accomack County Airport	360,064
Supplement operations of the Accomack County Water/Sewer	-
Total interfund transfers	<u>\$ 3,346,289</u>

The Primary Government also transferred \$16,438,466 to the School Board Component Unit, \$403,707 to the Eastern Shore Library Component Unit, \$86,623 to the Planning District Component Unit, \$57,797 to the Captain's Cove/Greenbackville Harbor Mosquito Control Commission Component Unit and \$7,500 to the Economic Development Authority. These amounts are reported as expenditures in the County's financial statements.

14. CONTINGENT LIABILITIES

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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, 2019, the following expenditures exceeded appropriations:

Major Funds:

General Fund:

Commonwealth's attorney	\$ 4,146
Jail	1,023
Sanitation general operations	3,642
Sanitation refuse disposal	30,545
Sanitation maintenance garage	15,610
Erosion and sediment	32,143
Total General Fund	<u>\$ 87,109</u>

Nonmajor Funds:

Comprehensive Youth Services Fund	\$ 165,490
Rehabilitation Projects Fund	9,537
Total Nonmajor Funds	<u>\$ 175,027</u>

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

17. SURETY BONDS

The following elected officials and County employees were covered by surety bonds at June 30, 2019:

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

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

Virginia Association of Counties Self Insurance-Risk Pool:

All County employees - Blanket bond coverage	1,000,000
All School employees - Blanket bond coverage	1,000,000
All Social Services employees - Blanket bond coverage	1,000,000

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

18. TRUST FOR OTHER POSTEMPLOYMENT BENEFITS

The County of Accomack has established an irrevocable trust pursuant to Section 15.2-1544 of the Code of Virginia, as amended for the purpose of accumulating and investing assets to fund Other Postemployment Benefits (OPEB) and to participate in the Virginia Pooled OPEB Trust Fund and has established a Local Finance Board to become a Participating Employer in the Trust Fund. The Trust Fund provides administrative, custodial and investment services to the Participating Employers in the Trust Fund. For the fiscal year ending June 30, 2019 the County contributed \$119,789 to the Trust Fund. Expenses allocated to the Trust Fund during the fiscal year ended June 30, 2019 were \$171,663.

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

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE

County:

Plan Description:

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

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

Plan Administration

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Benefits Provided

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

Plan Membership

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

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

Contributions

Accomack County Code grants the authority to establish and amend the contribution requirements of the County and plan members to the Accomack County Local Finance Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2019, the County's average contribution rate was 1.14 percent of covered-employee payroll. Plan members are not required to contribute to the plan.

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Investment Policy

ACRBP's policy in regard to the allocation of invested assets is established and may be amended by the Accomack County Local Finance Board by a majority vote of its members. It is the policy of the Accomack County Local Finance Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. ACRBP's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2019:

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

Concentrations

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

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 4.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Schedule of Investment Returns

<u>Return Net of Investment Expense</u>	
6/30/2017	12.33%
6/30/2018	9.42%
6/30/2019	4.03%

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Net/ OPEB Liability

The County's net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	2.50%
Discount Rate	6.61%
Investment Rate of Return	7.00%

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

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

The Long-Term Expected Rate of Return on OPEB Plan investments is 7.00% as of June 30, 2019.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.61 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

Changes in Net OPEB Liability

Changes in Net OPEB Liability - County

		Primary Government Increase (Decrease)	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2017	\$ 2,004,176	\$ 257,643	\$ 1,746,533
Changes for the year:			
Service cost	20,186	-	20,186
Interest	107,064	-	107,064
Difference between expected and actual experience	-	-	-
Changes in assumptions	(225,408)	-	(225,408)
Contributions - employer	-	107,934	(107,934)
Net investment income	-	12,294	(12,294)
Benefit payments	(77,051)	(53,138)	(23,913)
Admin expenses	-	(1,002)	1,002
Net changes	(175,209)	66,088	(241,297)
Balances at June 30, 2018	<u>\$ 1,828,967</u>	<u>\$ 323,731</u>	<u>\$ 1,505,236</u>

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

The following amounts present the net OPEB liability of the County, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.61%) or one percentage point higher (7.61%) than the current discount rate:

	Rate		
	1% Decrease (5.61%)	Current Discount Rate (6.61%)	1% Increase (7.61%)
Net OPEB Liability	\$ 1,701,144	\$ 1,505,236	\$ 1,339,045

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

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

	Rates		
	1% Decrease 3.50%	Healthcare Cost Trend 4.50%	1% Increase 5.50%
Net OPEB Liability	\$ 1,323,424	\$ 1,505,236	\$ 1,721,792

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

County- continued

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

For the year ended June 30, 2019, the County recognized OPEB expense in the amount of \$66,946. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 144,072	\$ -
Changes in assumptions	-	491,926
Net difference between projected and actual earnings on OPEB plan investments	7,235	3,335
Total	<u>\$ 151,307</u>	<u>\$ 495,261</u>

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

<u>Year Ended June 30</u>	
2020	\$ (39,968)
2021	(39,968)
2022	(39,967)
2023	(38,857)
2024	(40,665)
Thereafter	(144,529)

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

School Board

Plan Description

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

School Board- continued

Benefits Provided

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

Plan Membership

At June 30, 2019 (measurement date), the following employees were covered by the benefit terms:

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

Contributions

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

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary Increases	2.50%
Discount Rate	3.13%

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

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is selected from a range of 20-Year Municipal Bond Indices and include the Bond Buyer 11-Bond GO Index, the S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year GO Municipal Bond Index. The final equivalent single discount rate used for this year's valuation is 3.13%.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

School Board- continued

Changes in Total OPEB Liability

Changes in Net OPEB Liability - School Board		School Board
		Total OPEB Liability
Balances at June 30, 2018	\$	2,516,299
Changes for the year:		
Service cost		89,708
Interest		92,588
Difference between expected and actual experience		-
Changes in assumptions		132,169
Contributions - employer		-
Net investment income		-
Benefit payments		(97,520)
Net changes		216,945
Balances at June 30, 2019	\$	2,733,244

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.13%) or one percentage point higher (4.13%) than the current discount rate:

		Rate		
		1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB Liability	\$	3,028,250	\$ 2,733,244	\$ 2,470,294

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

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

		Rates		
		Healthcare Cost		
		1% Decrease 3.50%	Trend 4.50%	1% Increase 5.50%
Total OPEB Liability	\$	2,400,612	\$ 2,733,244	\$ 3,137,188

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

19. OTHER POSTEMPLOYMENT BENEFITS-HEALTH INSURANCE – CONTINUED

School Board- continued

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

For the year ended June 30, 2019, the School Board recognized OPEB expense in the amount of \$191,339. At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 95,277
Changes in assumptions	196,719	-
Total	<u>\$ 196,719</u>	<u>\$ 95,277</u>

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

<u>Year Ended June 30</u>	
2020	\$ (9,043)
2021	(9,043)
2022	(9,043)
2023	(9,043)
2024	(9,043)
Thereafter	(56,227)

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

20. OTHER POSTEMPLOYMENT BENEFITS-VRS HEALTH INSURANCE CREDIT

Plan Description

The Political Subdivision Health Insurance Credit (HIC) Program was established pursuant to code section 51.1-1400 et seq. of the code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Plan Description- continued

qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

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

Employees Covered by Benefit Terms

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>31</u>
Inactive members:	
Vested inactive members	<u>5</u>
Total inactive members	<u>5</u>
Active members	<u>140</u>
Total covered employees	<u><u>176</u></u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2019 was 0.45% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the Health Insurance Credit Program were \$28,781 and \$27,514 for the years ended June 30, 2019 and June 30, 2018, respectively.

Net HIC OPEB Liability

The County's net Health Insurance Credit OPEB liability was measured as of June 30, 2018. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2017, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: - continued

Mortality Rates – Largest Ten Locality Employers – General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: - continued

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: - continued

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Long-Term Expected Rate of Return

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

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

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

Discount Rate

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 279,147	\$ 21,661	\$ 257,486
Changes for the year:			
Service cost	5,490	-	5,490
Interest	19,041	-	19,041
Benefit changes	-	-	-
Differences between expected and actual experience	10,002	-	10,002
Assumption changes	-	-	-
Contributions - employer	-	27,514	(27,514)
Net investment income	-	1,889	(1,889)
Benefit payments	(14,277)	(14,277)	-
Administrative expenses	-	(57)	57
Other changes	-	(32)	32
Net changes	<u>20,256</u>	<u>15,037</u>	<u>5,219</u>
Balances at June 30, 2018	\$ <u>299,403</u>	\$ <u>36,698</u>	\$ <u>262,705</u>

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

The following presents the County's Health Insurance Credit Program net HIC OPEB liability using the discount rate of 7.00%, as well as what the County's net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County's Net HIC OPEB Liability	\$ 293,322	\$ 262,705	\$ 236,515

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

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

For the year ended June 30, 2019, the County recognized Health Insurance Credit Program OPEB expense of \$22,548. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the County's Health Insurance Credit Program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,446	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	70	353
Change in assumptions	-	6,796
Employer contributions subsequent to the measurement date	<u>28,781</u>	<u>-</u>
Total	<u>\$ 37,297</u>	<u>\$ 7,149</u>

\$28,781 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2020	\$ (96)
2021	(96)
2022	(95)
2023	24
2024	964
Thereafter	666

Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Program is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Plan Description

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Program was established pursuant to section 51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC program. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2019 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC program were \$338,793 and \$344,237 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the school division reported a liability of \$4,394,000 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2018 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.34605% as compared to 0.34419% at June 30, 2017.

For the year ended June 30, 2019, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$366,000. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 22,000
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	3,000
Change in assumptions	-	38,000
Change in proportion	50,000	-
Employer contributions subsequent to the measurement date	338,793	-
Total	<u>\$ 388,793</u>	<u>\$ 63,000</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

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

\$338,793 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2020	\$ (3,000)
2021	(3,000)
2022	(3,000)
2023	(1,000)
2024	(3,000)
Thereafter	-

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee Health Insurance Credit Program was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

Mortality Rates – Teachers

Pre-Retirement:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions- continued

Mortality Rates – Teachers- continued

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the VRS Teacher Employee HIC Program is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,381,313
Plan Fiduciary Net Position		111,639
Teacher Employee net HIC OPEB Liability (Asset)	\$	1,269,674
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		8.08%

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Long-Term Expected Rate of Return

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

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

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

Discount Rate

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 4,908,000	\$ 4,394,000	\$ 3,957,000

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

Plan Description

The Group Life Insurance (GLI) Program was established pursuant to section 51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Plan Description continued

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The GLI Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>
<p>Benefit Amounts</p> <p>The benefits payable under the GLI Program have several components.</p> <ul style="list-style-type: none"> • <u>Natural Death Benefit</u> - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> – The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option
<p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the GLI Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,279 effective July 1, 2018.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Contributions

The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program were \$63,787 and \$60,752 for the years ended June 30, 2019 and June 30, 2018, respectively, for the County; \$15,453 and \$15,405 for the years ended June 30, 2019 and June 30, 2018, respectively, for the School Board (nonprofessional); and \$147,058 and \$145,861 for the years ended June 30, 2019 and June 30, 2018, respectively, for the School Board (professional).

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

At June 30, 2019, the entity reported a liability of \$933,000, \$237,000, and \$2,240,000 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the participating employer's proportion was 0.06144%, 0.01558%, and 0.14752% as compared to 0.06130%, 0.01601%, and 0.14726% at June 30, 2017 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2019, the participating employer recognized GLI OPEB expense of \$9,000, \$1,000, and \$24,000 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

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

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ 46,000	\$ 17,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	30,000
Change in assumptions	-	39,000
Employer contributions subsequent to the measurement date	63,787	-
Total Primary Government	<u>109,787</u>	<u>86,000</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	12,000	4,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	8,000
Change in assumptions	-	10,000
Changes in proportion	-	6,000
Employer contributions subsequent to the measurement date	15,453	-
Total Component Unit School Board (nonprofessional)	<u>27,453</u>	<u>28,000</u>
Component Unit School Board (professional)		
Differences between expected and actual experience	110,000	40,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	73,000
Change in assumptions	-	93,000
Changes in proportion	33,000	-
Employer contributions subsequent to the measurement date	147,058	-
Total Component Unit School Board (professional)	<u>\$ 290,058</u>	<u>\$ 206,000</u>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

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

\$63,787, \$15,453 and \$147,058 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2020	\$ (14,000)	\$ (4,000)	\$ (25,000)
2021	(14,000)	(4,000)	(25,000)
2022	(14,000)	(4,000)	(25,000)
2023	(5,000)	(4,000)	(5,000)
2024	3,000	-	9,000
Thereafter	4,000	-	8,000

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018. The assumptions include several employer groups as noted below. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

*Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: continued

net position that exceeded the projected benefit payments, the long-term expected rate of return on investment was assumed to be 7.0% to simplify preparation of OPEB liabilities.

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: continued

Mortality Rates – Largest Ten Locality Employers – General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: continued

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: continued

Mortality Rates – Largest Ten Locality Employers – Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

Actuarial Assumptions: continued

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,113,508
Plan Fiduciary Net Position	1,594,773
Employers' Net GLI OPEB Liability (Asset)	<u>\$ 1,518,735</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	51.22%

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

Long-Term Expected Rate of Return

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

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

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

Discount Rate

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

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

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

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 1,219,000	\$ 933,000	\$ 700,000
School Board (nonprofessional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	310,000	237,000	178,000
School Board (professional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	2,928,000	2,240,000	1,682,000

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN

Plan Description

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

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • School division employees • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction.</p>	<p>Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>
<p>Creditable Service Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p>Sheriffs and regional jail superintendents: Same as Plan 1.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>Sheriffs and regional jail superintendents: Not applicable.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. 	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement <u>Defined Benefit Component:</u> Same as Plan 2.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates: (Cont.)</u></p> <ul style="list-style-type: none"> • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates: (Cont.)</u></p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates: (Cont.)</u></p>
<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Plan Description continued

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <u>Defined Contribution Component:</u> Not applicable.

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Employees Covered by Benefit Terms

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	184	81
Inactive members:		
Vested inactive members	38	27
Non-vested inactive members	74	43
Inactive members active elsewhere in VRS	83	27
Total inactive members	195	97
Active members	269	181
Total covered employees	648	359

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5% of their compensation toward their retirement.

The County's contractually required employer contribution rate for the year ended June 30, 2019 was 7.64% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$897,129 and \$915,072 for the years ended June 30, 2019 and June 30, 2018, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2018 was 3.69% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$94,785 and \$111,026 for the years ended June 30, 2018 and June 30, 2017, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities (asset) were measured as of June 30, 2018. The total pension liabilities used to calculate the net pension liabilities (asset) were determined by an actuarial valuation performed as of June 30, 2017, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Actuarial Assumptions – General Employees continued

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits continued

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Hazardous Duty:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits continued

All Others (Non 10 Largest) – Hazardous Duty:

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

Long-Term Expected Rate of Return

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

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY 2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2018 on, participating employers and school division are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	\$ 56,935,739	\$ 56,796,452	\$ 139,287
Changes for the year:			
Service cost	1,247,409	-	1,247,409
Interest	3,871,332	-	3,871,332
Changes in assumptions	-	-	-
Differences between expected and actual experience	537,387	-	537,387
Contributions - employer	-	915,071	(915,071)
Contributions - employee	-	587,929	(587,929)
Net investment income	-	4,164,022	(4,164,022)
Benefit payments, including refunds of employee contributions	(3,261,983)	(3,261,983)	-
Administrative expenses	-	(36,658)	36,658
Other changes	-	(3,672)	3,672
Net changes	2,394,145	2,364,709	29,436
Balances at June 30, 2018	\$ 59,329,884	\$ 59,161,161	\$ 168,723

COUNTY OF ACCOMACK, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Changes in Net Pension Liability

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 11,762,061	\$ 12,664,773	\$ (902,712)
Changes for the year:			
Service cost	289,593	-	289,593
Interest	804,276	-	804,276
Changes of assumptions	-	-	-
Differences between expected and actual experience	(87,901)	-	(87,901)
Contributions - employer	-	110,918	(110,918)
Contributions - employee	-	138,361	(138,361)
Net investment income	-	930,335	(930,335)
Benefit payments, including refunds of employee contributions	(544,817)	(544,817)	-
Administrative expenses	-	(8,121)	8,121
Other changes	-	(825)	825
Net changes	461,151	625,851	(164,700)
Balances at June 30, 2018	\$ 12,223,212	\$ 13,290,624	\$ (1,067,412)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
County's			
Net Pension Liability (Asset)	\$ 7,466,893	\$ 168,723	\$ (5,940,977)
Component Unit School Board's (nonprofessional)			
Net Pension Liability (Asset)	\$ 263,869	\$ (1,067,412)	\$ (2,198,869)

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

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

For the year ended June 30, 2019, the County and Component Unit School Board (nonprofessional) recognized pension expense (benefit) of \$(242,145) and \$(332,781), respectively. At June 30, 2019, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 389,945	\$ 499,424	\$ -	\$ 195,293
Change in assumptions	-	158,102	-	16,801
Change in proportionate share	19,603	19,603	-	-
Net difference between projected and actual earnings on pension plan investments	-	503,123	-	109,008
Employer contributions subsequent to the measurement date	897,129	-	94,785	-
Total	<u>\$ 1,306,677</u>	<u>\$ 1,180,252</u>	<u>\$ 94,785</u>	<u>\$ 321,102</u>

\$897,129 and \$94,785 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	School Board (nonprofessional)
2020	\$ (171,095)	\$ (144,402)
2021	(4,338)	(35,429)
2022	(545,021)	(130,381)
2023	(50,250)	(10,890)
2024	-	-
Thereafter	-	-

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2019 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$4,317,242 and \$4,503,835 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the school division reported a liability of \$40,652,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division's proportion was 0.34568% as compared to 0.34367% at June 30, 2017.

For the year ended June 30, 2019, the school division recognized pension expense of \$2,409,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Component Unit School Board (professional) continued

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

At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 3,476,000
Change in assumptions	485,000	-
Net difference between projected and actual earnings on pension plan investments	-	862,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	501,000	620,000
Employer contributions subsequent to the measurement date	<u>4,317,242</u>	<u>-</u>
Total	<u>\$ 5,303,242</u>	<u>\$ 4,958,000</u>

\$4,503,835 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2020	\$ (656,000)
2021	(1,023,000)
2022	(1,740,000)
2023	(430,000)
2024	(123,000)
Thereafter	-

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Component Unit School Board (professional) continued

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Component Unit School Board (professional) continued

Actuarial Assumptions continued

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2018, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$	46,679,555
Plan Fiduciary Net Position		<u>34,919,563</u>
Employers' Net Pension Liability	\$	<u><u>11,759,992</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		74.81%

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

The long-term expected rate of return and discount rate information previously described also apply to this plan.

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

23. PENSION PLAN – CONTINUED

Component Unit School Board (professional) continued

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

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

	Rate		
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 62,097,000	\$ 40,652,000	\$ 22,901,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

24. TERMINATION BENEFIT – SCHOOL BOARD EARLY RETIREMENT OPTION PROGRAM

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

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

COUNTY OF ACCOMACK, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

At June 30, 2019 (Continued)

24. TERMINATION BENEFIT – SCHOOL BOARD EARLY RETIREMENT OPTION PROGRAM

The value of the supplement paid to the retiree exceeds the fair value of the services rendered by the retiree. The liability for the this termination benefit is calculated by taking the difference of the supplement received and the fair value of services rendered and multiplied by years remaining in the program. As of June 30, 2019, there were 36 employees enrolled in the Early Retirement Option Program with balances that are recognized in the financial statements. The liability recognized in the financial statements as of June 30, 2019 was \$285,666 for the program

Required Supplementary Information (Other than Management Discussion & Analysis)

Notes to Required Supplementary Information:

1. Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.
2. Pension Related Information Notes:
 - a. Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.
 - b. Changes of assumptions – The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 – Non-Hazardous Duty:

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

Largest 10 – Hazardous Duty:

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

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

Notes to Required Supplementary Information: (Continued)

2. Pension Related Information Notes: (Continued)

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

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

All Others (Non 10 Largest) –Hazardous Duty:

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

Component Unit School Board - Professional Employees:

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

Required Supplementary Information

(Other than Management Discussion & Analysis)

(Continued)

Notes to Required Supplementary Information: (Continued)

3. Health Insurance OPEB Related Information Notes:

County:

Valuation Date: 06/30/2018

Measurement Date: 06/30/2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry age normal level % of salary
Amortization Method/Period	Level % of salary, 30 years
Asset Valuation Method	Fair market value of assets
Inflation	2.75%
Salary Increases	2.50%
Medical Trend Rate	6.00% initially, grading down to 4.50% ultimate
Discount Rate	6.61%
Investment Rate of Return	7.00%
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 tables, fully generational, projected using two-dimensional mortality improvement scale MP-2016.

School Board:

Valuation Date: 06/30/2018

Measurement Date: 06/30/2019

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.13%
Inflation	2.75%
Healthcare Trend Rate	6.00% initially, grading down to 4.50% ultimate
Salary Increases	2.50%
Medical Trend Rate	6.50% initially, grading down to 4.50% ultimate
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 tables adjusted to 2006, fully generational, projected using two-dimensional mortality improvement scale MP-2016.

Required Supplementary Information

(Other than Management Discussion & Analysis)

(Continued)

Notes to Required Supplementary Information: (Continued)

4. County Health Insurance Credit Program Related Information Notes:

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

Largest Ten Locality Employers - General Employees:

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

Non-Largest Ten Locality Employers - General Employees

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

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

Notes to Required Supplementary Information: (Continued)

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

Largest Ten Locality Employers - Hazardous Duty Employees:

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

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

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

5. Teacher Health Insurance Credit Program Related Information Notes:

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

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

Required Supplementary Information

(Other than Management Discussion & Analysis)

(Continued)

Notes to Required Supplementary Information: (Continued)

6. Group Life Insurance Program Related Information Notes:

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

General State Employees

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

Teachers

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

SPORS Employees

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

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

Notes to Required Supplementary Information: (Continued)

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

VaLORS Employees

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

JRS Employees

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

Largest Ten Locality Employers - General Employees

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

Required Supplementary Information

(Other than Management Discussion & Analysis)

(Continued)

Notes to Required Supplementary Information: (Continued)

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

Non-Largest Ten Locality Employers - General Employees

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

Largest Ten Locality Employers - Hazardous Employees

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

Non-Largest Ten Locality Employers - General Employees

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
PRIMARY GOVERNMENT
FOR THE MEASUREMENT DATES OF JUNE 30, 2014 THROUGH JUNE 30, 2018

Exhibit 12

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total pension liability					
Service Cost	\$ 1,133,269	\$ 1,164,856	\$ 1,230,959	\$ 1,298,423	\$ 1,247,409
Interest	3,205,991	3,381,633	3,558,288	3,833,911	3,871,332
Changes of benefit terms	-	3,676	1,369,301	-	-
Differences between expected and actual experience	-	57,300	134,701	(1,318,152)	537,387
Changes in assumptions	-	-	-	(417,284)	-
Benefit payments, including refunds of employee contributions	(1,741,471)	(1,918,709)	(2,248,923)	(2,462,632)	(3,261,983)
Net change in total pension liability	2,597,789	2,688,756	4,044,326	934,266	2,394,145
Total pension liability - beginning	46,670,602	49,268,391	51,957,147	56,001,473	56,935,739
Total pension liability - ending (a)	\$49,268,391	\$51,957,147	\$56,001,473	\$56,935,739	\$ 59,329,884
Plan fiduciary net position					
Contributions - employer	\$ 912,155	\$ 918,486	\$ 1,071,751	\$ 896,974	\$ 915,071
Contributions - employee	538,436	543,528	560,988	575,555	587,929
Net investment income	6,800,749	2,272,415	894,070	6,254,600	4,164,022
Benefit payments, including refunds of employee contributions	(1,741,471)	(1,918,709)	(2,248,923)	(2,462,632)	(3,261,983)
Administrative expense	(36,498)	(31,130)	(31,994)	(36,392)	(36,658)
Other	358	(479)	(379)	(5,551)	(3,672)
Net change in plan fiduciary net position	6,473,729	1,784,111	245,513	5,222,554	2,364,709
Plan fiduciary net position - beginning	43,070,545	49,544,274	51,328,385	51,573,898	56,796,452
Plan fiduciary net position - ending (b)	\$49,544,274	\$51,328,385	\$51,573,898	\$56,796,452	\$ 59,161,161
County's net pension liability (asset) - ending (a) - (b)	\$ (275,883)	\$ 628,762	\$ 4,427,575	\$ 139,287	\$ 168,723
Plan fiduciary net position as a percentage of the total pension liability (asset)	100.56%	98.79%	92.09%	99.76%	99.72%
Covered payroll	\$10,773,964	\$10,896,299	\$11,022,754	\$11,301,324	\$ 11,682,982
County's net pension liability as a percentage of covered payroll	-2.56%	5.77%	40.17%	1.23%	1.44%

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
COMPONENT UNIT SCHOOL BOARD (NONPROFESSIONAL)
FOR THE MEASUREMENT DATES OF JUNE 30, 2014 THROUGH JUNE 30, 2018

Exhibit 13

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total pension liability					
Service Cost	\$ 317,109	\$ 295,580	\$ 296,936	\$ 269,197	\$ 289,593
Interest	730,383	770,263	778,450	798,537	804,276
Differences between expected and actual experience	-	(433,562)	(272,255)	(402,077)	(87,901)
Changes in assumptions	-	-	-	(55,425)	-
Benefit payments, including refunds of employee contributions	(445,583)	(509,990)	(520,646)	(511,696)	(544,817)
Net change in total pension liability	601,909	122,291	282,485	98,536	461,151
Total pension liability - beginning	10,656,840	11,258,749	11,381,040	11,663,525	11,762,061
Total pension liability - ending (a)	<u>\$ 11,258,749</u>	<u>\$ 11,381,040</u>	<u>\$ 11,663,525</u>	<u>\$ 11,762,061</u>	<u>\$ 12,223,212</u>
Plan fiduciary net position					
Contributions - employer	\$ 266,876	\$ 217,678	\$ 219,731	\$ 116,380	\$ 110,918
Contributions - employee	149,754	145,565	145,477	141,852	138,361
Net investment income	1,525,205	507,774	199,764	1,395,490	930,335
Benefit payments, including refunds of employee contributions	(445,583)	(509,990)	(520,646)	(511,696)	(544,817)
Administrative expense	(8,164)	(7,000)	(7,162)	(8,145)	(8,121)
Other	81	(108)	(85)	(1,238)	(825)
Net change in plan fiduciary net position	1,488,169	353,919	37,079	1,132,643	625,851
Plan fiduciary net position - beginning	9,652,963	11,141,132	11,495,051	11,532,130	12,664,773
Plan fiduciary net position - ending (b)	<u>\$ 11,141,132</u>	<u>\$ 11,495,051</u>	<u>\$ 11,532,130</u>	<u>\$ 12,664,773</u>	<u>\$ 13,290,624</u>
School Board Component Unit's net pension liability (asset) - ending (a) - (b)	\$ 117,617	\$ (114,011)	\$ 131,395	\$ (902,712)	\$ (1,067,412)
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.96%	101.00%	98.87%	107.67%	108.73%
Covered payroll	\$ 2,985,035	\$ 2,953,111	\$ 2,867,655	\$ 2,952,275	\$ 2,962,415
School Board Component Unit's net pension liability (asset) as a percentage of covered payroll	3.94%	-3.86%	4.58%	-30.58%	-36.03%

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

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2010 THROUGH JUNE 30, 2019**

Exhibit 14

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government:					
2019	\$ 897,129	\$ 897,129	\$ -	\$ 12,252,470	7.32%
2018	915,072	915,072	-	11,682,982	7.83%
2017	912,017	912,017	-	11,301,324	8.07%
2016	1,111,094	1,111,094	-	11,022,754	10.08%
2015	922,916	922,916	-	10,896,299	8.47%
2014	912,555	912,555	-	10,773,964	8.47%
2013	866,920	866,920	-	10,235,185	8.47%
2012	415,570	415,570	-	9,664,418	4.30%
2011	422,892	422,892	-	9,834,701	4.30%
2010	269,883	269,883	-	10,300,868	2.62%
Component Unit School Board (nonprofessional):					
2019	\$ 94,785	\$ 94,785	\$ -	\$ 2,959,628	3.20%
2018	111,026	111,026	-	2,962,415	3.75%
2017	123,405	123,405	-	2,952,275	4.18%
2016	212,780	212,780	-	2,867,655	7.42%
2015	219,121	219,121	-	2,953,111	7.42%
2014	265,967	265,967	-	2,985,035	8.91%
2013	269,665	269,665	-	3,026,538	8.91%
2012	226,208	226,208	-	2,960,840	7.64%
2011	221,848	221,848	-	2,903,770	7.64%
2010	245,778	245,778	-	3,246,740	7.57%
Component Unit School Board (professional):					
2019	\$ 4,317,242	\$ 4,317,242	\$ -	\$ 28,232,714	15.29%
2018	4,503,835	4,503,835	-	28,050,143	16.06%
2017	3,778,447	3,778,447	-	25,773,854	14.66%
2016	3,658,456	3,658,456	-	26,020,312	14.06%
2015	3,734,610	3,734,610	-	25,755,930	14.50%

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY VRS TEACHER RETIREMENT PLAN
COMPONENT UNIT SCHOOL BOARD
FOR THE MEASUREMENT DATES OF JUNE 30, 2014 THROUGH JUNE 30, 2018

Exhibit 15

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.35461%	0.34623%	0.34113%	0.34367%	0.34568%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 42,854,000	\$ 43,578,000	\$ 47,806,000	\$42,264,000	\$ 40,652,000
Employer's Covered Payroll	\$ 25,913,927	\$ 25,755,930	\$ 26,020,312	\$25,773,854	\$ 28,050,143
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	60.47%	59.10%	54.43%	60.98%	69.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liab	70.88%	70.68%	68.28%	72.92%	74.81%

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
PRIMARY GOVERNMENT
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 THROUGH JUNE 30, 2019

Exhibit 16

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability			
Service Cost	\$ 115,033	\$ 118,484	\$ 20,186
Interest	72,863	78,474	107,064
Differences between expected and actual experience	-	180,090	-
Changes in assumptions	-	(361,325)	(225,408)
Benefit payments	(50,793)	(86,085)	(77,051)
Net change in total OPEB liability	137,103	(70,362)	(175,209)
Total OPEB liability - beginning	1,937,435	2,074,538	2,004,176
Total OPEB liability - ending (a)	<u>\$ 2,074,538</u>	<u>\$ 2,004,176</u>	<u>\$ 1,828,967</u>
Plan fiduciary net position			
Contributions - employer	\$ 44,552	\$ 138,543	\$ 131,847
Net investment income	19,008	21,638	12,294
Benefit payments	-	(86,085)	(77,051)
Administrative expense	(500)	(1,008)	(1,002)
Net change in plan fiduciary net position	63,060	73,088	66,088
Plan fiduciary net position - beginning	121,495	184,555	257,643
Plan fiduciary net position - ending (b)	<u>\$ 184,555</u>	<u>\$ 257,643</u>	<u>\$ 323,731</u>
County's net OPEB liability (asset) - ending (a) - (b)	\$ 1,889,983	\$ 1,746,533	\$ 1,505,236
Plan fiduciary net position as a percentage of the total OPEB liability	8.90%	12.86%	17.70%
Covered payroll	\$ 11,036,000	\$ 12,139,885	\$ 12,515,330
County's net pension liability as a percentage of covered payroll	17.13%	14.39%	12.03%

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
SCHOOL BOARD
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 THROUGH JUNE 30, 2019

Exhibit 17

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability			
Service Cost	\$ 157,700	\$ 161,643	\$ 89,708
Interest	97,588	100,171	92,588
Differences between expected and actual experience	(68,188)	(114,333)	-
Changes in assumptions	-	90,678	132,169
Benefit payments	(124,000)	(128,960)	(97,520)
Net change in total OPEB liability	63,100	109,199	216,945
Total OPEB liability - beginning	2,344,000	2,407,100	2,516,299
Total OPEB liability - ending (a)	<u><u>\$ 2,407,100</u></u>	<u><u>\$ 2,516,299</u></u>	<u><u>\$ 2,733,244</u></u>
 Covered payroll	 \$ 28,842,000	 \$ 30,556,723	 \$ 34,238,439
 School Board's Total liability as a percentage of covered payroll	 8.35%	 8.23%	 7.98%

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

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2019**

Exhibit 18

Date	Actuarially Determined Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 132,829	\$ 131,847	\$ 982	\$ 12,515,330	1.05%
2018	133,000	138,543	(5,543)	12,139,885	1.14%
2017	126,000	97,000	29,000	11,036,000	0.88%

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

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF INVESTMENT RETURNS
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2019**

Exhibit 19

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	12.33%	9.42%	4.03%

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 AND JUNE 30, 2018

Exhibit 20

	2017	2018
Total HIC OPEB Liability		
Service cost	\$ 5,809	\$ 5,490
Interest	18,930	19,041
Differences between expected and actual experience	-	10,002
Changes in assumptions	(9,898)	-
Benefit payments	(12,257)	(14,277)
Net change in total HIC OPEB liability	2,584	20,256
Total HIC OPEB Liability - beginning	276,563	279,147
Total HIC OPEB Liability - ending (a)	279,147	299,403
Plan fiduciary net position		
Contributions - employer	26,474	27,514
Net investment income	1,503	1,889
Benefit payments	(12,257)	(14,277)
Administrative expense	(47)	(57)
Other	32	(32)
Net change in plan fiduciary net position	15,705	15,037
Plan fiduciary net position - beginning	5,956	21,661
Plan fiduciary net position - ending (b)	21,661	36,698
County's net HIC OPEB liability - ending (a) - (b)	\$ 257,486	\$ 262,705
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.76%	12.26%
Covered payroll	\$ 5,883,020	\$ 6,114,233
County's net HIC OPEB liability as a percentage of covered payroll	4.38%	4.30%

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

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE YEARS ENDED JUNE 30, 2015 THROUGH JUNE 30, 2019**

Exhibit 21

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2019	\$ 28,781	\$ 28,781	\$ -	\$ 6,395,752	0.45%
2018	27,514	27,514	-	6,114,233	0.45%
2017	26,474	26,474	-	5,883,020	0.45%
2016	12,996	12,996	-	5,415,024	0.24%
2015	12,836	12,836	-	5,348,274	0.24%

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

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF ACCOMACK COUNTY SCHOOL BOARD'S SHARE OF NET OPEB LIABILITY
TEACHER HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE MEASUREMENT DATES OF JUNE 30, 2017 THROUGH JUNE 30, 2018

Exhibit 22

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2018	0.35%	\$ 4,394,000	\$ 27,986,765	15.70%	8.08%
2017	0.34%	4,366,000	27,163,246	16.07%	7.04%

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

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEACHER HEALTH INSURANCE CREDIT PROGRAM (HIC)
FOR THE YEARS ENDED JUNE 30, 2010 THROUGH JUNE 30, 2019**

Exhibit 23

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2019	\$ 338,793	\$ 338,793	\$ -	\$ 28,232,714	1.20%
2018	344,237	344,237	-	27,986,765	1.23%
2017	301,512	301,512	-	27,163,246	1.11%
2016	275,703	275,703	-	26,009,740	1.06%
2015	272,867	272,867	-	25,742,149	1.06%
2014	287,854	287,854	-	25,932,800	1.11%
2013	275,371	275,371	-	24,808,159	1.11%
2012	144,954	144,954	-	24,159,045	0.60%
2011	141,517	141,517	-	23,586,215	0.60%
2010	187,170	187,170	-	25,293,461	0.74%

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

Exhibit 24

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
County:					
2018	0.0614%	\$ 933,000	\$11,682,982	7.99%	51.22%
2017	0.0613%	923,000	11,307,877	8.16%	48.86%
School Board (Nonprofessional):					
2018	0.0156%	\$ 237,000	\$ 2,962,415	8.00%	51.22%
2017	0.0160%	241,000	2,952,275	8.16%	48.86%
School Board (Professional):					
2018	0.1475%	\$ 2,240,000	\$28,050,143	7.99%	51.22%
2017	0.1473%	2,216,000	27,163,246	8.16%	48.86%

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

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
GROUP LIFE INSURANCE PROGRAM
FOR THE YEARS ENDED JUNE 30, 2010 THROUGH JUNE 30, 2019**

Exhibit 25

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2019	\$ 63,787	\$ 63,787	\$ -	\$ 12,266,740	0.52%
2018	60,752	60,752	-	11,682,982	0.52%
2017	58,801	58,801	-	11,307,877	0.52%
2016	53,032	53,032	-	11,048,241	0.48%
2015	52,316	52,316	-	10,899,210	0.48%
2014	51,715	51,715	-	10,773,964	0.48%
2013	49,146	49,146	-	10,238,758	0.48%
2012	27,110	27,110	-	9,682,063	0.28%
2011	27,540	27,540	-	9,835,841	0.28%
2010	20,949	20,949	-	10,307,921	0.20%
School Board (Nonprofessional)					
2019	\$ 15,453	\$ 15,453	\$ -	\$ 2,971,717	0.52%
2018	15,405	15,405	-	2,962,415	0.52%
2017	15,352	15,352	-	2,952,275	0.52%
2016	13,765	13,765	-	2,867,655	0.48%
2015	14,175	14,175	-	2,953,111	0.48%
2014	14,328	14,328	-	2,985,035	0.48%
2013	14,527	14,527	-	3,026,538	0.48%
2012	8,290	8,290	-	2,960,840	0.28%
2011	8,131	8,131	-	2,903,770	0.28%
2010	6,365	6,365	-	3,246,740	0.20%
School Board (Professional)					
2019	\$ 147,058	\$ 147,058	\$ -	\$ 28,280,300	0.52%
2018	145,861	145,861	-	28,050,143	0.52%
2017	141,249	141,249	-	27,163,246	0.52%
2016	124,847	124,847	-	26,009,740	0.48%
2015	123,562	123,562	-	25,742,149	0.48%
2014	124,477	124,477	-	25,932,800	0.48%
2013	120,683	120,683	-	25,142,188	0.48%
2012	67,644	67,644	-	24,158,427	0.28%
2011	66,095	66,095	-	23,605,362	0.28%
2010	48,592	48,592	-	25,288,178	0.19%

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit 26
Page 1 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 23,429,947	\$ 23,646,624	\$ 25,302,037	\$ 1,655,413
Other local taxes	7,586,198	7,600,722	8,206,446	605,724
Permits, fees and licenses	407,174	407,174	403,364	(3,810)
Fines and forfeitures	70,000	70,000	85,100	15,100
Revenue from the use of money and property	489,799	489,799	479,288	(10,511)
Charges for services	367,288	488,921	569,072	80,151
Miscellaneous	-	18,250	40,819	22,569
Recovered costs	142,234	503,095	413,262	(89,833)
Intergovernmental	7,072,416	7,605,345	7,609,149	3,804
Total revenues	39,565,056	40,829,930	43,108,537	2,278,607
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	152,715	152,715	133,479	19,236
General and financial administration:				
County administrator	499,169	459,987	311,978	148,009
Human resources	237,607	252,307	231,808	20,499
Legal services	221,445	221,445	221,174	271
Commissioner of the revenue	319,345	309,227	290,936	18,291
County assessor	571,698	549,361	517,029	32,332
Treasurer	566,436	698,286	617,186	81,100
Finance	552,785	573,797	523,984	49,813
Information technology	865,159	859,939	811,951	47,988
Risk management	308,054	308,054	293,934	14,120
Total general and financial administration	4,141,698	4,232,403	3,819,980	412,423
Board of elections:				
Electoral board	48,628	49,903	38,747	11,156
Registrar	168,112	168,112	150,896	17,216
Total board of elections	216,740	218,015	189,643	28,372
Total general government administration	4,511,153	4,603,133	4,143,102	460,031
Judicial administration:				
Courts:				
Circuit court	87,589	87,589	76,220	11,369
General district court	11,471	11,471	10,981	490
Chief magistrate	16,938	16,938	4,350	12,588
Juvenile and domestic relations court	13,650	13,650	5,422	8,228
Clerk of the circuit court	465,577	514,906	492,153	22,753
Sheriff court services	503,442	499,222	484,768	14,454
Commissioner of accounts	214	214	-	214
Victim and witness assistance	95,373	106,584	94,977	11,607
Total courts	1,194,254	1,250,574	1,168,871	81,703
Commonwealth's attorney	401,681	401,681	405,827	(4,146)
Total judicial administration	1,595,935	1,652,255	1,574,698	77,557
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,462,863	2,869,143	2,866,677	2,466

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Exhibit 26
Page 2 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Public safety: (continued)				
Fire and rescue services:				
Volunteer fire and rescue	\$ 265,110	\$ 305,610	\$ 262,992	\$ 42,618
Emergency medical services	248,593	284,411	279,667	4,744
Payments to 911 commission	703,169	713,749	685,223	28,526
Total fire and rescue services	1,216,872	1,303,770	1,227,882	75,888
Correction and detention:				
Jail	2,238,808	2,054,373	2,055,396	(1,023)
Juvenile probation	126,074	126,074	87,806	38,268
Community correction	-	92,242	91,839	403
Total correction and detention	2,364,882	2,272,689	2,235,041	37,648
Other protection:				
Building and zoning	438,436	448,939	435,869	13,070
Ordinance enforcement	71,103	72,014	61,377	10,637
Animal control	120,510	120,510	118,820	1,690
Regional animal control facility	106,933	106,933	71,911	35,022
S.P.C.A. supplement	5,921	6,428	6,428	-
Emergency management	101,036	256,088	236,582	19,506
Medical examiner	5,000	5,000	1,650	3,350
E.S. Coalition Against Domestic Violence supplement	21,650	21,650	21,650	-
Cleanup/disposal of hazardous materials	7,000	42,669	23,654	19,015
Total other protection	877,589	1,080,231	977,941	102,290
Total public safety	6,922,206	7,525,833	7,307,541	218,292
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Storm drainage	201,564	544,907	201,970	342,937
	201,564	544,907	201,970	342,937
Sanitation and waste removal:				
General operations	222,861	222,861	226,503	(3,642)
Refuse disposal	1,000,000	1,000,000	1,030,545	(30,545)
Refuse collection	667,294	755,065	702,276	52,789
Maintenance garage	180,413	308,929	324,539	(15,610)
Litter control	347,339	366,179	294,080	72,099
Total sanitation and waste removal	2,417,907	2,653,034	2,577,943	75,091
Maintenance of buildings and grounds:				
Buildings and grounds	1,234,098	1,554,807	1,377,866	176,941
Total public works	3,853,569	4,752,748	4,157,779	594,969
Health and welfare:				
Health:				
Local health department supplement	649,592	649,592	649,592	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	680,563	680,563	680,563	-
Mental health and mental retardation:				
Community services board supplement	196,114	196,114	196,114	-

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Exhibit 26
Page 3 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Health and welfare: (continued)				
Welfare:				
Property tax relief for the elderly	\$ 144,525	\$ 144,525	\$ 137,259	\$ 7,266
Area agency on aging supplement	23,430	23,430	23,430	-
Total welfare	167,955	167,955	160,689	7,266
Total health and welfare	1,044,632	1,044,632	1,037,366	7,266
Education:				
Contribution to School Board component unit	17,794,749	18,737,481	16,438,466	2,299,015
Community College supplement	41,028	41,028	41,028	-
Total education	17,835,777	18,778,509	16,479,494	2,299,015
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	325,047	325,297	320,737	4,560
Summer food program	-	282,904	88,326	194,578
Boating facilities	35,459	112,844	45,937	66,907
Total parks and recreation	360,506	721,045	455,000	266,045
Cultural enrichment:				
Translator television	74,457	564,398	305,883	258,515
Contribution to Public Library component unit	403,707	403,707	403,707	-
Total cultural enrichment	478,164	968,105	709,590	258,515
Total parks, recreation and cultural	838,670	1,689,150	1,164,590	524,560
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	70,703	70,703	70,703	-
Housing/Redevelopment Corp. supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	7,500	7,500	-
Erosion and sediment	82,971	82,971	115,114	(32,143)
Planning	388,878	481,570	332,865	148,705
Enterprise Zone incentives	-	25,000	-	25,000
Tourism Commission supplement	86,853	101,377	101,377	-
Chamber of Commerce supplement	198,145	169,095	110,993	58,102
Star Transit public transportation supplement	176,800	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	6,705	11,961
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	1,044,338	1,147,504	935,879	211,625
Environmental management:				
Johnsongrass/gypsy moth control program	12,468	12,468	2,264	10,204
Chincoteague water study grant match	50,000	50,000	-	50,000
Soil and Water Conservation District supplement	21,154	31,731	31,731	-
Contribution to Planning Dist. Commission component unit	27,221	27,221	27,221	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	120,842	131,419	71,215	60,204
Cooperative extension program	94,746	94,746	76,635	18,111
Total community development	1,259,926	1,373,669	1,083,729	289,940
Nondepartmental:				
Contingency	236,973	158,191	-	158,191

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Exhibit 26
Page 4 of 4

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Expenditures: (continued)				
Debt service	\$ 292,710	\$ 292,710	\$ 291,960	\$ 750
Total expenditures	38,391,551	41,870,830	37,240,259	4,630,571
Revenues over (under) expenditures	1,173,505	(1,040,900)	5,868,278	6,909,178
Other Financing Sources (Uses):				
Transfers in	128,760	128,760	129,760	1,000
Transfers out	(2,558,588)	(4,936,134)	(3,216,529)	1,719,605
Total other financing sources (uses)	(2,429,828)	(4,807,374)	(3,086,769)	1,720,605
Net changes in fund balance	(1,256,323)	(5,848,274)	2,781,509	8,629,783
Fund balance, beginning of year	18,495,855	18,495,855	18,495,855	-
Fund balance, end of year	\$ 17,239,532	\$ 12,647,581	\$ 21,277,364	\$ 8,629,783

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, 2019

Exhibit 27

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 9,943	\$ 9,943
Intergovernmental	3,454,645	3,416,698	3,201,513	(215,185)
Total revenues	3,454,645	3,416,698	3,211,456	(205,242)
Expenditures:				
Health and welfare:				
Welfare administration	3,296,598	3,256,704	3,137,638	119,066
Public assistance	675,265	561,245	490,165	71,080
Fuel administration	39,057	39,057	-	39,057
Local only administration	79,731	260,005	144,484	115,521
CSA Coordinator local only	-	30,000	33,336	(3,336)
Medicaid Expansion	-	85,986	80,393	5,593
Service pass-through	150,293	-	-	-
Total expenditures	4,240,944	4,232,997	3,886,016	346,981
Revenues over (under) expenditures	(786,299)	(816,299)	(674,560)	141,739
Other financing sources (uses):				
Transfers in	786,299	816,299	674,560	(141,739)
Total other financing sources (uses)	786,299	816,299	674,560	(141,739)
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CONSOLIDATED EMERGENCY MEDICAL SERVICES FUND
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit 28

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 4,098,541	\$ 4,098,541	\$ 4,299,170	\$ 200,629
Intergovernmental	\$ 64,964	\$ 72,370	\$ 72,897	\$ 527
Recovered Costs	-	3,700	3,450	(250)
Total revenues	4,163,505	4,174,611	4,375,517	200,906
Expenditures:				
Public safety:				
Fire and rescue services:				
Emergency medical services	3,998,723	4,017,329	3,700,164	317,165
Total expenditures	3,998,723	4,017,329	3,700,164	317,165
Revenues over (under) expenditures	164,782	157,282	675,353	518,071
Other financing sources (uses):				
	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(129,760)	(129,760)	(129,760)	-
Total other financing sources (uses)	(129,760)	(129,760)	(129,760)	-
Net changes in fund balance	35,022	27,522	545,593	518,071
Fund balance, beginning of year	1,863,144	1,863,144	1,863,144	-
Fund balance, end of year	\$ 1,898,166	\$ 1,890,666	\$ 2,408,737	\$ 518,071

Other Supplementary Information



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Nonmajor Governmental Funds

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

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

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AT JUNE 30, 2019**

Exhibit 29

	Special Revenue									
	Law Library Fund	Stormwater Ordinance Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund	Captains Cove Greenbackville Mosquito Control Fund	Comprehen- sive Youth Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
Assets:										
Cash and investments	\$ 57,789	\$ 2,436	\$ 42,048	\$ -	\$ 114,887	\$ 226,556	\$ 29,503	\$ 1,500	\$ 1,447,898	\$ 1,922,617
Receivables (net):										
Taxes, including penalties	-	-	-	-	-	-	15,769	-	785,639	801,408
Accounts / other	737	-	-	7,505	1,000	-	-	34,572	-	43,814
Due from other governmental entities:										
Commonwealth of Virginia	-	-	-	-	-	-	-	268,767	-	268,767
Total assets	58,526	2,436	42,048	7,505	115,887	226,556	45,272	304,839	2,233,537	3,036,606
Liabilities:										
Accounts payable	1,334	2,436	-	-	99	26,416	17,266	220,575	850,612	1,118,738
Wages payable	-	-	-	4,203	-	-	-	-	-	4,203
Due to other government entities:										
Northampton County	-	-	-	-	-	-	-	17,120	-	17,120
Interfund payable	-	-	-	-	-	-	-	67,144	-	67,144
Unearned revenues	-	-	-	-	91,633	-	-	-	-	91,633
Total liabilities	1,334	2,436	-	4,203	91,732	26,416	17,266	304,839	850,612	1,298,838
Deferred Inflows of Resources:										
Deferred property tax revenue	-	-	-	-	-	-	17,189	-	737,136	754,325
Unavailable revenue - property taxes	-	-	-	-	-	-	2,677	-	127,210	129,887
Total deferred inflow of resources	-	-	-	-	-	-	19,866	-	864,346	884,212
Fund Balances:										
Restricted for:										
Fire and Rescue	-	-	-	-	24,155	-	-	-	-	24,155
Mosquito Control	-	-	-	-	-	-	8,140	-	-	8,140
Judicial Administration	-	-	11,183	-	-	-	-	-	-	11,183
Courthouse Security	-	-	-	3,302	-	-	-	-	-	3,302
Fire and Rescue	-	-	-	-	-	-	-	-	-	-
Law Library	57,192	-	-	-	-	-	-	-	-	57,192
Law Enforcement	-	-	30,865	-	-	-	-	-	-	30,865
Community Development	-	-	-	-	-	200,140	-	-	-	200,140
Assigned to:										
Fire and Rescue	-	-	-	-	-	-	-	-	518,579	518,579
Total fund balances	57,192	-	42,048	3,302	24,155	200,140	8,140	-	518,579	853,556
Total liabilities, deferred inflows of resources and fund balances	\$ 58,526	\$ 2,436	\$ 42,048	\$ 7,505	\$ 115,887	\$ 226,556	\$ 45,272	\$ 304,839	\$ 2,233,537	\$ 3,036,606

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit 30

	Special Revenue						Special Revenue			
	Law Library Fund	Stormwater Ordinance Fund	Drug Seizures Fund	Courthouse Security Fund	Fire Programs Fund	Rehabilitation Projects Fund	Captains Cove Greenbackville Mosquito Control Fund	Comprehensive Youth Services Fund	Consolidated Fire and Rescue Fund	Total Nonmajor Governmental Funds
Revenues:										
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,652	\$ -	\$ 1,590,795	\$ 1,642,447
Other local taxes		-	-	88,952	-	-	-	-	-	88,952
Permits, fees and licenses	-	11,399	-	-	-	-	-	-	-	11,399
Revenue from the use of money and property	-	-	18	-	10	36	-	-	-	64
Charges for services	8,629	-	-	-	-	-	-	-	-	8,629
Miscellaneous	-	-	-	-	7,625	-	-	(6,490)	-	1,135
Recovered costs	-	-	-	-	-	4,068	-	-	-	4,068
Intergovernmental	-	-	-	-	44,110	30,000	-	1,051,683	41,181	1,166,974
Total revenues	8,629	11,399	18	88,952	51,745	34,104	51,652	1,045,193	1,631,976	2,923,668
Expenditures:										
Judicial administration	3,550	-	551	-	-	-	-	-	-	4,101
Public safety	-	-	5,250	133,907	76,500	-	-	-	1,748,884	1,964,541
Health and welfare	-	-	-	-	-	-	57,797	1,297,506	-	1,355,303
Community development	-	168,653	-	-	-	42,537	-	-	-	211,190
Total expenditures	3,550	168,653	5,801	133,907	76,500	42,537	57,797	1,297,506	1,748,884	3,535,135
Revenues over (under) expenditures	5,079	(157,254)	(5,783)	(44,955)	(24,755)	(8,433)	(6,145)	(252,313)	(116,908)	(611,467)
Other financing sources (uses):										
Transfers in	-	157,254	-	38,430	15,000	-	-	252,313	-	462,997
Total other financing sources (uses)	-	157,254	-	38,430	15,000	-	-	252,313	-	462,997
Net change in fund balances	5,079	-	(5,783)	(6,525)	(9,755)	(8,433)	(6,145)	-	(116,908)	(148,470)
Fund balance, beginning of year	52,113	-	47,831	9,827	33,910	208,573	14,285	-	635,487	1,002,026
Fund balance, end of year	\$ 57,192	\$ -	\$ 42,048	\$ 3,302	\$ 24,155	\$ 200,140	\$ 8,140	\$ -	\$ 518,579	\$ 853,556

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, 2019

Exhibit 31
Page 1

	Law Library Fund				Stormwater Ordinance Fund				Drug Seizures Fund			
	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-	-	-	-	-
Permits, privilege fees and licenses	-	-	-	-	30,903	30,903	11,399	(19,504)	-	-	-	-
Revenue from the use of money and property	-	-	-	-	-	-	-	-	-	-	18	18
Charges for services	7,000	7,000	8,629	1,629	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	2,000	2,000	-	(2,000)
Total revenues	7,000	7,000	8,629	1,629	30,903	30,903	11,399	(19,504)	2,000	2,000	18	(1,982)
Expenditures:												
Judicial administration	7,000	59,113	3,550	55,563	-	-	-	-	-	11,730	551	11,179
Public safety	-	-	-	-	-	-	-	-	2,000	38,101	5,250	32,851
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	187,856	187,856	168,653	19,203	-	-	-	-
Total expenditures	7,000	59,113	3,550	55,563	187,856	187,856	168,653	19,203	2,000	49,831	5,801	44,030
Revenues over (under) expenditures	-	(52,113)	5,079	57,192	(156,953)	(156,953)	(157,254)	(301)	-	(47,831)	(5,783)	42,048
Other financing sources (uses):												
Transfers in	-	-	-	-	156,953	156,953	157,254	301	-	-	-	-
Total other financing sources (uses)	-	-	-	-	156,953	156,953	157,254	301	-	-	-	-
Net changes in fund balance	-	(52,113)	5,079	57,192	-	-	-	-	-	(47,831)	(5,783)	42,048
Fund balance, beginning of year	46,321	52,113	52,113	-	-	-	-	-	19,790	47,831	47,831	-
Fund balance, end of year	\$ 46,321	\$ -	\$ 57,192	\$ 57,192	\$ -	\$ -	\$ -	\$ -	\$ 19,790	\$ -	\$ 42,048	\$ 42,048

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, 2019 (continued)

Exhibit 31
Page 2

	Courthouse Security Fund				Fire Programs Fund				Rehabilitation Projects Fund			
	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	80,000	80,000	88,952	8,952	-	-	-	-	-	-	-	-
Permits, privilege fees and licenses	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from the use of money and property	-	-	-	-	-	-	10	10	-	-	36	36
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	7,000	7,000	7,625	625	-	-	-	-
Recovered costs	-	-	-	-	6,700	6,700	-	(6,700)	-	-	4,068	4,068
Intergovernmental	-	-	-	-	59,000	129,016	44,110	(84,906)	-	33,000	30,000	(3,000)
Total revenues	80,000	80,000	88,952	8,952	72,700	142,716	51,745	(90,971)	-	33,000	34,104	1,104
Expenditures:												
Judicial administration	80,000	89,827	-	89,827	-	-	-	-	-	-	-	-
Public safety	-	-	133,907	(133,907)	88,700	196,361	76,500	119,861	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	33,000	42,537	(9,537)
Total expenditures	80,000	89,827	133,907	(44,080)	88,700	196,361	76,500	119,861	-	33,000	42,537	(9,537)
Revenues over (under) expenditures	-	(9,827)	(44,955)	(35,128)	(16,000)	(53,645)	(24,755)	28,890	-	-	(8,433)	(8,433)
Other financing sources (uses):												
Transfers in	-	-	38,430	38,430	16,000	16,000	15,000	(1,000)	-	-	-	-
Total other financing sources (uses)	-	-	38,430	38,430	16,000	16,000	15,000	(1,000)	-	-	-	-
Net changes in fund balance	-	(9,827)	(6,525)	3,302	-	(37,645)	(9,755)	27,890	-	-	(8,433)	(8,433)
Fund balance, beginning of year	27,866	9,827	9,827	-	28,128	33,910	33,910	-	-	208,573	208,573	-
Fund balance, end of year	\$ 27,866	\$ -	\$ 3,302	\$ 3,302	\$ 28,128	\$ (3,735)	\$ 24,155	\$ 27,890	\$ -	\$ 208,573	\$ 200,140	\$ (8,433)

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, 2019 (continued)

Exhibit 31
Page 3

	Captains Cove Greenbackville Mosquito Control Fund				Comprehensive Youth Services Fund				Consolidated Fire & Rescue Fund			
	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance From Final Budget Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
General property taxes	\$ 42,023	\$ 43,012	\$ 51,652	\$ 8,640	\$ -	\$ -	\$ -	\$ -	\$ 1,547,631	\$ 1,547,631	\$ 1,590,795	\$ 43,164
Other local taxes	-	-	-	-	-	-	-	-	-	-	-	-
Permits, privilege fees and licenses	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from the use of money and property	500	500	-	(500)	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	(6,490)	(6,490)	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	879,100	879,100	1,051,683	172,583	-	-	41,181	41,181
Total revenues	42,523	43,512	51,652	8,140	879,100	879,100	1,045,193	166,093	1,547,631	1,547,631	1,631,976	84,345
Expenditures:												
Judicial administration	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	1,547,631	2,170,748	1,748,884	421,864
Health and welfare	42,523	57,797	57,797	-	1,132,016	1,132,016	1,297,506	(165,490)	-	-	-	-
Community development	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	42,523	57,797	57,797	-	1,132,016	1,132,016	1,297,506	(165,490)	1,547,631	2,170,748	1,748,884	421,864
Revenues over (under) expenditures	-	(14,285)	(6,145)	8,140	(252,916)	(252,916)	(252,313)	603	-	(623,117)	(116,908)	506,209
Other financing sources (uses):												
Transfers in	-	-	-	-	252,916	252,916	252,313	(603)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	252,916	252,916	252,313	(603)	-	-	-	-
Net changes in fund balance	-	(14,285)	(6,145)	8,140	-	-	-	-	-	(623,117)	(116,908)	506,209
Fund balance, beginning of year	6,909	14,285	14,285	-	-	-	-	-	351,595	635,487	635,487	-
Fund balance, end of year	\$ 6,909	\$ -	\$ 8,140	\$ 8,140	\$ -	\$ -	\$ -	\$ -	\$ 351,595	\$ 12,370	\$ 518,579	\$ 506,209

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

Exhibit 31
 Page 4

	Total Nonmajor Governmental Funds					Variance From Final Budget Positive (Negative)		
	Budgeted Amounts			Actual				
	Original		Final					
Revenues:								
General property taxes	\$	1,589,654	\$	1,590,643	\$	1,642,447	\$	51,804
Other local taxes		80,000		80,000		88,952		8,952
Permits, privilege fees and licenses		30,903		30,903		11,399		(19,504)
Revenue from the use of money and property		500		500		64		(436)
Charges for services		7,000		7,000		8,629		1,629
Miscellaneous		7,000		7,000		1,135		(5,865)
Recovered costs		6,700		6,700		4,068		(2,632)
Intergovernmental		940,100		1,043,116		1,166,974		123,858
Total revenues		2,661,857		2,765,862		2,923,668		157,806
Expenditures:								
Judicial administration		87,000		160,670		4,101		156,569
Public safety		1,638,331		2,405,210		1,964,541		440,669
Health and welfare		1,174,539		1,189,813		1,355,303		(165,490)
Community development		187,856		220,856		211,190		9,666
Total expenditures		3,087,726		3,976,549		3,535,135		441,414
Revenues over (under) expenditures		(425,869)		(1,210,687)		(611,467)		599,220
Other financing sources (uses):								
Transfers in		425,869		425,869		462,997		37,128
Total other financing sources (uses)		425,869		425,869		462,997		37,128
Net changes in fund balance		-		(784,818)		(148,470)		636,348
Fund balance, beginning of year		480,609		1,002,026		1,002,026		-
Fund balance, end of year	\$	480,609	\$	217,208	\$	853,556	\$	636,348

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, 2019

Exhibit 32

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$ 3,241,764	\$ 3,241,764	\$ 3,238,920	\$ (2,844)
Intergovernmental	82,376	82,376	82,362	(14)
Total revenues	3,324,140	3,324,140	3,321,282	(2,858)
Expenditures:				
Debt Service:				
Principal	2,164,992	2,164,992	2,164,992	-
Interest and fiscal charges	1,047,558	1,047,558	1,046,797	761
Total expenditures	3,212,550	3,212,550	3,211,789	761
Revenues over (under) expenditures	111,590	111,590	109,493	(2,097)
Net changes in fund balance	111,590	111,590	109,493	(2,097)
Fund balance, beginning of year	264,736	264,736	264,736	-
Fund balance, end of year	\$ 376,326	\$ 376,326	\$ 374,229	\$ (2,097)

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, 2019

Exhibit 33

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment earnings	\$ -	\$ -	\$ 353	\$ 353
Miscellaneous revenue	-	-	1,120,188	1,120,188
Intergovernmental	-	765,000	175,448	(589,552)
Total revenues	-	765,000	1,295,989	530,989
Expenditures:				
General government administration	-	98,500	-	98,500
Judicial Administraton	-	780,882	222,795	558,087
Public safety	685,000	1,228,411	283,291	945,120
Public works	55,000	422,106	417,761	4,345
Health and welfare	-	-	(9,920)	9,920
Education	-	9,958	-	9,958
Parks and recreation	175,000	1,242,142	550,092	692,050
Community development	71,156	510,024	382,300	127,724
Total expenditures	986,156	4,292,023	1,846,319	2,445,704
Revenues over (under) expenditur	(986,156)	(3,527,023)	(550,330)	2,976,693
Other financing sources (uses):				
Transfers in	986,156	3,334,902	1,718,907	(1,615,995)
Total other financing sources (uses)	986,156	3,334,902	1,718,907	(1,615,995)
Net changes in fund balance	-	(192,121)	1,168,577	1,360,698
Fund balance, beginning of year	104,276	535,631	104,276	(431,355)
Fund balance, end of year	\$ 104,276	\$ 343,510	\$ 1,272,853	\$ 929,343

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, 2019**

Exhibit 34

	Business-type Activities - Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
<u>Assets:</u>			
Current assets:			
Cash and investments	\$ 368,641	\$ -	\$ 368,641
Accounts receivable (net of allowance for uncollectibles)	36,377	163	36,540
Total current assets	405,018	163	405,181
Noncurrent assets:			
Capital Assets (net of accumulated depreciation):			
Buildings	1,072	-	1,072
Machinery and equipment	198,239	6,900	205,139
Construction in progress	26,410	-	26,410
Total capital assets	225,721	6,900	232,621
Total assets	630,739	7,063	637,802
<u>Liabilities:</u>			
Current liabilities:			
Accounts payable	37,158	7,583	44,741
Wages and benefits payable	-	161	161
Total current liabilities	37,158	7,744	44,902
Total liabilities	37,158	7,744	44,902
<u>Net Position:</u>			
Investment in capital assets	225,721	6,900	232,621
Unrestricted	367,860	(7,581)	360,279
Total net position	\$ 593,581	\$ (681)	\$ 592,900

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Exhibit 35

	Business-type Activities - Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Operating revenues:			
Charges for services	\$ 305,519	\$ 29,912	\$ 335,431
Other operating revenue	-	5,180	5,180
Total operating revenues	305,519	35,092	340,611
Operating expenses:			
Personnel services and fringe benefits	-	8,904	8,904
Other operating expenses	377,473	35,351	412,824
Depreciation	12,291	998	13,289
Total operating expenses	389,764	45,253	435,017
Operating income (loss)	(84,245)	(10,161)	(94,406)
Income (loss)	(84,245)	(10,161)	(94,406)
Changes in net position	(84,245)	(10,161)	(94,406)
Total net position, beginning of year	677,826	9,480	687,306
Total net position, end of year	\$ 593,581	\$ (681)	\$ 592,900

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Exhibit 36

	Business-type Activities-Enterprise Funds		
	Nonmajor Funds		
	Water and Sewer Fund	Parks and Recreation Revolving Fund	Total
Cash flows from operating activities:			
Receipts from customers	\$ 302,512	\$ 32,621	\$ 335,133
Payments to suppliers	(376,260)	(35,760)	(412,020)
Payments to employees and benefits paid on behalf of employees	-	(11,123)	(11,123)
Other receipts	(354)	5,180	4,826
Net cash provided by (used for) operating activities	(74,102)	(9,082)	(83,184)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(25,710)	-	(25,710)
Transfer from (to) the General Fund	-	3,977	3,977
Net cash provided by (used for) capital and related financing activities	(25,710)	3,977	(21,733)
Net increase (decrease) in cash and cash equivalents	(99,812)	(5,105)	(104,917)
Cash and cash equivalents, beginning of year	468,453	5,105	473,558
Cash and cash equivalents, end of year	\$ 368,641	\$ -	\$ 368,641
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (84,245)	\$ (10,161)	\$ (94,406)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	12,291	998	13,289
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	(3,361)	2,709	(652)
Increase (Decrease) in accrued payroll costs	-	(2,219)	(2,219)
Increase (Decrease) in accounts payable	1,213	(409)	804
Total adjustments	(2,148)	81	(2,067)
Net cash provided by (used for) operating activities	\$ (74,102)	\$ (9,082)	\$ (83,184)

Agency Funds

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

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

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS
AT JUNE 30, 2019**

Exhibit 37

	Agency Funds		
	Special Welfare Fund	Sheriff Canteen Fund	Total Agency Funds
<u>Assets:</u>			
Cash and investments held by Treasurer	\$ 43,668	\$ -	\$ 43,668
Cash and investments in custody of others	-	166,332	166,332
Total assets	<u>43,668</u>	<u>166,332</u>	<u>210,000</u>
<u>Liabilities:</u>			
Amounts held for social service clients	43,668	-	43,668
Amounts held for others	-	166,332	166,332
Total liabilities	<u>\$ 43,668</u>	<u>\$ 166,332</u>	<u>\$ 210,000</u>

**COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

Exhibit 38

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Special Welfare Fund:				
<u>Assets:</u>				
Cash and investments	\$ 41,337	\$ 116,319	\$ 113,988	\$ 43,668
<u>Liabilities:</u>				
Amount held for social service clients	41,337	116,319	113,988	43,668
Sheriff Canteen Fund:				
<u>Assets:</u>				
Cash and investments	173,108	281,726	288,502	166,332
<u>Liabilities:</u>				
Amount held for others	173,108	281,726	288,502	166,332
Totals-All Agency Funds:				
<u>Assets:</u>				
Cash and investments	214,445	398,045	402,490	210,000
<u>Liabilities:</u>				
Amount held for social service clients	41,337	116,319	113,988	43,668
Amount held for others	173,108	281,726	288,502	166,332
Total Liabilities	\$ 214,445	\$ 398,045	\$ 402,490	\$ 210,000



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Discretely Presented Component Unit School Board

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

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
COMBINING BALANCE SHEET-GOVERNMENTAL FUNDS
AT JUNE 30, 2019

Exhibit 39

	Major Funds		Nonmajor Fund	Total
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Governmental Funds
<u>Assets:</u>				
Cash and investments	\$ 5,260,096	\$ 6	\$ 453,904	\$ 5,714,006
Accounts receivable, net	23,272	-	-	23,272
Due from the Commonwealth	463,771	-	-	463,771
Due from the Federal Government	1,554,955	-	51,848	1,606,803
Total assets	<u>7,302,094</u>	<u>6</u>	<u>505,752</u>	<u>7,807,852</u>
<u>Liabilities:</u>				
Accounts payable	1,199,834	-	66,002	1,265,836
Wages and benefits payable	5,594,922	-	-	5,594,922
Unearned revenue	390,850	-	-	390,850
Total liabilities	<u>7,185,606</u>	<u>-</u>	<u>66,002</u>	<u>7,251,608</u>
<u>Fund Balances:</u>				
Reserved for:				
Restricted:				
Education	116,488	-	-	116,488
Capital Projects	-	6	-	6
Assigned:				
Food Services	-	-	439,750	439,750
Total fund balances	<u>116,488</u>	<u>6</u>	<u>439,750</u>	<u>556,244</u>
Total liabilities and fund balances	<u>\$ 7,302,094</u>	<u>\$ 6</u>	<u>\$ 505,752</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	46,968,576	
Improvements other than buildings, net of depreciation	2,370,652	
Machinery and equipment, net of depreciation	5,279,200	
Construction in progress	35,000	
School Board capital assets in primary government, net of depreciation	(12,508,295)	
Total capital assets		43,119,995

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

Net pension asset	1,067,412	
Deferred inflows related to pensions	(5,279,102)	
Deferred inflows related to OPEB	(392,277)	
Total other long-term assets		(4,603,967)

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	(1,714,533)	
Net OPEB liability	(9,604,244)	
Net termination benefit obligation	(285,665)	
Net pension liability	(40,652,000)	
Deferred outflows related to pensions	5,398,027	
Deferred outflows related to OPEB	903,023	
Net adjustment		(45,955,392)
Total net position		<u>\$ (6,883,120)</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, 2019

Exhibit 40

	Major Funds		Nonmajor Fund	Total
	School Operating Fund	School Capital Projects Fund	School Cafeteria Fund	Governmental Funds
Revenues:				
Revenue from the use of money and property	\$ -	\$ 4	\$ 4,291	\$ 4,295
Charges for services	46,882	-	376,509	423,391
Miscellaneous	242,115	-	-	242,115
Recovered costs	160,506	-	-	160,506
From the local government	16,438,466	-	-	16,438,466
From the Commonwealth	33,776,451	-	34,129	33,810,580
From the Federal Government	3,880,993	-	2,025,380	5,906,373
Total revenues	54,545,413	4	2,440,309	56,985,726
Expenditures:				
Education:				
Instruction	39,383,390	-	-	39,383,390
Administration of schools	1,208,230	-	-	1,208,230
Attendance and health services	1,640,277	-	-	1,640,277
Operation and maintenance services	5,299,446	-	-	5,299,446
Pupil transportation services	3,388,032	-	-	3,388,032
Technology Services	3,662,733	-	-	3,662,733
Food services	56,820	-	2,634,464	2,691,284
Total expenditures	54,638,928	-	2,634,464	57,273,392
Revenues over (under) expenditures	(93,515)	4	(194,155)	(287,666)
Net changes in fund balance	(93,515)	4	(194,155)	(287,666)
Fund balance, beginning of year	210,003	2	633,905	843,910
Fund balance, end of year	\$ 116,488	\$ 6	\$ 439,750	\$ 556,244

Net changes in fund balance per above \$ (287,666)

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

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

Capital asset expenditures	960,565	
Depreciation on capital assets	(2,582,000)	
Net adjustment		(1,621,435)

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 increases the transfers to the School Board. 1,200,690

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	388,968	
OPEB expense	17,982	
Net termination benefit obligation	170,802	
Pension expense	2,301,865	
Net adjustment		2,879,617

Change in net position of governmental activities \$ 2,171,206

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, 2019

Exhibit 41

	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 128,706	\$ 128,706	\$ 46,882	\$ (81,824)
Miscellaneous	40,070	251,023	242,115	(8,908)
Recovered costs	244,000	244,000	160,506	(83,494)
From the local government	17,809,457	18,752,189	16,438,466	(2,313,723)
From the Commonwealth	32,128,349	33,591,760	33,776,451	184,691
From the Federal Government	182,730	4,203,598	3,880,993	(322,605)
Total revenues	50,533,312	57,171,276	54,545,413	(2,625,863)
Expenditures:				
Education:				
Instruction	35,569,088	39,840,945	39,383,390	457,555
Administration of schools	1,230,417	1,230,604	1,208,230	22,374
Attendance and health services	1,518,167	1,627,918	1,640,277	(12,359)
Operation and maintenance services	5,427,114	6,576,884	5,299,446	1,277,438
Pupil transportation services	3,341,607	4,283,198	3,388,032	895,166
Technology services	3,142,413	3,697,645	3,662,733	34,912
Food services	7,998	51,259	56,820	(5,561)
Total expenditures	50,236,804	57,308,453	54,638,928	2,669,525
Revenues over (under) expenditures	296,508	(137,177)	(93,515)	43,662
Other financing sources (uses):				
Transfers in	-	221,416	-	(221,416)
Transfers out	296,508	294,243	-	(294,243)
Total other financing sources (uses)	296,508	515,659	-	(515,659)
Net changes in fund balance	593,016	378,482	(93,515)	(471,997)
Fund balance, beginning of year	210,003	210,003	210,003	-
Fund balance, end of year	\$ 803,019	\$ 588,485	\$ 116,488	\$ (471,997)

COUNTY OF ACCOMACK, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
STATEMENT OF FIDUCIARY NET POSITION-AGENCY FUNDS
AT JUNE 30, 2019

Exhibit 42

	School Activities Fund
<u>Assets:</u>	
Cash and investments in custody of others	\$ 729,635
<u>Liabilities:</u>	
Amounts held for school activities	\$ 729,635

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, 2019

Exhibit 43

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
School Activities Fund:				
<u>Assets:</u>				
Cash and investments in custody of others	\$ 779,327	\$ 1,297,966	\$ 1,347,659	\$ 729,634
<u>Liabilities:</u>				
Amounts held for school activities	\$ 779,327	\$ 1,297,966	\$ 1,347,659	\$ 729,634

Nonmajor Discretely Presented Component Units

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

COUNTY OF ACCOMACK, VIRGINIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
AT JUNE 30, 2019

Exhibit 44

	Component Units						
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Commission	Greenbackville Harbor Committee	Economic Development Authority	Total Nonmajor Discretely Presented Component Units
<u>Assets:</u>							
Cash and investments	\$ 528,688	\$ 267,431	\$ 64,140	\$ 63,382	\$ 62,143	\$ 119,447	\$ 1,105,231
Restricted cash and cash equivalents	463,001	-	-	-	-	-	463,001
Accounts receivables, net	492,858	-	-	-	-	62	492,920
Loan receivables	36,999	-	-	-	-	-	36,999
Due from other governmental entities	-	-	-	28,667	-	-	28,667
Inventories	-	187,400	-	-	-	-	187,400
Prepaid expenses	28,696	390	3,375	-	-	-	32,461
Unconditional promises to give	-	373,200	-	-	-	-	373,200
Capital Assets (net of accumulated depreciation):							
Land	111,059	5,000	-	-	-	301,678	417,737
Buildings	4,661	429,299	-	-	-	-	433,960
Improvements other than buildings	83,311	-	-	-	-	-	83,311
Machinery and equipment	27,557	30,751	-	-	-	4,095	62,403
Construction in progress	-	-	-	-	-	-	-
Net pension asset	390,786	-	-	-	-	-	390,786
Total assets	2,167,616	1,293,471	67,515	92,049	62,143	425,282	4,108,076
<u>Deferred Outflows of Resources:</u>							
Pension deferrals	9,455	16,838	-	-	-	-	26,293
Total deferred outflows of resources	9,455	16,838	-	-	-	-	26,293
<u>Liabilities:</u>							
Accounts payable	105,203	27,696	1,018	2,100	-	3,095	139,112
Wages and benefits payable	17,674	3,093	-	-	-	-	20,767
Unearned revenues	96,550	2,000	15,602	-	-	-	114,152
Noncurrent liabilities:							
Due in more than one year-compensated absences	110,169	19,053	-	-	-	-	129,222
Due in more than one year-Net pension liability	-	6,417	-	-	-	-	6,417
Total liabilities	329,596	58,259	16,620	2,100	-	3,095	409,670
<u>Deferred Inflows of Resources:</u>							
Items related to measurement of net pension liability	119,194	8,616	-	-	-	-	127,810
<u>Net Position:</u>							
Investment in capital assets	226,588	465,050	-	-	-	305,773	997,411
Restricted	500,000	655,053	-	-	-	-	1,155,053
Unrestricted	1,001,693	123,331	50,895	89,949	62,143	116,414	1,444,425
Total net position	\$ 1,728,281	\$ 1,243,434	\$ 50,895	\$ 89,949	\$ 62,143	\$ 422,187	\$ 3,596,889

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, 2019

Exhibit 45

	Component Units						
	Planning District Commission	Eastern Shore Public Library	Quinby Harbor Committee	Captains Cove Greenbackville Mosquito Control Commission	Greenbackville Harbor Committee	Economic Development Authority	Total Nonmajor, Discretely Presented, Component Units
Operating revenues:							
Operating grants and contributions	\$ 82,601	\$ 684,028	\$ -	\$ -	\$ -	\$ -	\$ 766,629
Use of property	46,250	23,219	-	-	-	-	69,469
Charges for services	1,338,541	24,665	19,912	57,797	22,840	-	1,463,755
Miscellaneous	-	28,259	-	-	-	4,010	32,269
Total operating revenues	1,467,392	760,171	19,912	57,797	22,840	4,010	2,332,122
Operating expenses:							
General and administration	45,498	-	10,311	391	7,144	1,042	64,386
Contractual services	-	158,676	-	38,100	2,866	3,000	202,642
Personnel	-	476,039	-	-	-	1,282	477,321
Materials and supplies	-	169,639	-	30,432	-	197	200,268
Other operating expenses	-	53,005	1,588	-	365	-	54,958
Project expenses	1,471,868	-	-	-	-	-	1,471,868
Contribution	-	-	-	-	25,000	-	25,000
Depreciation	28,870	38,989	-	-	-	780	68,639
Total operating expenses	1,546,236	896,348	11,899	68,923	35,375	6,301	2,565,082
Operating income (loss)	(78,844)	(136,177)	8,013	(11,126)	(12,535)	(2,291)	(232,960)
Nonoperating revenues (expenses):							
Contributions from local government	97,924	541,707	-	-	-	7,500	647,131
Contributions to local government	-	(2,120,188)	-	-	-	-	(2,120,188)
Investment earnings	8,177	-	6	-	85	41	8,309
State grants	-	500,000	-	-	-	-	500,000
GASB 68 pension benefit	197,301	-	-	-	-	-	197,301
Gain (loss) on sale of assets	(3,055)	-	-	-	-	-	(3,055)
Total nonoperating revenues (expenses)	300,347	(1,078,481)	6	-	85	7,541	(770,502)
Changes in net position	221,503	(1,214,658)	8,019	(11,126)	(12,450)	5,250	(1,003,462)
Total net position, beginning of year	1,506,778	2,458,092	42,876	101,075	74,593	416,937	4,600,351
Total net position, end of year	\$ 1,728,281	\$ 1,243,434	\$ 50,895	\$ 89,949	\$ 62,143	\$ 422,187	\$ 3,596,889

**COUNTY OF ACCOMACK, VIRGINIA
STATEMENT OF CASH FLOWS
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2019**

Exhibit 46

	<u>Economic Development Authority</u>
Cash flows from operating activities:	
Receipts from customers	\$ 16,813
Payments to suppliers	(1,718)
Payments to employees and benefits paid on behalf of employees	(1,282)
Other receipts	4,010
Net cash provided by (used for) operating activities	<u>17,823</u>
Cash flows from noncapital financing activities:	
Operating subsidy from Primary Government	<u>7,500</u>
Cash flows from investing activities:	
Interest income	<u>41</u>
Net increase (decrease) in cash and cash equivalents	25,364
Cash and cash equivalents at beginning of the year	94,083
Cash and cash equivalents at end of year	<u><u>119,447</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	(2,291)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	780
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	16,813
Increase (decrease) in accounts payable	2,521
Total adjustments	<u>19,334</u>
Net cash provided by (used for) operating activities	<u><u>\$ 17,823</u></u>

Supporting Schedules

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

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:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 12,796,219	\$ 12,796,219	\$ 13,257,878	\$ 461,659
Real and personal public service taxes	1,636,014	1,636,014	1,872,540	236,526
Personal property taxes	6,296,019	6,512,696	7,193,539	680,843
Machinery and tools taxes	2,041,695	2,041,695	2,136,478	94,783
Penalties - all taxes	300,000	300,000	389,738	89,738
Interest - all taxes	360,000	360,000	451,864	91,864
Total general property taxes	23,429,947	23,646,624	25,302,037	1,655,413
Other local taxes:				
Local sales and use taxes	3,751,479	3,751,479	4,273,866	522,387
Consumers' utility and consumption taxes	1,010,000	1,010,000	1,042,562	32,562
Public service corporation license taxes	171,000	171,000	168,457	(2,543)
Communications tax	949,785	949,785	872,078	(77,707)
Motor vehicle licenses	601,134	601,134	748,995	147,861
Bank stock taxes	30,000	30,000	14,238	(15,762)
Taxes on recordation and wills	359,000	359,000	380,962	21,962
Hotel and motel room taxes	635,000	649,524	620,765	(28,759)
Business, professional and occupational license taxes	55,000	55,000	59,285	4,285
Other local taxes	23,800	23,800	25,238	1,438
Total other local taxes	7,586,198	7,600,722	8,206,446	605,724
Permits, Privilege Fees and Licenses:				
Animal licenses	11,000	11,000	6,562	(4,438)
Building permits	214,000	214,000	224,613	10,613
Health department permits	30,000	30,000	20,575	(9,425)
Land use application fees	102,000	102,000	91,350	(10,650)
Zoning permits	24,074	24,074	34,363	10,289
Erosion & sediment control	10,000	10,000	12,908	2,908
Wetlands fees	5,000	5,000	7,860	2,860
Other licenses and permits	11,100	11,100	5,133	(5,967)
Total permits, privilege fees and licenses	407,174	407,174	403,364	(3,810)
Fines and forfeitures	70,000	70,000	85,100	15,100
Revenue from use of money and property:				
From use of money	11,500	11,500	5,490	(6,010)
From use of property	478,299	478,299	473,798	(4,501)
Total revenue from use of money and property	489,799	489,799	479,288	(10,511)
Charges for services:				
General government administration charges	210,633	210,633	265,700	55,067
Judicial administration charges	2,000	2,000	2,720	720
Public safety charges	59,655	181,288	209,209	27,921
Public works charges	95,000	95,000	91,443	(3,557)
Total charges for services	367,288	488,921	569,072	80,151
Miscellaneous revenue	-	18,250	40,819	22,569

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from local sources:				
Recovered costs:				
General government administration	\$ 86,100	\$ 219,038	\$ 210,080	\$ (8,958)
Judicial administration	17,846	17,846	19,557	1,711
Public safety	35,288	35,288	22,242	(13,046)
Public works	3,000	202,745	119,522	(83,223)
Health and welfare	-	-	15,396	15,396
Community development	-	-	67	67
Nondepartmental (Insurance recoveries)	-	28,178	26,398	(1,780)
Total recovered costs	142,234	503,095	413,262	(89,833)
Total revenue from local sources	32,492,640	33,224,585	35,499,388	2,274,803
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier's tax	13,500	13,500	21,821	8,321
Rolling stock tax	4,000	4,000	2,069	(1,931)
Mobile home titling tax	50,000	50,000	80,991	30,991
Tax on deeds (grantor)	80,000	80,000	98,085	18,085
Personal Property Tax Relief Act	2,866,680	2,866,680	2,866,176	(504)
Total noncategorical aid	3,014,180	3,014,180	3,069,142	54,962
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	359,425	359,425	341,341	(18,084)
Sheriff	2,627,138	2,654,899	2,654,098	(801)
Commissioner of the revenue	111,288	111,288	109,371	(1,917)
Treasurer	122,113	122,300	122,300	-
Registrar / electoral board	43,091	43,091	42,436	(655)
Clerk of circuit court	279,924	329,253	329,252	(1)
Jail	206,756	206,756	199,524	(7,232)
Aid to locality across-the-board reduction	-	-	-	-
Total shared expenses	3,749,735	3,827,012	3,798,322	(28,690)
Other categorical aid:				
Litter control	-	18,840	18,840	-
"Four for Life" program	-	35,818	35,818	-
Juvenile crime control act	36,268	36,268	36,269	1
Victim / witness assistance grant	93,233	26,652	27,669	1,017
Community corrections grant	-	92,242	89,384	(2,858)
State homeland security grants	-	-	26,079	26,079
Hazardous materials response grants	-	-	36,973	36,973
Other	11,000	34,507	8,857	(25,650)
Total other categorical aid	140,501	244,327	279,889	35,562
Total revenue from the Commonwealth	6,904,416	7,085,519	7,147,353	61,834
Revenue from the Federal Government:				
Payments in lieu of taxes	28,000	28,000	28,958	958

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Revenue from the Federal Government: (continued)				
Noncategorical aid:				
Refuge revenue sharing	\$ 90,000	\$ 90,000	\$ 92,169	\$ 2,169
Indirect costs	50,000	50,000	54,434	4,434
Total noncategorical aid	140,000	140,000	146,603	6,603
Categorical aid:				
Summer food service program	-	92,462	72,974	(19,488)
Homeland security related grants	-	152,097	95,721	(56,376)
Selective enforcement grant	-	21,975	18,127	(3,848)
Victim / witness assistance grant	-	77,792	91,661	13,869
Other	-	7,500	7,752	252
Total categorical aid	-	351,826	286,235	(65,591)
Total revenue from the Federal Government	168,000	519,826	461,796	(58,030)
Total General Fund	39,565,056	40,829,930	43,108,537	2,278,607
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue	-	-	9,944	9,944
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Welfare	1,504,352	1,481,965	1,058,583	(423,382)
Revenue from the Federal Government:				
Categorical aid:				
Welfare	1,950,293	1,934,734	2,142,930	208,196
Total categorical aid	1,950,293	1,934,734	2,142,930	208,196
Total Virginia Public Assistance Fund	3,454,645	3,416,699	3,211,457	(205,242)
Comprehensive Youth Services Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
From Northampton County	100,274	100,274	141,363	41,089
Other	-	-	-	-
Total miscellaneous revenue	100,274	100,274	141,363	41,089
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Comprehensive Services Act pooled services grants	759,205	759,205	878,871	119,666
Comprehensive Services Act Trust Fund grant	19,621	19,621	24,958	5,337
Family Preservation grant	-	-	-	-
Total categorical aid from the Commonwealth	778,826	778,826	903,829	125,003
Total Comprehensive Youth Services Fund	879,100	879,100	1,045,192	166,092

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (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	\$ 8,629	\$ 1,629
Stormwater Ordinance Fund:				
Revenue from local sources:				
Permits, Privilege Fees and Licenses:				
Stormwater permits	30,903	30,903	11,399	(19,504)
Revenue from the Federal Government:				
Categorical aid:				
Stormwater development and implementation grant	-	-	-	-
Total Stormwater Ordinance Fund	30,903	30,903	11,399	(19,504)
Drug Seizures Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	18	18
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	18	(1,982)
Courthouse Security Fund:				
Revenue from local sources:				
Other local taxes:				
Court security fees	80,000	80,000	88,952	8,952
Recovered costs:				
Miscellaneous recoveries	-	-	-	-
Total Courthouse Security Fund	80,000	80,000	88,952	8,952
Fire Programs Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	-	-	10	10
Miscellaneous revenue:				
Contributions	7,000	7,000	7,625	625
From Northampton County	6,700	6,700	6,700	-
Other	-	-	-	-
Total miscellaneous revenue	13,700	13,700	14,325	625
Recovered costs:				
Miscellaneous recoveries	-	-	-	-
Total revenue from local sources	13,700	13,700	14,335	635
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical Aid:				
Fire programs grant	59,000	129,016	37,410	(91,606)
Training center grant	-	-	-	-
Total categorical aid from the Commonwealth	59,000	129,016	37,410	(91,606)
Total Fire Programs Fund	72,700	142,716	51,745	(90,971)

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Rehabilitation Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From use of money	\$ -	\$ -	\$ 36	\$ 36
Recovered costs:				
From Hazard mitigation grant homeowners	-	-	-	-
Grant project income	-	-	4,068	4,068
Total recovered costs	-	-	4,068	4,068
Total revenue from local sources	-	-	4,104	4,104
Revenue from the Commonwealth:				
Categorical Aid:				
Neighborhood planning grants	-	33,000	-	(33,000)
Revenue from the Federal Government:				
Categorical aid:				
Neighborhood planning grants	-	-	30,000	30,000
Total Rehabilitation Projects Fund	-	33,000	34,104	1,104
Greenbackville - Captain's Cove Mosquito Control Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	41,523	42,512	51,119	8,607
Penalties - all taxes	500	500	296	(204)
Interest - all taxes	500	500	237	(263)
Total Greenbackville Mosquito Control Fund	42,523	43,512	51,652	8,140
Consolidated Emergency Medical Services Fund				
Revenue from local sources:				
General property taxes:				
Real property taxes	3,288,792	3,288,792	3,366,355	77,563
Public service taxes	538,374	538,374	607,876	69,502
Personal property taxes	154,306	154,306	189,867	35,561
Machinery and tools taxes	47,069	47,069	49,146	2,077
Penalties - all taxes	31,000	31,000	43,025	12,025
Interest - all taxes	39,000	39,000	42,901	3,901
Total general property taxes	4,098,541	4,098,541	4,299,170	200,629
Recovered costs:				
Insurance recoveries	-	3,700	3,450	(250)
Total recovered costs	-	3,700	3,450	(250)
Total revenue from local sources	4,098,541	4,102,241	4,302,620	200,379
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	64,964	64,964	65,491	527
Categorical Aid:				
Rescue squad assistance fund grant	-	7,406	7,406	-
Total revenue from the Commonwealth	64,964	72,370	72,897	527
Total Consolidated Emergency Medical Services Fund	4,163,505	4,174,611	4,375,517	200,906
Consolidated Fire and Rescue Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	1,200,129	1,200,129	1,238,840	38,711
Public service taxes	149,424	149,424	168,871	19,447
Personal property taxes	95,566	95,566	111,432	15,866
Machinery and tools taxes	29,324	29,324	30,710	1,386
Penalties - all taxes	12,000	12,000	17,671	5,671
Interest - all taxes	20,000	20,000	23,271	3,271
Total revenue from local sources	1,506,443	1,506,443	1,590,795	84,352

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Fund: (continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	\$ 41,188	\$ 41,188	\$ 41,181	\$ (7)
Total Consolidated Fire and Rescue Fund	1,547,631	1,547,631	1,631,976	84,345
Total Special Revenue Funds	10,280,007	10,357,172	10,510,641	153,469
Capital Projects Funds:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	-	-	353	353
Miscellaneous Revenue:				
From other local governments	-	25,000	1,145,188	1,120,188
Total revenue from local sources	-	25,000	1,145,541	1,120,541
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Harbor improvement grants	-	180,000	-	(180,000)
Virginia Brownfields assistance funds	-	60,000	25,000	(35,000)
Library construction funds	-	500,000	125,448	(374,552)
Total revenue from the Commonwealth	-	740,000	150,448	(589,552)
Total County Capital Projects Fund	-	765,000	1,295,989	530,989
Debt Service Funds:				
County Debt Service Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	2,599,674	2,599,674	2,519,508	(80,166)
Public service taxes	318,345	318,345	337,807	19,462
Personal property taxes	192,666	192,666	223,478	30,812
Machinery and tools taxes	58,447	58,447	61,408	2,961
Penalties - all taxes	33,158	33,158	39,340	6,182
Interest - all taxes	39,474	39,474	57,379	17,905
Total general property taxes	3,241,764	3,241,764	3,238,920	(2,844)
Miscellaneous Revenue:				
Other	-	-	-	-
Total revenue from local sources	3,241,764	3,241,764	3,238,920	(2,844)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Personal Property Tax Relief Act	82,376	82,376	82,361	(15)
Total revenue from the Commonwealth	82,376	82,376	82,361	(15)
Total County Debt Service Fund	3,324,140	3,324,140	3,321,281	(2,859)
Total revenue-Primary Government	53,169,203	55,276,242	58,236,448	2,960,206

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
Special Revenue Funds:				
School Operating Fund:				
Charges for services:				
Tuition	\$ 28,706	\$ 28,706	\$ 23,780	\$ (4,926)
Medicaid	-	-	23,102	23,102
Health services	100,000	100,000	-	(100,000)
Total charges for services	128,706	128,706	46,882	(81,824)
Miscellaneous revenue:				
Donations	-	-	2,000	2,000
Miscellaneous	40,070	251,023	240,115	(10,908)
Total miscellaneous revenue	40,070	251,023	242,115	(8,908)
Recovered costs:				
Dual enrollment	65,000	65,000	-	(65,000)
Miscellaneous	179,000	179,000	160,504	(18,496)
Total recovered costs	244,000	244,000	160,504	(83,496)
Revenue from local government:				
Contribution from Accomack County, Virginia	17,809,457	18,737,481	17,363,975	(1,373,506)
Total revenue from local sources	18,222,233	19,361,210	17,813,476	(1,547,734)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Sales tax contribution	5,114,965	5,114,965	5,183,613	68,648
Basic school aid	16,198,624	16,198,624	16,011,901	(186,723)
Textbooks	-	-	-	-
Education of the gifted	161,538	161,538	160,201	(1,337)
Remedial education	1,075,331	1,075,331	1,064,177	(11,154)
Remedial summer school	-	-	-	-
Special education	1,922,305	1,922,305	1,906,394	(15,911)
School breakfast	325,306	325,306	322,613	(2,693)
Vocational education	419,999	419,999	416,523	(3,476)
Social Security	1,001,537	1,001,537	993,247	(8,290)
Retirement	2,206,612	2,206,612	2,188,348	(18,264)
Group life insurance	67,846	67,846	67,284	(562)
Governor's School	7,101	7,101	7,101	-
Special Education - homebound	15,456	15,456	11,900	(3,556)
Special Education - private tuition	48,196	48,196	118,908	70,712
Vocational education-equipment	-	-	9,478	9,478
Vocational education-occupational	58,964	58,964	50,659	(8,305)
Industry based certification	5,000	5,000	9,279	4,279
Salary supplement	-	-	-	-
At risk	1,229,413	1,229,413	1,356,870	127,457
Trans courses	15,717	15,717	16,710	993
Lottery	-	-	-	-
Four year old preschool program	487,242	487,242	501,189	13,947
Mentor teacher program	4,757	4,757	3,921	(836)
English as a second language	544,365	544,365	538,686	(5,679)
K-3 initiative	-	-	752,978	752,978
Lottery	1,083,493	1,874,521	1,166,745	(707,776)
Educational technology grant SOL web base	-	504,495	540,391	35,896
Reading intervention	134,582	134,582	121,558	(13,024)
Career prep academy	-	60,000	137,544	77,544
SOL algebra readiness	-	107,888	107,888	-
Compensation supplement	-	-	-	-
Other	-	-	10,345	10,345
Total revenue from the Commonwealth	32,128,349	33,591,760	33,776,451	184,691

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (continued)

Schedule 1
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Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
Special Revenue Funds: (continued)				
School Operating Fund: (continued)				
Revenue from the Federal Government:				
Categorical aid:				
Vocational Education	\$ 182,730	\$ 182,730	\$ 128,598	\$ (54,132)
Title I	-	2,018,380	2,016,704	(1,676)
Title I C-Migrant education	-	250,777	209,331	(41,446)
Title I-School improvement	-	-	20,171	20,171
Title II	-	247,929	262,296	14,367
Title III	-	79,534	85,993	6,459
Title IV	-	148,995	15,791	(133,204)
Title VI	-	99,891	96,621	(3,270)
Title VI-B Special Education	-	1,085,362	1,045,488	(39,874)
Total revenue from the Federal Government	182,730	4,113,598	3,880,993	(232,605)
Total School Operating Fund	50,533,312	57,066,568	55,470,920	(1,595,648)
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	-	4,600	4,291	(309)
Charges for services:				
Meal charges	371,820	420,000	376,509	(43,491)
Revenue from local government:				
Contribution from Accomack County, Virginia	-	-	-	-
Total revenue from local sources	371,820	424,600	380,800	(43,800)
Revenue from the Commonwealth:				
Categorical aid:				
School food payments	-	35,547	34,129	(1,418)
Revenue from the Federal Government:				
Categorical aid:				
School food payments	-	2,439,853	2,025,379	(414,474)
Total School Cafeteria Fund	371,820	2,900,000	2,440,308	(459,692)
Total Special Revenue Funds	371,820	2,900,000	2,440,308	(459,692)
Capital Projects Fund:				
School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
From the use of money	-	-	4	4
Revenue from local government:				
Contribution from Accomack County	-	-	-	-
Total School Capital Projects Fund	-	-	4	4
Total revenue-School Board Component Unit	50,905,132	59,966,568	57,911,232	(2,055,336)

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENED JUNE 30, 2019**

**Schedule 2
Page 1 of 7**

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government:				
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 152,715	\$ 152,715	\$ 133,479	\$ 19,236
General and financial administration:				
County administrator	499,169	459,987	311,978	148,009
Human Resources	237,607	252,307	231,808	20,499
Legal services	221,445	221,445	221,174	271
Commissioner of the revenue	319,345	309,227	290,936	18,291
County assessor	571,698	549,361	517,029	32,332
Treasurer	566,436	698,286	617,186	81,100
Finance	552,785	573,797	523,984	49,813
Information technology	865,159	859,939	811,951	47,988
Risk management	308,054	308,054	293,934	14,120
Total general and financial administration	4,141,698	4,232,403	3,819,980	412,423
Board of elections:				
Electoral board	48,628	49,903	38,747	11,156
Registrar	168,112	168,112	150,896	17,216
Total board of elections	216,740	218,015	189,643	28,372
Total general government administration	4,511,153	4,603,133	4,143,102	460,031
Judicial administration:				
Courts:				
Circuit court	87,589	87,589	76,220	11,369
General district court	11,471	11,471	10,981	490
Chief magistrate	16,938	16,938	4,350	12,588
Juvenile and domestic relations court	13,650	13,650	5,422	8,228
Clerk of the circuit court	465,577	514,906	492,153	22,753
Sheriff court services	503,442	499,222	484,768	14,454
Commissioner of accounts	214	214	-	214
Victim and witness assistance	95,373	106,584	94,977	11,607
Total courts	1,194,254	1,250,574	1,168,871	81,703
Commonwealth's attorney	401,681	401,681	405,827	(4,146)
Total judicial administration	1,595,935	1,652,255	1,574,698	77,557
Public safety:				
Law enforcement and traffic control:				
Sheriff law enforcement	2,462,863	2,869,143	2,866,677	2,466
Fire and rescue services:				
Volunteer fire and rescue	265,110	305,610	262,992	42,618
Emergency medical services	248,593	284,411	279,667	4,744
Payments to 911 commission	703,169	713,749	685,223	28,526
Total fire and rescue services	1,216,872	1,303,770	1,227,882	75,888
Correction and detention:				
Jail	2,238,808	2,054,373	2,055,396	(1,023)
Juvenile probation	126,074	126,074	87,806	38,268
Community correction	-	92,242	91,839	403
Total correction and detention	2,364,882	2,272,689	2,235,041	37,648

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (Continued)

Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Public safety: (continued)				
Other protection:				
Building and zoning	\$ 438,436	\$ 448,939	\$ 435,869	\$ 13,070
Ordinance Enforcement	71,103	72,014	61,377	10,637
Animal control	120,510	120,510	118,820	1,690
Regional animal control facility	106,933	106,933	71,911	35,022
S.P.C.A. supplement	5,921	6,428	6,428	-
Emergency management	101,036	256,088	236,582	19,506
Medical examiner	5,000	5,000	1,650	3,350
E.S. Coalition Against Domestic Violence supplement	21,650	21,650	21,650	-
Cleanup/disposal of hazardous materials	7,000	42,669	23,654	19,015
Total other protection	877,589	1,080,231	977,941	102,290
 Total public safety	 6,922,206	 7,525,833	 7,307,541	 218,292
 Public works:				
Maintenance of streets, bridges and sidewalks:				
Storm drainage	201,564	544,907	201,970	342,937
 Sanitation and waste removal:				
General operations	222,861	222,861	226,503	(3,642)
Refuse disposal	1,000,000	1,000,000	1,030,545	(30,545)
Refuse collection	667,294	755,065	702,276	52,789
Maintenance garage	180,413	308,929	324,539	(15,610)
Litter control	347,339	366,179	294,080	72,099
Total sanitation and waste removal	2,417,907	2,653,034	2,577,943	75,091
 Maintenance of buildings and grounds:				
Buildings and grounds	1,234,098	1,554,807	1,377,866	176,941
 Total public works	 3,853,569	 4,752,748	 4,157,779	 594,969
 Health and welfare:				
Health:				
Local health department supplement	649,592	649,592	649,592	-
Rural health dental program supplement	30,971	30,971	30,971	-
Total health	680,563	680,563	680,563	-
 Mental health and mental retardation:				
Community services board supplement	196,114	196,114	196,114	-
 Welfare:				
Property tax relief for seniors, disabled and veterans	144,525	144,525	137,259	7,266
Area agency on aging supplement	23,430	23,430	23,430	-
Total welfare	167,955	167,955	160,689	7,266
 Total health and welfare	 1,044,632	 1,044,632	 1,037,366	 7,266
 Education:				
Contribution to School Board component unit	17,794,749	18,737,481	16,438,466	2,299,015
Community College supplement	41,028	41,028	41,028	-
Total education	17,835,777	18,778,509	16,479,494	2,299,015

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (Continued)**

**Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
General Fund: (continued)				
Parks, recreation and cultural:				
Parks and recreation:				
Recreation administration and maintenance	\$ 325,047	\$ 325,297	\$ 320,737	\$ 4,560
Summer food program	-	282,904	88,326	194,578
Boating facilities	35,459	112,844	45,937	66,907
Total parks and recreation	360,506	721,045	455,000	266,045
Cultural enrichment:				
Translator television	74,457	564,398	305,883	258,515
Contribution to Public Library component unit	403,707	403,707	403,707	-
Total cultural enrichment	478,164	968,105	709,590	258,515
Total parks, recreation and cultural	838,670	1,689,150	1,164,590	524,560
Community development:				
Planning and community development:				
Contribution to Planning Dist. Commission component unit	70,703	70,703	70,703	-
E.S. of VA Housing Alliance supplement	9,215	9,215	9,215	-
Contribution to Economic Dev. Authority component unit	7,500	7,500	7,500	-
Erosion and sediment	82,971	82,971	115,114	(32,143)
Planning	388,878	481,570	332,865	148,705
Enterprise Zone incentives	-	25,000	-	25,000
Tourism Commission supplement	86,853	101,377	101,377	-
Wallops Research Park	198,145	169,095	110,993	58,102
Star Transit public transportation supplement	176,800	176,800	176,800	-
Transportation District Commission supplement	18,666	18,666	6,705	11,961
Small Business Development Center supplement	4,607	4,607	4,607	-
Total planning and community development	1,044,338	1,147,504	935,879	211,625
Environmental management:				
Johnsongrass/gypsy moth control program	12,468	12,468	2,264	10,204
Chincoteague water study grant match	50,000	50,000	-	50,000
Soil and Water Conservation District supplement	21,154	31,731	31,731	-
Contribution to Planning Dist. Commission component unit	27,221	27,221	27,221	-
Resource Conservation and Dev. Council supplement	9,999	9,999	9,999	-
Total environmental management	120,842	131,419	71,215	60,204
Cooperative extension program	94,746	94,746	76,635	18,111
Total community development	1,259,926	1,373,669	1,083,729	289,940
Nondepartmental:				
Contingency	236,973	158,191	-	158,191
Total nondepartmental	236,973	158,191	-	158,191
Debt service:				
Principal	218,900	218,900	218,900	-
Interest and fiscal charges	73,810	73,810	73,060	750
Total debt service	292,710	292,710	291,960	750
Total General Fund	38,391,551	41,870,830	37,240,259	4,630,571

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (Continued)**

**Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare/social services:				
Welfare administration	\$ 3,296,598	\$ 3,256,704	\$ 3,137,638	\$ 119,066
Public assistance	675,265	561,245	490,165	71,080
Fuel administration	39,057	39,057	-	39,057
Local only administration	79,731	260,005	144,484	115,521
CSA coordinator	-	30,000	33,336	(3,336)
Local staff and operations	-	85,986	80,393	5,593
Pass-through	150,293	-	-	-
Total welfare/social services	4,240,944	4,232,997	3,886,016	346,981
Comprehensive Youth Services Fund:				
Health and welfare:				
Welfare:				
CSA pooled services for youth and families	1,132,016	1,132,016	1,297,506	(165,490)
Total welfare	1,132,016	1,132,016	1,297,506	(165,490)
Law Library Fund:				
Judicial administration:				
Courts:				
Law library books	7,000	59,113	3,550	55,563
Stormwater Ordinance Fund:				
Community development:				
Environmental management:				
Stormwater ordinance	187,856	187,856	168,653	19,203
Drug Seizures Fund:				
Judicial administration:				
Commonwealth's attorney	-	11,730	551	11,179
Public safety:				
Law enforcement and traffic control:				
Sheriff	2,000	38,101	5,250	32,851
Total drug seizures fund	2,000	49,831	5,801	44,030
Fire Programs Fund:				
Public safety:				
Fire and rescue services:				
Payments to fire companies	30,000	30,000	30,000	-
Fire training center and other	58,700	166,361	46,500	119,861
Total fire and rescue services	88,700	196,361	76,500	119,861
Rehabilitation Projects Fund:				
Community development:				
Planning and community development:				
CDBG program income costs	-	-	12,537	(12,537)
CDBG Neighborhood grants	-	33,000	30,000	3,000
Total planning and community development	-	33,000	42,537	(9,537)
Captains Cove/Greenbackville Mosquito Control				
Health and welfare:				
Health:				
Contribution to mosquito control commission	42,523	57,797	57,797	-
Consolidated Emergency Medical Services:				
Public safety:				
Fire and Rescue Services:				
Emergency Medical Services	3,998,723	4,017,329	3,700,164	317,165

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (Continued)

Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
Primary Government: (continued)				
Special Revenue Funds: (continued)				
Consolidated Fire and Rescue Services:				
Public safety:				
Fire and Rescue Services:				
Payments to volunteer fire and rescue companies	\$ 1,547,631	\$ 2,170,748	\$ 1,748,884	\$ 421,864
Courthouse Security Fund:				
Judicial administration:				
Courts:				
Court security	80,000	89,827	133,907	(44,080)
Total Special Revenue Funds	11,327,393	12,226,875	11,121,315	1,105,560
Capital Project Funds:				
County Capital Projects Fund:				
Public safety:				
Building permit software	145,000	225,000	181,148	43,852
Emergency operations center and generator	540,000	690,411	58,841	631,570
Sheriff's office application, support and IT equipment	-	233,000	224,450	8,550
Total public safety	685,000	1,148,411	464,439	683,972
Public works:				
Convenience center improvements	-	247,106	247,100	6
Heavy equipment	-	175,000	170,661	4,339
Building improvements	55,000	1,184,382	212,873	971,509
Total public works	55,000	1,606,488	630,634	975,854
Education:				
Contribution to School Board Component Unit	-	9,958	-	9,958
Parks, recreation and cultural				
Old NASA Ferry dock improvements	-	206,369	204,214	2,155
Hammocks boating facilities	-	91,711	92,733	(1,022)
Quinby and Greenbackville Harbor improvements	-	117,501	10,000	107,501
Central Park phase 2	-	226,561	21,883	204,678
Regional Library project	-	500,000	125,448	374,552
Wallops Research Park construction	-	13,278	76,356	(63,078)
Parks & recreation facility(s)	100,000	100,000	95,814	4,186
Translator television communication towers	75,000	-	-	-
Total parks, recreation and cultural	175,000	1,255,420	626,448	628,972
Community development:				
Derelect building removal program	71,156	271,746	124,798	146,948
Total community development	71,156	271,746	124,798	146,948
Total County capital projects fund	986,156	4,292,023	1,846,319	2,445,704
Debt Service Funds:				
County Debt Service Fund:				
Debt Service:				
Principal	2,164,992	2,164,992	2,164,992	-
Interest and fiscal charges	1,047,558	1,047,558	1,046,797	761
Total County Debt Service Fund	3,212,550	3,212,550	3,211,789	761
Total expenditures-Primary Government	53,917,650	61,602,278	53,419,682	8,182,596

**COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (Continued)**

**Schedule 2
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Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit:				
Special Revenue Funds:				
School Operating Fund:				
Education:				
Instruction Costs:				
Classroom instruction	\$ 29,388,008	\$ 32,749,153	\$ 31,892,498	\$ 856,655
Guidance services	1,144,066	1,144,066	1,030,830	113,236
Homebound instruction	53,928	53,928	47,124	6,804
Improvement of instruction	1,052,617	1,666,821	2,027,670	(360,849)
Media services	829,606	829,606	825,634	3,972
Office of the principal	3,397,371	3,397,371	3,531,364	(133,993)
Other	-	-	28,270	(28,270)
Total instruction costs	35,865,596	39,840,945	39,383,390	457,555
Administration of schools:				
Board services	39,925	55,439	54,199	1,240
Executive administration services	386,073	392,965	408,642	(15,677)
Personnel services	268,706	271,687	242,317	29,370
Fiscal services	436,911	510,513	503,072	7,441
Total administration of schools	1,131,615	1,230,604	1,208,230	22,374
Attendance and health services:				
Attendance services	98,802	98,802	98,647	155
Health services	678,946	678,946	699,346	(20,400)
Psychological services	302,324	313,273	315,639	(2,366)
Speech/audiology services	536,897	536,897	526,645	10,252
Total attendance and health services	1,616,969	1,627,918	1,640,277	(12,359)
Operation and maintenance services:				
Management and direction	217,012	214,012	212,490	1,522
Building services	4,949,813	6,072,483	4,883,085	1,189,398
Grounds services	200,214	176,314	143,462	32,852
Vehicle services (other than pupil transportation)	60,075	60,075	60,409	(334)
Building replacement	-	54,000	-	54,000
Total operation and maintenance services	5,427,114	6,576,884	5,299,446	1,277,438
Pupil transportation services:				
Management and direction	161,448	161,448	171,353	(9,905)
Vehicle operation services	2,568,030	3,329,692	2,621,941	707,751
Vehicle maintenance services	612,129	792,058	594,738	197,320
Total pupil transportation services	3,341,607	4,283,198	3,388,032	895,166
Food Services:				
Food services	7,998	51,259	56,820	(5,561)
Technology services:				
Classroom instruction	2,016,226	2,431,468	2,558,753	(127,285)
Instructional support	955,563	971,563	915,401	56,162
Administration	87,484	187,484	63,788	123,696
Pupil transportation	9,640	13,630	9,640	3,990
Attendance and health	3,500	3,500	3,325	175
Operations and maintenance	70,000	90,000	111,826	(21,826)
Total technology services	3,142,413	3,697,645	3,662,733	34,912
Total school operating fund	50,533,312	57,308,453	54,638,928	2,669,525

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019 (Continued)

Schedule 2
Page 7 of 7

Fund, Function, Activity, and Elements	Budgeted Amounts		Actual	Variance from Final Budget Positive (Negative)
	Original	Final		
School Board Component Unit: (continued)				
Special Revenue Funds: (continued)				
School Cafeteria Fund:				
Education:				
School Food Services:				
Operating costs	\$ 371,820	\$ 2,900,000	\$ 2,634,464	\$ 265,536
Total expenditures-School Board Component Unit	50,905,132	60,208,453	57,273,392	2,935,061
Grand total expenditures-Primary Government and School Board Component Unit	\$ 104,822,782	\$ 121,810,731	\$ 110,693,074	\$ 11,117,657

Statistical Section



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Statistical Section

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Financial Trends These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	205
Revenue Capacity These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.	209
Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future. Note that no legal debt margin information is presented as the Code of Virginia only sets legal debt limits for towns and cities. Counties have no legal debt limit imposed by law. Also note that pledged revenue information is not presented as the County has not issued any revenue backed debt.	216
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	218
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.	220

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
(accrual basis of accounting)**

Table 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 3,495,270	\$ 2,465,664	\$ 2,537,440	\$ 3,943,220	\$ 6,875,692	\$ 12,266,262	\$ 13,323,383	\$ 13,614,036	\$ 14,803,829	17,160,190
Restricted	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003	3,090,508	3,263,176	3,889,773
Unrestricted	11,496,365	15,554,168	16,447,789	15,455,876	14,182,780	12,746,931	14,877,956	15,740,171	17,084,745	19,707,467
Total governmental activities net position	\$ 15,851,376	\$ 19,409,351	\$ 20,322,412	\$ 20,500,822	\$ 23,485,088	\$ 27,487,148	\$ 31,058,342	\$ 32,444,715	\$ 35,151,750	40,757,430
Business-type activities:										
Net investment in capital assets	\$ 2,441,845	\$ 2,108,712	\$ 1,542,541	\$ 5,334,897	\$ 6,902,698	\$ 7,817,113	\$ 8,016,703	\$ 10,949,377	\$ 10,996,279	14,262,266
Unrestricted	(2,832,415)	(2,436,917)	(1,696,621)	(1,164,425)	(1,713,962)	(2,054,143)	(2,043,261)	(5,228,893)	(5,389,385)	(6,382,791)
Total business-type activities net position	\$ (390,570)	\$ (328,205)	\$ (154,080)	\$ 4,170,472	\$ 5,188,736	\$ 5,762,970	\$ 5,973,442	\$ 5,720,484	\$ 5,606,894	7,879,475
Primary government:										
Net investment in capital assets	\$ 5,937,115	\$ 4,574,376	\$ 4,079,981	\$ 9,278,117	\$ 13,778,390	\$ 20,083,375	\$ 21,340,086	\$ 24,563,413	\$ 25,800,108	31,422,456
Restricted	859,741	1,389,519	1,337,183	1,101,726	2,426,616	2,473,955	2,857,003	3,090,508	3,263,176	3,889,773
Unrestricted	8,663,950	13,117,251	14,751,168	14,291,451	12,468,818	10,692,788	12,834,695	10,511,278	11,695,360	13,324,676
Total primary government net position	\$ 15,460,806	\$ 19,081,146	\$ 20,168,332	\$ 24,671,294	\$ 28,673,824	\$ 33,250,118	\$ 37,031,784	\$ 38,165,199	\$ 40,758,644	48,636,905

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

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

Table 2

Page 1 of 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary Government:										
Expenses										
Governmental activities:										
General government administration	\$ 3,442,672	\$ 3,176,953	\$ 3,339,183	\$ 3,585,175	\$ 3,498,049	\$ 3,530,381	\$ 4,213,237	\$ 4,176,949	\$ 4,235,991	\$ 3,869,051
Judicial administration	1,513,759	1,541,877	1,442,643	1,573,104	1,557,904	1,523,767	1,626,300	1,698,149	1,524,872	1,847,818
Public safety	8,958,985	8,982,920	9,141,427	10,579,063	10,083,890	10,051,732	10,799,876	12,137,511	11,411,784	12,521,804
Public works	3,416,523	3,303,409	3,382,833	3,721,236	3,586,061	3,879,310	4,046,470	4,295,837	4,434,819	4,295,730
Health and welfare	7,491,729	5,652,391	5,681,716	5,839,666	5,719,077	5,899,788	5,961,155	6,163,082	5,945,902	5,772,749
Education	17,431,304	18,095,238	18,511,045	18,475,654	18,708,789	19,091,856	19,185,216	19,514,650	19,334,027	17,990,881
Parks, recreation and cultural	901,358	1,038,188	1,037,589	1,014,589	961,633	894,436	1,048,256	1,271,895	1,239,140	1,301,533
Community development	1,832,561	1,657,666	4,106,234	1,430,468	1,599,584	1,577,928	2,002,473	1,877,300	1,884,504	2,034,036
Interest on long-term debt	2,178,880	2,042,318	1,927,969	1,700,378	1,761,930	1,539,381	1,469,186	1,337,937	1,134,137	1,082,502
Total governmental activities expenses	47,167,771	45,490,960	48,570,639	47,919,333	47,476,917	47,988,579	50,352,169	52,473,310	51,145,176	50,716,104
Business-type activities:										
Landfill	3,006,263	2,522,546	2,783,554	2,126,739	2,579,104	2,951,816	2,548,558	3,401,827	3,569,289	4,080,602
Airport	-	-	-	375,864	825,992	731,287	670,222	700,391	691,014	739,944
Water and Sewer	246,816	236,253	126,703	153,116	596,534	243,334	203,169	314,703	504,664	389,764
Parks and Recreation	74,618	76,628	64,896	81,476	56,470	48,959	69,436	54,955	39,181	45,253
Total business-type activities expenses	3,327,697	2,835,427	2,975,153	2,737,195	4,058,100	3,975,396	3,491,385	4,471,876	4,804,148	5,255,563
expenses	50,495,468	48,326,387	51,545,792	50,656,528	51,535,017	51,963,975	53,843,554	56,945,186	55,949,324	55,971,667
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	304,994	363,578	294,422	303,205	455,246	429,272	464,325	396,076	340,487	575,757
Judicial administration	99,318	95,242	96,434	94,495	100,293	89,168	76,993	108,135	81,468	117,902
Public safety	650,444	431,555	603,751	601,672	417,064	452,767	470,058	508,284	490,759	549,903
Public works	129,267	115,016	129,728	157,961	248,997	207,649	330,896	269,613	242,352	206,417
Health and welfare	308,474	339,200	313,962	296,399	300,016	433,837	406,018	398,651	455,688	450,225
Education	-	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural	81,704	283,305	93,772	96,514	227,902	72,419	63,915	72,873	72,873	61,009
Community development	188,553	57,156	77,943	64,579	66,137	129,832	201,284	120,274	33,380	39,463
Operating grants and contributions	10,180,279	8,437,999	7,655,170	8,116,557	9,481,299	8,288,541	8,838,571	8,929,145	8,437,334	8,623,343
Capital grants and contributions	398,973	160,367	2,965,210	271,414	785,074	4,143,748	91,253	39,520	335,000	1,364,751
revenues	12,342,006	10,283,418	12,230,392	10,002,796	12,082,028	14,247,233	10,943,313	10,842,571	10,489,341	11,988,770
Business-type activities:										
Charges for services:										
Landfill	2,719,422	2,587,858	2,556,568	2,764,529	2,423,020	2,832,220	2,944,380	3,209,523	2,892,852	3,289,632
Airport	-	-	-	143,170	319,374	288,003	242,236	253,556	295,816	251,371
Water and Sewer	194,458	223,069	203,836	218,395	215,641	270,507	200,897	217,078	278,763	305,519
Parks and recreation	62,750	52,753	61,826	55,165	63,196	53,942	49,740	53,444	38,385	35,092
Operating grants and contributions - Air	-	-	-	14,652	149,934	20,108	52,142	33,597	28,595	26,435
Capital grants and contributions - Airpor	-	-	-	-	-	1,048,914	-	47,703	451,081	3,260,031
revenues	2,976,630	2,863,680	2,822,230	3,195,911	3,171,165	4,513,694	3,489,395	3,814,901	3,985,492	7,168,080
revenues	15,318,636	13,147,098	15,052,622	13,198,707	15,253,193	18,760,927	14,432,708	14,657,472	14,474,833	19,156,850

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

Table 2

Page 2 of 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary Government:										
Net (Expense)/Revenue¹										
Governmental activities	(34,825,765)	(35,207,542)	(36,340,247)	(37,916,537)	(35,394,889)	(33,741,346)	(39,408,856)	(41,630,739)	(40,655,835)	(38,727,334)
Business-type activities	(351,067)	28,253	(152,923)	458,716	(886,935)	538,298	(1,990)	(656,975)	(818,656)	1,912,517
Total primary government net expense	(35,176,832)	(35,179,289)	(36,493,170)	(37,457,821)	(36,281,824)	(33,203,048)	(39,410,846)	(42,287,714)	(41,474,491)	(36,814,817)
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes:										
General property taxes	23,360,447	29,221,909	27,583,562	28,500,128	28,872,306	29,258,518	31,940,238	32,114,931	33,963,969	32,888,029
Local sales and use taxes	2,998,382	2,863,318	3,623,339	3,618,865	3,358,791	3,579,831	3,583,326	3,659,682	3,746,741	4,273,866
Consumer utility taxes	941,541	1,043,339	986,409	1,089,368	1,005,667	1,144,722	1,069,085	1,105,834	1,164,856	872,078
Communication taxes	1,012,995	987,303	1,087,470	1,052,114	1,034,212	1,025,176	994,827	970,374	940,038	1,042,562
Other local taxes	1,664,831	1,291,448	1,591,001	1,592,735	1,775,122	1,779,509	1,836,328	1,866,503	1,839,972	2,106,890
Grants and contributions not restricted to specific programs	3,454,660	3,349,305	3,320,843	3,319,642	3,365,464	3,368,175	3,367,776	3,423,576	3,400,198	3,433,736
Investment earnings	80,515	8,272	1,967	10,954	22,857	13,120	9,583	8,463	46,368	5,907
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Other revenue	536,582	368,768	596,723	189,259	845,326	291,288	378,396	61,481	329,248	70,010
Transfers	32,885	(121,343)	(25,800)	(1,134,135)	(1,900,590)	(164,935)	(199,509)	(193,732)	(758,393)	(360,064)
Total governmental activities	34,082,838	39,012,319	38,765,514	38,238,930	38,379,155	40,295,404	42,980,050	43,017,112	44,672,997	44,333,014
Business-type activities:										
Investment earnings	37,129	7,047	8,312	9,985	4,311	3,446	11,347	20,285	11,662	-
Gain on sale of capital assets	-	90,115	-	-	-	-	1,533	190,000	-	-
Other revenue	151,865	-	-	2,770,557	298	3,457	73	-	-	-
Transfers	(32,885)	121,343	25,800	1,134,135	1,900,590	164,937	199,509	193,732	758,393	360,064
Total business-type activities	156,109	218,505	34,112	3,914,677	1,905,199	171,840	212,462	404,017	770,055	360,064
Total primary government	34,238,947	39,230,824	38,799,626	42,153,607	40,284,354	40,467,244	43,192,512	43,421,129	45,443,052	44,693,078
Change in Net Position										
Governmental activities	(742,927)	3,804,777	2,425,267	322,393	2,984,266	6,554,058	3,571,194	1,386,373	4,017,162	5,605,680
Business-type activities	(194,958)	246,758	(118,811)	4,373,393	1,018,264	710,138	210,472	(252,958)	(48,601)	2,272,581
Total primary government	\$ (937,885)	\$ 4,051,535	\$ 2,306,456	\$ 4,695,786	\$ 4,002,530	\$ 7,264,196	\$ 3,781,666	\$ 1,133,415	\$ 3,968,561	\$ 7,878,261

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

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

Table 3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Nonspendable	\$ 129,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	\$ 104,700	104,700
Restricted	3,265	5,792	9,603	24,890	30,326	31,047	32,053	32,053	33,123	36,196
Committed	3,964,000	4,695,521	6,100,065	6,860,389	7,632,118	8,415,423	9,210,477	10,017,457	10,836,542	11,355,486
Assigned	982,567	3,113,920	5,663,962	5,077,891	3,376,508	3,093,131	3,221,067	4,505,194	6,268,339	6,782,375
Unassigned	2,751,457	4,093,028	2,066,357	1,862,007	1,680,028	1,426,505	1,804,578	2,312,267	1,253,151	2,998,606
Total general fund	7,830,989	12,012,961	13,944,687	13,929,877	12,823,680	13,070,806	14,372,875	16,971,671	18,495,855	21,277,363
All Other Governmental Funds:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	3,264,378	2,732,804	2,792,758	2,485,291	5,475,920	3,032,136	2,824,950	3,058,455	3,230,053	3,853,577
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	101,786	445,376	83,910	17,810	874,755	1,034,644	5,050,567	3,305,886	739,763	1,791,432
Total other governmental funds	3,366,164	3,178,180	2,876,668	2,503,101	6,350,675	4,066,780	7,875,517	6,364,341	3,969,816	5,645,009
Total governmental funds	\$11,197,153	\$15,191,141	\$16,821,355	\$16,432,978	\$19,174,355	\$17,137,586	\$22,248,392	\$23,336,012	\$22,465,671	26,922,372

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

Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
General property taxes	\$28,520,895	\$28,064,416	\$27,099,918	\$28,514,924	\$29,203,123	\$29,317,410	\$32,205,174	\$32,945,616	\$28,790,706	34,482,574
Other local taxes	6,185,408	6,946,687	6,999,466	7,353,082	7,173,792	7,529,238	7,483,566	7,602,393	7,691,607	8,295,397
Permits, fees and licenses	443,079	330,675	292,070	345,459	429,010	474,442	463,126	364,692	372,036	414,763
Fines and forfeitures	74,527	75,136	74,866	71,617	76,395	65,622	54,318	84,220	57,413	85,100
Revenue from the use of money and property	344,055	340,938	355,759	361,817	368,898	339,413	327,381	336,728	361,763	479,705
Charges for services	435,862	384,621	411,358	410,393	450,270	406,926	509,555	440,922	500,255	577,701
Miscellaneous	756,411	791,820	254,129	349,418	973,391	381,084	474,631	189,950	4,651,616	1,172,085
Recovered costs	234,332	487,134	471,604	404,211	482,952	354,927	530,191	513,209	304,507	420,779
Intergovernmental	13,684,196	11,772,915	13,809,384	11,547,042	13,491,118	15,800,464	12,297,600	12,392,241	12,172,532	12,308,343
Total revenues	50,678,765	49,194,342	49,768,554	49,357,963	52,648,949	54,669,526	54,345,542	54,869,971	54,902,435	58,236,447
Expenditures										
General government administration	3,529,339	3,027,586	3,233,212	3,446,289	3,624,767	3,784,605	4,290,115	3,975,056	4,278,092	4,143,102
Judicial administration	1,379,897	1,433,434	1,335,238	1,450,005	1,511,769	1,487,014	1,600,418	1,541,907	1,567,617	1,801,593
Public safety	8,759,597	8,826,388	8,875,289	10,984,465	11,672,064	10,510,653	11,183,476	11,817,851	8,227,494	13,255,537
Public works	3,257,691	3,758,181	3,395,947	3,834,542	3,893,852	4,212,124	4,557,952	5,151,776	6,332,721	4,575,540
Health and welfare	7,315,878	5,490,104	5,483,394	5,571,278	5,730,164	5,907,665	6,053,390	5,881,513	9,406,439	6,268,765
Education	14,853,300	15,583,300	16,035,534	16,035,534	16,304,689	16,709,372	16,820,374	17,150,107	16,871,374	16,479,494
Parks, recreation and cultural	1,229,808	1,001,101	1,273,121	885,719	1,486,121	1,425,756	1,046,266	1,074,410	2,093,966	1,714,682
Community development	1,724,416	1,565,892	4,046,635	1,526,050	2,872,289	7,558,117	2,628,054	1,678,827	1,511,201	1,677,219
Debt service:										
Principal	2,357,292	2,395,373	2,469,866	3,119,689	3,304,267	3,343,822	3,676,217	3,910,930	3,485,653	2,383,892
Interest	2,290,587	2,093,191	2,012,299	1,758,634	1,709,446	1,602,232	1,528,965	1,406,242	1,239,826	1,119,857
Total expenditures	46,697,805	45,174,550	48,160,535	48,612,205	52,109,428	56,541,360	53,385,227	53,588,619	55,014,383	53,419,681
Excess of revenues over (under) expenditures	3,980,960	4,019,792	1,608,019	745,758	539,521	(1,871,834)	960,315	1,281,352	(111,948)	4,816,766
Other Financing Sources (Uses)										
Issuance of debt (includes premiums/discounts)	4,314,000	-	4,263,000	-	10,904,973	-	4,350,000	-	-	-
Payments to refunded bond escrow agents	(4,403,208)	-	(4,263,000)	-	(6,802,527)	-	-	-	-	-
Transfers in	2,753,223	1,091,580	1,324,601	1,351,662	2,032,221	2,104,275	1,727,343	2,427,762	1,948,596	2,986,224
Transfers out	(2,874,566)	(1,117,380)	(1,643,941)	(2,485,797)	(3,932,811)	(2,269,210)	(1,926,852)	(2,621,494)	(2,706,989)	(3,346,289)
Total other financing sources (uses)	(210,551)	(25,800)	(319,340)	(1,134,135)	2,201,856	(164,935)	4,150,491	(193,732)	(758,393)	(360,065)
Net change in fund balances	\$ 3,770,409	\$ 3,993,992	\$ 1,288,679	\$ (388,377)	\$ 2,741,377	\$ (2,036,769)	\$ 5,110,806	\$ 1,087,620	\$ (870,341)	4,456,701
Debt service as a % of noncapital expenditures	10.18%	9.94%	9.54%	10.43%	10.50%	10.23%	10.15%	10.35%	9.26%	6.91%

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

Table 5A

Fiscal Year Ending June 30,	Residential Property	Commercial Property	Agricultural Property	Less Land Use Value Reduction	Total Taxable Assessed Value	Total Direct Real Property Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2010	3,363,432,110	660,176,147	657,001,700	290,503,900	4,390,106,057	0.480	4,680,609,957	93.79%
2011	3,380,611,410	678,014,822	657,292,500	291,946,100	4,423,972,632	0.480	4,715,918,732	93.81%
2012	2,924,021,460	636,396,590	624,792,100	274,869,000	3,910,341,150	0.550	4,185,210,150	93.43%
2013	2,932,083,560	638,622,345	620,948,600	270,528,700	3,921,125,805	0.550	4,191,654,505	93.55%
2014	2,744,011,700	683,547,550	494,192,400	127,309,000	3,794,442,650	0.605	3,921,751,650	96.75%
2015	2,766,112,100	684,978,350	494,890,600	125,088,100	3,820,892,950	0.605	3,945,981,050	96.83%
2016	2,715,931,400	667,447,926	501,728,300	93,490,200	3,791,617,426	0.635	3,885,107,626	97.59%
2017	2,729,710,800	681,463,717	509,588,300	92,379,500	3,828,383,317	0.635	3,920,762,817	97.64%
2018	2,666,968,100	860,280,283	523,945,300	84,232,500	3,966,961,183	0.635	4,051,193,683	97.92%
2019	2,691,327,400	884,736,393	558,514,500	86,775,000	4,047,803,293	0.635	4,134,578,293	97.90%

Source: Accomack County Finance Office

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

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

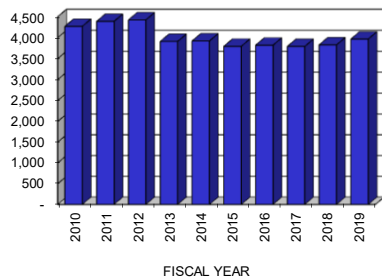
Table 5B

Fiscal Year Ending June 30,	Motor Vehicles & Other	Mobile Homes	Machinery & Tools	Total Taxable Assessed Value	Total Direct Personal Property Tax Rate
2010	238,849,342	41,811,733	19,133,642	299,794,717	3.75
2011	267,566,954	40,019,511	19,421,352	327,007,817	3.75
2012	273,560,910	31,692,295	17,919,794	323,172,999	3.72
2013	280,470,080	30,525,805	21,945,775	332,941,660	3.72
2014	287,138,572	29,964,327	22,255,434	339,358,333	3.72
2015	292,169,603	29,721,982	24,593,224	346,484,809	3.72
2016	301,471,966	29,194,660	20,668,398	351,335,024	3.72
2017	311,113,331	29,253,592	21,042,517	361,409,440	3.72
2018	323,346,910	25,264,307	19,649,014	368,260,231	3.72
2019	326,844,145	25,697,743	23,730,041	376,271,929	3.72

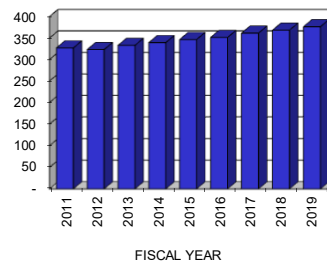
Source: Accomack County Finance Office

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

Taxable Assessed Value of Real Property
(in millions)



Taxable Assessed Value of Personal Property
(in millions)



COUNTY OF ACCOMACK, VIRGINIA

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

LAST TEN FISCAL YEARS

Type of tax	2010					2011					2012					2013				
	District Number					District Number					District Number					District Number				
	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6	2	3	4	5	6
Real Property																				
County Direct Rates:																				
General	0.30	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
Debt Service	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
Emergency Medical Service	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	-
Fire and Rescue	0.03	0.02	0.02	0.03	-	0.03	0.02	0.02	0.03	-	-	-	-	-	-	-	-	-	-	-
Mosquito Control ²	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-	0.02	-	-	-	-
Total real property direct rates	0.48	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
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.07
Town of Saxis	0.12	-	-	-	-	0.12	-	-	-	-	-	0.17	-	-	-	-	0.17	-	-	-
Town of Hallwood	0.09	-	-	-	-	0.09	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-
Town of Bloxom	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.16	-	-	-
Town of Parksley	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-	-	0.25	-	-	-
Town of Tangier	0.35	-	-	-	-	0.35	-	-	-	-	-	-	0.35	-	-	-	-	0.35	-	-
Town of Accomac	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.07	-	-
Town of Onley	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-	-	-	0.08	-	-
Town of Onancock	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.20	-	-	-	-	0.25	-	-
Town of Melfa	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-	-	-	-	0.05	-
Town of Wachapreague	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.15	-	-	-	-	0.16	-
Town of Keller	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.12	-
Town of Painter	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.06	-	-	-	-	0.10	-
Town of Belle Haven	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-	-	-	-	0.085	-
Personal Property																				
Overlapping Governments:																				
General	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
Debt Service	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
Emergency Medical Service	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	-
Fire and Rescue	0.08	0.05	0.05	0.05	-	0.08	0.05	0.05	0.05	-	-	-	-	-	-	-	-	-	-	-
Total personal prop. direct rates	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
Overlapping Governments:																				
Town of Chincoteague	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85	-	-	-	-	0.85
Town of Saxis	0.50	-	-	-	-	0.50	-	-	-	-	-	0.50	-	-	-	-	0.50	-	-	-
Town of Hallwood	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-	0.48	-	-	-	-
Town of Bloxom	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.50	-	-	-
Town of Parksley	-	0.80	-	-	-	-	0.80	-	-	-	-	0.80	-	-	-	-	1.30	-	-	-
Town of Tangier	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Accomac	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-
Town of Onley	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-
Town of Onancock	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-	-	-	2.00	-	-
Town of Melfa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town of Wachapreague	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.16	-
Town of Keller	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.10	-	-	-	-	0.15	-
Town of Painter	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-	-	-	-	0.30	-
Town of Belle Haven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

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

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

Table 6

Table 6

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

Table 7

Taxpayer	2019			2010		
	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹	Total Assessed Valuation	Rank	Percentage of Total Assessed Value ¹
Eastern Shore Solar LLC	\$ 176,739,197	1	3.99%	\$ -	-	-
Commonwealth Chesapeake Corporate	103,688,190	2	2.34%	\$ 185,810,572	1	3.73%
A&N Electric Cooperative	91,783,838	3	2.07%	\$ 68,451,811	2	1.37%
Delmarva Power & Light Company	31,025,409	4	0.70%	10,023,512	10	0.20%
Old Dominion Electric Cooperative	26,019,738	5	0.59%	\$ 10,357,623	8	0.21%
Perdue	25,354,584	6	0.57%	\$ 29,387,686	4	0.59%
Tyson	22,263,538	7	0.50%	21,708,705	7	0.44%
Verizon Virginia LLC	16,925,377	8	0.38%	32,027,795	3	0.70%
Walmart	11,122,890	9	0.25%	-	-	-
Chincoteague Hotel LLC	9,363,300	10	0.21%			
Shore Land Investments LLC	-	-	-	\$ 26,357,999	5	0.53%
Captains Cove Group LLC	-	-	-	\$ 22,764,100	6	0.46%
Madonia, Batista or Evelyn Madonia	-	-	-	\$ 10,152,840	9	0.20%

Source: Accomack County Finance Office

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

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

Table 8
Page 1 of 2

Year	Property Tax Type	Year Due	Original Levy ³	Adjustments	Adjusted Levy	Collected within the Fiscal Year		Subsequent	Total Collections	
						Amount	Adjusted Levy		Amount	of
2019	Personal Property-Public Svc. Corp.	12/2018	43,036	519	42,517	42,517	100.0%	-	42,517	100.0%
2019	Personal Property-Regular	12/2018	5,437,406	386,016	5,051,390	4,421,421	87.5%	-	4,421,421	87.5%
2019	Real Estate-Public Svc. Corp.	12/2018	1,525,330	29,031	1,496,299	1,496,299	100.0%	-	1,496,299	100.0%
2019	Real Estate-Regular	12/2018	10,060,772	10,887	10,049,886	9,558,100	95.1%	-	9,558,100	95.1%
2019	Real Estate-Special Assess.	12/2018	15,443	-	15,443	11,176	72.4%	-	11,176	72.4%
2019	Personal Property-Regular	03/2019	138,142	2,977	135,165	101,835	75.3%	-	101,835	75.3%
2019	Personal Property-Regular	06/2019	5,649,938	107,371	5,542,568	4,084,096	73.7%	-	4,084,096	73.7%
2019	Real Estate-Public Svc. Corp. ⁴	06/2019	1,438,973	-	1,438,973	887,161	61.7%	-	887,161	61.7%
2019	Personal Property-Public Svc. Corp. ⁴	06/2019	39,752	-	39,752	39,132	98.4%	-	39,132	98.4%
2019	Real Estate-Regular	06/2019	10,262,597	3,151	10,259,446	9,092,713	88.6%	-	9,092,713	88.6%
	Total		\$ 34,611,389	\$ 539,951	\$ 34,071,438	\$ 29,734,450	87.3%	\$ -	\$ 29,734,450	87.3%
2018	Personal Property-Public Svc. Corp.	12/2017	42,988	6,028	36,960	36,960	100.0%	-	36,960	100.0%
2018	Personal Property-Regular	12/2017	5,362,590	479,621	4,882,969	4,178,908	85.6%	357,221	4,536,130	92.9%
2018	Real Estate-Public Svc. Corp.	12/2017	1,787,627	(187,700)	1,975,327	1,975,327	100.0%	-	1,975,327	100.0%
2018	Real Estate-Regular	12/2017	10,184,855	11,621	10,173,234	9,652,025	94.9%	233,241	9,885,266	97.2%
2018	Real Estate-Special Assess.	12/2017	4,172	-	4,172	2,167	51.9%	461	2,628	63.0%
2018	Personal Property-Regular	03/2018	169,693	2,099	167,595	128,749	76.8%	25,125	153,874	91.8%
2018	Personal Property-Regular	06/2018	5,504,655	255,298	5,249,357	3,917,067	74.6%	853,160	4,770,227	90.9%
2018	Real Estate-Public Svc. Corp. ⁴	06/2018	1,410,673	29,031	1,381,641	1,074,116	77.7%	307,525	1,381,641	100.0%
2018	Personal Property-Public Svc. Corp. ⁴	06/2018	37,506	519	36,986	37,469	101.3%	(483)	36,986	100.0%
2018	Real Estate-Regular	06/2018	10,058,743	14,231	10,044,513	8,989,582	89.5%	677,407	9,666,988	96.2%
	Total		\$ 34,563,502	\$ 610,749	\$ 33,952,753	\$ 29,992,370	88.3%	\$ 2,453,657	\$ 32,446,027	95.6%
2017	Personal Property-Public Svc. Corp.	12/2016	43,800	-	43,800	43,800	100.0%	0	43,800.33	100.0%
2017	Personal Property-Regular	12/2016	5,164,557	424,082	4,740,475	4,127,858	87.1%	330,103.10	4,457,960.76	94.0%
2017	Real Estate-Public Svc. Corp.	12/2016	923,300	(29,816)	953,116	953,116	100.0%	-	953,116.00	100.0%
2017	Real Estate-Regular	12/2016	10,174,102	86,686	10,087,416	9,611,265	95.3%	308,951.75	9,920,216.44	98.3%
2017	Real Estate-Special Assess.	12/2016	4,172	-	4,172	2,268	54.4%	541.68	2,809.68	67.3%
2017	Personal Property-Regular	03/2017	222,105	24,774	197,331	141,387	71.6%	31,010.96	172,397.96	87.4%
2017	Personal Property-Regular	06/2017	5,298,107	308,930	4,989,177	3,797,030	76.1%	851,175.31	4,648,205.20	93.2%
2017	Real Estate-Public Svc. Corp. ⁴	06/2017	893,813	46,543	847,270	847,270	100.0%	-	847,269.60	100.0%
2017	Personal Property-Public Svc. Corp. ⁴	06/2017	42,988	6,028	36,960	42,988	116.3%	(6,028)	36,959.58	100.0%
2017	Real Estate-Regular	06/2017	10,185,171	9,909	10,175,261	9,096,150	89.4%	837,923.12	9,934,073.12	97.6%
	Total		\$ 32,952,115	\$ 877,137	\$ 32,074,978	\$ 28,663,131	89.4%	\$ 2,353,678	\$ 31,016,809	96.7%
2016	Personal Property-Public Svc. Corp.	12/2015	93,927	-	93,927	93,927	100.0%	-	93,927	100.0%
2016	Personal Property-Regular	12/2015	4,877,654	427,504	4,450,149	3,905,489	87.8%	331,281	4,236,770	95.2%
2016	Real Estate-Public Svc. Corp.	12/2015	1,693,297	-	1,693,297	1,693,297	100.0%	-	1,693,297	100.0%
2016	Real Estate-Regular	12/2015	9,828,979	84,598	9,744,381	9,185,938	94.3%	468,277	9,654,215	99.1%
2016	Real Estate-Special Assess.	12/2015	4,116	-	4,116	2,742	66.6%	436	3,178	77.2%
2016	Personal Property-Regular	03/2016	164,948	5,784	159,164	129,016	81.1%	18,719	147,735	92.8%
2016	Personal Property-Regular	06/2016	5,114,678	282,085	4,832,593	3,686,183	76.3%	896,848	4,583,032	94.8%
2016	Real Estate-Public Svc. Corp. ⁴	06/2016	863,998	29,487	834,511	834,511	100.0%	(0)	834,511	100.0%
2016	Personal Property-Public Svc. Corp. ⁴	06/2016	46,964	4,789	42,175	46,052	109.2%	(3,878)	42,175	100.0%
2016	Real Estate-Regular	06/2016	10,174,102	87,695	10,086,407	9,006,032	89.3%	953,637	9,959,669	98.7%
	Total		\$ 32,862,663	\$ 921,943	\$ 31,940,720	\$ 28,583,187	89.5%	\$ 2,665,320	\$ 31,248,508	97.8%
2015	Real Estate-Roll Back Taxes	10/2014	628	-	628	628	100.0%	-	628	100.0%
2015	Personal Property-Public Svc. Corp.	12/2014	88,216	-	88,216	86,019	97.5%	2,197	88,216	100.0%
2015	Personal Property-Regular	12/2014	4,586,058	380,179	4,205,879	3,613,511	85.9%	401,371	4,014,881	95.5%
2015	Real Estate-Public Svc. Corp.	12/2014	1,698,659	-	1,698,659	1,683,121	99.1%	15,539	1,698,659	100.0%
2015	Real Estate-Regular	12/2014	9,753,812	87,742	9,666,070	9,086,273	94.0%	515,957	9,602,230	99.3%
2015	Real Estate-Special Assess.	12/2014	4,172	89	4,083	2,293	56.2%	852	3,145	77.0%
2015	Personal Property-Regular	03/2015	164,969	35,135	129,834	92,254	71.1%	31,402	123,656	95.2%
2015	Personal Property-Regular	06/2015	5,015,816	267,698	4,748,118	3,426,729	72.2%	1,109,910	4,536,639	95.5%
2015	Real Estate-Regular	06/2015	9,828,979	85,783	9,743,196	8,279,637	85.0%	1,385,799	9,665,436	99.2%
	Total		\$ 31,141,309	\$ 856,625	\$ 30,284,683	\$ 26,270,465	86.7%	\$ 3,463,026	\$ 29,733,491	98.2%
2014	Real Estate-Roll Back Taxes	08/2013	1,957	-	1,957	1,957	100.0%	-	1,957	100.0%
2014	Personal Property-Public Svc. Corp.	12/2013	79,229	-	79,229	78,033	98.5%	1,196	79,229	100.0%
2014	Personal Property-Regular	12/2013	4,582,007	396,519	4,185,488	3,631,896	86.8%	371,447	4,003,343	95.6%
2014	Real Estate-Public Svc. Corp.	12/2013	1,577,174	-	1,577,174	1,562,467	99.1%	14,707	1,577,174	100.0%
2014	Real Estate-Regular	12/2013	9,301,052	88,995	9,212,057	8,671,064	94.1%	493,540	9,164,605	99.5%
2014	Real Estate-Special Assess.	12/2013	4,172	89	4,083	2,378	58.2%	888	3,266	80.0%
2014	Personal Property-Regular	03/2014	162,951	8,361	154,590	110,950	71.8%	29,898	140,848	91.1%
2014	Personal Property-Regular	06/2014	4,751,142	272,780	4,478,363	3,398,176	75.9%	878,485	4,276,661	95.5%
2014	Real Estate-Regular	06/2014	9,753,812	89,010	9,664,802	8,566,104	88.6%	1,043,471	9,609,576	99.4%
	Total		\$ 30,213,495	\$ 855,753	\$ 29,357,742	\$ 26,023,025	88.6%	\$ 2,833,633	\$ 28,856,658	98.3%
2013	Real Estate-Roll Back Taxes	09/2012	2,721	-	2,721	2,721	100.0%	-	2,721	100.0%
2013	Personal Property-Public Svc. Corp.	12/2012	86,264	-	86,264	85,075	98.6%	1,189	86,264	100.0%
2013	Personal Property-Regular	12/2012	4,361,353	418,541	3,942,812	3,435,520	87.1%	381,326	3,816,846	96.8%
2013	Real Estate-Public Svc. Corp.	12/2012	1,666,940	-	1,666,940	1,650,347	99.0%	16,593	1,666,940	100.0%
2013	Real Estate-Regular	12/2012	9,280,927	113,566	9,167,361	8,557,067	93.3%	577,743	9,134,810	99.6%
2013	Real Estate-Special Assess.	12/2012	4,172	89	4,083	1,966	48.2%	1,646	3,612	88.5%
2013	Personal Property-Regular	04/2013	230,699	15,185	215,513	157,646	73.1%	45,827	203,473	94.4%
2013	Personal Property-Regular	06/2013	4,723,284	280,142	4,443,141	3,198,351	72.0%	1,042,198	4,240,548	95.4%
2013	Real Estate-Regular	06/2013	9,301,052	87,400	9,213,652	8,052,980	87.4%	1,119,810	9,172,790	99.6%
	Total		\$ 29,657,411	\$ 914,923	\$ 28,742,488	\$ 25,141,673	87.5%	\$ 3,186,332	\$ 28,328,005	98.6%

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

Table 8
Page 2 of 2

Year	Property Tax Type	Year Due	Original Levy ³	Adjustments	Adjusted Levy	Collected within the Fiscal Year of			Total Collections	
						Amount	Adjusted Levy	Subsequent	Amount	of
2012	Real Estate-Roll Back Taxes	09/2011	5,487	-	5,487	5,487	100.0%	-	5,487	100.0%
2012	Personal Property-Public Svc. Corp.	12/2011	80,442	-	80,442	79,925	99.4%	516	80,442	100.0%
2012	Personal Property-Regular	12/2011	4,351,341	465,549	3,885,792	3,370,153	86.7%	415,116	3,785,269	97.4%
2012	Real Estate-Public Svc. Corp.	12/2011	1,424,539	-	1,424,539	1,409,649	99.0%	14,873	1,424,522	100.0%
2012	Real Estate-Regular	12/2011	8,970,567	93,743	8,876,825	8,281,800	93.3%	563,258	8,845,058	99.6%
2012	Real Estate-Special Assess.	12/2011	4,172	89	4,083	1,776	43.5%	1,902	3,678	90.1%
2012	Personal Property-Regular	02/2012	155,361	16,411	138,950	106,708	76.8%	23,823	130,531	93.9%
2012	Personal Property-Regular	06/2012	4,497,340	306,095	4,191,245	3,179,983	75.9%	874,227	4,054,210	96.7%
2012	Real Estate-Regular	06/2012	9,280,927	115,120	9,165,807	8,084,420	88.2%	1,050,835	9,135,254	99.7%
2012	Total		<u>\$ 28,770,176</u>	<u>\$ 997,006</u>	<u>\$ 27,773,170</u>	<u>\$ 24,519,902</u>	<u>88.3%</u>	<u>\$ 2,944,549</u>	<u>\$ 27,464,451</u>	<u>98.9%</u>
2011	Personal Property-Public Svc. Corp.	12/2010	79,299	-	79,299	78,783	99.3%	516	79,299	100.0%
2011	Personal Property-Regular	12/2010	4,526,770	502,331	4,024,439	3,461,327	86.0%	487,359	3,948,686	98.1%
2011	Real Estate-Public Svc. Corp.	12/2010	1,468,489	-	1,468,489	1,453,043	98.9%	15,420	1,468,463	100.0%
2011	Real Estate-Regular	12/2010	8,907,898	73,820	8,834,079	8,190,243	92.7%	602,068	8,792,311	99.5%
2011	Real Estate-Roll Back Taxes	12/2010	15,119	-	15,119	15,119	100.0%	-	15,119	100.0%
2011	Real Estate-Special Assess.	03/2011	4,172	89	4,083	2,051	50.2%	1,626	3,678	90.1%
2011	Personal Property-Regular	06/2011	4,397,670	349,075	4,048,595	3,126,275	77.2%	817,610	3,943,886	97.4%
2011	Personal Property-Regular	06/2011	145,034	4,273	140,761	89,230	63.4%	47,705	136,935	97.3%
2011	Real Estate-Regular	06/2011	8,970,567	100,423	8,870,144	7,777,688	87.7%	1,064,297	8,841,985	99.7%
2011	Total		<u>\$ 28,515,019</u>	<u>\$ 1,030,010</u>	<u>\$ 27,485,009</u>	<u>\$ 24,193,760</u>	<u>88.0%</u>	<u>\$ 3,036,602</u>	<u>\$ 27,230,362</u>	<u>99.1%</u>

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

⁽²⁾ Does not include penalty or interest.

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

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

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

Table 9

Fiscal Year	Governmental Activities				Business-type Activities					
	General Obligation Bonds				Lease Revenue Bonds	General Obligation Bonds ²	Capital Leases	Total Primary Government	Per Capita ¹	Percentage of Personal Income ¹
	Literary Fund Loans	Va. Public	Qualified	Bond						
		School Authority Bonds	Zone Academy Bonds	Premiums and Discounts						
2010	4,294,965	33,567,305	713,974	1,037,806	5,748,000	2,112,000	-	47,474,050	1,431	3.17%
2011	3,834,456	31,712,181	634,234	967,703	5,748,000	2,112,000	-	45,008,574	1,352	2.94%
2012	3,373,947	29,785,242	551,816	897,596	5,748,000	2,203,000	-	42,559,601	1,278	2.75%
2013	2,913,438	28,568,687	470,274	827,489	5,214,399	1,905,000	-	39,899,287	1,209	2.45%
2014	-	26,443,695	381,142	1,019,302	11,138,973	1,602,000	-	40,585,112	1,230	2.49%
2015	-	24,235,524	289,027	934,846	10,010,978	1,293,000	-	36,763,375	1,115	2.19%
2016	-	21,942,094	193,841	850,385	12,988,922	979,000	-	36,954,242	1,122	2.12%
2017	-	19,557,283	96,076	776,336	11,486,519	659,000	1,240,313	33,815,527	1,039	2.59%
2018	-	16,573,425	78,882	705,994	10,225,582	333,000	972,596	28,889,479	887	2.18%
2019	-	15,243,971	60,761	635,652	9,189,266	-	700,423	25,830,073	796	1.86%

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

¹ See Table 11 for population and personal income data.

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

**COUNTY OF ACCOMACK, VIRGINIA
RATIOS OF NET GENERAL BONDED DEBT
OUTSTANDING**

Table 10

Fiscal Year Ending June 30,	General Obligation Bonds	Total	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property ^{2,3}	Per Capita ³
2010	40,688,244	40,688,244	859,741	39,828,503	0.84%	1,201
2011	38,292,871	38,292,871	1,389,519	36,903,352	0.78%	1,109
2012	35,914,005	35,914,005	1,337,183	34,576,822	0.82%	1,038
2013	30,943,961	30,943,961	1,101,726	29,842,235	0.70%	904
2014	28,426,837	28,426,837	1,616,021	26,810,816	0.65%	812
2015	25,817,551	25,817,551	1,402,488	24,415,063	0.59%	740
2016	23,114,935	23,114,935	1,180,940	21,933,995	0.53%	666
2017	20,312,359	20,312,359	863,859	19,448,500	0.47%	598
2018	16,985,307	16,985,307	264,736	16,720,571	0.39%	513
2019	15,304,732	15,304,732	374,229	14,930,503	0.34%	460

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

¹ Excludes lease revenue bonds and capital leases.

² Includes real and personal property estimated actual taxable value.

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

⁴ Fiscal Years 2013-2018 have been adjusted to reflect the related unamortized premiums. Detailed premium information was not available

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

Table 11

Year	Population ¹	Personal Income (expressed in thousands) ²	Per Capita Personal Income ²	Unemployment Rate ⁴	School Enrollment ³
2010	33,165	\$1,529,700	\$33,593	7.10%	5,056
2011	33,287	\$1,546,000	\$34,181	7.30%	5,030
2012	33,314	\$1,626,900	\$35,733	6.90%	5,092
2013	33,005	\$1,627,200	\$37,628	6.50%	5,132
2014	32,998	\$1,681,000	\$36,960	5.70%	5,310
2015	32,973	\$1,745,300	\$38,683	5.20%	5,326
2016	32,947	\$1,304,585	\$39,412	4.60%	5,349
2017	32,545	\$1,324,623	\$40,701	4.30%	5,229
2018	32,412	1,386,063	42,764	3.80%	5,016
2019	32,439	N/A	N/A	3.20%	4,934

N/A - Not available

¹ Source: Years 2009-2017 U.S. Census Bureau Mid Year Estimates/Year 2018 estimated

² Source: U.S. Bureau of Economic Analysis

³ Source: Accomack County School Board

⁴ Source: Virginia Employment Commission/2019 unemployment rate as of June 2019

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

Table 12

Employer	2019				2010			
	Employees	Est #	Rank	Percentage of Total County Employment ¹	Employees	Est #	Rank	Percentage of Total County Employment ¹
Perdue Products	1000+	1,000	1	5.90%	1000+	1,000	1	5.77%
Tyson Farms	1000+	1,000	2	5.90%	1000+	1,000	2	5.77%
Accomack County School Board	1000+	1,000	3	5.90%	500-999	500	3	2.88%
Riverside Regional Medical Center	250-499	250	4	1.48%	-	-	-	-
County of Accomack	250-499	250	5	1.48%	250-499	250	5	1.44%
LJT Associates Inc.	250-499	250	6	1.48%	-	-	-	-
National Aeronautics & Space Administration	250-499	250	7	1.48%	250-499	250	6	1.44%
Walmart	100-249	100	8	0.59%	-	-	-	-
Eastern Shore Rural Health System	100-249	100	9	0.59%	-	-	-	-
Eastern Shore Community Services	100-249	100	10	0.59%	100-249	100	8	0.58%
Kings Choice	-	-	-	-	250-249	250	4	1.44%
The Cube Corporation	-	-	-	-	100-249	100	7	0.58%
Northrop Grumman Technical Services	-	-	-	-	100-249	100	9	0.58%
Shore Memorial Hospital	-	-	-	-	100-249	100	10	0.58%
		<u>4,300</u>		<u>25.37%</u>		<u>3,650</u>		<u>21.06%</u>

Source: Virginia Employment Commission

¹Percentage of total County employment based on total employment as of March 31.

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

Table 13

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government administration										
by the Commonwealth of Virginia)	11.0	11.0	10.0	10.0	10.0	9.0	9.0	9.0	9.0	9.0
Elections	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other	27.5	33.5	32.0	30.0	32.0	32.0	30.0	29.0	30.0	30.0
Judicial administration										
by the Commonwealth of Virginia)	19.8	19.8	17.8	17.8	15.8	15.8	15.8	15.8	15.8	15.8
Other	3.0	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Public Safety										
by the Commonwealth of Virginia)	63.7	62.7	62.7	63.7	63.7	63.7	63.7	63.7	64.7	64.7
Firefighters and emergency medical personnel	31.5	31.5	31.5	35.0	38.0	41.5	43.5	52.5	52.5	58.5
Other	14.0	13.0	13.0	13.0	13.0	13.0	12.5	11.5	11.5	11.5
Public Works										
Refuse collection and litter control	23.2	23.2	23.2	20.9	24.4	24.4	25.2	25.2	25.2	25.2
Refuse disposal	14.5	14.5	14.5	13.5	13.5	13.5	14.5	14.5	14.5	14.5
Building and grounds	14.8	14.8	14.8	14.3	14.3	14.3	14.3	14.3	14.3	14.3
Wastewater treatment	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	-
Storm drainage	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Health and welfare										
Social services and welfare	64.0	64.0	64.0	55.0	55.0	55.0	55.0	55.0	55.0	55.0
Other	5.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Parks, recreation and cultural	5.0	5.0	5.0	4.5	4.8	4.8	5.3	5.3	5.3	5.3
Community development^c	8.0	9.0	6.5	11.0	12.0	12.0	13.5	13.5	13.5	13.5
Total primary government	308.0	311.0	304.5	295.2	302.0	304.5	307.7	314.7	316.7	323.8

Source: Accomack County Finance Office

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

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

TOTALS should reconcile to most current Annual Fiscal Plan (AFP)

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

Table 14

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Assessor										
Taxable real estate number of parcels	39,620	39,707	39,786	39,800	39,844	39,847	39,895	39,851	39,854	39,911
Tax-exempt real estate number of parcels	932	936	940	941	943	955	962	968	972	970
Number of parcels enrolled in land use program	1,970	1,995	2,005	1,977	1,873	1,837	1,462	1,427	1,301	1,308
Commissioner of Revenue										
Mobile homes	3,512	3,418	3,253	3,169	3,152	3,139	3,092	3,949	3,912	4,034
Personal Property Tax Relief Act (PPTRA) qualifying vehicles	34,551	35,762	29,327	23,808	24,846	25,330	24,572	38,174	37,749	26,664
PPTRA tax credit percentages (vehicle value <\$1,000;\$1,000-\$20,000)	100%;51%	100%;51%	100%;49%	100%;49%	100%;49%	100%;46%	100%;46%	100%;44%	100%;44%	100%;42%
Finance										
Vendor checks issued	10,203	10,049	10,117	9,555	9,844	8,234	8,681	8,987	9,716	8,778
Annual County payroll checks/direct deposits	8,736	6,658	9,019	9,072	9,133	8,725	8,675	8,746	8,097	9,052
Annual School Board payroll checks/direct deposits	26,886	26,908	27,270	28,271	26,728	26,060	28,856	27,605	27,346	27,017
Treasurer										
Real estate bills created	77,399	78,926	79,026	79,092	79,152	79,042	79,184	79,180	79,138	79,250
Personal property bills created	65,899	67,789	66,814	66,378	68,132	68,579	68,710	68,621	66,022	65,966
Judicial Administration										
Clerk of Court										
Deed book recordings	5,311	5,085	4,781	5,374	5,203	4,497	6,159	4,997	4,946	4,803
Judgments	2,922	3,338	2,869	2,706	2,420	2,705	2,032	1,450	1,818	1,771
Public Safety										
Fire and Emergency Services										
Emergency responses'	3,798	3,635	4,490	4,751	5,542	5,887	4,635	5,860	6,498	7,443
Patients transported'	2,597	2,508	2,582	2,724	2,882	3,350	2,428	2,521	3,003	3,060
Fire responses'	343	370	361	406	247	281	216	327	355	457
Fire investigations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fire inspections	26									
EMS turn-out time when fully staffed'	< 2 minutes	2.4 minutes	3.8 minutes	3.2 minutes	2.4 minutes	2.7 minutes	2.3 minutes	2.54 minutes	2.55 minutes	4.5 minutes
EMS drive time when fully staffed'	< 7 minutes	11.3 minutes	15.6 minutes	11.6 minutes	12.1 minutes	13.27 minutes	12.53 minutes	13.30 minutes	13.0 minutes	12.53 minutes
EMS response time when fully staffed'	< 7 minutes	13 minutes	19.2 minutes	16.6 minutes	15.3 minutes	16.39 minutes	16.17 minutes	16.14 minutes	16.03 minutes	16.38 minutes
Jail										
Average daily inmate population	96	87	81	104	104	104	106	100	105	105
Sheriff's Office										
Physical arrests	671	893	1,038	1,673	1,262	1,450	1,563	1,830	1,917	2,587
Traffic violations	456	469	934	577	637	500	356	910	639	1,240
Health and Welfare										
Comprehensive Services Act										
Youth receiving services	67	55	20	21	23	45	32	29	32	30
Social Services										
Medicaid Recipients	5,061	5,183	5,235	5,244	5,279	5,412	5,483	5,110	5,331	6,168
Food Stamp Recipients	3,524	3,901	4,257	4,419	4,404	4,081	3,754	3,482	3,191	3,160
Households receiving Heating Assistance	3,231	2,899	2,749	1,949	1,818	1,821	1,680	1,505	1,440	1,399
Households receiving Cooling Assistance	739	944	718	593	548	586	528	513	533	533
Community Development										
Building permits issued	861	723	692	729	663	631	692	753	727	754
Other Funds										
Landfills										
Billable tons of refuse disposed	39,154	38,466	37,028	39,614	35,484	43,474	42,289	44,905	40,721	41,748
Tons of recycled materials"	8,769	8,448	9,062	12,346	5,828	16,617	23,274	40,620	47,592	N/A

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

Table 15

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol units ¹	43	51	48	53	48	52	51	51	52	53
Fire training centers	1	1	1	1	1	1	1	1	1	1
Animal control facilities	1	1	1	1	1	1	1	1	1	1
Public Works										
County owned buildings	33	35	36	37	39	39	40	45	44	47
Square foot in buildings	187,373	151,849	153,049	153,149	161,549	162,797	164,297	167,094	169,316	195,800
Refuse collection sites (staffed) ⁴	5	6	6	6	6	6	7	7	7	7
Refuse collection sites (unstaffed)	4	1	1	-	-	-	-	-	-	-
Active landfills	2	2	2	1	1	1	1	1	1	1
Solid waste transfer stations	-	-	-	1	1	1	1	1	1	1
Refuse collection vehicles ⁴	4	4	4	4	4	4	4	4	4	
Parks, Recreation and Cultural										
Athletic fields	18	18	18	18	18	18	18	18	20	20
Tennis courts	1	1	1	1	1	1	1	1	1	1
Fishing/boating facilities:										
Dock and/or ramp facilities	15	15	15	15	15	15	15	15	15	15
Low impact water access site	9	9	9	9	9	9	9	9	9	9
Pier or bulkhead only	3	3	3	3	3	3	3	3	3	3
Community Development										
Number of T-hangar buildings	2	2	2	2	2	2	2	2	2	2
Number of T-hangar units	18	18	18	18	18	18	18	18	18	18
Length of runway	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'	5000'
Education										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Elementary school capacity	2,775	2,775	2,775	2,975	2,975	2,975	2,975	2,975	2,975	2,975
Secondary schools	4	4	4	4	4	4	4	4	4	4
Secondary school capacity	2,750	2,750	2,750	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Combined schools	2	2	2	2	2	2	2	2	2	2
Combined school capacity	525	525	525	575	575	575	575	575	575	575
School buses	109	110	110	110	110	111	111	119	110	112
Component Units										
Industrial Development Park										
Acreage available for sale	261.28	261.28	261.28	261.28	259.28	259.28	259.28	247.21	247.21	247.21

Sources: Various County departments.

¹Includes process server vehicles.

⁴This information does not include the County's active landfill.



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Compliance Section



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**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, 2019, and the related notes to the financial statements, which collectively comprise the County of Accomack, Virginia's basic financial statements, and have issued our report thereon dated February 27, 2020. Our report includes a reference to other auditors who audited the financial statements of Accomack-Northampton Planning District Commission, as described in our report on the County of Accomack, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
February 27, 2020



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

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

Report on Compliance for Each Major Federal Program

We have audited County of Accomack, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Accomack, Virginia's major federal programs for the year ended June 30, 2019. 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 \$699,526 in federal awards which is not included in the schedule during the year ended June 30, 2019. Our audit, described below, did not include the operations of Accomack-Northampton Planning District Commission because the component unit engaged other auditors to perform an audit of compliance in accordance with the Uniform Guidance.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, County of Accomack, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Robinson, Farnell, Cox Associates

Charlottesville, Virginia
February 27, 2020

COUNTY OF ACCOMACK, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
PRIMARY GOVERNMENT AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED JUNE 30, 2019

Page 1

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT:			
Virginia Department of Justice:			
<u>Direct Payments:</u>			
Inmate Social Security Bounty	N/A	16.000	\$ 5,000
<u>Pass Through Payments:</u>			
Department of Justice	Not Available	16.575	91,661
Crime Victim Assistance	Not Available	16.607	2,753
Bulletproof Vest Partnership Grant			<u>\$ 99,414</u>
Total Department of Justice			
Department of Transportation:			
<u>Direct Payments:</u>			
Airport Improvement Program	N/A	20.106	\$ 2,974,407
<u>Pass Through Payments:</u>			
Virginia Department of Transportation:			
National Priority Safety Programs	M6OT1858283	20.616	18,127
Total Department of Transportation			<u>\$ 2,992,534</u>
Department of Homeland Security:			
<u>Pass Through Payments:</u>			
Virginia Department of Emergency Services:			
Homeland Security Grant Program	Not Available	97.067	\$ 95,721
Total Virginia Department of Emergency Services			<u>95,721</u>
Total Department of Homeland Security			<u>\$ 95,721</u>
Department of Agriculture:			
<u>Direct Payments:</u>			
Summer Food Service Program for Children (Child Nutrition Cluster)	N/A	10.559	\$ 72,975
Food Distribution (Child Nutrition Cluster)	N/A	10.559	2,652
Total			<u>\$ 75,627</u>
<u>Pass Through Payments:</u>			
Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for Supplemental Nutrition Assistance Programs	010111/0010112/0040111/004011	10.561	\$ 469,705
Total Department of Agriculture			<u>\$ 469,705</u>
Department of Health and Human Services:			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Promoting Safe and Stable Families	950112	93.556	\$ 12,687
Temporary Assistance for Needy Families (TANF Cluster)	0400111/0400112	93.558	397,293
Refugee and Entrant Assistance - State Administered Programs	0500110/0500111	93.566	279
Low-Income Home Energy Assistance	0600411/0600412	93.568	68,173

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, 2019

Page 2

Federal Grantor Pass Through Grantor Program or Cluster Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
PRIMARY GOVERNMENT - CONTINUED:			
Department of Health and Human Services - continued :			
<u>Pass Through Payments - continued:</u>			
Department of Social Services - continued:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Child Care and Development Fund Cluster)	0760111/0760112	93.596	74,123
Total Child Care and Development Fund Cluster			552,555
Stephanie Tubbs Jones Child Welfare Services Program	0900111/0900112	93.645	501
Foster Care-Title IV-E	1100111/1100112	93.658	210,180
Adoption Assistance	1120111/1120112	93.659	110,357
Social Services Block Grant	1000110/1000111	93.667	316,598
Chafee Foster Care Independence Program	9150111/9150112	93.674	3,610
Children's Health Insurance Program	0540111/0540112	93.767	11,532
Medical Assistance Program (Medicaid Cluster)	1200111/1200112	93.778	531,361
Total Department of Social Services			\$ 1,736,694
Total Department of Health and Human Services			\$ 1,736,694
Department of the Interior:			
<u>Direct Payments:</u>			
Virginia Department of Housing and Community Development Chincoteague Wildlife Refuge	N/A	15.000	\$ 92,169
Total Department of the Interior			\$ 92,169
Department of Housing and Urban Development:			
<u>Pass Through Payments:</u>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Not Available	14.228	\$ 30,000
Total Department of Housing and Urban Development			\$ 30,000
TOTAL EXPENDITURE OF FEDERAL AWARDS - PRIMARY GOVERNMENT			\$ 5,591,864
COMPONENT UNIT-SCHOOL BOARD:			
Department of Agriculture:			
<u>Pass Through Payments:</u>			
Virginia Department of Agriculture and Consumer Services: Food Distribution (Child Nutrition Cluster)	10.555/2010/2011	10.555	\$ 73,189
Department of Education: National School Lunch Program (Child Nutrition Cluster)	10.555/2010/2011	10.555	1,472,234
			\$ 1,545,423
School Breakfast Program (Child Nutrition Cluster)	10.553/2010/2011	10.553	553,146
Total Department of Agriculture			\$ 2,098,569
Department of Education:			
<u>Pass Through Payments:</u>			
Department of Education:			
Title I Grants to Local Educational Agencies	S010A120046/S011A130046	84.010	\$ 2,036,874
Migrant Education - State Grant Program	S011A120047/S011A130047	84.011	173,677
Special Education Cluster:			
Special Education - Grants to States (Special Education Cluster)	H027A120107/H027A130107	84.027	\$ 1,007,465
Special Education - Preschool Grants (Special Education Cluster)	H173A120112/H173A130112	84.173	38,023
Total special education cluster			\$ 1,045,488
Career and Technical Education - Basic Grants to States	V048A120046/V048A130046	84.048	128,598
Migrant Education Coordination Program	S144F110047	84.144	35,655
Rural Education	S358B120046	84.358	96,621
English Language Acquisition Grants	T365A120046	84.365	85,993
Supporting Effective Instruction State Grant (Formerly Improving Teacher Quality State Grants)	S367A110044/S367A120044	84.367	262,296
Student Support and Academic Enrichment Grants	Not Available	84.424	15,791
Total Department of Education			\$ 3,880,993
TOTAL EXPENDITURES OF FEDERAL AWARDS COMPONENT UNIT-SCHOOL BOARD			\$ 5,979,562
TOTAL EXPENDITURES OF FEDERAL AWARDS - REPORTING ENTITY			\$ 11,571,426

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, 2019

Note 1 - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Accomack, Virginia under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the County of Accomack, Virginia, it is not intended to and does not present the financial position, changes in net position, 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 *the Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

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

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 7 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 461,798
Virginia Public Assistance Fund	2,144,212
Comprehensive Youth Services Fund	7,753
Airport	2,974,407
Nonmajor Funds	30,000
Total primary government	\$ 5,618,170
Component Unit School Board:	
School Operating Fund	\$ 3,880,993
School Cafeteria Fund	2,025,380
Total component unit school board	\$ 5,906,373
Total federal expenditures per basic financial statements	\$ 11,524,543
Payments in lieu of taxes	\$ (28,958)
Non-cash expenditures - value of donated commodities	\$ 75,841
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 11,571,426

COUNTY OF ACCOMACK, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? No

 Significant deficiency(ies) identified? None reported

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

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

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
84.027/84.173	Special Education Cluster
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

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