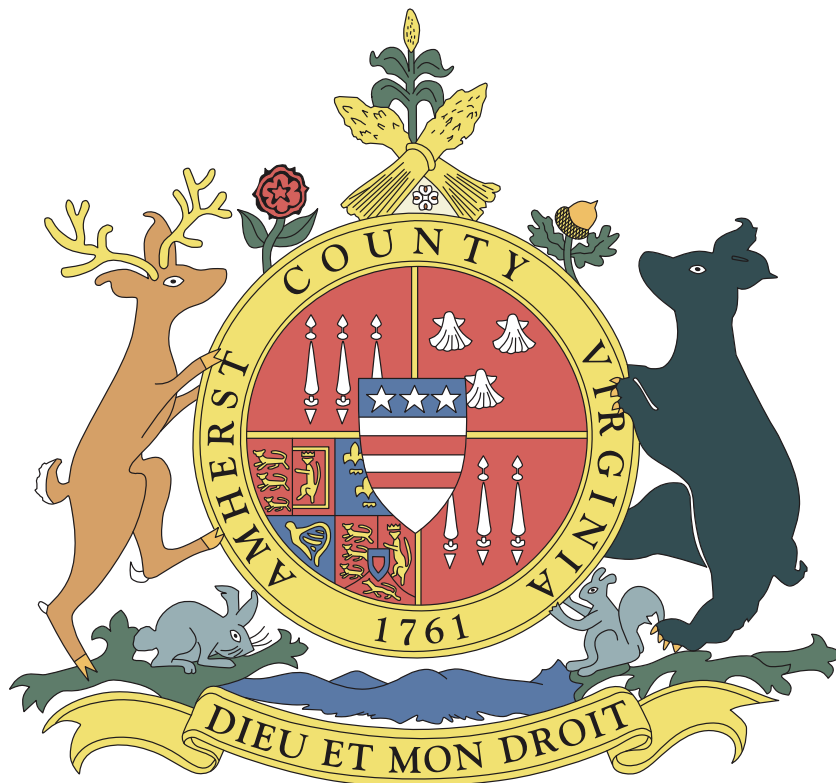


County of Amherst, Virginia
Financial Report

Year Ended June 30, 2013



COUNTY OF AMHERST, VIRGINIA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

COUNTY OF AMHERST, VIRGINIA
Financial Report
For The Fiscal Year Ended June 30, 2013

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Financial Report
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COUNTY OF AMHERST, VIRGINIA

BOARD OF SUPERVISORS

Donald W. Kidd, Vice-Chairman
Vernon F. Campbell

Robert M. Curd, Chairman

David Pugh, Jr.
Claudia D. Tucker

COUNTY SCHOOL BOARD

Elizabeth Gamble, Vice Chairman
Margaret R. Morton
Alan J. Wood

Jones Stanley, Chairman

Patricia C. Massie
Susan D. Cunningham
Priscilla M. Liggon

COUNTY SOCIAL SERVICES BOARD

Dr. Jack Hamilton, Vice Chairman
Elynor D. Rose

Vernon F. Campbell, Chairman

Juanita Roberson
Wayne Stark

COUNTY LIBRARY BOARD

Stephen Witham, Vice President
James B. Young

Jean Higginbotham, President

Larry A. Langhans
Robert B. Simpkins

OTHER OFFICIALS

Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Judge of the Juvenile and Domestic Relations Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Clerk of the School Board
Director of Social Services
Library Director
County Administrator

J. Michael Gamble
Roy C. Mayo, III
Joseph M. Serkes
Michael Garrett
Stephanie S. Maddox
Linda M. Byers
Garry Friend
L.J. Ayers, III
Dr. Brian Ratliff
Teresa Crouch
Glenn W. Sullivan
Steve Preston
Clarence Monday

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Amherst, Virginia, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement Nos. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, budgetary comparison information, and schedule of pension and OPEB funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

Other Information (Continued)

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

The statistical information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2014, on our consideration of the County of Amherst, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Amherst, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Co. Associates
Charlottesville, Virginia
February 10, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors
And Citizens of Amherst County
County of Amherst, Virginia

As management of the County of Amherst, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013.

Financial Highlights

Government-wide Financial Statements

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 \$29,370,144 (net position). The County's business-type activities assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$17,892,405.

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported total revenues of \$39,161,094 with total expenditures of \$38,878,555. As of the close of the current fiscal year; the County's funds reported ending fund balances of \$26,973,662 (Exhibit 4), an overall increase of \$282,539 in comparison with the prior year.

Overview of the Financial Statements

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

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

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

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

The statement of net position presents information on all of the County's a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources, with the difference between the two 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.

Overview of the Financial Statements (Continued)

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Amherst, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Amherst, Virginia is financially accountable. Financial information for the component unit is reported separately from the financial information present for the primary government itself.

The Government-wide financial statements can be found on page 10-12 of this report.

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

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has three major governmental funds - the General Fund, the Special Revenue Fund, and the Capital Projects Fund.

Proprietary funds - Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting, similar to private sector business.

The Amherst County Service Authority is a blended component unit of the County of Amherst. The Authority's financial statements are shown as an enterprise fund in the County's fund statements. The Service Authority provides a centralized source for water and sewer services to County residents.

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

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

Overview of the Financial Statements (Continued)

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$29,370,144 at the close of the most recent fiscal year.

County of Amherst, Virginia's Net Position

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------------------|----------------------------|---------------|-----------------------------|---------------|----------------|----------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Current and other assets | \$ 44,072,209 | \$ 43,647,485 | \$ 6,150,341 | \$ 6,421,278 | \$ 50,222,550 | \$ 50,068,763 |
| Capital assets | 29,785,949 | 30,209,968 | 25,514,594 | 25,817,148 | 55,300,543 | 56,027,116 |
| Total assets | \$ 73,858,158 | \$ 73,857,453 | \$ 31,664,935 | \$ 32,238,426 | \$ 105,523,093 | \$ 106,095,879 |
| Deferred outflows | \$ - | \$ - | \$ 39,888 | \$ - | \$ 39,888 | \$ - |
| Long-term liabilities outstanding | \$ 27,933,587 | \$ 25,626,316 | \$ 13,296,183 | \$ 12,868,005 | \$ 41,229,770 | \$ 38,494,321 |
| Current liabilities | 3,836,287 | 5,649,238 | 516,235 | 970,246 | 4,352,522 | 6,619,484 |
| Total liabilities | \$ 31,769,874 | \$ 31,275,554 | \$ 13,812,418 | \$ 13,838,251 | \$ 45,582,292 | \$ 45,113,805 |
| Deferred inflows | \$ 12,718,140 | \$ 12,519,199 | \$ - | \$ - | \$ 12,718,140 | \$ 12,519,199 |
| Net position: | | | | | | |
| Net investment in capital assets | \$ 10,944,164 | \$ 9,339,637 | \$ 14,197,816 | \$ 14,477,148 | \$ 25,141,980 | \$ 23,816,785 |
| Restricted | - | - | 1,001,009 | 1,000,000 | 1,001,009 | 1,000,000 |
| Unrestricted | 18,425,980 | 20,274,734 | 2,693,580 | 2,923,027 | 21,119,560 | 23,197,761 |
| Total net position | \$ 29,370,144 | \$ 29,614,371 | \$ 17,892,405 | \$ 18,400,175 | \$ 47,262,549 | \$ 48,014,546 |

At the end of the current fiscal year, the County's investment in capital assets net of related debt used to acquire those assets that is still outstanding represents approximately 53% of total net position. For governmental activities, 37.29% of net position is invested in capital assets net of related debt. The County uses these capital assets to provide services to citizens; therefore 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 be used to liquidate these liabilities.

Restricted net position represents resources that are subject to external restrictions on how they may be used. Restricted net position of \$1,001,009 is reported in business-type activities.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities decreased the County's net position by \$317,807. Key elements of this decrease are as follows:

County of Amherst, Virginia's Changes in Net Position For the Years Ended June 30, 2013 and 2012

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,812,299 | \$ 2,286,246 | \$ 2,974,656 | \$ 3,118,029 | \$ 5,786,955 | \$ 5,404,275 |
| Operating grants and contributions | 5,103,339 | 6,682,107 | - | - | 5,103,339 | 6,682,107 |
| Capital grants and contributions | 815,345 | - | 192,189 | 146,894 | 1,007,534 | 146,894 |
| General revenues: | | | | | | |
| General property taxes | 20,047,980 | 20,436,547 | - | - | 20,047,980 | 20,436,547 |
| Other local taxes | 5,490,027 | 5,171,164 | - | - | 5,490,027 | 5,171,164 |
| Use of money and property | 331,404 | 317,112 | 5,043 | 13,443 | 336,447 | 330,555 |
| Noncategorical aid | 3,854,695 | 3,625,924 | - | - | 3,854,695 | 3,625,924 |
| Other general revenues | 314,625 | 102,193 | 38,982 | 41,567 | 353,607 | 143,760 |
| Total revenues | \$ 38,769,714 | \$ 38,621,293 | \$ 3,210,870 | \$ 3,319,933 | \$ 41,980,584 | \$ 41,941,226 |
| Expenses: | | | | | | |
| General government administration | \$ 2,267,593 | \$ 1,767,430 | \$ - | \$ - | \$ 2,267,593 | \$ 1,767,430 |
| Judicial administration | 1,260,079 | 1,287,304 | - | - | 1,260,079 | 1,287,304 |
| Public safety | 10,699,839 | 10,077,086 | - | - | 10,699,839 | 10,077,086 |
| Public works | 4,801,185 | 1,861,116 | - | - | 4,801,185 | 1,861,116 |
| Health and welfare | 4,564,438 | 4,081,753 | - | - | 4,564,438 | 4,081,753 |
| Education | 13,412,266 | 13,591,721 | - | - | 13,412,266 | 13,591,721 |
| Parks, recreation, and cultural | 420,238 | 1,105,089 | - | - | 420,238 | 1,105,089 |
| Community development | 597,117 | 168,682 | - | - | 597,117 | 168,682 |
| Interest and other fiscal charges | 1,064,766 | 1,141,516 | - | - | 1,064,766 | 1,141,516 |
| Water and sewer | - | - | 3,718,640 | 3,341,373 | 3,718,640 | 3,341,373 |
| Total expenses | \$ 39,087,521 | \$ 35,081,697 | \$ 3,718,640 | \$ 3,341,373 | \$ 42,806,161 | \$ 38,423,070 |
| Change in net position | \$ (317,807) | \$ 3,539,596 | \$ (507,770) | \$ (21,440) | \$ (825,577) | \$ 3,518,156 |
| Net position, as restated, July 1, 2012 | 29,687,951 | 26,074,775 | 18,400,175 | 18,421,615 | 48,088,126 | 44,496,390 |
| Net position, June 30, 2013 | \$ 29,370,144 | \$ 29,614,371 | \$ 17,892,405 | \$ 18,400,175 | \$ 47,262,549 | \$ 48,014,546 |

Charges for services and other local taxes increased by \$526,053 and \$318,863, respectively. Although operating grants and contributions showed a decrease of \$1,578,768, this is somewhat offset by an increase in capital grants and contributions. State and federal funding has been received for both the Riveredge Park and depot projects. In addition, the Commonwealth of Virginia deeded approximately 31 acres of land with an estimated value of \$350,500.

Public works showed a \$2,940,069 increase in expenditures related to the revised landfill estimate. Engineers estimated that 72% of the current cell has been filled and 42% of the available capacity of the operating landfill has been filled. Other areas showing increases include general government administration at \$500,163, public safety at \$622,753, health and welfare at \$482,685, and community development at \$428,435. Conversely, the following functions showed decreases: judicial administration \$27,225, education \$179,455 partially affected by a \$400,000 payment from the School capital projects fund to the County, parks, recreation and cultural \$684,851.

Financial Analysis of the County's Funds

As noted earlier, the County used 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 financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

For the end of the current fiscal year, the County's governmental funds reported fund balances of \$26,973,662 an overall increase in comparison with the prior year, **reference exhibit 4**. The County's delinquency rate decreased by 1.68% from the prior year to the current year. *See delinquent rate exhibit below:*

| <u>Year</u> | <u>Rate</u> | <u>Increase</u> |
|-------------|-------------|-----------------|
| FY2010 | 6.25% | |
| FY2011 | 7.18% | 0.93% |
| FY2012 | 6.65% | -0.53% |
| FY2013 | 4.97% | -1.68% |

Proprietary funds

The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

- The difference between the original budget and the final amended budget was an overall increase of \$3,287,974. Significant budgetary increases are identified by category as follows:

| | |
|----------------------|--------------|
| ❖ Public Safety | \$ 1,192,015 |
| ❖ Public Works | \$ 580,534 |
| ❖ Health and Welfare | \$ 1,244,454 |

However, total actual expenditures were less than the amended budget by \$1,850,813.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets totals \$29,785,949, the Service Authority's totals \$25,514,594, and the School Board's totals \$19,758,348 (net of accumulated depreciation), reference Note 6. This investment in capital assets includes infrastructure, buildings and improvements, and machinery and equipment. The County has two ongoing projects, Riveredge Park and the depot project. Related to the park project, the Commonwealth of Virginia deeded approximately 31 acres of land with an estimated value of \$350,500 to the County. For business-type activities, the Service Authority completed the Graham Creek Reservoir Dam, which was placed in service during the year.

Additional information on the County's capital assets can be found in note 6.

Long-term debt - At the end of the current fiscal year, the County had governmental activities obligations of \$27,933,587 outstanding. Of this amount \$6,532,000 represents bonds secured solely by specified revenue sources (i.e. revenue bonds). The remainder is comprised of debt backed by the full faith and credit of the County. The County's total long-term obligations increased during the current fiscal year by \$55,412.

Additional information on the County of Amherst, Virginia's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the United States between November 2012 and November 2013 declined from 7.4% to 6.6%. For the Commonwealth during the same period, unemployment declined from 5.4% to 5.0%; for the City of Lynchburg, unemployment declined from 6.7% to 6.4%; and for the County of Amherst, unemployment decreased from 5.9% to 5.0%.
- Inflationary trends as measured by the United States Bureau of Labor Statistics in its Consumer Price Index (Southern Urban) are on the rise, during the period from December 2012 to December 2013 the rate of inflation rose 1.5%.
- Residential growth in Amherst showed improvement from past years. Although the number of permits issued for single family dwellings wasn't significant, there appears to be movement over last year's building market. However, the building market may have shown improvement when considering the need for services such as emergency services, social services, and law enforcement, which saw an increase in demand although not significant.
- The FY14 adopted budget totaled \$86,064,276 with \$47,203,155 of that as the School budget. A portion of the school's budget is funded by an appropriation of \$15,853,979 in County funds.

Requests for Information

This financial report is designed to provide a general overview of the County of Amherst, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Administrator, P. O. Box 390, and 153 Washington Street, Amherst, Virginia 24521.

Basic Financial Statements

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Government-wide Financial Statements

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Statement of Net Position
At June 30, 2013

| | Primary Government | | | Component |
|--|---------------------------------|---------------------------------|----------------|-------------------------|
| | Govern- mental Activities | Business- Type Activities | Total | Unit School Board |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 34,638,417 | \$ 2,775,897 | \$ 37,414,314 | \$ 2,038,874 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property taxes | 7,795,023 | - | 7,795,023 | - |
| Accounts receivable | 174,406 | 308,439 | 482,845 | - |
| Due from other governmental units | 1,464,363 | - | 1,464,363 | 1,434,709 |
| Prepaid items | - | - | - | 129,898 |
| Inventory | - | 216,245 | 216,245 | - |
| Due from primary government | - | - | - | 2,841,788 |
| Restricted assets | - | 1,001,009 | 1,001,009 | - |
| Other assets | - | 1,848,751 | 1,848,751 | - |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 2,367,665 | 623,523 | 2,991,188 | 309,826 |
| Buildings and improvements | 13,694,774 | 56,206 | 13,750,980 | 7,952,442 |
| Utility plant in service | - | 24,151,744 | 24,151,744 | - |
| Equipment | 1,156,461 | 663,747 | 1,820,208 | 1,941,665 |
| Joint tenancy | 7,533,690 | - | 7,533,690 | 9,337,804 |
| Construction in progress | 1,609,892 | 19,374 | 1,629,266 | 216,611 |
| Intangible assets | 3,423,467 | - | 3,423,467 | - |
| Total Assets | \$ 73,858,158 | \$ 31,664,935 | \$ 105,523,093 | \$ 26,203,617 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred amount of refunding | \$ - | \$ 39,888 | \$ 39,888 | \$ - |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | \$ 584,493 | \$ 112,174 | \$ 696,667 | \$ 4,517,119 |
| Retainage payable | 15,935 | - | 15,935 | 9,988 |
| Customer deposits | - | 257,803 | 257,803 | - |
| Due to component unit | 2,841,788 | - | 2,841,788 | - |
| Accrued interest payable | 394,071 | 146,258 | 540,329 | - |
| Long-term liabilities: | | | | |
| Current portion of long-term obligations | 2,051,047 | 526,216 | 2,577,263 | 45,233 |
| Noncurrent portion of long-term obligations | 25,882,540 | 12,769,967 | 38,652,507 | 407,101 |
| Total Liabilities | \$ 31,769,874 | \$ 13,812,418 | \$ 45,582,292 | \$ 4,979,441 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Property taxes - unavailable revenues | \$ 12,718,140 | \$ - | \$ 12,718,140 | \$ - |
| NET POSITION | | | | |
| Net investment in capital assets | \$ 10,944,164 | \$ 14,197,816 | \$ 25,141,980 | \$ 19,758,348 |
| Restricted | - | 1,001,009 | 1,001,009 | - |
| Unrestricted | 18,425,980 | 2,693,580 | 21,119,560 | 1,465,828 |
| Total Net Position | \$ 29,370,144 | \$ 17,892,405 | \$ 47,262,549 | \$ 21,224,176 |

The accompanying notes to financial statements are an integral part of this statement.

COUNTY OF AMHERST, VIRGINIA

Statement of Activities
Year Ended June 30, 2013

| Functions/Programs | Expenses | Program Revenues | | |
|--|----------------------|----------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| General government administration | \$ 2,267,593 | \$ 196,166 | \$ 244,953 | \$ - |
| Judicial administration | 1,260,079 | 735,970 | 642,142 | - |
| Public safety | 10,699,839 | 1,222,189 | 1,728,767 | - |
| Public works | 4,801,185 | 503,410 | 27,944 | - |
| Health and welfare | 4,564,438 | - | 2,253,090 | - |
| Education | 13,412,266 | - | - | - |
| Parks, recreation, and cultural | 420,238 | 154,564 | 157,878 | 815,345 |
| Community development | 597,117 | - | 48,565 | - |
| Interest on long-term debt | 1,064,766 | - | - | - |
| Total governmental activities | <u>\$ 39,087,521</u> | <u>\$ 2,812,299</u> | <u>\$ 5,103,339</u> | <u>\$ 815,345</u> |
| Business-type activities: | | | | |
| Water and sewer | \$ 3,718,640 | \$ 2,974,656 | \$ - | \$ 192,189 |
| Total primary government | <u>\$ 42,806,161</u> | <u>\$ 5,786,955</u> | <u>\$ 5,103,339</u> | <u>\$ 1,007,534</u> |
| COMPONENT UNIT: | | | | |
| School Board | <u>\$ 45,564,654</u> | <u>\$ 1,264,856</u> | <u>\$ 29,396,256</u> | <u>\$ -</u> |
| General revenues: | | | | |
| General property taxes | | | | |
| Local sales and use taxes | | | | |
| Consumers' utility taxes | | | | |
| Business license taxes | | | | |
| Motor vehicle license taxes | | | | |
| Meals tax | | | | |
| Other local taxes | | | | |
| Unrestricted revenues from use of money and property | | | | |
| Commonwealth of Virginia non-categorical aid | | | | |
| County contribution to School Board | | | | |
| Miscellaneous | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position - beginning, as restated | | | | |
| Net position - ending | | | | |

The accompanying notes to financial statements are an integral part of this statement.

Exhibit 2

| Net (Expense) Revenue and Changes in Net Position | | | | |
|--|---------------------------------|-----------------|-------------------------|--|
| Primary Government | | | Component | |
| Governmental Activities | Business- Type Activities | Total | Unit School Board | |
| \$ (1,826,474) | \$ - | \$ (1,826,474) | \$ - | |
| 118,033 | - | 118,033 | - | |
| (7,748,883) | - | (7,748,883) | - | |
| (4,269,831) | - | (4,269,831) | - | |
| (2,311,348) | - | (2,311,348) | - | |
| (13,412,266) | - | (13,412,266) | - | |
| 707,549 | - | 707,549 | - | |
| (548,552) | - | (548,552) | - | |
| (1,064,766) | - | (1,064,766) | - | |
| \$ (30,356,538) | \$ - | \$ (30,356,538) | \$ - | |
| \$ - | \$ (551,795) | \$ (551,795) | \$ - | |
| \$ - | \$ (551,795) | \$ (30,908,333) | \$ - | |
| \$ - | \$ - | \$ - | \$ (14,903,542) | |
| \$ 20,047,980 | \$ - | \$ 20,047,980 | \$ - | |
| 2,401,607 | - | 2,401,607 | - | |
| 816,843 | - | 816,843 | - | |
| 369,811 | - | 369,811 | - | |
| 681,482 | - | 681,482 | - | |
| 888,742 | - | 888,742 | - | |
| 331,542 | - | 331,542 | - | |
| 331,404 | 5,043 | 336,447 | 25,170 | |
| 3,854,695 | - | 3,854,695 | - | |
| - | - | - | 13,208,829 | |
| 314,625 | 38,982 | 353,607 | 784,492 | |
| \$ 30,038,731 | \$ 44,025 | \$ 30,082,756 | \$ 14,018,491 | |
| \$ (317,807) | \$ (507,770) | \$ (825,577) | \$ (885,051) | |
| 29,687,951 | 18,400,175 | 48,088,126 | 22,109,227 | |
| \$ 29,370,144 | \$ 17,892,405 | \$ 47,262,549 | \$ 21,224,176 | |

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Fund Financial Statements

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Balance Sheet - Governmental Funds
At June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|---|----------------------|----------------------------|-----------------------------|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 24,734,607 | \$ 4,837,688 | \$ 5,066,122 | \$ 34,638,417 |
| Receivables (Net of allowance for uncollectibles): | | | | |
| Taxes, including penalties | 7,795,023 | - | - | 7,795,023 |
| Accounts receivable | 173,589 | 817 | - | 174,406 |
| Due from other governmental units | 1,414,385 | 49,978 | - | 1,464,363 |
| Total assets | <u>\$ 34,117,604</u> | <u>\$ 4,888,483</u> | <u>\$ 5,066,122</u> | <u>\$ 44,072,209</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 527,674 | \$ 56,819 | \$ - | \$ 584,493 |
| Retainage payable | 15,935 | - | - | 15,935 |
| Due to component unit | 2,841,788 | - | - | 2,841,788 |
| Total liabilities | <u>\$ 3,385,397</u> | <u>\$ 56,819</u> | <u>\$ -</u> | <u>\$ 3,442,216</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue - property taxes | \$ 13,656,331 | \$ - | \$ - | \$ 13,656,331 |
| FUND BALANCES | | | | |
| Committed: | | | | |
| General government - electoral board | \$ 6,371 | \$ - | \$ - | \$ 6,371 |
| Public safety - sheriff | 11,750 | - | - | 11,750 |
| Public safety - regional jail | 74,572 | - | - | 74,572 |
| Public safety - fire department | 7,000 | - | - | 7,000 |
| Education - school construction | 293,402 | - | - | 293,402 |
| Community development - incentives | 115,825 | - | - | 115,825 |
| Special revenue - Dare program | - | 43,535 | - | 43,535 |
| Special revenue - Recreation activities | - | 12,035 | - | 12,035 |
| Special revenue - E-911 | - | 535,209 | - | 535,209 |
| Special revenue - Community development block grant | - | 9,589 | - | 9,589 |
| Special revenue - Solid Waste | - | 4,588,550 | - | 4,588,550 |
| Special revenue - Economic development | - | 170,764 | - | 170,764 |
| Capital projects - Train Depot | - | - | 9,840 | 9,840 |
| Assigned: | | | | |
| Other capital purposes | - | - | 5,056,282 | 5,056,282 |
| Unassigned | 16,566,956 | (528,018) | - | 16,038,938 |
| Total fund balances | <u>\$ 17,075,876</u> | <u>\$ 4,831,664</u> | <u>\$ 5,066,122</u> | <u>\$ 26,973,662</u> |

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

Total fund balances above \$ 26,973,662

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole. 29,785,949

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (394,071)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in the fund balance. 938,191

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position. (27,933,587)

Net position of general government activities \$ 29,370,144

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2013

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|--|-----------------|----------------------------|-----------------------------|---------------|
| Revenues: | | | | |
| General property taxes | \$ 20,192,306 | \$ - | \$ - | \$ 20,192,306 |
| Other local taxes | 5,490,027 | - | - | 5,490,027 |
| Permits, privilege fees and regulatory licenses | 178,669 | - | - | 178,669 |
| Fines and forfeitures | 626,244 | - | - | 626,244 |
| Revenue from use of money and property | 99,149 | 219,272 | 12,983 | 331,404 |
| Charges for services | 1,503,694 | 503,692 | - | 2,007,386 |
| Miscellaneous | 266,036 | 48,589 | - | 314,625 |
| Recovered costs | 197,554 | - | - | 197,554 |
| Intergovernmental: | | | | |
| Local - School Board | 400,000 | - | - | 400,000 |
| Commonwealth | 7,598,500 | 119,836 | - | 7,718,336 |
| Federal | 1,171,379 | 533,164 | - | 1,704,543 |
| Total revenues | \$ 37,723,558 | \$ 1,424,553 | \$ 12,983 | \$ 39,161,094 |
| Expenditures: | | | | |
| Current: | | | | |
| General government administration | \$ 2,243,747 | \$ - | \$ - | \$ 2,243,747 |
| Judicial administration | 1,191,970 | - | - | 1,191,970 |
| Public safety | 9,371,311 | 878,518 | - | 10,249,829 |
| Public works | 1,232,971 | 1,342,214 | 108,365 | 2,683,550 |
| Health and welfare | 4,602,056 | - | - | 4,602,056 |
| Education | 12,851,465 | - | - | 12,851,465 |
| Parks, recreation, and cultural | 1,029,089 | 203,684 | - | 1,232,773 |
| Community development | 525,979 | 39,872 | - | 565,851 |
| Debt service: | | | | |
| Principal retirement | 2,112,844 | 46,570 | - | 2,159,414 |
| Interest and other fiscal charges | 1,070,223 | 27,677 | - | 1,097,900 |
| Total expenditures | \$ 36,231,655 | \$ 2,538,535 | \$ 108,365 | \$ 38,878,555 |
| Excess (deficiency) of revenues over (under) expenditures | \$ 1,491,903 | \$ (1,113,982) | \$ (95,382) | \$ 282,539 |
| Other financing sources (uses): | | | | |
| Transfers in | \$ 1,918 | \$ 1,211,863 | \$ - | \$ 1,213,781 |
| Transfers out | (1,211,863) | (1,918) | - | (1,213,781) |
| Total other financing sources (uses) | \$ (1,209,945) | \$ 1,209,945 | \$ - | \$ - |
| Net change in fund balances | \$ 281,958 | \$ 95,963 | \$ (95,382) | \$ 282,539 |
| Fund balances at beginning of year, as restated | 16,793,918 | 4,735,701 | 5,161,504 | 26,691,123 |
| Fund balances at end of year | \$ 17,075,876 | \$ 4,831,664 | \$ 5,066,122 | \$ 26,973,662 |

The accompanying notes to financial statements are an integral part of this statement.

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2013

| | | <u>Primary Government Governmental Funds</u> |
|---|--------------------|--|
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Net change in fund balances - total governmental funds | \$ | 282,539 |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. The following details support this adjustment. | | |
| Capital outlay | \$ 1,314,277 | |
| Depreciation expense | <u>(1,448,793)</u> | (134,516) |
| Transfer of joint tenancy assets from Primary Government to the Component Unit | | (640,003) |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position. | | |
| Donation of land from Commonwealth of Virginia | | 350,500 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of unavailable taxes. | | |
| | | (144,326) |
| The issuance of long-term debt (e.g. bonds, leases) 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 the treatment of long-term debt and related items. A summary of items supporting this adjustment is as follows: | | |
| Principal retired on County notes payable | \$ 46,570 | |
| Principal retired on County revenue bonds | 540,000 | |
| Principal retired on School general obligation bonds | 1,376,004 | |
| Principal retired on Joint Venture bonds | 196,840 | |
| Increase in landfill closure/postclosure care liability | (2,152,600) | |
| Premium amortized on School general obligation bonds | <u>9,722</u> | 16,536 |
| 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. The following is a summary of items supporting this adjustment: | | |
| Decrease in accrued interest payable | \$ 23,411 | |
| Increase in compensated absences | <u>(71,948)</u> | (48,537) |
| Change in net position of governmental activities | \$ | <u><u>(317,807)</u></u> |

The accompanying notes to financial statements are an integral part of this statement.

Statement of Net Position - Proprietary Fund
At June 30, 2013

| | Proprietary Fund |
|---|---|
| | Amherst County Service Authority |
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 2,775,897 |
| Accounts receivable | 308,439 |
| Inventory | 216,245 |
| | <hr/> |
| Total current assets | \$ 3,300,581 |
| | <hr/> |
| Noncurrent assets: | |
| Restricted assets | \$ 1,001,009 |
| Other assets | 1,848,751 |
| Capital assets: | |
| Land | 623,523 |
| Construction in progress | 19,374 |
| Buildings and improvements, net of depreciation | 56,206 |
| Vehicles and other equipment, net of depreciation | 663,747 |
| Buildings and equipment, net of depreciation | 24,151,744 |
| Total capital assets | \$ 25,514,594 |
| | <hr/> |
| Total noncurrent assets | \$ 28,364,354 |
| | <hr/> |
| Total Assets | \$ 31,664,935 |
| | <hr/> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred amount on refunding | \$ 39,888 |
| | <hr/> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable and accrued expenses | \$ 112,174 |
| Customer deposits | 257,803 |
| Accrued interest payable | 146,258 |
| Long-term obligations - current portion | 526,216 |
| | <hr/> |
| Total current liabilities | \$ 1,042,451 |
| | <hr/> |
| Noncurrent liabilities: | |
| Long-term obligations - net of current portion | \$ 12,769,967 |
| | <hr/> |
| Total Liabilities | \$ 13,812,418 |
| | <hr/> |
| NET POSITION | |
| Net investment in capital assets | \$ 14,197,816 |
| Restricted by bond covenants | 1,001,009 |
| Unrestricted | 2,693,580 |
| | <hr/> |
| Total Net Position | \$ 17,892,405 |
| | <hr/> |

The accompanying notes to financial statements are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position --
 Proprietary Fund
 Year Ended June 30, 2013

| | Proprietary Fund |
|--|-------------------------------------|
| | Amherst County Service Authority |
| Operating revenues: | |
| Water | \$ 2,226,891 |
| Sewer | 629,677 |
| Other | 118,088 |
| Total operating revenues | \$ 2,974,656 |
| Operating expenses: | |
| Source of supply | \$ 169,278 |
| Water treatment | 457,396 |
| Water distribution | 254,548 |
| Sewer line | 45,345 |
| Sewage pumping | 32,880 |
| Sewage treatment | 230,096 |
| Customer accounting | 240,155 |
| Administrative and general | 694,637 |
| Depreciation and amortization | 654,478 |
| Total operating expenses | \$ 2,778,813 |
| Operating income (loss) | \$ 195,843 |
| Nonoperating revenues (expenses) | |
| Interest income | \$ 5,043 |
| Connection and availability charges | 177,918 |
| Line extension and other fees | 14,271 |
| Interest expense | (646,340) |
| Capacity payment - City of Lynchburg | (220,614) |
| Miscellaneous outlays and connection expenses | (72,873) |
| Other nonoperating revenues | 38,982 |
| Total nonoperating revenues (expenses) | \$ (703,613) |
| Net income (loss) | \$ (507,770) |
| Net position at beginning of year, as restated | 18,400,175 |
| Net position at end of year | \$ 17,892,405 |

The accompanying notes to financial statements are an integral part of this statement.

Statement of Cash Flows -
Proprietary Fund
Year Ended June 30, 2013

| | Proprietary Fund |
|---|-------------------------------------|
| | Amherst County Service Authority |
| Cash flows from operating activities: | |
| Receipts from customers and users | \$ 2,936,466 |
| Payments to suppliers | (1,260,337) |
| Payments to employees | (805,420) |
| Net cash provided by operating activities | \$ 870,709 |
| Cash flows from capital and related financing activities: | |
| Additions to utility plant and equipment | \$ (350,908) |
| Retirement of revenue bonds | (11,525,000) |
| Interest paid on debt | (595,186) |
| Proceeds from long-term indebtedness issued | 11,500,762 |
| Connection and availability fees | 177,918 |
| Line extension and other fees | 14,271 |
| Capacity payments - City of Lynchburg | (220,614) |
| Other nonoperating income | 38,982 |
| Miscellaneous connection expenses | (72,873) |
| Net cash provided by (used for) capital and related financing activities | \$ (1,032,648) |
| Cash flows from investing activities: | |
| Interest income | \$ 4,034 |
| Net cash provided by investing activities | \$ 4,034 |
| Increase (decrease) in cash and cash equivalents | \$ (157,905) |
| Cash and cash equivalents at beginning of year | 2,933,802 |
| Cash and cash equivalents at end of year | \$ 2,775,897 |
| Reconciliation of operating income to net cash provided by (used for) operating activities: | |
| Operating income (loss) | \$ 195,843 |
| Adjustments to reconcile net operating income (loss) to net cash provided by operations: | |
| Depreciation and amortization | 654,478 |
| Changes in operating assets and liabilities: | |
| (Increase) decrease in: | |
| Accounts receivable | (38,190) |
| Inventory | 24,404 |
| (Decrease) increase in: | |
| Accounts payable and accrued expenses | 20,565 |
| Customer deposits | 4,993 |
| Compensated absences | 8,616 |
| Net cash provided by operating activities | \$ 870,709 |

The accompanying notes to financial statements are an integral part of this statement.

Statement of Fiduciary Net Position - Fiduciary Funds
At June 30, 2013

| | <u>Agency Funds</u> |
|---|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 42,141 |
| | <u>42,141</u> |
| LIABILITIES | |
| Accounts payable | \$ 139 |
| Amounts held for projects | 25,670 |
| Amounts held for others | 11,570 |
| Amounts held for social service clients | 4,762 |
| Total liabilities | \$ 42,141 |

The accompanying notes to financial statements are an integral part of this statement.

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COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements As of June 30, 2013

Note 1—Summary of Significant Accounting Policies:

The County of Amherst, Virginia is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, social services.

The financial statements of the County of Amherst, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the government's accounting policies are described below.

Financial Statement Presentation

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

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. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component unit. Governments will report all capital assets, in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants).

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program *revenues*. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the government's original budget, final budget and actual results.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organizations governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Amherst, Virginia (the primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit - Amherst Economic Development Authority

The Amherst County Economic Development Authority (the "EDA") was created to promote industry and develop trade by encouraging enterprises to locate and remain in the County. The EDA is governed by the Board of Directors and the County is financially accountable for the EDA. It is authorized to acquire, own, lease and dispose of properties to the extent that such activities foster and stimulate economic development.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 1–Summary of Significant Accounting Policies: (Continued)

B. Individual Component Unit Disclosures: (Continued)

Blended Component Unit - Amherst County Service Authority

The Amherst County Service Authority serves all the citizens of the government and is governed by a board comprised of the government's elected supervisors. The rates for user charges and bond issuance authorizations are approved by the government's board. The Authority operates on a calendar year which ends December 31. The Authority's December 31, 2012 financial report is presented as an enterprise fund in the County's financial statements. Financial statements of the Amherst County Service Authority may be obtained by contacting the County of Amherst, Virginia, County Administrator, P.O. Box 390, Amherst, VA 24521.

Discretely Presented Component Unit - Amherst County School Board

The School Board members are appointed by the County's Board of Supervisors and are responsible for the operations of the County's school system within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its County budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2013.

Other Related Organizations Not Included in the County Financial Report

Amherst Industrial Development Authority

The Industrial Development Authority is excluded from the County financial report because the County exercises no oversight responsibilities nor has accountability for the fiscal affairs of the Authority. The County nominates members for the board however final appointment of board members rest with The Town of Amherst. The County is also not liable for any obligations of the Authority.

Jointly Governed Organizations

The County, in conjunction with other localities, has created Blue Ridge Regional Jail, Lynchburg Juvenile Detention Center, and Central Virginia Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$1,480,676 and \$92,382 to Blue Ridge Regional Jail and Central Virginia Community Services Board, respectively.

Complete financial statements of the jointly governed organizations may be obtained by contacting the County of Amherst, Virginia, County Administrator, P.O. Box 390, Amherst, VA 24521.

Other Related Organizations Included in the County's Financial Report

None

Note 1–Summary of Significant Accounting Policies: (Continued)

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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 government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. 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.

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Note 1–Summary of Significant Accounting Policies: (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The government reports the following major governmental funds:

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for government-wide reporting purposes.

b. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue fund includes the Dare Program, Recreation Activities, E-911 Fund, Community Development Block Grant, Economic Development and Solid Waste Fund and is considered a major fund.

c. Capital Projects Fund

The Capital Projects Fund accounts for and reports all financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The Capital Projects Fund is considered a major fund.

2. Proprietary Funds

Account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. The Proprietary Funds consist of Enterprise Funds.

Note 1–Summary of Significant Accounting Policies: (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation: (Continued)

2. Proprietary Funds: (continued)

Enterprise Funds

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. The County reports the following major enterprise fund:

Amherst County Service Authority - This fund is used to account for a sewage treatment plant, sewage pumping stations and collection systems as well as the water distribution system.

Enterprise 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Fiduciary Funds (Trust and Agency Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds. These funds utilize the modified accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

D. Budgets and Budgetary Accounting:

The following procedures are used by the County in establishing the budgetary data reflected in the financial statements:

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the line item level. The appropriation for each department can be revised only by the Board of Supervisors. However, the School Board is authorized to transfer budgeted amounts within the School system's categories.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 1–Summary of Significant Accounting Policies: (Continued)

D. Budgets and Budgetary Accounting: (Continued)

5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

E. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

F. Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. Investments consist of assets held by a trustee.

State statutes authorize the County and School Board to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$154,449 at June 30, 2013 is comprised of \$144,212 in property taxes and \$16,205 in utility accounts.

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable June 5th and December 5th. The County bills and collects its own property taxes.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 1–Summary of Significant Accounting Policies: (Continued)

H. Inventory

Inventory is reported at cost. Inventory consists entirely of materials at Amherst Service Authority.

I. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

Capital assets, which include property, plant and equipment, infrastructure and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County and School Board as land, buildings, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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. There was no interest attributable to capitalized assets as of June 30, 2013.

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------------------|--------------|
| Buildings | 40 |
| Building Improvements | 20-40 |
| Infrastructure | 20-40 |
| Vehicles | 5 |
| Office and computer equipment | 5 |
| Buses | 12 |
| Water and sewer system | 15-50 |
| Service Authority equipment | 5-15 |

Note 1–Summary of Significant Accounting Policies: (Continued)

K. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. In accordance with the provisions of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

L. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Fund Equity

The County reports fund balance in accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 1–Summary of Significant Accounting Policies: (Continued)

M. Fund Equity: (Continued)

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is the County policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance/resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

N. Retirement Plan

Retirement plan contributions are actuarially determined and consist of current services costs and amortization of prior service cost over a 30-year period. The County's policy is to fund pension costs as it accrues.

O. 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.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported for the Amherst County Service Authority. A deferred amount 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 term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Amortization expense for the year ended December 31, 2012 is \$1,016.

Note 1–Summary of Significant Accounting Policies: (Continued)

P. Deferred Outflows/Inflows of Resources: (Continued)

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 a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The County has one type of item that qualifies 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 and 2013 taxes levied during the fiscal year to finance the subsequent year's operations and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2013 taxes levied during the fiscal year to finance the subsequent year's operations are reported as deferred inflows of resources.

Q. Net Position

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

R. 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.

S. Adoption of Accounting Principles

Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, Statement No. 63 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement provides guidance for reporting deferred inflows and deferred outflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on an entity's net position. With the implementation of this Statement, certain terminology has changed and financial statement descriptions have changed from "net assets" to "net position". The net equity reported in the financial statements was not changed as a result of implementing this Statement and no restatement of prior balances is required.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 1—Summary of Significant Accounting Policies: (Continued)

S. Adoption of Accounting Principles: (Continued)

Items Previously Reported as Assets and Liabilities, Statement No. 65 of the Governmental Accounting Standards Board:

The County implemented the financial reporting provisions of the above Statement for the fiscal year ended June 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The net position reported in the financial statements was restated as a result of implementing this Statement. The restatement is described in Note 25.

T. Upcoming Pronouncements:

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County has not determined the impact of the pronouncement on its financial statements.

Note 2—Deposits and Investments:

Deposits

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 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 amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize the County 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).

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 2—Deposits and Investments: (Continued)

Custodial Credit Risk (Investments)

The County's investments at June 30, 2013 were held by the County or in the County's name by the County's custodial banks.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2013 were rated by Standard and Poor's and the ratings are presented below using Standard and Poor's rating scale.

| <u>Amherst County's Rate Debt Investments' Values</u> | |
|---|----------------------------|
| | Fair Quality Ratings |
| <u>Rated Debt Investments</u> | <u>AAAm</u> |
| SNAP | \$ 5,164,314 |
| LGIP | 10,020,904 |
| Total | <u>\$ 15,185,218</u> |

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission.

The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) is the same as the value of the pool shares. As LGIP is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP maintains a policy to operate in a manner consistent with SEC Rule 2a-7.

Note 3—Property Taxes Receivable:

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on June 5 and December 5. The County bills and collects its own property taxes.

The full 2013 levy has been recorded as unavailable revenue because it is used to fund expenditures for the subsequent year. Of the amount levied and due on June 5th, \$6,050,195 was collected through June 30th. At June 30th, \$490,861 of the amount due on June 5th was still outstanding. These amounts and the full amount due on December 5th are reported as deferred inflows.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 4—Due from Other Governmental Units:

| | <u>Primary Government</u> | <u>Component Unit</u> |
|--|-------------------------------|---------------------------|
| Commonwealth of Virginia: | | |
| Local sales tax | \$ 406,114 | \$ - |
| State sales tax | - | 799,153 |
| Communication tax | 204,791 | - |
| Public assistance and welfare administration | 56,625 | - |
| Commonwealth Attorney | 40,446 | - |
| Sheriff | 183,629 | - |
| Commissioner of Revenue | 10,116 | - |
| Treasurer | 9,963 | - |
| Clerk | 23,709 | - |
| Comprehensive Services Act | 243,080 | - |
| Fire Program Funds | 85,910 | - |
| Other | 79,549 | - |
| Federal Government: | | |
| School Grants | - | 635,556 |
| CDBG | 32,901 | - |
| Criminal Justice IT improvement | 6,399 | - |
| Public assistance and welfare administration | <u>81,131</u> | <u>-</u> |
| Total | \$ <u>1,464,363</u> | \$ <u>1,434,709</u> |

Note 5—Due To/From Primary Government/Component Units:

| <u>Fund</u> | <u>Due to Component Unit</u> | <u>Due From Primary Government</u> |
|------------------|--------------------------------------|--|
| General | \$ 2,841,788 | \$ - |
| School Operating | <u>-</u> | <u>2,841,788</u> |
| Totals | \$ <u>2,841,788</u> | \$ <u>2,841,788</u> |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 6—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2013:

| | <u>Balance</u> <u>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2013</u> |
|---|---------------------------------------|--------------------------|--------------------------|--|
| Primary Government: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,017,165 | \$ 350,500 | \$ - | \$ 2,367,665 |
| Construction in progress | <u>762,724</u> | <u>847,168</u> | <u>-</u> | <u>1,609,892</u> |
| Total capital assets not being depreciated | \$ <u>2,779,889</u> | \$ <u>1,197,668</u> | \$ <u>-</u> | \$ <u>3,977,557</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | \$ 20,935,418 | \$ 150,690 | \$ - | \$ 21,086,108 |
| Equipment | 5,202,168 | 316,419 | - | 5,518,587 |
| Intangible asset | 3,668,000 | - | - | 3,668,000 |
| Jointly owned assets | <u>12,332,922</u> | <u>-</u> | <u>1,376,004</u> | <u>10,956,918</u> |
| Total capital assets being depreciated | \$ <u>42,138,508</u> | \$ <u>467,109</u> | \$ <u>1,376,004</u> | \$ <u>41,229,613</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 6,853,767 | \$ 537,567 | \$ - | \$ 7,391,334 |
| Equipment | 4,016,231 | 345,895 | - | 4,362,126 |
| Intangible asset | - | 244,533 | - | 244,533 |
| Jointly owned assets | <u>3,838,431</u> | <u>320,798</u> | <u>736,001</u> | <u>3,423,228</u> |
| Total accumulated depreciation | \$ <u>14,708,429</u> | \$ <u>1,448,793</u> | \$ <u>736,001</u> | \$ <u>15,421,221</u> |
| Total capital assets being depreciated, net | \$ <u>27,430,079</u> | \$ <u>(981,684)</u> | \$ <u>640,003</u> | \$ <u>25,808,392</u> |
| Governmental capital assets, net | \$ <u><u>30,209,968</u></u> | \$ <u><u>215,984</u></u> | \$ <u><u>640,003</u></u> | \$ <u><u>29,785,949</u></u> |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 6—Capital Assets: (Continued)

Amherst County Service Authority

The following is a summary of changes in capital assets of the Amherst County Service Authority for the calendar year ended December 31, 2012:

| | Balance January 1, 2012 | Additions | Deletions | Balance December 31, 2012 |
|--|-------------------------------|---------------|---------------|---------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 623,523 | \$ - | \$ - | \$ 623,523 |
| Construction in progress, see detail below | 11,061,049 | 350,908 | 11,392,583 | 19,374 |
| Total capital assets not being depreciated | \$ 11,684,572 | \$ 350,908 | \$ 11,392,583 | \$ 642,897 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | \$ 91,325 | \$ - | \$ - | \$ 91,325 |
| Vehicles and other equipment | 1,078,462 | - | - | 1,078,462 |
| Utility plant in service | 27,849,354 | 11,392,583 | - | 39,241,937 |
| Total capital assets being depreciated | \$ 29,019,141 | \$ 11,392,583 | \$ - | \$ 40,411,724 |
| Less accumulated depreciation | \$ 14,886,565 | \$ 653,462 | \$ - | \$ 15,540,027 |
| Total capital assets being depreciated, net | \$ 14,132,576 | \$ 10,739,121 | \$ - | \$ 24,871,697 |
| Business-type activities capital assets, net | \$ 25,817,148 | \$ 11,090,029 | \$ 11,392,583 | \$ 25,514,594 |
| Construction in Progress Details: | | | | |
| Graham creek reservoir dam | \$ 11,043,315 | \$ 317,275 | \$ 11,360,590 | \$ - |
| Water line extensions | - | 12,727 | 12,727 | - |
| Sewer line extensions | - | 605 | 605 | - |
| Water line replacements | - | 18,661 | 18,661 | - |
| Facilities plan update | 17,734 | 1,640 | - | 19,374 |
| Total construction in progress | \$ 11,061,049 | \$ 350,908 | \$ 11,392,583 | \$ 19,374 |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 6—Capital Assets: (Continued)

The following is a summary of changes in capital assets of the Component Unit School Board for the fiscal year ended June 30, 2013:

| | Balance July 1, 2012 | Additions | Deletions | Balance June 30, 2013 |
|---|-------------------------|--------------|----------------|--------------------------|
| Component Unit School Board: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 309,826 | \$ - | \$ - | \$ 309,826 |
| Construction in progress | 423,297 | 311,105 | 517,791 | 216,611 |
| Total capital assets not being depreciated | \$ 733,123 | \$ 311,105 | \$ 517,791 | \$ 526,437 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | \$ 22,584,821 | \$ 517,791 | \$ (1,214,713) | \$ 24,317,325 |
| Equipment | 7,860,134 | 493,062 | - | 8,353,196 |
| Jointly owned assets | 19,563,078 | 1,376,004 | 1,214,713 | 19,724,369 |
| Total capital assets being depreciated | \$ 50,008,033 | \$ 2,386,857 | \$ - | \$ 52,394,890 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | \$ 18,659,608 | \$ 604,041 | \$ 2,898,766 | \$ 16,364,883 |
| Equipment | 6,039,520 | 372,011 | - | 6,411,531 |
| Jointly owned assets | 6,118,064 | 1,369,735 | (2,898,766) | 10,386,565 |
| Total accumulated depreciation | \$ 30,817,192 | \$ 2,345,787 | \$ - | \$ 33,162,979 |
| Total capital assets being depreciated, net | \$ 19,190,841 | \$ 41,070 | \$ - | \$ 19,231,911 |
| Governmental capital assets, net | \$ 19,923,964 | \$ 352,175 | \$ 517,791 | \$ 19,758,348 |

Depreciation expense was charged to functions/programs of the primary government and component units as follows:

| | |
|-----------------------------------|--------------|
| Governmental activities: | |
| General government administration | \$ 62,516 |
| Judicial administration | 95,613 |
| Public safety | 704,631 |
| Public works | 193,901 |
| Health and welfare | 10,780 |
| Education | 320,798 |
| Parks, recreation and cultural | 29,288 |
| Community development | 31,266 |
| Total | \$ 1,448,793 |
| Business-type activities: | |
| Amherst County Service Authority | \$ 653,462 |
| Component Unit-School Board | \$ 1,609,786 |
| * Total depreciation above | \$ 1,609,786 |
| Transfer of jointly owned assets | 736,001 |
| Total depreciation expense | \$ 2,345,787 |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 7—Amherst County Service Authority — Other and Restricted Assets:

A. Other Assets - Investment in City of Lynchburg Sewage Facilities:

The Authority invests in various City of Lynchburg Sewage Facilities Projects and agrees to repay the City for its applicable ownership interest annually.

| | <u>2012</u> |
|----------------------------|---------------------|
| Balance, beginning of year | \$ 1,976,578 |
| Increases | 41,049 |
| Decreases | <u>168,876</u> |
| Balance, end of year | <u>\$ 1,848,751</u> |

B. Restricted Assets:

At December 31, 2012 restricted assets consist of the following:

| | <u>Noncurrent Assets</u> |
|----------------------------|------------------------------|
| Rate stabilization fund CD | \$ <u>1,001,009</u> |
| Totals | <u>\$ 1,001,009</u> |

Note 8—Long-Term Obligations:

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2013:

| | <u>Balance Outstanding July 1, 2012</u> | <u>Issuances/ Increases</u> | <u>Retirements/ Decreases</u> | <u>Balance Outstanding June 30, 2013</u> | <u>Amount Due Within One Year</u> |
|--|---|---------------------------------|-----------------------------------|--|---|
| Governmental Activities: | | | | | |
| County notes payable | \$ 2,599,882 | \$ - | \$ 46,570 | \$ 2,553,312 | \$ 48,849 |
| County revenue bonds | 7,072,000 | - | 540,000 | 6,532,000 | 328,000 |
| County portion of joint venture bonds | 3,668,000 | - | 196,840 | 3,471,160 | 200,760 |
| Landfill closure and postclosure liability | 1,222,589 | 2,152,600 | - | 3,375,189 | - |
| Compensated absences | 827,226 | 71,948 | - | 899,174 | 89,918 |
| School general obligation bonds | 12,332,922 | - | 1,376,004 | 10,956,918 | 1,373,798 |
| Premium on bonds payable | <u>155,556</u> | <u>-</u> | <u>9,722</u> | <u>145,834</u> | <u>9,722</u> |
| Total governmental activities | <u>\$ 27,878,175</u> | <u>\$ 2,224,548</u> | <u>\$ 2,169,136</u> | <u>\$ 27,933,587</u> | <u>\$ 2,051,047</u> |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 8—Long-Term Obligations: (Continued)

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

| Year Ending June 30, | County Notes Payable | | County Revenue Bonds | | School General Obligation Bonds | | Joint Venture Region 2000 Local Government Council | |
|----------------------------|-------------------------|---------------------|-------------------------|---------------------|------------------------------------|---------------------|--|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2014 | \$ 48,849 | \$ 108,772 | \$ 328,000 | \$ 257,361 | \$ 1,373,798 | \$ 524,890 | \$ 200,760 | \$ 105,523 |
| 2015 | 51,243 | 106,378 | 341,000 | 244,438 | 1,356,739 | 452,472 | 207,200 | 99,420 |
| 2016 | 53,758 | 103,863 | 354,000 | 231,002 | 1,359,833 | 379,775 | 213,920 | 93,121 |
| 2017 | 56,402 | 101,219 | 368,000 | 217,055 | 1,158,089 | 312,987 | 220,640 | 86,618 |
| 2018 | 59,180 | 98,440 | 382,000 | 202,555 | 886,515 | 259,710 | 227,640 | 79,911 |
| 2019 | 62,101 | 95,520 | 397,000 | 187,505 | 890,119 | 214,789 | 234,640 | 72,990 |
| 2020 | 65,171 | 92,450 | 413,000 | 171,863 | 793,916 | 172,371 | 242,200 | 65,857 |
| 2021 | 68,398 | 89,673 | 430,000 | 155,591 | 692,909 | 135,664 | 249,760 | 58,494 |
| 2022 | 71,791 | 88,830 | 446,000 | 138,649 | 495,000 | 106,681 | 257,600 | 50,902 |
| 2023 | 76,358 | 82,263 | 465,000 | 121,076 | 470,000 | 83,542 | 266,000 | 43,071 |
| 2024 | 57,877 | 78,880 | 482,000 | 102,755 | 425,000 | 62,267 | 274,400 | 34,984 |
| 2025 | 49,573 | 76,751 | 501,000 | 83,764 | 360,000 | 43,200 | 283,080 | 26,643 |
| 2026 | 51,657 | 74,667 | 521,000 | 64,025 | 305,000 | 27,018 | 292,040 | 18,037 |
| 2027 | 53,829 | 72,495 | 541,000 | 43,498 | 225,000 | 14,003 | 301,280 | 9,159 |
| 2028 | 56,091 | 70,233 | 563,000 | 22,182 | 165,000 | 4,208 | - | - |
| 2029 | 58,449 | 67,876 | - | - | - | - | - | - |
| 2030 | 60,907 | 65,417 | - | - | - | - | - | - |
| 2031 | 63,467 | 62,857 | - | - | - | - | - | - |
| 2032 | 66,135 | 60,189 | - | - | - | - | - | - |
| 2033 | 68,915 | 57,409 | - | - | - | - | - | - |
| 2034 | 71,813 | 54,512 | - | - | - | - | - | - |
| 2035 | 74,831 | 51,493 | - | - | - | - | - | - |
| 2036 | 77,977 | 48,347 | - | - | - | - | - | - |
| 2037 | 81,255 | 45,069 | - | - | - | - | - | - |
| 2038 | 84,671 | 41,653 | - | - | - | - | - | - |
| 2039 | 88,231 | 38,093 | - | - | - | - | - | - |
| 2040 | 91,940 | 34,384 | - | - | - | - | - | - |
| 2041 | 95,805 | 30,519 | - | - | - | - | - | - |
| 2042 | 99,832 | 26,492 | - | - | - | - | - | - |
| 2043 | 104,029 | 22,295 | - | - | - | - | - | - |
| 2044 | 108,403 | 17,922 | - | - | - | - | - | - |
| 2045 | 112,960 | 13,364 | - | - | - | - | - | - |
| 2046 | 117,708 | 8,616 | - | - | - | - | - | - |
| 2047 | 122,657 | 3,667 | - | - | - | - | - | - |
| 2048 | 21,049 | 116 | - | - | - | - | - | - |
| | <u>\$ 2,553,312</u> | <u>\$ 2,090,724</u> | <u>\$ 6,532,000</u> | <u>\$ 2,243,319</u> | <u>\$ 10,956,918</u> | <u>\$ 2,793,575</u> | <u>\$ 3,471,160</u> | <u>\$ 844,730</u> |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 8—Long-Term Obligations: (Continued)

Details of Long-term Obligations:

| | <u>Amount Outstanding</u> |
|--|-------------------------------|
| <u>County Notes Payable:</u> | |
| \$2,420,000 VRA note issued September 27, 2007, maturing in monthly installments of principal and interest of \$10,527 beginning October 1, 2009 through 2047, interest at 4.125% | \$ 2,312,730 |
| \$309,067 issued October 28, 2008, maturing in monthly installments of principal and interest of \$2,608 beginning November 28, 2008 through 2023, interest at 6.00% | <u>240,582</u> |
| Total County notes payable | \$ <u>2,553,312</u> |
| <u>County Revenue Bonds:</u> | |
| \$5,350,000 EDA Lease Revenue Bonds, Series 2007 issued November 21, 2007, maturing in various installments through January 15, 2028, interest payable semi-annually at 3.94% | \$ 4,525,000 |
| \$2,373,000 EDA Lease Revenue Bonds, Series 2008 issued January 17, 2008, maturing in various installments through January 15, 2028, interest payable semi-annually at 3.94% | <u>2,007,000</u> |
| Total County revenue bonds | \$ <u>6,532,000</u> |
| <u>County portion of Joint Venture General Obligation Bonds:</u> | |
| \$13,100,000 issued May 8, 2012 by the Region 2000 Local Government Council, of which the County's obligation is 28.00% or \$3,668,000 (see note 20 for additional information), maturing in various installments through May 1, 2027, interest payable semi-annually at 3.04% | \$ <u>3,471,160</u> |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 8—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> |
|---|-------------------------------|
| <u>School General Obligation Bonds:</u> | |
| \$1,315,000 issued November 6, 2003, maturing annually in various installments through July 15, 2024, interest payable semi-annually at rates ranging from 3.1% to 5.35% | \$ 715,000 |
| \$3,500,000 issued November 18, 1993, maturing annually in various installments through December 15, 2013, interest payable at rates ranging from 4.475% to 5.0% semi-annually | 20,000 |
| \$5,500,000, issued May 15, 1996, maturing annually in installments of \$275,000 through July 15, 2016, interest payable semi-annually at 5.57% | 1,100,000 |
| \$2,000,000 issued April 30, 1998, maturing in principal annual installments of \$100,000 through July 15, 2018, interest payable semi-annually at 4.95% | 600,000 |
| \$550,000, issued November 15, 2001, maturing annually in various installments through July 15, 2021, interest payable semi-annually at rates between 3.10% and 5.25% | 225,000 |
| \$2,000,000, issued April 30, 1999, maturing in principal annual installments of \$100,000 through July 15, 2019, interest payable at 4.73% | 700,000 |
| \$3,351,287 issued November 16, 2000, maturing annually in various installments through July 15, 2020, interest payable at 5.15% | 1,481,918 |
| \$1,615,000 issued November 10, 2005, maturing annually in various installments through July 15, 2025, interest payable semi-annually at rates ranging from 4.6% to 5.10% | 1,040,000 |
| \$4,000,000 issued May 18, 1995, maturing annually in installments of \$200,000 each through July 15, 2015, interest payable semi-annually at rates ranging from 5.4% to 5.975% | 600,000 |
| \$1,120,000 issued November 10, 2004, maturing annually in various installments through July 15, 2024, interest payable semi-annually at rates ranging from 4.1% to 5.6% | 660,000 |
| \$965,000 issued November 7, 2002, maturing annually in various installments through July 15, 2022, interest payable semi-annually at rates ranging from 2.35% to 7.85% | 465,000 |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 8—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

| | <u>Amount Outstanding</u> |
|--|-------------------------------|
| <u>School General Obligation Bonds: (Continued)</u> | |
| \$1,265,000 issued November 9, 2006, maturing annually in various installments through July 15, 2026, interest payable semi-annually at rates ranging from 4.225% to 5.1% | \$ 875,000 |
| \$3,325,000 issued November 8, 2007, maturing in annual principal installments of \$175,000 through July 15, 2028, interest payable semi-annually at rates ranging from 4.1% to 5.1% | <u>2,475,000</u> |
| Total school general obligation bonds | \$ <u>10,956,918</u> |
| Landfill closure and postclosure liability | \$ <u>3,375,189</u> |
| Premium on bonds payable | \$ <u>145,834</u> |
| Compensated absences | \$ <u>899,174</u> |
| Total long-term obligations | \$ <u><u>27,933,587</u></u> |

Amherst County Service Authority:

The following is a summary of long-term obligation transactions of the Authority for the year ended December 31, 2012:

| | <u>Balance Outstanding Jan 1, 2012</u> | <u>Issuances/ Increases</u> | <u>Retirements/ Decreases</u> | <u>Balance Outstanding Dec 31, 2012</u> | <u>Amount Due Within One Year</u> |
|---------------------------|--|---------------------------------|-----------------------------------|---|---|
| Business-Type Activities: | | | | | |
| Revenue bonds | \$ 11,340,000 | \$ 9,915,000 | \$ 11,525,000 | \$ 9,730,000 | \$ 240,000 |
| Premium on bond | - | 1,668,090 | 41,424 | 1,626,666 | 107,174 |
| Long-term notes | 1,976,578 | 41,049 | 168,876 | 1,848,751 | 169,965 |
| Compensated absences | <u>82,150</u> | <u>8,616</u> | <u>-</u> | <u>90,766</u> | <u>9,077</u> |
| | \$ <u><u>13,398,728</u></u> | \$ <u><u>11,632,755</u></u> | \$ <u><u>11,735,300</u></u> | \$ <u><u>13,296,183</u></u> | \$ <u><u>526,216</u></u> |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 8—Long-Term Obligations: (Continued)

Amherst County Service Authority: (Continued)

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

| Year Ending December 31, | Revenue Bonds | | Long-Term Notes | |
|-----------------------------|---------------|--------------|-----------------|------------|
| | Principal | Interest | Principal | Interest |
| 2013 | \$ 240,000 | \$ 474,813 | \$ 169,965 | \$ 47,238 |
| 2014 | 250,000 | 466,563 | 171,096 | 42,695 |
| 2015 | 265,000 | 455,150 | 172,269 | 38,110 |
| 2016 | 280,000 | 441,569 | 163,638 | 33,481 |
| 2017 | 290,000 | 429,469 | 164,903 | 31,621 |
| 2018 | 305,000 | 414,606 | 166,216 | 27,353 |
| 2019 | 315,000 | 401,525 | 167,578 | 23,105 |
| 2020 | 335,000 | 385,381 | 168,993 | 18,803 |
| 2021 | 355,000 | 368,213 | 77,384 | 11,816 |
| 2022 | 360,000 | 353,169 | 54,897 | 10,323 |
| 2023 | 380,000 | 335,719 | 55,633 | 9,412 |
| 2024 | 400,000 | 316,244 | 46,662 | 8,471 |
| 2025 | 420,000 | 295,744 | 47,460 | 7,498 |
| 2026 | 445,000 | 274,219 | 48,290 | 6,492 |
| 2027 | 465,000 | 254,113 | 49,155 | 5,451 |
| 2028 | 485,000 | 233,081 | 28,249 | 4,375 |
| 2029 | 505,000 | 211,125 | 29,187 | 3,262 |
| 2030 | 290,000 | 185,244 | 5,598 | 2,109 |
| 2031 | 300,000 | 170,381 | 5,598 | 1,934 |
| 2032 | 320,000 | 155,006 | 5,598 | 1,758 |
| 2033 | 335,000 | 138,606 | 5,598 | 1,582 |
| 2034 | 350,000 | 122,488 | 5,598 | 1,406 |
| 2035 | 370,000 | 104,550 | 5,598 | 1,230 |
| 2036 | 385,000 | 85,588 | 5,598 | 1,055 |
| 2037 | 405,000 | 65,856 | 5,598 | 879 |
| 2038 | 430,000 | 45,100 | 5,598 | 703 |
| 2039 | 450,000 | 23,063 | 5,598 | 527 |
| 2040 | - | - | 5,598 | 352 |
| 2041 | - | - | 5,598 | 176 |
| Totals | \$ 9,730,000 | \$ 7,206,585 | \$ 1,848,751 | \$ 343,217 |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 8—Long-Term Obligations: (Continued)

Amherst County Service Authority: (Continued)

Details of Long-Term Obligations Outstanding:

Revenue Bond:

| | |
|---|----------------------|
| \$9,915,000 Refunding Bond, issued June 13, 2012 due in annual installments ranging from \$185,000 to \$450,000 through October 1, 2039, interest payable semi-annually at 5.125% | \$ 9,730,000 |
| Premium on refunding bond | <u>1,626,666</u> |
| Total revenue bond | <u>\$ 11,356,666</u> |

Long-Term Notes:

| | |
|---|----------------------|
| \$421,819 issued in 1993, due in annual principal installments of \$9,736 through June 1, 2023 interest at 5.5% | \$ 107,093 |
| \$196,993 issued in 1995, due in annual principal installments of \$9,850 through June 1, 2015, interest at 5.96% | 29,550 |
| \$747,643 issued in 1998, due in annual principal installments of \$21,806 through June 1, 2017, interest at 3.5% | 327,094 |
| \$1,996,292 issued in 2001, due in annual principal installments of \$93,078 through June 1, 2017, interest at 3% | 744,627 |
| \$322,159 issued in 2002, due in annual installments of \$23,803 through June 1, 2021, interest at 3.41% | 182,410 |
| \$329,751 issued in 2010, due in annual installments of \$24,565 through June 1, 2029, interest at 4.14% | 295,636 |
| \$129,890 issued in 2011, due in annual installments of \$4,230 through June 1, 2041, interest at 3.25% | 122,660 |
| \$41,049 issued in 2011, due in annual installments of \$4,230 through June 1, 2041, interest at 2.8% | <u>39,681</u> |
| Total Long-Term Notes | <u>\$ 1,848,751</u> |
| Compensated absences | <u>\$ 90,766</u> |
| Total long-term obligations | <u>\$ 13,296,183</u> |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit School Board:

The following is a summary of long-term obligation transactions for the year ended June 30, 2013:

| | Balance Outstanding July 1, 2012 | Increases | Decreases | Balance Outstanding June 30, 2013 | Amount Due Within One Year |
|----------------------|---|-----------|-----------|--|----------------------------------|
| Compensated absences | \$ 441,375 | \$ 10,959 | \$ - | \$ 452,334 | \$ 45,233 |
| Total | \$ 441,375 | \$ 10,959 | \$ - | \$ 452,334 | \$ 45,233 |

Details of Long-term Obligations:

| | |
|-----------------------------|------------|
| Compensated absences | \$ 452,334 |
| Total long-term obligations | \$ 452,334 |

Note 9—Compensated Absences:

In accordance with GASB Statement 16, *Accounting for Compensated Absences*, the County has accrued the liability arising from outstanding compensated absences. No benefits or pay is received for unused sick leave upon termination except for employees of the Department of Social Services who are paid sick leave at termination if employed by the agency for over five years. Accumulated vacation up to thirty six days is paid upon termination. The Primary Government has outstanding accrued vacation and sick leave pay totaling \$899,174, which is liquidated in the general fund. The Service Authority has outstanding accrued vacation and sick leave pay totaling \$90,766 in the enterprise fund. The School Board has outstanding accrued vacation and sick leave pay totaling \$452,334, which is liquidated in the School Operating Fund.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 10—Defined Benefit Pension Plan:

A. Plan Description

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

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

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

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

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85%

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 10—Defined Benefit Pension Plan: (Continued)

A. Plan Description: (Continued)

as elected by the employer. The multiplier for Plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

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

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

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5 % member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board are required to contribute the remaining amounts necessary to fund participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County's and School's non-professional employees contribution rates for the fiscal year ended 2013 were 12.09% and 7.16% of annual covered payroll, respectively. The Authority's contribution rate for the year ended December 31, 2012 was 8.97% (2nd half) and 6.69% (1st half) of annual covered payroll.

The School Board's contributions for professional employees were \$2,639,982, \$1,432,899, and \$1,567,071, to the teacher cost-sharing pool for the fiscal years ended June 30, 2013, 2012, and 2011, respectively and these contributions represented 11.66%, 6.33%, and 3.93% for 2013, 2012, and 2011, respectively, of current covered payroll.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 10—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost

For fiscal year 2013, the County's annual pension cost of \$868,645 was equal to the County's required and actual contributions.

| Three Year Trend Information - County | | | |
|---------------------------------------|--|-------------------------------|------------------------|
| Fiscal Year Ending | Annual Pension Cost (APC) ¹ | Percentage of APC Contributed | Net Pension Obligation |
| June 30, 2013 | \$ 868,645 | 100% | \$ - |
| June 30, 2012 | 624,969 | 100% | - |
| June 30, 2011 | 656,633 | 100% | - |

¹ Employer portion only

For calendar year ended 2012, the Authority's annual pension cost of \$73,593 was equal to the Authority's required and actual contributions.

| Three Year Trend Information - Amherst County Service Authority | | | |
|---|--|-------------------------------|------------------------|
| Fiscal Year Ending | Annual Pension Cost (APC) ¹ | Percentage of APC Contributed | Net Pension Obligation |
| December 31, 2012 | \$ 73,593 | 100% | \$ - |
| December 31, 2011 | 58,133 | 100% | - |
| December 31, 2010 | 51,646 | 100% | - |

¹ Employer portion only

For fiscal year 2013, the School Board's annual pension cost for the Board's non-professional employees was \$137,142, which was equal to the Board's required and actual contributions.

| Three Year Trend Information - School Board Non-Professional | | | |
|--|--|-------------------------------|------------------------|
| Fiscal Year Ending | Annual Pension Cost (APC) ¹ | Percentage of APC Contributed | Net Pension Obligation |
| June 30, 2013 | \$ 137,142 | 100% | \$ - |
| June 30, 2012 | 98,771 | 100% | - |
| June 30, 2011 | 98,418 | 100% | - |

¹ Employer portion only

Note 10—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

The 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.00%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's, Authority's, and School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's, Authority's, and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability was 30 years.

D. Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the County's plan was 78.31% funded. The actuarial accrued liability for benefits was \$34,969,054, and the actuarial value of assets was \$27,383,056, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,585,998. The covered payroll (annual payroll of active employees covered by the plan) was \$7,018,607 and ratio of the UAAL to the covered payroll was 108.08%.

As of June 30, 2012, the most recent actuarial valuation date, the Authority's plan was 77.95% funded. The actuarial accrued liability for benefits was \$4,185,098, and the actuarial value of assets was \$3,262,435, resulting in an unfunded actuarial accrued liability (UAAL) of \$922,663. The covered payroll (annual payroll of active employees covered by the plan) was \$911,022, and ratio of UAAL to the covered payroll was 101.28%.

As of June 30, 2012, the most recent actuarial valuation date, the School Board's plan was 96.80% funded. The actuarial accrued liability for benefits was \$6,382,491, and the actuarial value of assets was \$6,178,305, resulting in an unfunded actuarial accrued liability (UAAL) of \$204,186. The covered payroll (annual payroll of active employees covered by the plan) was \$2,075,447, and ratio of UAAL to the covered payroll was 9.84%.

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

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 11—VRS Health Insurance Credit - Other Postemployment Benefits:

A. Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 10.

B. Funding Policy

As a participating local political subdivision, the County is required to contribute the entire amount necessary to fund participation in the program using the actuarial basis specified by the Code of Virginia and the VRS Board of Trustees. The County's contribution rate for the fiscal year ended 2013 was .11% of annual covered payroll.

C. Annual OPEB Cost and Net OPEB Obligation

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

For fiscal year 2013, the County's contribution of \$7,917 was equal to the ARC and OPEB cost. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years are as follows:

| <u>Fiscal Year Ending</u> | <u>Annual OPEB Cost (ARC)</u> | <u>Percentage of ARC Contributed</u> | <u>Net OPEB Obligation</u> |
|---------------------------|-----------------------------------|--|--------------------------------|
| June 30, 2013 | \$ 7,917 | 100% | \$ - |
| June 30, 2012 | 8,022 | 100% | - |
| June 30, 2011 | 8,430 | 100% | - |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 11—VRS Health Insurance Credit - Other Postemployment Benefits: (Continued)

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012, the most recent actuarial valuation date, is as follows:

| | | |
|---|----|-----------|
| Actuarial accrued liability (AAL) | \$ | 174,184 |
| Actuarial value of plan assets | \$ | 104,397 |
| Unfunded actuarial accrued liability (UAAL) | \$ | 69,787 |
| Funded ratio (actuarial value of plan assets/AAL) | | 59.93% |
| Covered payroll (active plan members) | \$ | 2,735,077 |
| UAAL as a percentage of covered payroll | | 2.55% |

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

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

E. Actuarial Methods and Assumptions

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

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

The entry age normal cost method was used to determine the plan's funding liabilities and costs. The actuarial assumptions included a 7.0% investment rate of return, compounded annually, including an inflation component of 2.5%, and a payroll growth rate of 3%. The UAAL is being amortized as a level percentage of payrolls on an open basis. The remaining open amortization period at June 30, 2012 was 29 years.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 12—Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Unavailable revenue totaling \$13,656,331 is comprised of delinquent property taxes not yet received and amounts assessed to fund expenditures for next fiscal year. Under an accrual basis, the full RE levy for 2013 taxes is considered unavailable since it is levied to fund next year's operations.

Note 13—Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 14—Landfill Closure and Postclosure Care Costs:

State and federal laws and regulations require the County to place a final cover on its operating landfill site when they stop accepting waste and to perform certain maintenance and monitoring functions at these sites for thirty years after closure. Although closure and postclosure cost will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date. The \$3,375,189 reported as landfill closure and postclosure care liability at June 30, 2013, represents the cumulative amount reported to date based on the use of 100% of the closed Landfill and 42% of the estimated capacity of the operating Landfill.

The County will recognize the remaining estimated cost of closure and postclosure care of \$2,916,096 as the remaining estimated capacities are filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

It is estimated that the existing cell of the operating Landfill has sufficient capacity to continue accepting waste for 6 more years. The County expects to fund the landfill closure and postclosure care costs from its operating and capital budget.

The County has demonstrated financial assurance requirements for closure, postclosure 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 9VAC20-70 of the Virginia Administrative Code.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 15—Litigation:

At June 30, 2013, there were no other matters of litigation involving the County which would materially affect the County's financial position should any court decision on pending matters not be favorable to the County.

Note 16—Risk Management:

The County of Amherst has contracted with private insurance carriers to provide coverage for property damage, employee dishonesty, general liability and workers compensation. The County bills the Authority for its share of the insurance premiums related to coverages provided to the Authority.

There have been no significant reduction in insurance coverages from the prior year, and there have been no insurance settlements in excess of insurance coverages for the past three years.

The Authority also participates in the County's health insurance plan. The County contracts with a private carrier for health insurance coverages. The Authority pays its share of these costs.

Note 17—Surety Bonds:

| | <u>Amount</u> |
|--------------------------------------|---------------|
| Vaco - Blanket Bonds: | |
| County employees | \$ 250,000 |
| School Board officials and employees | 250,000 |

Note 18—Expenditures and Appropriations:

Expenditures exceeded appropriations at June 30, 2013 as follows:

| | <u>Budget As Amended</u> | <u>Actual</u> | <u>Amount</u> |
|--------------------------------|--------------------------|---------------|---------------|
| Primary Government: | | | |
| Parks rec and cultural | \$ 187,017 | \$ 203,684 | \$ 16,667 |
| Component Unit - School Board: | | | |
| School food services | 2,244,493 | 2,255,720 | 11,227 |
| Capital projects | 658,886 | 712,126 | 53,240 |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 19—Postemployment Benefits Other Than Pensions:

The Government offers postemployment medical coverage to its retired employees, but has no employees enrolled in the program. The Government has elected not to obtain an actuarial valuation to determine liability for this benefit in accordance with the financial reporting requirements of GASB 45 and believes there is no material effect on the County's financial position.

Note 20—Joint Venture:

The County of Amherst, Virginia is a participant in the Region 2000 Radio Communications Board, established as a committee of Virginia's Region 2000 Local Government Council (Council), consisting of representatives from each of the Member Jurisdictions. The Board is a joint venture formed in 1996, by a cooperative agreement between the County of Amherst, Virginia, the County of Bedford, Virginia, the City of Bedford, Virginia, and the City of Lynchburg, Virginia, collectively the Member Jurisdictions, and Virginia's Region 2000 Local Government Council.

The purpose of the Board is to operate the regional emergency communications system and to manage the project operations and maintenance in an efficient and cost effective manner. The system is in need of significant upgrades or replacement to maintain or improve the level of emergency services currently provided by the Member Jurisdictions. On May 8, 2012, the Council, as fiscal agent, issued a bond in the amount of \$13,100,000 to finance the equipping of a new emergency communications system. The County has no explicit and measurable financial interest in the Board but does have an ongoing financial responsibility for its share of the Board's operational costs, capital costs, and annual deficit. The allocation of payments made to reimburse operational costs, capital costs, and any annual deficit associated with the project and system was determined pursuant to the following cost allocation methodology:

Capital Costs:

- | | |
|--------------------------|-----------------------------|
| • Amherst County - 28.0% | • Bedford County - 36.8% |
| • City of Bedford - 5.1% | • City of Lynchburg - 30.1% |

Operating Costs: Each Member Jurisdiction's share of annual operating costs shall be based on the number of radios on the System attributable to the Member Jurisdiction as a percentage of total Member Jurisdiction radios on the System.

Annual Deficit: Each Member Jurisdiction's share of any Annual Deficit shall be based on the formulas for determining its share of Capital Costs or Operating Costs, or a combination of both formulas as appropriate, depending on the type of costs constituting the Annual Deficit. Any unforeseen Operating Costs not included in the Annual Budget shall be treated as part of the Annual Deficit.

The payments made to the Council as described above are recorded as expenses in the year due, with the exception of payments made to fund the County's portion of project costs, which are capitalized as intangible assets. The County amortizes these costs over the period in which benefits are expected to be derived, which is generally 15 years.

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 21—Incentive Agreement:

The County, along with the Industrial Development Authority of Amherst County, entered into an Incentive Agreement with Lowe's Home Centers, Inc. on December 17, 2003. As part of the agreement, Lowe's will receive \$1,510,000 over ten years from the County in exchange for Lowe's constructing and operating one of their branches in Amherst County. Five payments of \$115,925 each have been made to Lowe's and the matter is currently in negotiations.

Note 22—Long-Term Commitments:

Cooperative Agreement - Region 2000 Radio Communications Board

As discussed in Note 20, the Region 2000 Radio Communications Board is a joint venture created by a cooperative agreement. The Board's current operational costs, capital costs, and annual deficit are funded by each of the member jurisdictions based on their pro rata share. The County made payments to the Board in fiscal year 2013 of \$222,658 to pay its share of the Board's operating costs.

Note 23—Construction Commitments:

At June 30, 2013, the County has several major projects under construction which are summarized below. These balances are included in the committed balance for the Capital Projects Fund and the School Construction Fund.

| <u>Project Name</u> | <u>Contractor</u> | <u>Contract Amount</u> | <u>Expended to Date</u> | <u>Balance</u> |
|------------------------------------|------------------------|----------------------------|-----------------------------|----------------|
| County: | | | | |
| Depot Project | Dalglish Gilpin Paxton | \$ 33,077 | \$ 23,237 | \$ 9,840 |
| School Board: | | | | |
| Amherst High and Monelison Roofing | WA Lynch Roofing | \$ 352,500 | \$ 189,781 | \$ 162,719 |
| Amherst High and Monelison Roofing | Dominion Seven | 16,500 | 14,000 | 2,500 |
| Total outstanding contracts | | \$ 369,000 | \$ 203,781 | \$ 165,219 |

COUNTY OF AMHERST, VIRGINIA

Notes to Financial Statements
As of June 30, 2013 (Continued)

Note 24—Interfund Transfers:

Transfers for the year ended June 30, 2013 consisted of the following:

| | <u>Transfers In</u> | <u>Transfers Out</u> | <u>Net</u> |
|---------------------------------|---------------------|----------------------|----------------|
| Primary Government: | | | |
| General fund | \$ 1,918 | \$ 1,211,863 | \$ (1,209,945) |
| Special revenue fund | - | 1,918 | (1,918) |
| Special revenue fund (Landfill) | 1,211,863 | - | 1,211,863 |
| Total Transfers | <u>\$ 1,213,781</u> | <u>\$ 1,213,781</u> | <u>\$ -</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

Note 25—Net Position and Fund Balance Restatement:

Net Position and fund balance were restated as of July 1, 2012 as follows:

| | <u>General Fund Balance</u> | <u>Special Revenue Fund Balance</u> | <u>Governmental Activities Net Position</u> | <u>Business-Type Activities Net Position</u> |
|---|-------------------------------------|---|---|--|
| Balance June 30, 2012, as originally reported | \$ 16,611,630 | \$ 4,734,922 | \$ 36,098,135 | \$ 18,905,824 |
| Property tax adjustment for unavailable taxes recorded as revenue | - | - | (6,593,251) | - |
| School Board prepaid expenses not recorded affecting due to/from | 109,487 | - | 109,487 | - |
| Accounts receivable not recorded | 72,801 | 779 | 73,580 | - |
| Write-off of bond issuance costs - GASB 65 implementation | - | - | - | (505,649) |
| Balance July 1, 2012, as restated | <u>\$ 16,793,918</u> | <u>\$ 4,735,701</u> | <u>\$ 29,687,951</u> | <u>\$ 18,400,175</u> |

Required Supplementary Information

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Schedule of Revenues, Expenditures and Changes in Fund Balances --
 Budget and Actual -- General Fund
 Year Ended June 30, 2013

| | General Fund | | | Variance With Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|----------------|---|
| | Original Budget | Budget As Amended | Actual | |
| Revenues: | | | | |
| General property taxes | \$ 19,396,608 | \$ 19,396,608 | \$ 20,192,306 | \$ 795,698 |
| Other local taxes | 5,170,648 | 5,170,648 | 5,490,027 | 319,379 |
| Permits, privilege fees and regulatory licenses | 139,500 | 139,500 | 178,669 | 39,169 |
| Fines and forfeitures | 42,300 | 369,984 | 626,244 | 256,260 |
| Revenue from use of money and property | 99,284 | 99,284 | 99,149 | (135) |
| Charges for services | 1,240,228 | 1,346,280 | 1,503,694 | 157,414 |
| Miscellaneous | 33,760 | 128,105 | 266,036 | 137,931 |
| Recovered costs | 27,440 | 86,000 | 197,554 | 111,554 |
| Intergovernmental: | | | | |
| Local | - | - | 400,000 | 400,000 |
| Commonwealth | 7,599,859 | 8,095,853 | 7,598,500 | (497,353) |
| Federal | 1,089,116 | 1,094,772 | 1,171,379 | 76,607 |
| Total revenues | \$ 34,838,743 | \$ 35,927,034 | \$ 37,723,558 | \$ 1,796,524 |
| Expenditures: | | | | |
| Current: | | | | |
| General government administration | \$ 2,140,759 | \$ 2,325,195 | \$ 2,243,747 | \$ 81,448 |
| Judicial administration | 1,295,211 | 1,342,342 | 1,191,970 | 150,372 |
| Public safety | 8,661,396 | 9,853,411 | 9,371,311 | 482,100 |
| Public works | 865,882 | 1,446,416 | 1,232,971 | 213,445 |
| Health and welfare | 3,408,020 | 4,652,474 | 4,602,056 | 50,418 |
| Education | 13,131,541 | 13,521,076 | 12,851,465 | 669,611 |
| Parks, recreation, and cultural | 1,040,853 | 1,032,868 | 1,029,089 | 3,779 |
| Community development | 663,199 | 698,932 | 525,979 | 172,953 |
| Debt service: | | | | |
| Principal retirement | 2,232,004 | 2,112,844 | 2,112,844 | - |
| Interest and other fiscal charges | 1,338,247 | 1,079,528 | 1,070,223 | 9,305 |
| Total expenditures | \$ 34,777,112 | \$ 38,065,086 | \$ 36,231,655 | \$ 1,833,431 |
| Excess (deficiency) of revenues over expenditures | \$ 61,631 | \$ (2,138,052) | \$ 1,491,903 | \$ 3,629,955 |
| Other financing sources (uses): | | | | |
| Transfers in | \$ - | \$ 1,918 | \$ 1,918 | \$ - |
| Transfers out | (1,205,263) | (1,205,263) | (1,211,863) | (6,600) |
| Total other financing sources (uses) | \$ (1,205,263) | \$ (1,203,345) | \$ (1,209,945) | \$ (6,600) |
| Net change in fund balances | \$ (1,143,632) | \$ (3,341,397) | \$ 281,958 | \$ 3,623,355 |
| Fund balances at beginning of year, as restated | 1,143,632 | 3,341,397 | 16,793,918 | 13,452,521 |
| Fund balances at end of year | \$ - | \$ - | \$ 17,075,876 | \$ 17,075,876 |

Schedule of Pension and OPEB Funding Progress for the Virginia Retirement System
For the Year Ended June 30, 2013

VIRGINIA RETIREMENT SYSTEM - PENSION FUNDING PROGRESS**COUNTY:**

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability | Funded Ratio (2)/(3) | Covered Payroll | UAAL as % of Payroll (4)/(6) |
|--------------------------------|--|--|--|----------------------------|--------------------|---------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 6/30/2012 | \$ 27,383,056 | \$ 34,969,054 | \$ 7,585,998 | 78.31% | \$ 7,018,607 | 108.08% |
| 6/30/2011 | 27,570,535 | 34,038,977 | 6,468,442 | 81.00% | 7,655,506 | 84.49% |
| 6/30/2010 | 26,835,520 | 32,487,419 | 5,651,899 | 82.60% | 7,744,610 | 72.98% |

AMHERST COUNTY SERVICE AUTHORITY:

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability | Funded Ratio (2)/(3) | Covered Payroll | UAAL as % of Payroll (4)/(6) |
|--------------------------------|--|--|--|----------------------------|--------------------|---------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 6/30/2012 | \$ 3,262,435 | \$ 4,185,098 | \$ 922,663 | 77.95% | \$ 911,022 | 101.28% |
| 6/30/2011 | 3,184,154 | 4,001,226 | 817,072 | 79.58% | 838,755 | 97.41% |
| 6/30/2010 | 3,025,064 | 3,800,004 | 774,940 | 79.61% | 902,894 | 85.83% |

**DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD
SCHOOL BOARD NON-PROFESSIONALS:**

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability | Funded Ratio (2)/(3) | Covered Payroll | UAAL as % of Payroll (4)/(6) |
|--------------------------------|--|--|--|----------------------------|--------------------|---------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 6/30/2012 | \$ 6,178,305 | \$ 6,382,491 | \$ 204,186 | 96.80% | \$ 2,075,447 | 9.84% |
| 6/30/2011 | 6,148,548 | 6,376,707 | 228,159 | 96.42% | 2,065,230 | 11.05% |
| 6/30/2010 | 5,997,556 | 6,192,333 | 194,777 | 96.85% | 2,281,558 | 8.54% |

VIRGINIA RETIREMENT SYSTEM - HEALTH INSURANCE CREDIT**COUNTY:**

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability | Funded Ratio (2)/(3) | Covered Payroll | UAAL as % of Payroll (4)/(6) |
|--------------------------------|--|--|--|----------------------------|--------------------|---------------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 6/30/2012 | \$ 104,397 | \$ 174,184 | \$ 69,787 | 59.93% | \$ 2,735,077 | 2.55% |
| 6/30/2011 | 110,502 | 173,115 | 62,613 | 63.83% | 3,384,988 | 1.85% |
| 6/30/2010 | 95,491 | 163,413 | 67,922 | 58.44% | 7,744,610 | 0.88% |

Other Supplementary Information

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Combining and Individual Fund Statements and Schedules

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Combining Schedule of Fiduciary Net Position -
 Agency Funds
 At June 30, 2013

| | Agency Funds | | | Totals |
|---|----------------------------|-----------------------------|-----------------------|-----------|
| | Special Welfare Fund | Forfeited Assets Fund | Sheriff's Accounts | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 4,901 | \$ 25,670 | \$ 11,570 | \$ 42,141 |
| LIABILITIES | | | | |
| Accounts payable | \$ 139 | \$ - | \$ - | \$ 139 |
| Amounts held for projects | - | 25,670 | - | 25,670 |
| Amounts held for others | - | - | 11,570 | 11,570 |
| Amounts held for social service clients | 4,762 | - | - | 4,762 |
| Total liabilities | \$ 4,901 | \$ 25,670 | \$ 11,570 | \$ 42,141 |

Agency Funds
Schedule of Changes in Assets and Liabilities
Year Ended June 30, 2013

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---|---------------------------------|-----------|-----------|---------------------------|
| Special welfare Fund: | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 4,773 | \$ 18,803 | \$ 18,675 | \$ 4,901 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 139 | \$ - | \$ 139 |
| Amounts held for social service clients | 4,773 | 18,664 | 18,675 | 4,762 |
| Total liabilities | \$ 4,773 | \$ 18,803 | \$ 18,675 | \$ 4,901 |
| Forfeited assets fund: | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 19,990 | \$ 18,200 | \$ 12,520 | \$ 25,670 |
| Liabilities: | | | | |
| Amounts held for projects | \$ 19,990 | \$ 18,200 | \$ 12,520 | \$ 25,670 |
| Sheriff's accounts: | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 19,058 | \$ 18,027 | \$ 25,515 | \$ 11,570 |
| Liabilities: | | | | |
| Amounts held for others | \$ 19,058 | \$ 18,027 | \$ 25,515 | \$ 11,570 |
| Totals -- All agency funds | | | | |
| Assets: | | | | |
| Cash and cash equivalents | \$ 43,821 | \$ 55,030 | \$ 56,710 | \$ 42,141 |
| Total assets | \$ 43,821 | \$ 55,030 | \$ 56,710 | \$ 42,141 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 139 | \$ - | \$ 139 |
| Amounts held for social service clients | 4,773 | 18,664 | 18,675 | 4,762 |
| Amounts held for projects | 19,990 | 18,200 | 12,520 | 25,670 |
| Amounts held for others | 19,058 | 18,027 | 25,515 | 11,570 |
| Total liabilities | \$ 43,821 | \$ 55,030 | \$ 56,710 | \$ 42,141 |

Balance Sheet

Discretely Presented Component Unit - School Board

At June 30, 2013

| | | | | | Component Unit |
|-----------------------------------|-----------------------------|-----------------------------|----------------------------|--------------------------------|---------------------|
| | School Operating Fund | School Cafeteria Fund | School Textbook Fund | School Construction Fund | School Board |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ 714,607 | \$ 1,110,474 | \$ 213,793 | \$ 2,038,874 |
| Due from other governmental units | 1,434,709 | - | - | - | 1,434,709 |
| Due from primary government | 2,841,788 | - | - | - | 2,841,788 |
| Prepaid items | 129,898 | - | - | - | 129,898 |
| Total assets | <u>\$ 4,406,395</u> | <u>\$ 714,607</u> | <u>\$ 1,110,474</u> | <u>\$ 213,793</u> | <u>\$ 6,445,269</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 88,538 | \$ - | \$ - | \$ 1,021 | \$ 89,559 |
| Retainage payable | - | - | - | 9,988 | 9,988 |
| Accrued payroll | 4,317,857 | 109,703 | - | - | 4,427,560 |
| Total liabilities | <u>\$ 4,406,395</u> | <u>\$ 109,703</u> | <u>\$ -</u> | <u>\$ 11,009</u> | <u>\$ 4,527,107</u> |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | \$ 129,898 | \$ - | \$ - | \$ - | \$ 129,898 |
| Committed: | | | | | |
| Cafeteria | - | 604,904 | - | - | 604,904 |
| Textbooks | - | - | 1,110,474 | - | 1,110,474 |
| Roof projects | - | - | - | 165,219 | 165,219 |
| Other capital purposes | - | - | - | 37,565 | 37,565 |
| Unassigned | (129,898) | - | - | - | (129,898) |
| Total fund balances | <u>\$ -</u> | <u>\$ 604,904</u> | <u>\$ 1,110,474</u> | <u>\$ 202,784</u> | <u>\$ 1,918,162</u> |

Detailed explanation of adjustments from fund statements to government-wide Statement of Net Position:

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the School Board as a whole.

19,758,348

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position.

(452,334)

Net position of General Government Activities

\$ 21,224,176

Statement of Revenues, Expenditures and Changes in Fund Balances -
Discretely Presented Component Unit - School Board
Year Ended June 30, 2013

| | School Operating Fund | School Cafeteria Fund | School Textbook Fund | School Construction Fund | Component Unit School Board |
|--|-----------------------------|-----------------------------|----------------------------|--------------------------------|--------------------------------------|
| Revenues: | | | | | |
| Revenue from use of money and property | \$ 3,759 | \$ - | \$ 748 | \$ 20,663 | \$ 25,170 |
| Charges for services | 482,906 | 781,950 | - | - | 1,264,856 |
| Miscellaneous | 784,492 | - | - | - | 784,492 |
| Intergovernmental: | | | | | |
| County contribution to School Board | 12,568,826 | - | - | - | 12,568,826 |
| Commonwealth | 24,965,590 | 48,442 | - | - | 25,014,032 |
| Federal | 2,974,657 | 1,407,567 | - | - | 4,382,224 |
| Total revenues | \$ 41,780,230 | \$ 2,237,959 | \$ 748 | \$ 20,663 | \$ 44,039,600 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Education | \$ 41,780,230 | \$ 2,255,720 | \$ - | \$ 312,126 | \$ 44,348,076 |
| Contribution to general government | - | - | - | 400,000 | 400,000 |
| Total expenditures | \$ 41,780,230 | \$ 2,255,720 | \$ - | \$ 712,126 | \$ 44,748,076 |
| Net change in fund balances | \$ - | \$ (17,761) | \$ 748 | \$ (691,463) | \$ (708,476) |
| Fund balances at beginning of year | - | 622,665 | 1,109,726 | 894,247 | 2,626,638 |
| Fund balances at end of year | \$ - | \$ 604,904 | \$ 1,110,474 | \$ 202,784 | \$ 1,918,162 |

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances
To the Statement of Activities -
Discretely Presented Component Unit - School Board
Year Ended June 30, 2013

Component
Unit
School
Board

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

| | | |
|--|----|-----------|
| Net change in fund balances - total governmental funds | \$ | (708,476) |
|--|----|-----------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. A summary of items supporting this adjustment are as follows:

| | | | |
|----------------------|----|--------------------|-----------|
| Capital outlay | \$ | 804,167 | |
| Depreciation expense | | <u>(1,609,786)</u> | (805,619) |

| | | |
|--|--|---------|
| Transfer of joint tenancy assets from primary government | | 640,003 |
|--|--|---------|

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.

Details supporting these changes are as follows:

| | | |
|------------------------------------|--|-----------------|
| (Increase) in compensated absences | | <u>(10,959)</u> |
|------------------------------------|--|-----------------|

| | | |
|---|----|-------------------------|
| Change in net position of governmental activities | \$ | <u><u>(885,051)</u></u> |
|---|----|-------------------------|

COUNTY OF AMHERST, VIRGINIA

Schedule of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual -
 Discretely Presented Component Unit - School Board
 Year Ended June 30, 2013

| | School Operating Fund | | | | School Cafeteria Fund | | | |
|---|-----------------------|-------------------------|---------------|---|-----------------------|-------------------------|--------------|---|
| | Original Budget | Budget As Amended | Actual | Variance With Amended Budget Positive (Negative) | Original Budget | Budget As Amended | Actual | Variance With Amended Budget Positive (Negative) |
| Revenues: | | | | | | | | |
| Revenue from use of money and property | \$ 4,000 | \$ 4,000 | \$ 3,759 | \$ (241) | \$ - | \$ - | \$ - | \$ - |
| Charges for services | 508,750 | 508,750 | 482,906 | (25,844) | 948,088 | 948,088 | 781,950 | (166,138) |
| Miscellaneous | 696,927 | 696,927 | 784,492 | 87,565 | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| County contribution to School Board | 13,130,728 | 13,238,437 | 12,568,826 | (669,611) | - | - | - | - |
| Commonwealth | 25,305,674 | 25,305,674 | 24,965,590 | (340,084) | 25,016 | 25,016 | 48,442 | 23,426 |
| Federal | 2,810,315 | 2,810,315 | 2,974,657 | 164,342 | 1,136,389 | 1,271,389 | 1,407,567 | 136,178 |
| Total revenues | \$ 42,456,394 | \$ 42,564,103 | \$ 41,780,230 | \$ (783,873) | \$ 2,109,493 | \$ 2,244,493 | \$ 2,237,959 | \$ (6,534) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Education | \$ 42,514,000 | \$ 42,621,708 | \$ 41,780,230 | \$ 841,478 | \$ 2,109,493 | \$ 2,244,493 | \$ 2,255,720 | \$ (11,227) |
| Contribution to general government | - | - | - | - | - | - | - | - |
| Total expenditures | \$ 42,514,000 | \$ 42,621,708 | \$ 41,780,230 | \$ 841,478 | \$ 2,109,493 | \$ 2,244,493 | \$ 2,255,720 | \$ (11,227) |
| Net change in fund balances | \$ (57,606) | \$ (57,605) | \$ - | \$ 57,605 | \$ - | \$ - | \$ (17,761) | \$ (17,761) |
| Fund balances at beginning of year | 57,606 | 57,605 | - | (57,605) | - | - | 622,665 | 622,665 |
| Fund balances at end of year | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 604,904 | \$ 604,904 |

| School Textbook Fund | | | | School Construction Fund | | | |
|----------------------|-------------------------|--------------|---|--------------------------|-------------------------|--------------|---|
| Original Budget | Budget As Amended | Actual | Variance With Amended Budget Positive (Negative) | Original Budget | Budget As Amended | Actual | Variance With Amended Budget Positive (Negative) |
| \$ - | \$ - | \$ 748 | \$ 748 | \$ - | \$ - | \$ 20,663 | \$ 20,663 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| \$ - | \$ - | \$ 748 | \$ 748 | \$ - | \$ - | \$ 20,663 | \$ 20,663 |
| | | | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 658,886 | \$ 312,126 | \$ 346,760 |
| - | - | - | - | - | - | 400,000 | (400,000) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 658,886 | \$ 712,126 | \$ (53,240) |
| \$ - | \$ - | \$ 748 | \$ 748 | \$ - | \$ (658,886) | \$ (691,463) | \$ (32,577) |
| - | - | 1,109,726 | 1,109,726 | - | 658,886 | 894,247 | 235,361 |
| \$ - | \$ - | \$ 1,110,474 | \$ 1,110,474 | \$ - | \$ - | \$ 202,784 | \$ 202,784 |

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Supporting Schedules

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Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2013

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|--|
| Primary Government: | | | | |
| General Fund: | | | | |
| Revenue from local sources: | | | | |
| General property taxes: | | | | |
| Real property taxes | \$ 12,181,593 | \$ 12,181,593 | \$ 12,215,220 | \$ 33,627 |
| Real and personal public service corporation property taxes | 517,066 | 517,066 | 558,981 | 41,915 |
| Personal property taxes | 4,385,086 | 4,385,086 | 4,973,686 | 588,600 |
| Mobile home taxes | 60,969 | 60,969 | 70,572 | 9,603 |
| Machinery and tools taxes | 1,641,894 | 1,641,894 | 1,767,520 | 125,626 |
| Merchant's capital | 260,000 | 260,000 | 285,155 | 25,155 |
| Penalties | 200,000 | 200,000 | 158,768 | (41,232) |
| Interest | 150,000 | 150,000 | 162,404 | 12,404 |
| Total general property taxes | \$ 19,396,608 | \$ 19,396,608 | \$ 20,192,306 | \$ 795,698 |
| Other local taxes: | | | | |
| Local sales and use taxes | \$ 2,100,000 | \$ 2,100,000 | \$ 2,401,607 | \$ 301,607 |
| Consumers' utility taxes | 823,000 | 823,000 | 816,843 | (6,157) |
| Business license taxes | 328,720 | 328,720 | 369,811 | 41,091 |
| Motor vehicle licenses | 740,000 | 740,000 | 681,482 | (58,518) |
| Bank stock taxes | 88,498 | 88,498 | 64,767 | (23,731) |
| Taxes on recordation and wills | 180,000 | 180,000 | 206,384 | 26,384 |
| Lodging taxes | 60,000 | 60,000 | 60,391 | 391 |
| Meals tax | 850,430 | 850,430 | 888,742 | 38,312 |
| Total other local taxes | \$ 5,170,648 | \$ 5,170,648 | \$ 5,490,027 | \$ 319,379 |
| Permits, privilege fees and regulatory licenses: | | | | |
| Animal licenses | \$ 16,900 | \$ 16,900 | \$ 16,766 | \$ (134) |
| Building and related permits | 90,000 | 90,000 | 86,055 | (3,945) |
| Permits and other licenses | 32,600 | 32,600 | 75,848 | 43,248 |
| Total permits, privilege fees and regulatory licenses | \$ 139,500 | \$ 139,500 | \$ 178,669 | \$ 39,169 |
| Fines and Forfeitures: | | | | |
| Court fines and forfeitures | \$ 42,300 | \$ 369,984 | \$ 626,244 | \$ 256,260 |
| Total fines and forfeitures | \$ 42,300 | \$ 369,984 | \$ 626,244 | \$ 256,260 |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ 32,000 | \$ 32,000 | \$ 22,595 | \$ (9,405) |
| Revenue from use of property | 67,284 | 67,284 | 76,554 | 9,270 |
| Total revenue from use of money and property | \$ 99,284 | \$ 99,284 | \$ 99,149 | \$ (135) |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2013 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|---------------|--|
| Primary Government: (Continued) | | | | |
| General Fund: (Continued) | | | | |
| Revenue from local sources: (Continued) | | | | |
| Charges for services: | | | | |
| Sheriff's fees | \$ 2,199 | \$ 2,199 | \$ 2,608 | \$ 409 |
| Collection fees - taxes and liens | - | - | 60,684 | 60,684 |
| Commonwealth attorney fees | 2,279 | 2,279 | 3,837 | 1,558 |
| Courthouse security fees | 80,000 | 80,000 | 105,889 | 25,889 |
| Jail processing fees | - | - | 6,008 | 6,008 |
| Non consecutive jail time | - | - | 36 | 36 |
| Charges for parks and recreation | 50,000 | 50,936 | 56,835 | 5,899 |
| Library | 20,000 | 22,130 | 22,130 | - |
| Emergency medical service fees | 1,085,000 | 1,085,000 | 1,034,868 | (50,132) |
| Telecommunication charges | - | - | 72,166 | 72,166 |
| Warehouse charges | - | 99,653 | 135,482 | 35,829 |
| Other charges for services | 750 | 4,083 | 3,151 | (932) |
| Total charges for services | \$ 1,240,228 | \$ 1,346,280 | \$ 1,503,694 | \$ 157,414 |
| Miscellaneous revenue: | | | | |
| Miscellaneous | \$ 32,260 | \$ 89,015 | \$ 160,787 | \$ 71,772 |
| Insurance reimbursements | 1,500 | 39,090 | 105,249 | 66,159 |
| Total miscellaneous revenue | \$ 33,760 | \$ 128,105 | \$ 266,036 | \$ 137,931 |
| Recovered costs: | | | | |
| Share of judge's expenses | \$ 19,440 | \$ 19,440 | \$ 19,955 | \$ 515 |
| Social services | - | - | 24,894 | 24,894 |
| CSA recoveries | - | 14,546 | 14,546 | - |
| Salary reimbursement - School Board | - | - | 62,792 | 62,792 |
| Sheriff department | - | 14,679 | 18,976 | 4,297 |
| Forfeiture fund | - | 12,520 | 12,520 | - |
| Miscellaneous recoveries | 8,000 | 24,815 | 43,871 | 19,056 |
| Total recovered costs | \$ 27,440 | \$ 86,000 | \$ 197,554 | \$ 111,554 |
| Total revenue from local sources | \$ 26,149,768 | \$ 26,736,409 | \$ 28,553,679 | \$ 1,817,270 |
| Intergovernmental revenue: | | | | |
| Revenue from component unit: | | | | |
| School construction fund | \$ - | \$ - | \$ 400,000 | \$ 400,000 |
| Total from component unit | \$ - | \$ - | \$ 400,000 | \$ 400,000 |
| Revenue from the Commonwealth: | | | | |
| Noncategorical aid: | | | | |
| Motor vehicles carriers' tax | \$ 75,000 | \$ 75,000 | \$ 76,706 | \$ 1,706 |
| Mobile home titling taxes | 40,000 | 40,000 | 22,826 | (17,174) |
| Communication taxes | 1,322,373 | 1,322,373 | 1,408,548 | 86,175 |
| Auto rental tax | 26,000 | 26,000 | 33,493 | 7,493 |
| PPTRA | 2,199,018 | 2,199,018 | 2,199,018 | - |
| Recordation tax | 50,000 | 50,000 | 64,038 | 14,038 |
| Total noncategorical aid | \$ 3,712,391 | \$ 3,712,391 | \$ 3,804,629 | \$ 92,238 |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2013 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|--|
| Primary Government: (Continued) | | | | |
| General Fund: (Continued) | | | | |
| Intergovernmental revenue: (Continued) | | | | |
| Revenue from the Commonwealth: (Continued) | | | | |
| Categorical aid: | | | | |
| Shared expenses: | | | | |
| Commonwealth's attorney | \$ 333,999 | \$ 337,898 | \$ 318,024 | \$ (19,874) |
| Sheriff | 1,997,547 | 2,009,887 | 1,411,741 | (598,146) |
| Commissioner of the Revenue | 96,748 | 96,748 | 104,067 | 7,319 |
| Treasurer | 113,243 | 113,243 | 102,927 | (10,316) |
| Registrar/electoral board | 39,400 | 39,400 | 37,959 | (1,441) |
| Clerk of the Circuit Court | 293,167 | 293,167 | 281,901 | (11,266) |
| Total shared expenses | \$ 2,874,104 | \$ 2,890,343 | \$ 2,256,619 | \$ (633,724) |
| Other categorical aid: | | | | |
| Public assistance and welfare administration | \$ 796,730 | \$ 663,439 | \$ 637,917 | \$ (25,522) |
| Health department | - | 22,270 | 34,742 | 12,472 |
| Library grant | 144,652 | 144,652 | 137,929 | (6,723) |
| Fire program | 75,829 | 75,829 | 97,288 | 21,459 |
| EMS - 4 for life | - | 6,342 | 31,389 | 25,047 |
| Juvenile justice - crime control | - | - | 35,301 | 35,301 |
| Victim witness | 47,571 | 47,571 | 47,500 | (71) |
| Juror reimbursement | 10,000 | 10,000 | 6,916 | (3,084) |
| Comprehensive services | (61,418) | 365,485 | 488,321 | 122,836 |
| Miscellaneous | - | 157,531 | 19,949 | (137,582) |
| Total other categorical aid | \$ 1,013,364 | \$ 1,493,119 | \$ 1,537,252 | \$ 44,133 |
| Total categorical aid | \$ 3,887,468 | \$ 4,383,462 | \$ 3,793,871 | \$ (589,591) |
| Total revenue from the Commonwealth | \$ 7,599,859 | \$ 8,095,853 | \$ 7,598,500 | \$ (497,353) |
| Revenue from the Federal Government: | | | | |
| Non-categorical aid: | | | | |
| Payment in lieu of taxes | \$ - | \$ - | \$ 50,066 | \$ 50,066 |
| Categorical aid: | | | | |
| Public assistance and welfare | \$ 1,089,116 | \$ 1,089,116 | \$ 1,086,454 | \$ (2,662) |
| Emergency services | - | - | 13,988 | 13,988 |
| Rent and royalties | - | - | 304 | 304 |
| Emergency management | - | - | 14,911 | 14,911 |
| Comprehensive services | - | 5,656 | 5,656 | - |
| Total categorical aid | \$ 1,089,116 | \$ 1,094,772 | \$ 1,121,313 | \$ 26,541 |
| Total revenue from the Federal Government | \$ 1,089,116 | \$ 1,094,772 | \$ 1,171,379 | \$ 76,607 |
| Total General Fund | \$ 34,838,743 | \$ 35,927,034 | \$ 37,723,558 | \$ 1,796,524 |
| Special Revenue Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of property - miscellaneous | \$ - | \$ 898 | \$ 6,194 | \$ 5,296 |
| Revenue from use of property - EDA | - | 104,560 | 213,078 | 108,518 |
| Total revenue from use of money and property | \$ - | \$ 105,458 | \$ 219,272 | \$ 113,814 |

Governmental Funds and Discretely Presented Component Unit
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2013 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|--|
| Primary Government: (Continued) | | | | |
| Special Revenue Fund: (Continued) | | | | |
| Revenue from local sources: (Continued) | | | | |
| Charges for services: | | | | |
| Recreation trips | \$ - | \$ - | \$ 72,448 | \$ 72,448 |
| Landfill operations | 230,500 | 230,500 | 351,244 | 120,744 |
| Other charges for services | - | - | 80,000 | 80,000 |
| Total charges for services | \$ 230,500 | \$ 230,500 | \$ 503,692 | \$ 273,192 |
| Miscellaneous revenue: | | | | |
| Dare miscellaneous donations | \$ - | \$ 15,547 | \$ 28,086 | \$ 12,539 |
| Alzheimers miscellaneous donations | - | - | 19,136 | 19,136 |
| Miscellaneous | - | - | 1,367 | 1,367 |
| Total miscellaneous revenue | \$ - | \$ 15,547 | \$ 48,589 | \$ 33,042 |
| Total revenue from local sources | \$ 230,500 | \$ 351,505 | \$ 771,553 | \$ 420,048 |
| Intergovernmental revenue: | | | | |
| Revenue from the Commonwealth: | | | | |
| Other categorical aid: | | | | |
| E-911 wireless grant | \$ - | \$ 2,024 | \$ 84,544 | \$ 82,520 |
| DMV grants | - | 25,635 | 7,652 | (17,983) |
| Community development block grant - stump hill project | - | 36,410 | - | (36,410) |
| Litter control | 12,000 | 12,000 | 27,640 | 15,640 |
| Total revenue from the Commonwealth | \$ 12,000 | \$ 76,069 | \$ 119,836 | \$ 43,767 |
| Revenue from the Federal Government: | | | | |
| Categorical aid: | | | | |
| Community development block grant - stump hill project | \$ - | \$ 3,462 | \$ 48,565 | \$ 45,103 |
| Transportation safety grants | - | - | 19,754 | 19,754 |
| Transportation grants | - | 365,582 | 464,845 | 99,263 |
| Total revenue from the Federal Government | \$ - | \$ 369,044 | \$ 533,164 | \$ 164,120 |
| Total Special Revenue Fund | \$ 242,500 | \$ 796,618 | \$ 1,424,553 | \$ 627,935 |
| Capital Projects Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ - | \$ - | \$ 12,983 | \$ 12,983 |
| Total Capital Projects Fund | \$ - | \$ - | \$ 12,983 | \$ 12,983 |
| Total Revenues -- Primary Government | \$ 35,081,243 | \$ 36,723,652 | \$ 39,161,094 | \$ 2,437,442 |
| Component Unit -- School Board: | | | | |
| School Operating Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of property | \$ 4,000 | \$ 4,000 | \$ 3,759 | \$ (241) |

Governmental Funds and Discretely Presented Component Units
 Schedule of Revenues -- Budget and Actual
 Year Ended June 30, 2013 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|---------------|--|
| Component Unit -- School Board: (Continued) | | | | |
| School Operating Fund: (Continued) | | | | |
| Revenue from local sources: (Continued) | | | | |
| Charges for services: | | | | |
| Tuition | \$ 508,750 | \$ 508,750 | \$ 482,906 | \$ (25,844) |
| Miscellaneous revenue: | | | | |
| Miscellaneous | \$ 696,927 | \$ 696,927 | \$ 784,492 | \$ 87,565 |
| Total revenue from local sources | \$ 1,209,677 | \$ 1,209,677 | \$ 1,271,157 | \$ 61,480 |
| Intergovernmental revenue: | | | | |
| County contribution to School Board | \$ 13,130,728 | \$ 13,238,437 | \$ 12,568,826 | \$ (669,611) |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| Share of state sales tax | \$ 4,670,058 | \$ 4,670,058 | \$ 4,671,690 | \$ 1,632 |
| Basic school aid | 12,433,701 | 12,433,701 | 12,105,270 | (328,431) |
| Special ed SOQ | 1,678,578 | 1,678,578 | 1,646,224 | (32,354) |
| Remedial education | 424,807 | 424,807 | 416,619 | (8,188) |
| Technology | 310,000 | 310,000 | 408,612 | 98,612 |
| Lottery | 42,658 | 42,658 | - | (42,658) |
| Primary class size | 368,877 | 368,877 | 392,562 | 23,685 |
| Fringe benefits | 2,165,337 | 2,165,337 | 2,123,601 | (41,736) |
| Textbooks | 222,050 | 222,050 | 259,606 | 37,556 |
| Preschool | 353,175 | 353,175 | 353,175 | - |
| Gifted and talented | 135,702 | 135,702 | 133,087 | (2,615) |
| At-risk | 415,503 | 415,503 | 407,147 | (8,356) |
| Regional program | 747,863 | 747,863 | 692,336 | (55,527) |
| Voc ed SOQ | 297,955 | 297,955 | 292,212 | (5,743) |
| Other state funds | 1,039,410 | 1,039,410 | 1,063,449 | 24,039 |
| Total categorical aid | \$ 25,305,674 | \$ 25,305,674 | \$ 24,965,590 | \$ (340,084) |
| Total revenue from the Commonwealth | \$ 25,305,674 | \$ 25,305,674 | \$ 24,965,590 | \$ (340,084) |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| Preschool handicap | \$ 19,916 | \$ 19,916 | \$ 23,460 | \$ 3,544 |
| Adult basic aid | 409,839 | 409,839 | 341,673 | (68,166) |
| Title I | 869,627 | 869,627 | 912,470 | 42,843 |
| Title II | 172,000 | 172,000 | 201,911 | 29,911 |
| Federal land use | 30,000 | 30,000 | 79,332 | 49,332 |
| Title VI-B special education | 1,104,933 | 1,104,933 | 1,160,445 | 55,512 |
| Vocational education | - | - | 76,176 | 76,176 |
| State fiscal stabilization fund | - | - | 38,984 | 38,984 |
| Other education | 204,000 | 204,000 | 140,206 | (63,794) |
| Total categorical aid | \$ 2,810,315 | \$ 2,810,315 | \$ 2,974,657 | \$ 164,342 |
| Total revenue from the federal government | \$ 2,810,315 | \$ 2,810,315 | \$ 2,974,657 | \$ 164,342 |
| Total School Operating Fund | \$ 42,456,394 | \$ 42,564,103 | \$ 41,780,230 | \$ (783,873) |

Governmental Funds and Discretely Presented Component Units
Schedule of Revenues -- Budget and Actual
Year Ended June 30, 2013 (Continued)

| Fund, Major and Minor Revenue Source | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|--|
| Component Unit -- School Board: (Continued) | | | | |
| Special Revenue Funds: | | | | |
| School Cafeteria Fund: | | | | |
| Revenue from local sources: | | | | |
| Charges for services: | | | | |
| Cafeteria sales | \$ 948,088 | \$ 948,088 | \$ 781,950 | \$ (166,138) |
| Intergovernmental revenue: | | | | |
| Revenue from the Commonwealth: | | | | |
| Categorical aid: | | | | |
| School food | \$ 25,016 | \$ 25,016 | \$ 48,442 | \$ 23,426 |
| Revenue from the federal government: | | | | |
| Categorical aid: | | | | |
| School food | \$ 1,136,389 | \$ 1,271,389 | \$ 1,407,567 | \$ 136,178 |
| Total School Cafeteria Fund | \$ 2,109,493 | \$ 2,244,493 | \$ 2,237,959 | \$ (6,534) |
| School Textbook Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of money | \$ - | \$ - | \$ 748 | \$ 748 |
| Total School Textbook Fund | \$ - | \$ - | \$ 748 | \$ 748 |
| School Construction Fund: | | | | |
| Revenue from local sources: | | | | |
| Revenue from use of money and property: | | | | |
| Revenue from use of property | \$ - | \$ - | \$ 20,663 | \$ 20,663 |
| Total revenue from use of money and property | \$ - | \$ - | \$ 20,663 | \$ 20,663 |
| Total School Construction Fund | \$ - | \$ - | \$ 20,663 | \$ 20,663 |
| Total Revenues -- Component Unit -- School Board | \$ 44,565,887 | \$ 44,808,596 | \$ 44,039,600 | \$ (768,996) |
| Total Revenues -- Reporting Entity | \$ 79,647,130 | \$ 81,532,248 | \$ 83,200,694 | \$ 1,668,446 |

Governmental Funds and Discretely Presented Component Unit
 Schedule of Expenditures - Budget and Actual
 Year Ended June 30, 2013

| Fund, Function, Activities and Elements | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|---|--------------------|-------------------------|--------------|--|
| Primary Government: | | | | |
| General Fund: | | | | |
| General government administration: | | | | |
| Legislative: | | | | |
| Board of supervisors | \$ 154,345 | \$ 241,025 | \$ 230,506 | \$ 10,519 |
| General and financial administration: | | | | |
| County administrator | \$ 222,773 | \$ 231,939 | \$ 230,134 | \$ 1,805 |
| Commissioner of the revenue | 349,606 | 355,743 | 352,343 | 3,400 |
| Assessor | 225,000 | 290,298 | 322,414 | (32,116) |
| Treasurer | 346,755 | 355,384 | 344,016 | 11,368 |
| Central accounting | 222,251 | 205,077 | 202,608 | 2,469 |
| Purchasing | 177,951 | 175,874 | 163,959 | 11,915 |
| Information technology | 280,966 | 289,216 | 234,177 | 55,039 |
| Total general and financial administration | \$ 1,825,302 | \$ 1,903,531 | \$ 1,849,651 | \$ 53,880 |
| Board of Elections/Registrar: | | | | |
| Electoral board and officials and registrar | \$ 161,112 | \$ 180,639 | \$ 163,590 | \$ 17,049 |
| Total general government administration | \$ 2,140,759 | \$ 2,325,195 | \$ 2,243,747 | \$ 81,448 |
| Judicial administration: | | | | |
| Courts: | | | | |
| Circuit court | \$ 84,458 | \$ 85,658 | \$ 79,605 | \$ 6,053 |
| General district court | 7,325 | 12,414 | 12,262 | 152 |
| Magistrate | 1,219 | 1,219 | 344 | 875 |
| Juvenile and domestic relations court | 19,863 | 19,863 | 17,250 | 2,613 |
| Clerk of the circuit court | 397,425 | 400,216 | 382,548 | 17,668 |
| VJCCCA | 76,911 | 76,911 | 26,472 | 50,439 |
| Total courts | \$ 587,201 | \$ 596,281 | \$ 518,481 | \$ 77,800 |
| Commonwealth's attorney: | | | | |
| Commonwealth's attorney | \$ 493,505 | \$ 520,269 | \$ 451,947 | \$ 68,322 |
| County attorney | 153,969 | 164,455 | 161,683 | 2,772 |
| Victim advocate grant | 60,536 | 61,337 | 59,859 | 1,478 |
| Total commonwealth's attorney | \$ 708,010 | \$ 746,061 | \$ 673,489 | \$ 72,572 |
| Total judicial administration | \$ 1,295,211 | \$ 1,342,342 | \$ 1,191,970 | \$ 150,372 |
| Public safety: | | | | |
| Law enforcement and traffic control: | | | | |
| Sheriff | \$ 3,479,585 | \$ 4,145,223 | \$ 4,058,816 | \$ 86,407 |
| Total law enforcement and traffic control | \$ 3,479,585 | \$ 4,145,223 | \$ 4,058,816 | \$ 86,407 |
| Fire and rescue services: | | | | |
| Volunteer emergency services | \$ 250,144 | \$ 265,557 | \$ 183,861 | \$ 81,696 |
| Volunteer rescue services | 198,427 | 213,714 | 210,622 | 3,092 |
| Emergency medical services | 1,175,764 | 1,310,835 | 1,291,585 | 19,250 |
| Emergency service council | 241,050 | 374,002 | 242,204 | 131,798 |
| Total fire and rescue services | \$ 1,865,385 | \$ 2,164,108 | \$ 1,928,272 | \$ 235,836 |

Governmental Funds and Discretely Presented Component Unit
 Schedule of Expenditures - Budget and Actual
 Year Ended June 30, 2013 (Continued)

| Fund, Function, Activities and Elements | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|--|
| Primary Government: (Continued) | | | | |
| General Fund: (Continued) | | | | |
| Public safety: (Continued) | | | | |
| Correction and detention: | | | | |
| Sheriff - jail | \$ 1,470,061 | \$ 1,566,617 | \$ 1,492,045 | \$ 74,572 |
| Inspections: | | | | |
| Building | \$ 184,485 | \$ 212,693 | \$ 189,416 | \$ 23,277 |
| Other protection: | | | | |
| Animal control | \$ 114,915 | \$ 123,607 | \$ 118,714 | \$ 4,893 |
| Animal Shelter | 134,330 | 140,588 | 134,249 | 6,339 |
| Emergency services | 511,579 | 525,266 | 474,181 | 51,085 |
| Communications dispatch | 685,148 | 701,336 | 685,709 | 15,627 |
| Other public safety | 215,908 | 273,973 | 289,909 | (15,936) |
| Total other protection | \$ 1,661,880 | \$ 1,764,770 | \$ 1,702,762 | \$ 62,008 |
| Total public safety | \$ 8,661,396 | \$ 9,853,411 | \$ 9,371,311 | \$ 482,100 |
| Public works: | | | | |
| Maintenance of highways, streets, bridges and sidewalks: | | | | |
| Street lights | \$ 36,400 | \$ 48,950 | \$ 48,950 | \$ - |
| Maintenance of general buildings and grounds: | | | | |
| General properties | 674,836 | 1,266,389 | 1,092,792 | 173,597 |
| Miscellaneous | 154,646 | 131,077 | 91,229 | 39,848 |
| Total public works | \$ 865,882 | \$ 1,446,416 | \$ 1,232,971 | \$ 213,445 |
| Health and welfare: | | | | |
| Health: | | | | |
| Supplement of local health department | \$ 239,493 | \$ 239,493 | \$ 228,112 | \$ 11,381 |
| Mental health and mental retardation: | | | | |
| Chapter X board | \$ 92,382 | \$ 92,382 | \$ 92,382 | \$ - |
| Welfare: | | | | |
| Welfare administration | \$ 1,728,793 | \$ 1,791,340 | \$ 1,703,651 | \$ 87,689 |
| Public assistance | 754,584 | 634,016 | 463,917 | 170,099 |
| County contributions | 75,017 | 984,554 | 984,554 | - |
| Comprehensive services | 517,751 | 910,689 | 910,654 | 35 |
| Tax relief for the elderly | - | - | 218,786 | (218,786) |
| Total welfare | \$ 3,076,145 | \$ 4,320,599 | \$ 4,281,562 | \$ 39,037 |
| Total health and welfare | \$ 3,408,020 | \$ 4,652,474 | \$ 4,602,056 | \$ 50,418 |
| Education: | | | | |
| Contributions to community colleges | \$ 813 | \$ 813 | \$ 813 | \$ - |
| Contributions for school capital outlay | - | 281,826 | 281,826 | - |
| County contribution to School Board | 13,130,728 | 13,238,437 | 12,568,826 | 669,611 |
| Total education | \$ 13,131,541 | \$ 13,521,076 | \$ 12,851,465 | \$ 669,611 |

Governmental Funds and Discretely Presented Component Unit
 Schedule of Expenditures - Budget and Actual
 Year Ended June 30, 2013 (Continued)

| Fund, Function, Activities and Elements | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|--|
| Primary Government: (Continued) | | | | |
| General Fund: (Continued) | | | | |
| Parks, recreation and cultural: | | | | |
| Parks and recreation | | | | |
| Parks and recreation | \$ 304,517 | \$ 300,364 | \$ 296,588 | \$ 3,776 |
| Library: | | | | |
| Library | \$ 686,042 | \$ 681,628 | \$ 681,625 | \$ 3 |
| Museum | 50,294 | 50,876 | 50,876 | - |
| Total library | \$ 736,336 | \$ 732,504 | \$ 732,501 | \$ 3 |
| Total parks, recreation and cultural | \$ 1,040,853 | \$ 1,032,868 | \$ 1,029,089 | \$ 3,779 |
| Community development: | | | | |
| Planning and community development: | | | | |
| Planning | \$ 258,313 | \$ 252,696 | \$ 230,916 | \$ 21,780 |
| Planning commission | 23,939 | 23,939 | 22,242 | 1,697 |
| Zoning board | 3,211 | 2,711 | 1,275 | 1,436 |
| Central virginia planning | 18,605 | 18,605 | 18,605 | - |
| EDA | 10,116 | 10,116 | 7,645 | 2,471 |
| Economic development | 99,572 | 99,572 | 93,829 | 5,743 |
| Tourism | 13,000 | 13,000 | 12,936 | 64 |
| Community development projects | 153,868 | 195,718 | 59,252 | 136,466 |
| Total planning and community development | \$ 580,624 | \$ 616,357 | \$ 446,700 | \$ 169,657 |
| Environmental management: | | | | |
| Soil and water conservation district | \$ 8,500 | \$ 8,500 | \$ 8,500 | \$ - |
| Cooperative extension program: | | | | |
| VPI extension | \$ 74,075 | \$ 74,075 | \$ 70,779 | \$ 3,296 |
| Total community development | \$ 663,199 | \$ 698,932 | \$ 525,979 | \$ 172,953 |
| Debt service: | | | | |
| Principal retirement | \$ 2,232,004 | \$ 2,112,844 | \$ 2,112,844 | \$ - |
| Interest and fiscal charges | 1,338,247 | 1,079,528 | 1,070,223 | 9,305 |
| Total debt service | \$ 3,570,251 | \$ 3,192,372 | \$ 3,183,067 | \$ 9,305 |
| Total General Fund | \$ 34,777,112 | \$ 38,065,086 | \$ 36,231,655 | \$ 1,833,431 |
| Special Revenue Fund: | | | | |
| Public safety: | | | | |
| Other protection: | | | | |
| Miscellaneous public safety grants | \$ - | \$ 850,054 | \$ 833,093 | \$ 16,961 |
| DARE program | - | 74,899 | 42,050 | 32,849 |
| E-911 expenditures | - | 3,375 | 3,375 | - |
| Total public safety | \$ - | \$ 928,328 | \$ 878,518 | \$ 49,810 |

Governmental Funds and Discretely Presented Component Unit
 Schedule of Expenditures - Budget and Actual
 Year Ended June 30, 2013 (Continued)

| Fund, Function, Activities and Elements | Original Budget | Budget As Amended | Actual | Variance From Amended Budget Positive (Negative) |
|--|--------------------|-------------------------|---------------|--|
| Primary Government: (Continued) | | | | |
| Special Revenue Fund: (Continued) | | | | |
| Public works: | | | | |
| Maintenance of highways, streets, bridges and sidewalks: | | | | |
| Street lights | \$ - | \$ 1,518 | \$ 1,518 | \$ - |
| Sanitation and waste removal: | | | | |
| Solid waste | 1,547,963 | 1,572,963 | 1,340,696 | 232,267 |
| Total public works | \$ 1,547,963 | \$ 1,574,481 | \$ 1,342,214 | \$ 232,267 |
| Parks, recreation and cultural: | | | | |
| Parks and recreation | | | | |
| Parks and recreation | \$ - | \$ 80,050 | \$ 80,050 | \$ - |
| Cultural | | | | |
| Depot relocation / enhancement | \$ - | \$ 106,967 | \$ 123,634 | \$ (16,667) |
| Total parks, recreation and cultural | \$ - | \$ 187,017 | \$ 203,684 | \$ (16,667) |
| Community development: | | | | |
| Planning and community development: | | | | |
| CDBG project - stump hill | \$ - | \$ 39,872 | \$ 39,872 | \$ - |
| Total community development | \$ - | \$ 39,872 | \$ 39,872 | \$ - |
| Debt service: | | | | |
| Principal retirement | \$ - | \$ 42,950 | \$ 46,570 | \$ (3,620) |
| Interest and fiscal charges | - | 31,297 | 27,677 | 3,620 |
| Total debt service | \$ - | \$ 74,247 | \$ 74,247 | \$ - |
| Total Special Revenue Funds | \$ 1,547,963 | \$ 2,803,945 | \$ 2,538,535 | \$ 265,410 |
| Capital Projects Fund: | | | | |
| Public works: | | | | |
| General construction projects | \$ - | \$ 108,365 | \$ 108,365 | \$ - |
| Total Capital Projects Fund | \$ - | \$ 108,365 | \$ 108,365 | \$ - |
| Total Expenditures -- Primary Government | \$ 36,325,075 | \$ 40,977,396 | \$ 38,878,555 | \$ 2,098,841 |
| Component Unit -- School Board: | | | | |
| School Operating Fund: | | | | |
| Education: | | | | |
| Instruction | \$ 32,702,462 | \$ 32,702,461 | \$ 31,907,796 | \$ 794,665 |
| Administration, attendance and health | 1,898,192 | 1,898,192 | 1,940,854 | (42,662) |
| Pupil transportation services | 2,838,590 | 2,838,590 | 2,739,506 | 99,084 |
| Operation and maintenance services | 3,805,757 | 3,913,466 | 3,842,435 | 71,031 |
| Technology | 1,268,999 | 1,268,999 | 1,349,639 | (80,640) |
| Total School Operating Fund | \$ 42,514,000 | \$ 42,621,708 | \$ 41,780,230 | \$ 841,478 |
| Special Revenue Fund: | | | | |
| School Cafeteria Fund: | | | | |
| Education: | | | | |
| School food services | \$ 2,109,493 | \$ 2,244,493 | \$ 2,255,720 | \$ (11,227) |
| School Construction Fund: | | | | |
| Education: | | | | |
| Capital projects | \$ - | \$ 658,886 | \$ 312,126 | \$ 346,760 |
| Contribution to general government | - | - | 400,000 | (400,000) |
| | \$ - | \$ 658,886 | \$ 712,126 | \$ (53,240) |
| Total Expenditures--Component Unit--School Board | \$ 44,623,493 | \$ 45,525,087 | \$ 44,748,076 | \$ 777,011 |
| Total Expenditures -- Reporting Entity | \$ 80,948,568 | \$ 86,502,483 | \$ 83,626,631 | \$ 2,875,852 |

Statistical Information

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COUNTY OF AMHERST, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Eight Fiscal Years

| Fiscal Year | General Government Admini- stration | | Judicial Admini- stration | Public Safety | Public Works | Health and Welfare | Education | Recreation and Cultural | Community Develop- ment | Interest on Debt | Water and Sewer | | Total | | | | | | | |
|----------------|--|-----------|---------------------------------|------------------|-----------------|--------------------------|-----------|-------------------------------|-------------------------------|------------------------|--------------------|-----------|-------|-----------|----|-----------|----|-----------|----|------------|
| | | | | | | | | | | | | | | | | | | | | |
| 2005-06 | \$ | 1,520,658 | \$ | 1,386,110 | \$ | 2,112,458 | \$ | 4,001,238 | \$ | 11,944,336 | \$ | 1,128,402 | \$ | 716,058 | \$ | 1,236,881 | \$ | 2,795,463 | \$ | 34,309,904 |
| 2006-07 | | 1,753,718 | | 1,444,904 | | 2,145,719 | | 4,191,694 | | 11,591,180 | | 1,206,591 | | 1,683,352 | | 1,348,301 | | 2,874,288 | | 36,320,924 |
| 2007-08 | | 1,926,555 | | 1,320,578 | | 2,620,346 | | 4,194,455 | | 13,869,415 | | 1,236,661 | | 1,482,031 | | 1,657,450 | | 2,944,126 | | 40,110,322 |
| 2008-09 | | 1,845,246 | | 1,382,588 | | 1,992,168 | | 5,107,006 | | 10,643,924 | | 1,273,589 | | 1,957,203 | | 1,677,976 | | 3,189,616 | | 38,824,136 |
| 2009-10 | | 1,669,782 | | 1,350,102 | | 3,739,973 | | 4,444,208 | | 12,899,817 | | 1,245,055 | | 490,425 | | 1,196,863 | | 3,408,338 | | 39,418,605 |
| 2010-11 | | 1,690,623 | | 1,356,685 | | 8,756,354 | | 4,147,244 | | 13,208,833 | | 1,072,529 | | 667,805 | | 1,387,309 | | 3,409,473 | | 37,838,008 |
| 2011-12 | | 1,767,430 | | 1,287,304 | | 10,077,086 | | 4,081,753 | | 13,701,208 | | 1,105,089 | | 168,682 | | 1,141,516 | | 3,341,373 | | 38,532,557 |
| 2012-13 | | 2,267,593 | | 1,260,079 | | 10,699,839 | | 4,564,438 | | 13,412,266 | | 420,238 | | 597,117 | | 1,064,766 | | 3,718,640 | | 42,806,161 |

Government-Wide Revenues
Last Eight Fiscal Years

| Fiscal Year | Program Revenues | | | General Revenues | | | | | |
|-------------|----------------------|------------------------------------|----------------------------------|------------------------|-------------------|---|---|---------------|---------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | General Property Taxes | Other Local Taxes | Contributions Not Restricted to Specific Programs | Revenues from the Use of Money & Property | Miscellaneous | Total |
| 2005-06 | \$ 4,024,517 | \$ 6,450,831 | \$ 599,042 | \$ 15,299,134 | \$ 6,553,224 | \$ 2,462,135 | \$ 990,883 | \$ 553,708 | \$ 36,933,474 |
| 2006-07 | 4,379,534 | 7,412,723 | 1,313,474 | 15,763,407 | 6,777,047 | 2,454,744 | 1,324,987 | 281,114 | 39,707,030 |
| 2007-08 | 4,627,769 | 7,117,806 | 2,416,352 | 16,564,067 | 7,159,264 | 2,435,830 | 1,176,998 | 355,710 | 41,853,796 |
| 2008-09 | 4,869,759 | 7,857,167 | 1,111,255 | 19,187,260 | 7,151,819 | 2,424,258 | 899,854 | 352,807 | 43,854,179 |
| 2009-10 | 5,178,969 | 7,174,916 | 1,904,889 | 18,945,245 | 5,420,027 | 3,632,335 | 488,571 | 380,687 | 43,125,639 |
| 2010-11 | 5,406,509 | 6,632,662 | 1,373,108 | 19,578,113 | 5,165,046 | 3,765,269 | 465,955 | 312,852 | 42,699,514 |
| 2011-12 | 5,404,275 | 6,682,107 | 146,894 | 20,436,547 | 5,171,164 | 3,625,924 | 330,555 | 143,760 | 41,941,226 |
| 2012-13 | 5,786,955 | 5,103,339 | 1,007,534 | 20,047,980 | 5,490,027 | 3,854,695 | 336,447 | 353,607 | 41,980,584 |

Only 8 years available

COUNTY OF AMHERST, VIRGINIA

Table 3

General Government Revenues by Source (1)
Last Ten Fiscal Years

| Fiscal Year | General Property Taxes | Other Local Taxes | Permit Privilege Fees & Regulatory Licenses | Fines & Forfeitures | Revenues from the Use of Money & Property | Charges for Services | Miscellaneous | Recovered Costs | Inter-governmental (2) | Total |
|-------------|------------------------|-------------------|---|---------------------|---|----------------------|---------------|-----------------|------------------------|---------------|
| 2003-04 | \$ 14,299,617 | \$ 6,112,809 | \$ 195,222 | \$ 172,057 | \$ 509,526 | \$ 2,186,742 | \$ 692,647 | \$ 81,487 | \$ 31,598,560 | \$ 55,848,667 |
| 2004-05 | 14,807,688 | 6,542,619 | 189,507 | 212,432 | 716,498 | 2,213,505 | 812,329 | 155,483 | 34,512,034 | 60,162,095 |
| 2005-06 | 15,268,278 | 6,837,977 | 209,145 | 211,112 | 1,009,035 | 2,307,544 | 814,690 | 170,777 | 36,399,431 | 63,227,989 |
| 2006-07 | 15,727,042 | 6,777,047 | 225,398 | 199,559 | 1,295,742 | 2,634,567 | 832,479 | 235,057 | 41,730,769 | 69,657,660 |
| 2007-08 | 16,521,907 | 7,159,264 | 256,913 | 167,703 | 1,138,403 | 3,055,314 | 787,039 | 249,789 | 42,140,542 | 71,476,874 |
| 2008-09 | 18,974,212 | 7,151,819 | 200,835 | 274,117 | 803,309 | 3,209,688 | 943,554 | 257,907 | 45,536,631 | 77,352,072 |
| 2009-10 | 18,579,009 | 5,420,027 | 197,282 | 442,051 | 484,685 | 2,881,950 | 641,153 | 200,857 | 44,102,004 | 72,949,018 |
| 2010-11 | 19,609,216 | 5,165,046 | 147,832 | 467,564 | 664,694 | 2,616,552 | 764,380 | 451,593 | 41,025,200 | 70,912,077 |
| 2011-12 | 20,325,759 | 5,171,164 | 167,088 | 554,292 | 337,609 | 2,430,066 | 962,279 | 230,478 | 42,229,309 | 72,408,044 |
| 2012-13 | 20,192,306 | 5,490,027 | 178,669 | 626,244 | 356,574 | 3,272,242 | 1,099,117 | 197,554 | 38,819,135 | 70,231,868 |

(1) Includes General, Special Revenue Funds and Capital Project Funds of the Primary Government and its discretely presented component unit.

(2) Excludes contribution from Discretely Presented Component Unit to Primary Government.

COUNTY OF AMHERST, VIRGINIA

Table 4

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

| Fiscal Year | General Administration | Judicial Administration | Public Safety | Public Works | Health and Welfare | Education (2) | Parks Recreation & Cultural | Community Development | Non-Departmental | Capital Projects | Debt Service | Total |
|-------------|------------------------|-------------------------|---------------|--------------|--------------------|---------------|-----------------------------|-----------------------|------------------|------------------|--------------|---------------|
| 2003-04 | \$ 1,584,752 | \$ 1,043,146 | \$ 6,644,597 | \$ 1,656,032 | \$ 3,091,062 | \$ 34,014,792 | \$ 1,008,157 | \$ 1,041,033 | \$ 286,544 | \$ 4,033,744 | \$ 3,964,888 | \$ 58,368,747 |
| 2004-05 | 1,453,612 | 1,116,229 | 6,777,563 | 1,714,980 | 3,356,906 | 37,406,549 | 1,058,658 | 734,565 | 421,510 | 2,151,390 | 3,998,767 | 60,190,729 |
| 2005-06 | 1,462,240 | 1,298,435 | 7,548,775 | 2,081,886 | 3,925,798 | 38,835,717 | 1,085,477 | 716,058 | - | 1,795,875 | 4,594,995 | 63,345,256 |
| 2006-07 | 1,923,699 | 1,366,085 | 8,082,003 | 2,162,008 | 4,274,917 | 43,185,401 | 1,197,634 | 2,277,781 | 80,688 | 1,242,417 | 4,422,481 | 70,215,114 |
| 2007-08 | 2,004,482 | 1,231,603 | 9,411,657 | 4,957,059 | 4,205,499 | 48,403,627 | 1,202,770 | 919,370 | - | 2,554,468 | 4,624,010 | 79,514,545 |
| 2008-09 | 1,911,715 | 1,287,362 | 9,518,249 | 4,237,721 | 5,076,383 | 47,521,928 | 1,300,894 | 1,952,125 | - | 1,702,037 | 5,050,203 | 79,558,617 |
| 2009-10 | 1,752,085 | 1,287,963 | 9,451,528 | 3,688,457 | 4,544,073 | 45,637,598 | 1,190,048 | 731,934 | - | 303,517 | 4,811,679 | 73,398,882 |
| 2010-11 | 1,731,847 | 1,301,807 | 8,648,572 | 2,209,356 | 4,479,160 | 43,786,226 | 1,048,365 | 636,539 | - | - | 4,663,468 | 68,505,340 |
| 2011-12 | 1,832,094 | 1,210,565 | 9,858,074 | 2,338,924 | 4,170,975 | 45,135,290 | 1,078,219 | 705,600 | - | - | 3,528,109 | 69,857,850 |
| 2012-13 | 2,243,747 | 1,191,970 | 10,249,829 | 2,683,550 | 4,602,056 | 44,630,715 | 1,232,773 | 565,851 | - | - | 3,257,314 | 70,657,805 |

(1) Includes General, Special Revenue, and Capital Project funds of the Primary Government and its discretely presented component unit.

(2) Excludes contribution from Discretely Presented Component Unit to Primary Government.

Assessed Value of Taxable Property and Property Tax Rates
Last Ten Fiscal Years

| Fiscal Year | Real Estate | Personal Property | Mobile Homes | Machinery & Tools | Merchants' Capital | Public Service | Total |
|-------------|------------------|-------------------|---------------|-------------------|--------------------|----------------|------------------|
| 2003-04 | \$ 1,424,616,200 | \$ 166,244,174 | \$ 16,893,180 | \$ 77,148,356 | \$ 7,203,643 | \$ 89,109,940 | \$ 1,781,215,493 |
| 2004-05 | 1,442,657,700 | 172,176,094 | 16,656,870 | 75,291,845 | 6,416,549 | 85,213,679 | 1,798,412,737 |
| 2005-06 | 1,470,914,700 | 189,511,733 | 16,285,360 | 77,511,019 | 6,859,554 | 77,632,298 | 1,838,714,664 |
| 2006-07 | 1,495,139,400 | 194,356,760 | 16,177,490 | 78,979,755 | 7,131,623 | 73,348,270 | 1,865,133,298 |
| 2007-08 | 1,531,146,400 | 195,089,255 | 15,776,190 | 81,796,911 | 8,025,820 | 65,492,935 | 1,897,327,511 |
| 2008-09 | 2,324,219,300 | 206,267,750 | 12,346,600 | 82,343,504 | 7,598,061 | 95,323,143 | 2,728,098,358 |
| 2009-10 | 2,621,264,200 | 205,608,421 | 12,311,200 | 84,420,400 | 7,085,055 | 103,341,541 | 3,034,030,817 |
| 2010-11 | 2,638,619,100 | 210,902,741 | 12,320,000 | 83,786,106 | 6,379,989 | 98,586,596 | 3,050,594,532 |
| 2011-12 | 2,380,975,900 | 220,204,158 | 12,576,500 | 84,984,166 | 6,473,300 | 99,488,417 | 2,804,702,441 |
| 2012-13 | 2,399,856,100 | 222,483,401 | 12,573,000 | 88,407,275 | 6,943,910 | 107,140,300 | 2,837,403,986 |

Property Tax Rates

| Fiscal Year | Real Estate | Personal Property | Mobile Homes | Machinery & Tools | Merchants' Capital |
|-------------|-------------|-------------------|--------------|-------------------|--------------------|
| 2003-04 | \$ 0.59 | \$ 3.25 | \$ 0.59 | \$ 2.00 | \$ 3.95 |
| 2004-05 | 0.61 | 3.25 | 0.61 | 2.00 | 3.95 |
| 2005-06 | 0.61 | 3.25 | 0.61 | 2.00 | 3.95 |
| 2006-07 | 0.61 | 3.25 | 0.61 | 2.00 | 3.95 |
| 2007-08 | 0.65 | 3.25 | 0.65 | 2.00 | 3.95 |
| 2008-09 | 0.52 | 3.25 | 0.52 | 2.00 | 3.95 |
| 2009-10 | 0.52 | 3.25 | 0.52 | 2.00 | 3.95 |
| 2010-11 | 0.52 | 3.25 | 0.52 | 2.00 | 3.95 |
| 2011-12 | 0.52 | 3.25 | 0.52 | 2.00 | 3.95 |
| 2012-13 | 0.54 | 3.25 | 0.52 | 2.00 | 3.95 |

COUNTY OF AMHERST, VIRGINIA

Table 6

Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total (1) Tax Levy | Current Tax (1) Collections | Percent of Levy Collected | Delinquent | | Total Tax Collections | Percent of Total Tax Collections to Tax Levy | | Outstanding (1,2) Delinquent Taxes | | Percent of Delinquent Taxes to Tax Levy |
|----------------|-----------------------|-----------------------------------|---------------------------------|--------------------|--------------------|-----------------------------|---|-------|---|--|--|
| | | | | Tax Collections | Tax Collections | | | | | | |
| 2003-04 | \$ 16,265,554 | \$ 15,786,115 | 97.05% | \$ 348,488 | \$ 16,134,603 | 99.19% | \$ 493,572 | 3.03% | | | |
| 2004-05 | 16,779,997 | 16,205,458 | 96.58% | 323,893 | 16,529,351 | 98.51% | 468,284 | 2.79% | | | |
| 2005-06 | 17,528,774 | 16,929,060 | 96.58% | 308,701 | 17,237,761 | 98.34% | 462,675 | 2.64% | | | |
| 2006-07 | 17,898,255 | 17,334,380 | 96.85% | 311,403 | 17,645,783 | 98.59% | 577,542 | 3.23% | | | |
| 2007-08 | 18,630,497 | 18,146,159 | 97.40% | 318,236 | 18,464,395 | 99.11% | 636,107 | 3.41% | | | |
| 2008-09 | 21,130,560 | 20,430,145 | 96.69% | 388,499 | 20,818,644 | 98.52% | 829,090 | 3.92% | | | |
| 2009-10 | 21,212,184 | 20,228,826 | 95.36% | 445,920 | 20,674,746 | 97.47% | 1,325,725 | 6.25% | | | |
| 2010-11 | 21,458,839 | 20,679,986 | 96.37% | 730,120 | 21,410,106 | 99.77% | 1,541,182 | 7.18% | | | |
| 2011-12 | 22,076,519 | 20,921,553 | 94.77% | 1,098,860 | 22,020,413 | 99.75% | 1,468,593 | 6.65% | | | |
| 2012-13 | 22,856,724 | 21,564,459 | 94.35% | 505,693 | 22,070,152 | 96.56% | 1,136,956 | 4.97% | | | |

(1) Exclusive of penalties and interest.

(2) Includes three years taxes.

COUNTY OF AMHERST, VIRGINIA

Table 7

Ratio of Net General Bonded Debt to Assessed Value and Net General Bonded Debt Per Capita (1,2,3)
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Assessed Value (2) | Gross Bonded Debt (3) | Less: Debt Payable from Enterprise Revenue | Net General Bonded Debt | Ratio of Gross Bonded Debt to Assessed Value | Net Bonded Debt per Capita |
|-------------|----------------|--------------------|-----------------------|--|-------------------------|--|----------------------------|
| 2003-04 | 31,894 | \$ 1,781,215,493 | \$ 30,429,216 | \$ 4,470,000 | \$ 25,959,216 | 1.71% | \$ 814 |
| 2004-05 | 31,894 | 1,798,412,737 | 28,581,094 | 4,100,000 | 24,481,094 | 1.59% | 768 |
| 2005-06 | 31,894 | 1,838,714,664 | 27,463,415 | 4,025,000 | 23,438,415 | 1.49% | 735 |
| 2006-07 | 31,894 | 1,865,133,298 | 25,974,366 | 3,950,000 | 22,024,366 | 1.39% | 691 |
| 2007-08 | 31,894 | 1,897,327,511 | 34,384,357 | 3,870,000 | 30,514,357 | 1.81% | 957 |
| 2008-09 | 31,894 | 2,728,098,358 | 31,407,157 | 3,785,000 | 27,622,157 | 1.15% | 866 |
| 2009-10 | 31,894 | 3,034,030,817 | 36,223,397 | 11,739,000 | 24,484,397 | 1.19% | 768 |
| 2010-11 | 31,894 | 3,050,594,532 | 33,097,273 | 11,566,000 | 21,531,273 | 1.08% | 675 |
| 2011-12 | 32,353 | 2,804,702,441 | 34,412,922 | 11,340,000 | 23,072,922 | 1.23% | 713 |
| 2012-13 | 32,353 | 2,837,403,986 | 30,690,078 | 9,730,000 | 20,960,078 | 1.08% | 648 |

(1) Bureau of the Census.

(2) From Table 5.

(3) Includes all long-term general obligation debt.

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Compliance

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To The Honorable Members of
the Board of Supervisors
County of Amherst
Amherst, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Amherst, Virginia as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise County of Amherst, Virginia's basic financial statements and have issued our report thereon dated February 10, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Amherst, 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 Amherst, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Amherst, 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 Amherst, Virginia's financial statements are free of 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, Turner, & Associates
Charlottesville, Virginia
February 10, 2014

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

To The Honorable Members of
the Board of Supervisors
County of Amherst
Amherst, Virginia

Report on Compliance for Each Major Federal Program

We have audited County of Amherst, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Amherst, Virginia's major federal programs for the year ended June 30, 2013. County of Amherst, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each Major Federal Program

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


Report on Internal Control Over Compliance

Management of County of Amherst, 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 Amherst, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Amherst, Virginia's internal control over compliance.

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

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

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


Charlottesville, Virginia
February 10, 2014

COUNTY OF AMHERST, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2013

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------------|---|-------------------------|
| Primary Government: | | | |
| <u>DEPARTMENT OF AGRICULTURE:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Social Services: | | 0010112/0010113/ | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | 0040112/0040113 | \$ 282,439 |
| <u>DEPARTMENT OF TRANSPORTATION:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Motor Vehicles: | | | |
| Highway Safety Cluster: | | | |
| State and Community Highway Safety | 20.600 | 53134 | \$ 4,383 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | 20.601 | 53133 | 6,828 |
| Alcohol Open Container Requirements | 20.607 | 52167 | 8,543 |
| Virginia Department of Transportation: | | | |
| Highway Planning and Construction | 20.205 | 60302, etc. | 456,923 |
| Total Department of Transportation | | | \$ 476,677 |
| <u>DEPARTMENT OF HOMELAND SECURITY:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Department of Emergency Services: | | | |
| Disaster grants - Public Assistance (Presidentially Declared Disaster) | 97.036 | 158 | \$ 13,988 |
| Emergency Management Performance Grants | 97.042 | 52741 | 14,911 |
| Total Department of Homeland Security | | | \$ 28,899 |
| <u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Social Services: | | | |
| Promoting Safe and Stable Families | 93.556 | 0950112 | \$ 12,313 |
| Temporary Assistance for Needy Families (TANF) | 93.558 | 0400112/0400113 | 232,298 |
| Refugee and Entrant Assistance - State Administered Programs | 93.566 | 0500112/0500113 | 845 |
| Low-Income Home Energy Assistance | 93.568 | 0600412/0600413 | 15,299 |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund | 93.596 | 0760112/0760113 | 38,508 |
| Stephanie Tubbs Jones Child Welfare Services Programs | 93.645 | 0900112/0900113 | 1,269 |
| Foster Care - Title IV - E | 93.658 | 1100112/1100113 | 139,382 |
| Adoption Assistance | 93.659 | 1120112/1120113 | 26,271 |
| Social Services Block Grant | 93.667 | 1000112/1000113 | 165,802 |
| Chafee Foster Care Independence Program | 93.674 | 9150112/9150113 | 2,153 |
| Children's Health Insurance Program | 93.767 | 0540112/0540113 | 6,706 |
| Medical Assistance Program | 93.778 | 1200112/1200113 | 168,825 |
| Total Department of Health and Human Services | | | \$ 809,671 |

COUNTY OF AMHERST, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2013 (Continued)

| Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---------------------------|---|-------------------------|
| Primary Government: (Continued) | | | |
| <u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Housing and Community Development: | | | |
| Community Development Block Grants/State's Program and Non-Entitlement Grants | 14.228 | 50790 | \$ 48,565 |
| <u>DEPARTMENT OF JUSTICE:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Criminal Justice Services: | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 71200 | \$ 7,922 |
| <u>ENVIRONMENTAL PROTECTION AGENCY:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Environmental Quality: | | | |
| Rents and Royalties | 66.000 | 65015 | \$ 304 |
| Total Primary Government | | | \$ 1,654,477 |
| Component Unit - School Board: | | | |
| <u>DEPARTMENT OF AGRICULTURE:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Agriculture and Consumer Services: | | | |
| Fresh Fruit and Vegetable Program | 10.582 | 405990 | \$ 53,449 |
| Schools and Roads - Grants to States | 10.665 | 438410 | 79,332 |
| Child Nutrition Cluster: | | | |
| Food Distribution | 10.555 | 406230 | \$ 140,003 |
| Virginia Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| National School Lunch Program | 10.555 | 406230 | 906,652 1,046,655 |
| School Breakfast Program | 10.553 | 405910 | 307,464 |
| Total Department of Agriculture | | | \$ 1,486,900 |
| <u>DEPARTMENT OF EDUCATION:</u> | | | |
| <u>Pass through payments:</u> | | | |
| Virginia Department of Education: | | | |
| Adult Education - Basic Grants to States | 84.002 | 428010/611110 | \$ 341,673 |
| Title I - Grants to Local Educational Agencies | 84.010 | 429010 | 912,470 |
| Special Education Cluster: | | | |
| Special Education - Grants to States (IDEA, Part B) | 84.027 | 430710 | 1,160,445 |
| Special Education - Preschool Grants (IDEA Preschool) | 84.173 | 625210 | 23,460 |
| Career and Technical Education - Basic Grants to States (Perkins IV) | 84.048 | 610950 | 76,176 |
| Improving Teacher Quality State Grants | 84.367 | 614800 | 201,911 |
| School Improvement Grants | 84.377 | 430400 | 140,206 |
| ARRA - Education Jobs Fund | 84.410 | 627000 | 38,983 |
| Total Department of Education | | | \$ 2,895,324 |
| Total Component Unit School Board | | | \$ 4,382,224 |
| Total Expenditures of Federal Awards | | | \$ 6,036,701 |

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF AMHERST, VIRGINIA

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

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Distribution

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

| | |
|--------------------------|---------------------|
| General Fund | \$ 1,171,379 |
| Special Revenue Fund | <u>533,164</u> |
| Total primary government | <u>\$ 1,704,543</u> |

Component Unit Public Schools:

| | |
|-------------------------------------|---------------------|
| School Operating Fund | \$ 4,382,224 |
| Total component unit public schools | <u>\$ 4,382,224</u> |

| | |
|---|---------------------|
| Total federal expenditures per basic financial statements | <u>\$ 6,086,767</u> |
|---|---------------------|

| | |
|-----------------------|--------------------|
| Less: federal subsidy | <u>\$ (50,066)</u> |
|-----------------------|--------------------|

| | |
|---|----------------------------|
| Total federal expenditures per the Schedule of Expenditures of Federal Awards | <u><u>\$ 6,036,701</u></u> |
|---|----------------------------|

COUNTY OF AMHERST, VIRGINIA

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

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

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

Identification of major programs:

| CFDA # | Name of Federal Program or Cluster |
|---------------|--|
| 10.553/10.555 | Child Nutrition Cluster |
| 84.010 | Title I Grants to Local Educational Agencies |
| 84.027/84.173 | Special Education Cluster |

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

Auditee qualified as low-risk auditee? No

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 reported.