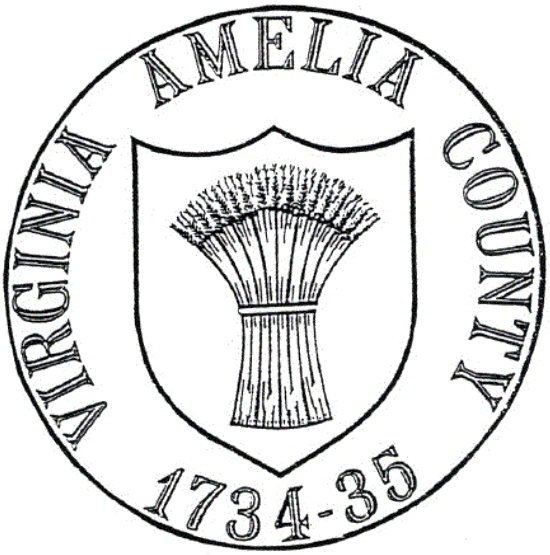
County of Amelia, Virginia



Annual Financial Report

For Fiscal Year Ended June 30, 2014

COUNTY OF AMELIA, VIRGINIA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

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COUNTY OF AMELIA, VIRGINIA

Board of Supervisors

Franklin D. Harris, Chairperson

Judy M. Jones
Ralph A. Whitaker, Jr.

Ellsworth J. Bennett, Vice Chairperson
Carroll E. Barnard

Department of Social Services

Maude B. Scott, Chairperson

Debra Adams
Carroll E. Barnard

Rebecca Morris, Vice Chairperson
Marjorie Washington

County School Board

Catherine Wilkinson, Chairperson

Kevin Delaney, Sr., Vice Chairperson
Ann B. Salster

Glen Wilkerson
Jim Ferrara

Other Officials

Judge of the Circuit Court ..... Pamela S. Baskervill
Clerk of the Circuit Court ..... Marilyn L. Wilson
Commonwealth's Attorney ..... Lee R. Harrison
Commissioner of the Revenue .....Joyce P. Morris
Treasurer .....Pamela H. Conyers
Sheriff ..... Rick L. Walker
Director of Social Services .....Martha A. Pullen
County Administrator .....Taylor Harvie
Judge of the General District Court .....Mayo Gravatt
Judge of the Juvenile and Domestic Relations Court..... Valentine W. Southall, Jr.
Superintendent of Schools ..... Dr. B. J. Brewer

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COUNTY OF AMELIA, VIRGINIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Amelia, Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 units, each major fund, and the aggregate remaining fund information of County of Amelia, Virginia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of pension and OPEB funding progress on pages 4-10, 64, and 65-66 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 Amelia, Virginia's basic financial statements. The other supplementary information 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.

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

Other Information (continued)

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 December 17, 2014, on our consideration of County of Amelia, 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 Amelia, Virginia's internal control over financial reporting and compliance.

Richmond, Virginia
December 17, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Amelia, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014.

Financial Highlights

Government-wide Financial Statements

< The assets of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $21,020,669 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses in excess of revenues and other sources of $837,440 (Exhibit 5) after making contributions totaling $5,006,690 to the School Board.

< As of the close of the current fiscal year; the County's funds reported ending fund balances of $10,089,142, a decrease of $837,440 in comparison with the prior year.

< At the end of the current fiscal year, unassigned fund balance for the general fund was $6,380,057, or 40% of total general fund expenditures and other financing uses.

< The combined long-term obligations decreased $511,010 during the current fiscal year.

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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 assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

The Government-wide financial statements include not only the County of Amelia, Virginia itself (known as the primary government), but also a legally separate school district and Industrial development authority for which the County of Amelia, Virginia is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Amelia 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.

Overview of the Financial Statements (Continued)

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 two major governmental funds – the General Fund and the County 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 Sanitary District Fund provides a centralized source for water / 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.

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

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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 exceeded liabilities and deferred inflows of resources by $21,020,669 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Amelia, Virginia's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 11,801,476	$ 12,877,791	$ 42,666	$ 39,961	$ 11,844,142	$ 12,917,752
Capital assets	12,297,027	12,895,583	6,418,335	6,498,945	18,715,362	19,394,528
Total assets	$ 24,098,503	$ 25,773,374	$ 6,461,001	$ 6,538,906	$ 30,559,504	$ 32,312,280
Current liabilities	$ 1,124,134	$ 1,195,402	$ 17,241	$ 15,065	$ 1,141,375	$ 1,210,467
Long-term liabilities outstanding	5,916,915	6,210,333	2,471,502	2,689,094	8,388,417	8,899,427
Total liabilities	$ 7,041,049	$ 7,405,735	$ 2,488,743	$ 2,704,159	$ 9,529,792	$ 10,109,894
Deferred inflows of resources						
Unavailable revenue - property taxes	$ 9,043	$ 9,665	$ -	$ -	$ 9,043	$ 9,665
Net investment in capital assets	$ 7,717,637	$ 7,970,340	$ 3,958,251	$ 3,821,546	$ 11,675,888	$ 11,791,886
Restricted for:						
Landfill	947,581	865,491	-	-	947,581	865,491
Cash proffers	372,205	329,707	-	-	372,205	329,707
Indoor plumbing	37,924	101,237	-	-	37,924	101,237
Asset forfeiture	66,285	72,669	-	-	66,285	72,669
Courthouse security	69,160	90,981	-	-	69,160	90,981
Unrestricted	7,837,619	8,927,549	14,007	13,201	7,851,626	8,940,750
Total net position	$ 17,048,411	$ 18,357,974	$ 3,972,258	$ 3,834,747	$ 21,020,669	$ 22,192,721

Government-wide Financial Analysis (Continued)

Governmental and business-type activities decreased the County's net position by $1,172,052 during the current fiscal year. The following table summarizes the County's Statement of Activities:

	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 1,292,439	$ 1,460,215	$ 369,072	$ 395,918	$ 1,661,511	$ 1,856,133
Operating grants and contributions	2,838,861	2,977,173	-	-	2,838,861	2,977,173
Capital grants and contributions	-	-	103,938	-	103,938	-
General revenues:						
General property taxes	7,052,795	6,935,586	-	-	7,052,795	6,935,586
Other local taxes	1,567,240	1,545,825	-	-	1,567,240	1,545,825
Grants and other contributions not restricted	1,389,791	1,319,015	-	-	1,389,791	1,319,015
Other general revenues	296,034	491,602	-	-	296,034	491,602
Transfers	(295,257)	(538,720)	295,257	538,720	-	-
Total revenues	$ 14,141,903	$ 14,190,696	$ 768,267	$ 934,638	$ 14,910,170	$ 15,125,334
Expenses:						
General government administration	$ 1,593,468	$ 1,706,345	$ -	$ -	$ 1,593,468	$ 1,706,345
Judicial administration	776,237	765,573	-	-	776,237	765,573
Public safety	3,445,649	3,288,315	-	-	3,445,649	3,288,315
Public works	1,170,623	1,024,339	630,756	593,906	1,801,379	1,618,245
Health and welfare	1,670,608	1,876,664	-	-	1,670,608	1,876,664
Education	5,385,673	5,355,124	-	-	5,385,673	5,355,124
Parks, recreation, and cultural	591,491	611,009	-	-	591,491	611,009
Community development	594,582	527,242	-	-	594,582	527,242
Interest and other fiscal charges	223,135	235,972	-	-	223,135	235,972
Total expenses	$ 15,451,466	$ 15,390,583	$ 630,756	$ 593,906	$ 16,082,222	$ 15,984,489
Change in net position	$ (1,309,563)	$ (1,199,887)	$ 137,511	$ 340,732	$ (1,172,052)	$ (859,155)
Beginning of year	18,357,974	19,557,861	3,834,747	3,494,015	22,192,721	23,051,876
End of year	$ 17,048,411	$ 18,357,974	$ 3,972,258	$ 3,834,747	$ 21,020,669	$ 22,192,721

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available 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.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of $10,089,142, a decrease of $837,440 in comparison with the prior year. Approximately 63% of the reported fund balance constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year was $14,007. The total increase in net position was $137,511. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

During the year, revenues and other financing sources of the General Fund were greater than budgetary estimates by $424,602. Expenditures and other financing uses were less than budgetary estimates by $1,520,352, resulting in a positive variance of $1,944,954.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2014 was $12,297,027 and its investment in capital assets for its proprietary operations was $6,418,335 (both net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of $6,858,421. Of this amount, $4,398,337 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., revenue and lease/revenue bonds).

The County's bonded debt decreased by $548,081 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

< Inflationary trends in the region compare to national indices.

All of these factors were considered in preparing the County's budget for the 2015 fiscal year.

The fiscal year 2015 budget increased by approximately 3%. All tax rates remained the same as in 2014, with the exception of real estate tax increasing from $0.47 per $100 of assessed value to $0.49 per $100 of assessed value.

Requests for Information

This financial report is designed to provide a general overview of the County of Amelia, 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 County Administrator, P.O. Box A, Amelia, Virginia 23002.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Exhibit 1

County of Amelia, Virginia
Statement of Net Position
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	IDA
ASSETS					
Cash and cash equivalents	$ 4,541,628	$ -	$ 4,541,628	$ 22,019	$ -
Investments	4,982,456	-	4,982,456	-	23,562
Receivables (net of allowance for uncollectibles):					
Taxes receivable	752,084	-	752,084	-	-
Accounts receivable	105,844	42,666	148,510	-	-
Interest receivable	63	-	63	-	3
Due from other governmental units	471,820	-	471,820	1,636,148	-
Restricted assets:					
Temporarily restricted:					
Landfill funds held with trustee	947,581	-	947,581	-	-
Capital assets (net of accumulated depreciation):					
Land and land improvements	2,081,507	29,463	2,110,970	367,715	-
Buildings and improvements	8,396,456	-	8,396,456	7,050,656	-
Utility plant in service	-	6,321,953	6,321,953	-	-
Machinery and equipment	1,819,064	57,019	1,876,083	1,019,182	-
Construction in progress	-	9,900	9,900	-	-
Total assets	$ 24,098,503	$ 6,461,001	$ 30,559,504	$ 10,095,720	$ 23,565
LIABILITIES					
Accounts payable	$ 30,854	$ 5,702	$ 36,556	$ 148,851	$ -
Accrued liabilities	-	-	-	1,445,118	-
Accrued interest payable	84,554	11,539	96,093	-	-
Due to other governmental units	1,008,011	-	1,008,011	-	-
Unearned revenue	715	-	715	-	-
Long-term liabilities:					
Due within one year	360,083	159,758	519,841	7,300	-
Due in more than one year	5,556,832	2,311,744	7,868,576	2,440,588	-
Total liabilities	$ 7,041,049	$ 2,488,743	$ 9,529,792	$ 4,041,857	$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	$ 9,043	$ -	$ 9,043	$ -	$ -
Total deferred inflows of resources	$ 9,043	$ -	$ 9,043	$ -	$ -
NET POSITION					
Net investment in capital assets	$ 7,717,637	$ 3,958,251	$ 11,675,888	$ 8,437,553	$ -
Restricted:					
Landfill funds held by trustees	947,581	-	947,581	-	-
Cash proffers	372,205	-	372,205	-	-
Indoor plumbing	37,924	-	37,924	-	-
Asset forfeiture	66,285	-	66,285	-	-
Courthouse security fund	69,160	-	69,160	-	-
Unrestricted (deficit)	7,837,619	14,007	7,851,626	(2,383,690)	23,565
Total net position	$ 17,048,411	$ 3,972,258	$ 21,020,669	$ 6,053,863	$ 23,565

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

Exhibit 2

County of Amelia, Virginia
Statement of Activities
For the Year Ended June 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**School Board**	**IDA**
PRIMARY GOVERNMENT:									
Governmental activities:									
General government administration	$ 1,593,468	$ -	$ 211,863	$ -	$ (1,381,605)		$ (1,381,605)		
Judicial administration	776,237	196,824	379,431	-	(199,982)		(199,982)		
Public safety	3,445,649	168,146	973,991	-	(2,303,512)		(2,303,512)		
Public works	1,170,623	808,708	2,550	-	(359,365)		(359,365)		
Health and welfare	1,670,608	-	1,153,762	-	(516,846)		(516,846)		
Education	5,385,673	-	-	-	(5,385,673)		(5,385,673)		
Parks, recreation, and cultural	591,491	118,761	51,519	-	(421,211)		(421,211)		
Community development	594,582	-	6,366	-	(588,216)		(588,216)		
Interest on long-term debt	223,135	-	59,379	-	(163,756)		(163,756)		
Total governmental activities	$ 15,451,466	$ 1,292,439	$ 2,838,861	$ -	$ (11,320,166)		$ (11,320,166)		
Business-type activities:									
Sanitary District	$ 630,756	$ 369,072	$ -	$ 103,938		$ (157,746)	$ (157,746)		
Total business-type activities	$ 630,756	$ 369,072	$ -	$ 103,938		$ (157,746)	$ (157,746)		
Total primary government	$ 16,082,222	$ 1,661,511	$ 2,838,861	$ 103,938			$ (11,477,912)		
COMPONENT UNITS:									
School Board	$ 17,939,250	$ 254,634	$ 11,530,358	$ -				$ (6,154,258)	$ -
Industrial Development Authority	17,743	-	-	-				-	(17,743)
Total component units	$ 17,956,993	$ 254,634	$ 11,530,358	$ -				$ (6,154,258)	$ (17,743)
General revenues:									
General property taxes					$ 7,052,795	$ -	$ 7,052,795	$ -	$ -
Other local taxes:									
Local sales and use taxes					621,285	-	621,285	-	-
Consumers' utility taxes					221,861	-	221,861	-	-
Motor vehicle licenses					351,547	-	351,547	-	-
Business license taxes					185,119	-	185,119	-	-
Other local taxes					187,428	-	187,428	-	-
Unrestricted revenues from use of money and property					57,246	-	57,246	1,373	49
Miscellaneous					238,788	-	238,788	412,867	-
Payments from Amelia County					-	-	-	5,337,456	-
Grants and contributions not restricted to specific programs					1,389,791	-	1,389,791	-	-
Transfers					(295,257)	295,257	-	-	-
Total general revenues and transfers					$ 10,010,603	$ 295,257	$ 10,305,860	$ 5,751,696	$ 49
Change in net position					$ (1,309,563)	$ 137,511	$ (1,172,052)	$ (402,562)	$ (17,694)
Net position - beginning					18,357,974	3,834,747	22,192,721	6,456,425	41,259
Net position - ending					$ 17,048,411	$ 3,972,258	$ 21,020,669	$ 6,053,863	$ 23,565

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

FUND FINANCIAL STATEMENTS

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Exhibit 3

County of Amelia, Virginia
Balance Sheet
Governmental Funds
June 30, 2014

	General	County Capital Projects	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 3,291,525	$ 746,878	$ 503,225	$ 4,541,628
Investments	3,532,903	1,376,851	72,702	4,982,456
Interest receivable	-	32	31	63
Receivables (net of allowance for uncollectibles):				
Taxes receivable	752,084	-	-	752,084
Accounts receivable	43,344	60,780	1,720	105,844
Due from other governmental units	471,820	-	-	471,820
Restricted assets:				
Temporarily restricted:				
Landfill funds held with trustee	947,581	-	-	947,581
Total assets	$ 9,039,257	$ 2,184,541	$ 577,678	$ 11,801,476
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 30,854	$ -	$ -	$ 30,854
Due to other governmental units	1,008,011	-	-	1,008,011
Unearned revenue	-	-	715	715
Total liabilities	$ 1,038,865	$ -	$ 715	$ 1,039,580
Deferred inflows of resources:				
Unavailable revenue - property taxes	$ 672,754	$ -	$ -	$ 672,754
Total deferred inflows of resources	$ 672,754	$ -	$ -	$ 672,754
Fund balances:				
Restricted	$ 947,581	$ -	$ 545,574	$ 1,493,155
Committed	-	2,184,541	31,389	2,215,930
Unassigned	6,380,057	-	-	6,380,057
Total fund balances	$ 7,327,638	$ 2,184,541	$ 576,963	$ 10,089,142
Total liabilities, deferred inflows of resources and fund balances	$ 9,039,257	$ 2,184,541	$ 577,678	$ 11,801,476

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

Exhibit 4

County of Amelia, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		$ 10,089,142
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	$ 21,817,828	
Accumulated depreciation	(9,520,801)	12,297,027
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the funds.		663,711
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds	$ (4,398,337)	
Bond issuance premium	(181,053)	
Landfill post closure liability	(1,000,000)	
Net OPEB obligation	(75,625)	
Accrued interest payable	(84,554)	
Compensated absences	(261,900)	(6,001,469)
Net position of governmental activities		$ 17,048,411

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

Exhibit 5

County of Amelia, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General	County Capital Projects	Other Governmental Funds	Total
REVENUES				
General property taxes	$ 7,225,278	$ -	$ -	$ 7,225,278
Other local taxes	1,567,240	-	-	1,567,240
Permits, privilege fees, and regulatory licenses	126,466	-	-	126,466
Fines and forfeitures	178,515	-	-	178,515
Revenue from the use of money and property	56,432	404	410	57,246
Charges for services	341,373	608,197	37,888	987,458
Miscellaneous	184,293	-	54,495	238,788
Recovered costs	100,171	-	-	100,171
Intergovernmental:				
Commonwealth	3,405,991	-	22,289	3,428,280
Federal	797,666	-	2,706	800,372
Total revenues	$ 13,983,425	$ 608,601	$ 117,788	$ 14,709,814
EXPENDITURES				
Current:				
General government administration	$ 1,484,503	$ -	$ -	$ 1,484,503
Judicial administration	744,907	-	-	744,907
Public safety	3,137,934	-	46,032	3,183,966
Public works	908,605	-	-	908,605
Health and welfare	1,756,550	-	-	1,756,550
Education	5,007,679	-	-	5,007,679
Parks, recreation, and cultural	559,957	-	-	559,957
Community development	218,855	-	-	218,855
Capital projects	95,262	717,227	-	812,489
Debt service:				
Principal retirement	330,766	-	-	330,766
Interest and other fiscal charges	243,720	-	-	243,720
Total expenditures	$ 14,488,738	$ 717,227	$ 46,032	$ 15,251,997
Excess (deficiency) of revenues over (under) expenditures	$ (505,313)	$ (108,626)	$ 71,756	$ (542,183)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 210,248	$ -	$ 17,313	$ 227,561
Transfers out	(312,570)	(74,764)	(135,484)	(522,818)
Total other financing sources (uses)	$ (102,322)	$ (74,764)	$ (118,171)	$ (295,257)
Net change in fund balances	$ (607,635)	$ (183,390)	$ (46,415)	$ (837,440)
Fund balances - beginning	7,935,273	2,367,931	623,378	10,926,582
Fund balances - ending	$ 7,327,638	$ 2,184,541	$ 576,963	$ 10,089,142

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

Exhibit 6

County of Amelia, Virginia
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (837,440)
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 is a summary of items supporting this adjustment:		
Capital asset additions	$ 324,136	
Depreciation expense	(764,662)	
Activity related to joint tenancy assets to Component Unit from Primary Government	(121,799)	(562,325)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(36,231)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(172,483)
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The following is a summary of items supporting this adjustment:		
Bond issuance premium amortization	$ 15,087	
Principal retirement on school general obligation bonds	330,766	345,853
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 (increase) in compensated absences	$ (32,108)	
Decrease (increase) in net OPEB obligation	(20,327)	
Decrease (increase) in accrued interest payable	5,498	(46,937)
Change in net position of governmental activities		$ (1,309,563)

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

Exhibit 7

County of Amelia, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2014

	Enterprise Fund Sanitary District
ASSETS	
Current assets:	
Accounts receivable, net of allowance for uncollectibles	$ 42,666
Noncurrent assets:	
Capital assets:	
Land and land improvements	$ 29,463
Construction in progress	9,900
Utility plant in service	9,258,278
Machinery and equipment	292,883
Accumulated depreciation	(3,172,189)
Total capital assets	$ 6,418,335
Total noncurrent assets	$ 6,418,335
Total assets	$ 6,461,001
LIABILITIES	
Current liabilities:	
Accounts payable	$ 5,702
Accrued interest payable	11,539
Bonds payable - current portion	158,616
Compensated absences - current portion	1,142
Total current liabilities	$ 176,999
Noncurrent liabilities:	
Bonds payable - net of current portion	$ 2,301,468
Compensated absences - net of current portion	10,276
Total noncurrent liabilities	$ 2,311,744
Total liabilities	$ 2,488,743
NET POSITION	
Net investment in capital assets	$ 3,958,251
Unrestricted	14,007
Total net position	$ 3,972,258

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

Exhibit 8

County of Amelia, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Fund Sanitary District
OPERATING REVENUES	
Charges for services:	
Water and sewer revenues	$ 359,228
Penalties	9,694
Total operating revenues	$ 368,922
OPERATING EXPENSES	
Water	$ 79,439
Sewer	285,334
Depreciation	190,490
Total operating expenses	$ 555,263
Operating income (loss)	$ (186,341)
NONOPERATING REVENUES (EXPENSES)	
Connection fees	$ 150
Interest expense	(75,493)
Total nonoperating revenues (expenses)	$ (75,343)
Income (loss) before contributions and transfers	$ (261,684)
Capital contributions and construction grants	$ 103,938
Transfers in	295,257
Change in net position	$ 137,511
Total net position - beginning	3,834,747
Total net position - ending	$ 3,972,258

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

Exhibit 9

County of Amelia, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Enterprise Fund Sanitary District
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 362,050
Payments for operating expenses	(358,035)
Net cash provided by (used for) operating activities	$ 4,015
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	$ 295,257
Net cash provided by (used for) noncapital financing activities	$ 295,257
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset addition	$ (109,880)
Principal payments on bonds	(217,315)
Capital contributions	103,938
Connection fees	150
Interest payments	(76,165)
Net cash provided by (used for) capital and related financing activities	$ (299,272)
Net increase (decrease) in cash and cash equivalents	$ -
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	$ -
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	$ (186,341)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	$ 190,490
(Increase) decrease in accounts receivable	(6,872)
(Increase) decrease in prepaid items	4,167
Increase (decrease) in accounts payable	2,848
Increase (decrease) in compensated absences	(277)
Total adjustments	$ 190,356
Net cash provided by (used for) operating activities	$ 4,015

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

Exhibit 10

County of Amelia, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	$ 7,711	$ 48,233
Investments	235,669	-
Receivables:		
Interest and dividends	153	-
Total assets	$ 243,533	$ 48,233
LIABILITIES		
Amounts held for social services clients	$ -	$ 15,416
Performance bonds	-	22,641
Amounts held for others	-	10,176
Total liabilities	$ -	$ 48,233
NET POSITION		
Held in trust for scholarships	$ 243,533	$ -

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

Exhibit 11

County of Amelia, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2014

		Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Private donations	$	16,653
Total contributions	$	16,653
Investment earnings:		
Interest	$	18,127
Total investment earnings	$	18,127
Total additions	$	34,780
DEDUCTIONS		
Scholarships	$	15,088
Total deductions	$	15,088
Change in net position	$	19,692
Net position - beginning		223,841
Net position - ending	$	243,533

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

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NOTES TO THE FINANCIAL STATEMENTS

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Note 1—Summary of Significant Accounting Policies:

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

The financial statements of County of Amelia, 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

GASB Statement No. 34 establishes requirements and a reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

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 interfund 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.

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

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 units. 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).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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 a requirement to report the government's original budget and a comparison of 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 the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization 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 Amelia (the primary government) and its component units. 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.

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units at June 30, 2014.

Discretely Presented Component Units. The School Board members are elected by the citizens of Amelia County. The School Board is 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 budget and any amendments. 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, 2014.

The Industrial Development Authority of Amelia County is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2014. The Industrial Development Authority does not issue a separate report.

C. Other Related Organizations Included in the County's Financial Report

None

D. 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 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.

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

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation *(Continued)*

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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

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

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation *(Continued)*

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund and Capital Projects Fund as major governmental funds.

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.

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

The County reports the following non-major governmental funds:

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 County Special Revenue Fund reports the operations of the proffers, IPR program, Courthouse security, Amelia County clean-up program, special library and forfeited assets funds transactions.

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. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds – 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 County's Enterprise Funds consist of the Sanitary District.

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 and Private Purpose Trust Funds. These funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's Agency Funds include amounts held for others in fiduciary capacity, which include special welfare, performance bond and A.M. radio partners fund. The County's Private Purpose Trust Funds include the following funds: Harris Scholarship, Wright Scholarship, Arnold Scholarship, Black Scholarship and N.S. Montague Scholarship.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

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

F. Investments

Investments are reported 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.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

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 portions of the 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 $347,118 at June 30, 2014 and is comprised of $340,502 for property taxes and $6,616 related to proprietary revenue.

Real and Personal Property Tax Data:

The tax calendars for real and personal property taxes are summarized below.

	Real Property	Personal Property
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

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

H. Capital Assets

Capital assets, which include property, plant and equipment, 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 Component Unit School Board as land, buildings, 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. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as 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 is no capitalized interest for the year June 30, 2014.

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

Assets	Years
Buildings and Improvements	40
Furniture, Vehicles, and Office Equipment	5-20
Buses	10

Property, plant and equipment of the Enterprise Fund are depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Sewer System	50
Sewage Treatment Plant	25
Machinery and Equipment	3-5

I. 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 Governmental 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 is estimated will be taken as "terminal leave" prior to retirement.

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

J. Retirement Plan

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

K. 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.

L. Fund Equity

The County reports fund balances 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;
- 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's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

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

L. Fund Equity (Continued)

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a 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 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).

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General Fund	Major Capital Project Fund County Capital Projects Fund	Non-Major Special Revenue Fund County Special Revenue Fund	Total
Fund Balances:				
Restricted:				
Cash Proffers	$ -	$ -	$ 372,205	$ 372,205
Indoor Plumbing	-	-	37,924	37,924
Asset forfeiture	-	-	66,285	66,285
Courthouse security fund	-	-	69,160	69,160
Landfill funds held by trustees	947,581	-	-	947,581
Total Restricted Fund Balance	$ 947,581	$ -	$ 545,574	$ 1,493,155
Committed:				
Capital Improvements	$ -	$ 2,178,962	$ -	$ 2,178,962
Special Library	-	-	26,559	26,559
Amelia County Clean-up Program	-	-	4,830	4,830
Hindle Building Bell Fund	-	5,579	-	5,579
Total Committed Fund Balance	$ -	$ 2,184,541	$ 31,389	$ 2,215,930
Unassigned	$ 6,380,057	$ -	$ -	$ 6,380,057
Total Fund Balances	$ 7,327,638	$ 2,184,541	$ 576,963	$ 10,089,142

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

M. 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 represent 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.

N. 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

O. 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 and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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

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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County does not have any deferred outflows of resources as of June 30, 2014.

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 (revenue) until that time. The County has only 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 amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that amount becomes available. Under the accrual basis, amounts prepaid on 2nd half installments are reported as deferred inflows of resources.

Note 2—Stewardship, Compliance, and Accounting:

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

1. On or before March 30th, 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 department or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations

Expenditures exceeded appropriations in the following fund at June 30, 2014:

County Special Revenue Fund	$ 46,032

Note 3 – 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 the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

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).

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2014 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale.

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings					
	AAA	AAAm	AA-	AA	AA+	Unrated
Local Government Investment Pool	$ -	$ 920,337	$ -	$ -	$ -	$ -
Mutual funds	-	-	-	-	-	181,256
U.S. Government Securities Money Market Fund	-	22,876	-	-	-	-
Municipal/Public Bonds	137,338	-	51,027	112,649	426,867	130,642
Corporate Debt	-	-	87,029	56,102	50,248	-
Total	$ 137,338	$ 943,213	$ 138,056	$ 168,751	$ 477,115	$ 311,898

Note 3 – Deposits and Investments: (Continued)

Interest Rate Risk

Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1 Year	1-5 Years
Mutual funds	$ 181,256	$ 181,256	$ -
Municipal/Public Bonds	858,523	597,500	261,023
Corporate Debt	193,379	81,036	112,343
Total	$ 1,233,158	$ 859,792	$ 373,366

External Investment Pools

The fair value of the positions in the external investment pool (Local Government Investment Pool) is the same as the value of the pool shares. As the 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.

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Note 4—Due to/from Other Governments:

At June 30, 2014, the County has receivables from other governments as follows:

	Primary Government	Component Unit School Board
Other Local Governments:		
County of Amelia	$ -	$ 1,008,011
Commonwealth of Virginia:		
Local sales tax	116,975	-
Welfare	36,074	-
Comprehensive services act	40,954	-
Rolling stock tax	30,694	-
Auto rental tax	165	-
State Sales Tax	-	326,097
Constitutional officer reimbursements	103,376	-
Recordation tax	9,623	-
Mobile home titling tax	3,360	-
E-911 wireless	6,884	-
Fire programs	6,026	-
Victim witness	7,547	-
Communications tax	43,040	-
Federal Government:		
School fund grants	-	234,279
School food funds	-	67,761
Welfare	67,102	-
Total due from other governments	$ 471,820	$ 1,636,148

At June 30, 2014, amounts due to other local governments are as follows:

Other Local Governments:		
Amelia County School Board	$ 1,008,011	$ -

Note 5—Capital Assets:

Primary Government:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Capital assets not subject to depreciation:				
Land and land improvements	$ 2,081,507	$ -	$ -	$ 2,081,507
Construction in progress	144,865	-	144,865	-
Total capital assets not subject to depreciation	$ 2,226,372	$ -	$ 144,865	$ 2,081,507
Capital assets subject to depreciation:				
Buildings and improvements	$ 6,237,713	$ 238,330	$ -	$ 6,476,043
Machinery and Equipment	5,280,081	230,671	98,152	5,412,600
Jointly owned assets	8,064,996	-	217,318	7,847,678
Total capital assets subject to depreciation	$ 19,582,790	$ 469,001	$ 315,470	$ 19,736,321
Accumulated depreciation:				
Buildings and improvements	$ 2,289,885	$ 188,039	$ -	$ 2,477,924
Machinery and Equipment	3,287,801	367,656	61,921	3,593,536
Jointly owned assets	3,335,893	208,967	95,519	3,449,341
Total accumulated depreciation	$ 8,913,579	$ 764,662	$ 157,440	$ 9,520,801
Total capital assets subject to depreciation, net	$ 10,669,211	$ (295,661)	$ 158,030	$ 10,215,520
Governmental activities capital assets, net	$ 12,895,583	$ (295,661)	$ 302,895	$ 12,297,027

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Note 5—Capital Assets: (Continued)

Primary Government: (Continued)

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business-type activities:				
Capital assets not subject to depreciation:				
Land and land improvements	$ 29,463	$ -	$ -	$ 29,463
Construction in progress	-	9,900	-	9,900
Total capital assets not subject to depreciation	$ 29,463	$ 9,900	$ -	$ 39,363
Capital assets subject to depreciation:				
Utility plant in service	$ 9,179,490	$ 78,788	$ -	$ 9,258,278
Machinery and equipment	283,191	21,192	11,500	292,883
Total capital assets subject to depreciation	$ 9,462,681	$ 99,980	$ 11,500	$ 9,551,161
Accumulated depreciation:				
Utility plant in service	$ 2,759,297	$ 177,028	$ -	$ 2,936,325
Machinery and equipment	233,902	13,462	11,500	235,864
Total accumulated depreciation	$ 2,993,199	$ 190,490	$ 11,500	$ 3,172,189
Total capital assets subject to depreciation, net	$ 6,469,482	$ (90,510)	$ -	$ 6,378,972
Business-type activities capital assets, net	$ 6,498,945	$ (80,610)	$ -	$ 6,418,335

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Note 5—Capital Assets: (Continued)

Component Unit - School Board

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not subject to depreciation:				
Land and land improvements	$ 367,715	$ -	$ -	$ 367,715
Total capital assets not subject to depreciation	$ 367,715	$ -	$ -	$ 367,715
Capital assets subject to depreciation:				
Machinery and Equipment	$ 2,427,399	$ 492,287	$ 217,865	$ 2,701,821
Jointly owned assets	12,362,730	-	(217,318)	12,580,048
Total capital assets subject to depreciation	$ 14,790,129	$ 492,287	$ 547	$ 15,281,869
Accumulated depreciation:				
Machinery and Equipment	$ 1,712,674	$ 187,830	$ 217,865	$ 1,682,639
Jointly owned assets	5,113,550	320,323	(95,519)	5,529,392
Total accumulated depreciation	$ 6,826,224	$ 508,153	$ 122,346	$ 7,212,031
Total capital assets subject to depreciation, net	$ 7,963,905	$ (15,866)	$ (121,799)	$ 8,069,838
Component unit school board capital assets, net	$ 8,331,620	$ (15,866)	$ (121,799)	$ 8,437,553

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	$ 73,759
Judicial administration	28,953
Public safety	367,381
Public works	52,704
Health and welfare	4,872
Education	208,967
Parks, recreation and cultural	28,026
Total depreciation expense - governmental activities	$ 764,662
Business-type activities:	
Sanitary District Fund	$ 190,490
Total depreciation expense - primary government	$ 955,152
Component Unit School Board	$ 508,153

Note 6—Long-Term Obligations:

Primary Government:

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

	Balance July 1, 2013	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2014	Amounts Due Within One Year
Primary Government Obligations:					
General Fund Obligations:					
Incurred by County:					
Compensated absences	$ 229,792	$ 55,087	$ 22,979	$ 261,900	$ 26,190
Net OPEB obligation	55,298	25,827	5,500	75,625	-
Landfill post closure liability	1,000,000	-	-	1,000,000	-
Total incurred by County	$ 1,285,090	$ 80,914	$ 28,479	$ 1,337,525	$ 26,190
Incurred by School Board:					
General obligation bonds	$ 4,729,103	$ -	$ 330,766	$ 4,398,337	$ 333,893
Add deferred amounts:					
Bond Issuance premium	196,140	-	15,087	181,053	-
Total incurred by School Board	$ 4,925,243	$ -	$ 345,853	$ 4,579,390	$ 333,893
Total General Fund Obligations	$ 6,210,333	$ 80,914	$ 374,332	$ 5,916,915	$ 360,083
Incurred by Enterprise Fund:					
Compensated absences	$ 11,695	$ 893	$ 1,170	$ 11,418	$ 1,142
Revenue bonds	2,677,399	-	217,315	2,460,084	158,616
Total Enterprise Fund Obligations	$ 2,689,094	$ 893	$ 218,485	$ 2,471,502	$ 159,758
Total Primary Government Obligations	$ 8,899,427	$ 81,807	$ 592,817	$ 8,388,417	$ 519,841

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

	Enterprise Fund Obligations	
Year Ending	Revenue Bonds	
June 30	Principal	Interest
2015	$ 158,616	$ 68,585
2016	146,504	67,421
2017	148,593	63,647
2018	150,762	59,781
2019	153,013	55,833
2020	160,350	51,785
2021	162,777	47,393
2022	130,833	43,244
2023	137,024	40,063
2024	143,259	36,609
2025	144,537	32,855
2026	150,863	29,054
2027	37,761	25,024
2028	38,889	23,896
2029	40,068	22,717
2030	41,302	21,483
2031	42,592	20,193
2032	43,942	18,843
2033	45,354	17,431
2034	46,830	15,955
2035	35,162	14,410
2036	36,777	12,795
2037	38,467	1,106
2038	40,234	9,338
2039	42,082	7,490
2040	44,015	5,557
2041	46,037	3,535
2042	53,441	1,420
Total	$ 2,460,084	$ 817,463

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

	School Fund Obligations	
Year Ending	General Obligation Bonds	
June 30	Principal	Interest
2015	$ 333,893	$ 230,493
2016	337,853	216,933
2017	342,020	203,167
2018	346,404	189,182
2019	351,019	174,968
2020	355,875	160,512
2021	360,984	145,802
2022	366,361	130,825
2023	372,021	115,566
2024	377,187	100,799
2025	387,223	86,162
2026	392,497	71,288
2027	75,000	63,986
Total	$ 4,398,337	$ 1,889,683

Details of Long-Term Obligations:	Total Amount
General Fund:	
Incurred by County:	
Landfill post closure liability	$ 1,000,000
Compensated absences (payable from General Fund)	$ 261,900
Net OPEB obligation (payable from General Fund)	$ 75,625
Total Incurred by County	$ 1,337,525

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations: (Continued)

General Fund: (Continued) *Incurred by School Board:*	Total Amount
General Obligation Bonds:	
$5,471,508 School Bonds 2005 Series, issued November 10, 2005, maturing annually in installments of varying amounts through July 15, 2025; interest payable semi-annually at 4.057%.	$ 3,473,337
$1,205,000 Qualified School Construction Bonds, issued June 29, 2010, maturing annually in installments of varying amounts through June 1, 2027; interest payable semi-annually at 5.31%.	925,000
Total General Obligation Bonds	$ 4,398,337
Bond Issuance premium	181,053
Total Long-Term Obligations, General Fund	$ 5,916,915
Enterprise Fund:	
Revenue Bonds:	
1993 Virginia Water Facilities Revolving Fund, loan commitment $2,567,561, non-interest bearing, due semi-annually through November 1, 2014.	$ 16,846
2001 Virginia Water Facilities Revolving Fund, loan commitment of $457,100, interest at 4.10%, due semi-annually through May 1, 2021.	205,782
2000 Virginia Water Facilities Revolving Fund, loan commitment of $1,368,299, interest at 0.50%, due semi-annually through March 1, 2026.	691,028
2004 Virginia Water Facilities Revolving Fund, loan commitment of $396,385, non-interest bearing, due semi-annually through June 1, 2034.	264,256
$900,000 Tax Revenue bond issued November 7, 2002, due monthly beginning December 7, 2004, interest payable at 4.50%.	792,172
2006 Virginia Water Facilities Revolving Fund, loan commitment of $700,000, non-interest bearing, due semi-annually through November 1, 2026.	490,000
Total Revenue Bonds	$ 2,460,084
Compensated absences (payable from Enterprise Fund)	$ 11,418
Total Long-Term Obligations, Enterprise Fund	$ 2,471,502
Total Long-Term Obligations, Primary Government	$ 8,388,417

Note 6—Long-Term Obligations: (Continued)

Component Unit – School Board:

The following is a summary of changes in long-term obligation transactions for fiscal year ended June 30, 2014.

	Balance at July 1, 2013	Increases	Decreases	Balance at June 30, 2014	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	$ 78,399	$ 2,444	$ 7,840	$ 73,003	$ 7,300
Net OPEB obligation	2,025,418	518,867	169,400	2,374,885	-
Total Component Unit-School Board	$ 2,112,225	$ 521,311	$ 177,240	$ 2,447,888	$ 7,300

Note 7—Closure and Postclosure Costs:

Maplewood Landfill:
The currently operating solid waste landfill located in the County is owned and operated by a private company, pursuant to an agreement between the County and such company. In accordance with provisions of such an agreement, the company has agreed to comply with the financial security requirements of the Commonwealth of Virginia Department of Waste Management as to the cost of closure and maintenance of such landfill for a period of 20 years following closure. Also under such landfill agreement the company is required to deposit with a third party specific funds to pay for mitigation and remediation as may be reasonably necessary as a result of its operation of the landfill. At June 30, 2014, such funds in the amount of $947,581 are presented in the accompanying financial statements as “Cash in the custody of others”.

Old County Landfill:
The County demonstrated financial assurance requirements for closure, postclosure care and corrective action costs through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. In addition, the County closed its landfill in January, 2005 and is liable for postclosure monitoring for a period of ten years. The amount reported as landfill postclosure liability at June 30, 2014 represents the estimated liability for postclosure monitoring of $1,000,000 over a period of one year. This amount is based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Note 8—Unearned and Deferred/Unavailable Revenue:

Unearned and deferred/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. Unearned and deferred/unavailable revenue is comprised of the following:

Unavailable Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled $663,711 at June 30, 2014.

Unavailable Prepaid Property Taxes – Property taxes due subsequent to June 30, 2014 but paid in advance by the taxpayers totaled $9,043 at June 30, 2014.

Unearned Revenue – Other unearned revenue items totaled $715 at June 30, 2014, which consisted of forfeited assets grant funds.

Note 9—Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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 disallowance of current grant program expenditures, if any, would be immaterial.

Note 10—Litigation:

At June 30, 2014, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to the County.

Note 11 —Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 12 —Pension Plan:

A. Plan Description

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

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

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

VRS – PLAN 1

1. **Plan Overview** - VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

2. **Eligible Members** - Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

3. **Hybrid Opt-In Election** - VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

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

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

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

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Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

VRS – PLAN 1 (CONTINUED)

4. **Retirement Contributions** - Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

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

6. **Vesting** - Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

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

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

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

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

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

10. **Normal Retirement Age -** Age 65.

Note 12 –Pension Plan: *(Continued)*

A. Plan Description (Continued)

VRS – PLAN 1 (CONTINUED)

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

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

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

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

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

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

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

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

Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

VRS – PLAN 1 (CONTINUED)

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

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

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

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

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Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

VRS – PLAN 2

1. **Plan Overview** - VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

2. **Eligible Members** - Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

3. **Hybrid Opt-In Election** - VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

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

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

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

4. **Retirement Contributions** – Same as VRS Plan 1–Refer to Section 4.

5. **Creditable Service** – Same as VRS Plan 1– Refer to Section 5.

6. **Vesting** – Same as VRS Plan 1–Refer to Section 6.

7. **Calculating the Benefit** – Same as VRS Plan 1–Refer to Section 7.

8. **Average Final Compensation -** A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

9. **Service Retirement Multiplier -** Same as Plan1 for service earned, purchased or granted prior to January 1, 2014. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

10. **Normal Retirement Age -** Normal Social Security retirement age.

Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

VRS – PLAN 2 (CONTINUED)

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

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

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

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

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

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

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

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

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

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

HYBRID RETIREMENT PLAN

1. **Plan Overview** - The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members")

    - The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.
    - The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (CONTINUED)

1. Plan Overview (Continued)

- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

2. Eligible Members - Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- State employees*
- School division employees
- Political subdivision employees*
- Judges appointed or elected to an original term on or after January 1, 2014
- Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

3. *Non-Eligible Members - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Members of the State Police Officers' Retirement System (SPORS)
- Members of the Virginia Law Officers' Retirement System (VaLORS)
- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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

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

Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (CONTINUED)

5. Creditable Service

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

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

6. Vesting

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

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

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

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

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

Distribution is not required by law until age 70½.

Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (CONTINUED)

7. Calculating the Benefit

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

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

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

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

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

10. Normal Retirement Age

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

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

11. Earliest Unreduced Retirement Eligibility

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

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

12. Earliest Reduced Retirement Eligibility

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

Defined Contribution Component – Members are eligble to receive distributions upon leaving employment, subject to restrictions.

Note 12 —Pension Plan (Continued):

A. Plan Description (Continued)

HYBRID RETIREMENT PLAN (Continued)

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

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

Defined Contribution Component – Not Applicable.

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

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

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

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

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

17. Purchase of Prior Service

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

Defined Contribution Component – Not Applicable.

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

Note 12 —Pension Plan (Continued):

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. All or part of the 5.00% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board's contribution rate for the fiscal year ended 2014 were 12.80% and 8.73% of annual covered payroll, respectively.

The School Board's professional employees contributed $910,289, $898,667 and $525,303, to the teacher cost-sharing pool for the fiscal years ended June 30, 2014, 2013, and 2012 respectively, and these contributions represented 11.66%, 11.66% and 6.33%%, respectively, of current covered payroll.

C. Annual Pension Cost

For fiscal year 2014, the County's annual pension cost of $480,724 was equal to the County's required and actual contributions.

Three Year Trend Information - County

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2014	$ 480,724	100%	$ -
June 30, 2013	470,549	100%	-
June 30, 2012	337,927	100%	-

Note 12 —Pension Plan (Continued):

C. Annual Pension Cost (Continued)

For the fiscal year 2014, the School Board's annual pension cost of $71,111 was equal to the School Board's required and actual contributions.

Three Year Trend Information - School Board Non-Professional

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2014	$ 71,111	100%	$ -
June 30, 2013	75,874	100%	-
June 30, 2012	66,654	100%	-

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

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County's plan was 80.19% funded. The actuarial accrued liability for benefits was $12,730,508, and the actuarial value of assets was $10,208,519, resulting in an unfunded actuarial accrued liability (UAAL) of $2,521,989. The covered payroll (annual payroll of active employees covered by the plan) was $3,610,900, and ratio of the UAAL to the covered payroll was 69.84%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board's plan was 87.87% funded. The actuarial accrued liability for benefits was $3,286,956 and the actuarial value of assets was $2,888,144, resulting in an unfunded actuarial accrued liability (UAAL) of $398,812. The covered payroll (annual payroll of active employees covered by the plan) was $842,169, and ratio of the UAAL to the covered payroll was 47.36%.

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.

Note 13 –Surety Bonds:

The County of Amelia holds the following Surety Bonds:

	Amount
Division of Risk Management Surety Bond:	
Commonwealth Funds	
Marilyn L. Wilson, Clerk of the Circuit Court	$ 1,110,000
Pamela H. Conyers, Treasurer	300,000
Joyce P. Morris, Commissioner of the Revenue	3,000
Rick L. Walker, Sheriff	30,000
Zurich Insurance Company - Surety:	
School Board Clerk and Deputy Clerk	10,000
Nationwide Mutual Insurance Company:	
All Social Services Employees	100,000
Travelers Insurance Company:	
County Board of Supervisors	250,000

Note 14 –Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	$ 210,248	$ 312,570
County Capital Projects Fund	-	74,764
County Special Revenue Fund	17,313	135,484
Total	$ 227,561	$ 522,818
Enterprise Fund	$ 295,257	$ -
Grand Total	$ 522,818	$ 522,818

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 15–Other Postemployment Benefits – Health Insurance:

A. Plan Description

The County of Amelia and Amelia County Public Schools offer eligible retirees post-retirement medical and dental coverage if they retire directly from the County or Schools and are eligible to receive an early or regular retirement benefit from the Virginia Retirement System (VRS). Health benefits include medical, disability and dental coverage.

B. Funding Policy

The County and Schools allow retirees and their spouses to continue to participate in the County's medical, dental and disability coverage plans. The retiree pays 100% to all premiums. Medical and dental coverage stops at age 65 or when eligible for Medicare. Disability coverage changes to a carveout class at eligibility for Medicare and stops at age 65.

C. Annual OPEB Cost and Net OPEB Obligation

The County's and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC).* The County and School Board have elected to calculate the ARC as the normal cost plus amortization of the unfunded portion of actuarial accrued liability in compliance with GASB 45 parameters. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retired employees by the County and School Board. The following table shows the components of the County's and School Board's annual OPEB cost for the year, the estimated amount contributed to the plan, and changes in the County's and School Board's net OPEB obligation to the Retiree Health Plan:

	Primary Government	Component Unit School Board
Annual required contribution	$ 25,600	$ 502,100
Interest on net OPEB obligation	2,212	81,353
Adjustment to annual required contribution	(1,985)	(64,586)
Annual OPEB cost (expense)	$ 25,827	$ 518,867
Contributions made	(5,500)	(169,400)
Increase in net OPEB obligation	20,327	349,467
Net OPEB obligation-beginning of year	55,298	2,025,418
Net OPEB obligation-end of year	$ 75,625	$ 2,374,885

Note 15–Other Postemployment Benefits – Health Insurance: (Continued)

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The County's and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
County:			
6/30/2012	$ 22,655	94.70%	$ 34,755
6/30/2013	24,243	15.26%	55,298
6/30/2014	25,827	21.30%	75,625
Schools:			
6/30/2012	$ 461,125	27.41%	$ 1,703,325
6/30/2013	485,701	31.95%	2,025,418
6/30/2014	518,867	32.65%	2,374,885

D. Funded Status and Funding Progress

As of June 30, 2012, the County's most recent actuarial valuation date, the actuarial accrued liability for benefits was $174,600, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $3,762,200, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 4.64 percent.

As of June 30, 2012, the School Board's most recent actuarial valuation date, the actuarial accrued liability for benefits was $5,603,600, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $9,383,700, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 59.72 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and 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 liabilities for benefits.

Note 15–Other Postemployment Benefits – Health Insurance: (Continued)

E. 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 include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees-Retirement eligible for medical benefits are assumed to occur beginning once a participant attains age 60 and completes 10 or more years of service or attains age 55 and completes 20 or more years of service. In no event is an active participant assumed to work beyond age 70.

Mortality-Life expectancies were based on mortality tables from the 1994 Group Annuity Mortality Tables for males and females with a one year setback in pre-retirement for males and females.

Coverage elections – The actuary assumed that 30% of active participants who retire at age 50 or greater are assumed to continue their coverage into retirement. 30% of their spouses are assumed to continue their coverage into retirement. 100% of actives who become disabled (and 25% of their spouses) are assumed to continue their coverage.

Based on the historical and expected returns of the County's and School Board's short-term investment portfolio, a discount of 4.50% was used. In addition, the projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012 was thirty years.

Note 16–Other Postemployment Benefits – VRS Health Insurance Credit:

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.

Note 16–Other Postemployment Benefits – VRS Health Insurance Credit: (Continued)

A. Plan Description (Continued)

Employees of the County, who retire under VRS with at least 15 years of total creditable service under the System and are enrolled in a health insurance plan, are 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 12.

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 2014 was .10% 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 2014, the County's contribution of $1,323 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 2014 and the preceding two years were as follows:

Fiscal Year Ending	Annual OPEB Cost (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
6/30/2012	$ 3,009	100.00%	$ -
6/30/2013	3,676	100.00%	-
6/30/2014	1,323	100.00%	-

Note 16–Other Postemployment Benefits – VRS Health Insurance Credit: (Continued)

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	$ 34,344
Actuarial value of plan assets	$ 6,858
Unfunded actuarial accrued liability (UAAL)	$ 27,486
Funded ratio (actuarial value of plan assets/AAL)	19.97%
Covered payroll (active plan members)	$1,310,610
UAAL as a percentage of covered payroll	2.10%

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.

Note 16–Other Postemployment Benefits – VRS Health Insurance Credit: (Continued)

E. Actuarial Methods and Assumptions: (Continued)

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

Professional Employees – Discretely Presented Component Unit School Board

The School Board professional employees participate in the Health Insurance Credit Program, a plan designed to assist retirees with the cost of health insurance coverage. This program is a cost sharing, multiple-employer defined benefit plan administered by the Virginia Retirement System (VRS). The Virginia General Assembly establishes the dollar amount of the health insurance credit for each year of creditable service.

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

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.19% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2014, 2013, and 2012 were $92,903, $91,716 and $41,552, respectively and equaled the required contributions for each year.

Note 17–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 Statement 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 believes the implementation of Statement No.68 will significantly impact the County's net position; however, no formal study or estimate of the impact of this standard has been performed.

REQUIRED SUPPLEMENTARY INFORMATION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION:

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

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Exhibit 12

County of Amelia, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	$ 6,964,545	$ 6,964,545	$ 7,225,278	$ 260,733
Other local taxes	1,567,441	1,567,441	1,567,240	(201)
Permits, privilege fees, and regulatory licenses	99,600	99,600	126,466	26,866
Fines and forfeitures	231,500	231,500	178,515	(52,985)
Revenue from the use of money and property	43,500	43,500	56,432	12,932
Charges for services	354,550	354,550	341,373	(13,177)
Miscellaneous	109,724	109,724	184,293	74,569
Recovered costs	86,000	86,000	100,171	14,171
Intergovernmental:				
Commonwealth	3,428,878	3,461,513	3,405,991	(55,522)
Federal	835,698	835,698	797,666	(38,032)
Total revenues	$ 13,721,436	$ 13,754,071	$ 13,983,425	$ 229,354
EXPENDITURES				
Current:				
General government administration	$ 1,500,210	$ 1,500,210	$ 1,484,503	$ 15,707
Judicial administration	753,844	793,962	744,907	49,055
Public safety	3,046,291	3,301,124	3,137,934	163,190
Public works	1,093,547	1,093,547	908,605	184,942
Health and welfare	2,031,285	2,031,285	1,756,550	274,735
Education	5,479,174	5,479,174	5,007,679	471,495
Parks, recreation, and cultural	555,521	557,408	559,957	(2,549)
Community development	242,038	242,038	218,855	23,183
Capital projects	500	65,500	95,262	(29,762)
Debt service:				
Principal retirement	440,000	440,000	330,766	109,234
Interest and other fiscal charges	133,986	133,986	243,720	(109,734)
Total expenditures	$ 15,276,396	$ 15,638,234	$ 14,488,738	$ 1,149,496
Excess (deficiency) of revenues over (under) expenditures	$ (1,554,960)	$ (1,884,163)	$ (505,313)	$ 1,378,850
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 15,000	$ 15,000	$ 210,248	$ 195,248
Transfers out	(683,426)	(683,426)	(312,570)	370,856
Total other financing sources (uses)	$ (668,426)	$ (668,426)	$ (102,322)	$ 566,104
Net change in fund balances	$ (2,223,386)	$ (2,552,589)	$ (607,635)	$ 1,944,954
Fund balances - beginning	2,223,386	2,552,589	7,935,273	5,382,684
Fund balances - ending	$ -	$ -	$ 7,327,638	$ 7,327,638

Exhibit 13

County of Amelia, Virginia
Schedule of Pension Funding Progress - Virginia Retirement System
For the Year Ended June 30, 2014

Primary Government:

County Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio Assets as % of AAL	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2013	$ 10,208,519	$ 12,730,508	$ 2,521,989	80.19%	$ 3,610,900	69.84%
6/30/2012	9,729,332	12,879,955	3,150,623	75.54%	3,387,380	93.01%
6/30/2011	9,534,252	12,478,887	2,944,635	76.40%	3,356,229	87.74%
6/30/2010	9,107,699	11,677,933	2,570,234	77.99%	3,246,512	79.17%

Discretely Presented Component Unit:

School Board Non-Professional Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio Assets as % of AAL	Covered Payroll	UAAL as a % of Covered Payroll
6/30/2013	$ 2,888,144	$ 3,286,956	$ 398,812	87.87%	$ 842,169	47.36%
6/30/2012	2,793,354	3,414,440	621,086	81.81%	926,411	67.04%
6/30/2011	2,753,400	3,343,036	589,636	82.36%	919,195	64.15%
6/30/2010	2,644,387	3,138,399	494,012	84.26%	939,236	52.60%

Exhibit 14

County of Amelia, Virginia
Schedule of OPEB Funding Progress - Retiree Health Care Plan and Health Insurance Credit Program
For the Year Ended June 30, 2014

Primary Government:

County Retiree Health Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Payroll
6/30/2012*	$ -	$ 174,600	$ 174,600	0.00%	$ 3,762,200	4.64%

Health Insurance Credit Program Through Virginia Retirement System:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Payroll
6/30/2011	$ 4,752	$ 32,270	$ 27,518	14.73%	$ 1,339,679	2.05%
6/30/2012	5,724	35,109	29,385	16.30%	1,286,789	2.28%
6/30/2013	6,858	34,344	27,486	19.97%	1,310,610	2.10%

Discretely Presented Component Unit:

School Board Retiree Health Plan:

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Payroll
School Board:						
6/30/2012*	$ -	$ 5,603,600	$ 5,603,600	0.00%	$ 9,383,700	59.72%

*Only one actuarial valuation available.

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OTHER SUPPLEMENTARY INFORMATION

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COMBINING AND INDIVIDUAL FUNDS STATEMENTS AND SCHEDULES

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Exhibit 15

County of Amelia, Virginia
County Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from the use of money and property	$ 500	$ 500	$ 404	$ (96)
Charges for services	600,450	600,450	608,197	7,747
Recovered costs	30,000	30,000	-	(30,000)
Intergovernmental:				
Commonwealth	620,000	620,000	-	(620,000)
Total revenues	$ 1,250,950	$ 1,250,950	$ 608,601	$ (642,349)
EXPENDITURES				
Capital projects	$ 1,347,202	$ 1,928,789	$ 717,227	$ 1,211,562
Total expenditures	$ 1,347,202	$ 1,928,789	$ 717,227	$ 1,211,562
Excess (deficiency) of revenues over (under) expenditures	$ (96,252)	$ (677,839)	$ (108,626)	$ 569,213
OTHER FINANCING SOURCES (USES)				
Transfers out	$ -	$ -	$ (74,764)	$ (74,764)
Total other financing sources (uses)	$ -	$ -	$ (74,764)	$ (74,764)
Net change in fund balances	$ (96,252)	$ (677,839)	$ (183,390)	$ 494,449
Fund balances - beginning	96,252	677,839	2,367,931	1,690,092
Fund balances - ending	$ -	$ -	$ 2,184,541	$ 2,184,541

Exhibit 16

County of Amelia, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended June 30, 2014

	County Special Revenue Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ -	$ -	$ 410	$ 410
Charges for services	45,000	45,000	37,888	(7,112)
Miscellaneous	3,800	3,800	54,495	50,695
Intergovernmental:				
Commonwealth	-	-	22,289	22,289
Federal	-	-	2,706	2,706
Total revenues	$ 48,800	$ 48,800	$ 117,788	$ 68,988
EXPENDITURES				
Current:				
Public safety	$ -	$ -	$ 46,032	$ (46,032)
Total expenditures	$ -	$ -	$ 46,032	$ (46,032)
Excess (deficiency) of revenues over (under) expenditures	$ 48,800	$ 48,800	$ 71,756	$ 22,956
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 17,313	$ 17,313
Transfers out	(48,800)	(48,800)	(135,484)	(86,684)
Total other financing sources (uses)	$ (48,800)	$ (48,800)	$ (118,171)	$ (69,371)
Net change in fund balances	$ -	$ -	$ (46,415)	$ (46,415)
Fund balances - beginning	-	-	623,378	623,378
Fund balances - ending	$ -	$ -	$ 576,963	$ 576,963

Exhibit 17

County of Amelia, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Agency Funds				Private Purpose Trust Funds					
	Special Welfare	Performance Bond	A.M. Radio Partners	Total	Harris Scholarship	Wright Scholarship	Arnold Scholarship	Black Scholarship	N.S. Montague Scholarship	Total
ASSETS										
Cash and cash equivalents	$ 15,416	$ 22,641	$ 10,176	$ 48,233	$ -	$ -	$ -	$ 7,711	$ -	$ 7,711
Investments	-	-	-	-	5,588	12,450	184,896	-	32,735	235,669
Receivables:										
Interest and dividends	-	-	-	-	-	1	145	4	3	153
Total assets	$ 15,416	$ 22,641	$ 10,176	$ 48,233	$ 5,588	$ 12,451	$ 185,041	$ 7,715	$ 32,738	$ 243,533
LIABILITIES										
Amounts held for social services clients	$ 15,416	$ -	$ -	$ 15,416	$ -	$ -	$ -	$ -	$ -	$ -
Performance bonds	-	22,641	-	22,641	-	-	-	-	-	-
Amounts held for others	-	-	10,176	10,176	-	-	-	-	-	-
Total liabilities	$ 15,416	$ 22,641	$ 10,176	$ 48,233	$ -	$ -	$ -	$ -	$ -	$ -
NET POSITION										
Held in trust for scholarships	$ -	$ -	$ -	$ -	$ 5,588	$ 12,451	$ 185,041	$ 7,715	$ 32,738	$ 243,533

Exhibit 18

County of Amelia, Virginia
Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare:				
Assets:				
Cash and cash equivalents	$ 15,938	$ 17,696	$ 18,218	$ 15,416
Liabilities:				
Amounts held for social services clients	$ 15,938	$ 17,696	$ 18,218	$ 15,416
Performance Bond:				
Assets:				
Cash and cash equivalents	$ 22,540	$ 101	$ -	$ 22,641
Liabilities:				
Performance bonds	$ 22,540	$ 101	$ -	$ 22,641
A.M. Radio Partners:				
Assets:				
Cash and cash equivalents	$ 10,173	$ 3	$ -	$ 10,176
Liabilities:				
Amounts held for others	$ 10,173	$ 3	$ -	$ 10,176
Totals -- All Agency Funds				
Assets:				
Cash and cash equivalents	$ 48,651	$ 17,800	$ 18,218	$ 48,233
Liabilities:				
Amounts held for social services clients	$ 15,938	$ 17,696	$ 18,218	$ 15,416
Performance bonds	22,540	101	-	22,641
Amounts held for others	10,173	3	$ -	10,176
Total liabilities	$ 48,651	$ 17,800	$ 18,218	$ 48,233

DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD

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Exhibit 19

County of Amelia, Virginia
Combining Balance Sheet - Governmental Funds
Discretely Presented Component Unit - School Board
June 30, 2014

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ -	$ 26,696	$ 26,696
Due from other governmental units	1,568,387	67,761	1,636,148
Total assets	$ 1,568,387	$ 94,457	$ 1,662,844
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 148,851	$ -	$ 148,851
Accrued liabilities	1,414,859	30,259	1,445,118
Reconciled overdraft payable	4,677	-	4,677
Total liabilities	$ 1,568,387	$ 30,259	$ 1,598,646
Fund balances:			
Committed - Cafeteria	$ -	$ 64,198	$ 64,198
Total fund balances	$ -	$ 64,198	$ 64,198
Total liabilities and fund balances	$ 1,568,387	$ 94,457	$ 1,662,844

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because

Total fund balances per above		$ 64,198
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	$ 15,649,584	
Accumulated depreciation	(7,212,031)	8,437,553
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Compensated absences	$ (73,003)	
Net OPEB obligation	(2,374,885)	(2,447,888)
Change in net position of governmental activities		$ 6,053,863

Exhibit 20

County of Amelia, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2014

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	$ 1,373	$ -	$ 1,373
Charges for services	8,420	246,214	254,634
Miscellaneous	412,867	-	412,867
Recovered costs	3,000	-	3,000
Intergovernmental:			
Local government	4,953,713	52,977	5,006,690
Commonwealth	10,123,990	113,321	10,237,311
Federal	804,709	488,338	1,293,047
Total revenues	$ 16,308,072	$ 900,850	$ 17,208,922
EXPENDITURES			
Current:			
Education	$ 16,308,072	$ 1,065,274	$ 17,373,346
Total expenditures	$ 16,308,072	$ 1,065,274	$ 17,373,346
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (164,424)	$ (164,424)
Net change in fund balances	$ -	$ (164,424)	$ (164,424)
Fund balances - beginning	-	228,622	228,622
Fund balances - ending	$ -	$ 64,198	$ 64,198

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above		$ (164,424)
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 capital outlays exceeded depreciation in the current period. The following is a summary of items supporting this adjustment:		
Capital asset additions	$ 492,287	
Depreciation expense	(508,153)	
Activity related to joint tenancy assets to Component Unit from Primary Government	121,799	105,933
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:		
(Increase) Decrease in compensated absences	$ 5,396	
(Increase) Decrease in net OPEB obligation	(349,467)	(344,071)
Change in net position of governmental activities		$ (402,562)

Exhibit 21

County of Amelia, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Operating Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2014

	School Operating Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ 2,500	$ 2,500	$ 1,373	$ (1,127)
Charges for services	17,500	17,500	8,420	(9,080)
Recovered Costs	-	-	3,000	3,000
Miscellaneous	186,218	208,335	412,867	204,532
Intergovernmental:				
Local government	5,420,359	5,420,359	4,953,713	(466,646)
Commonwealth	9,468,029	10,196,921	10,123,990	(72,931)
Federal	787,617	885,987	804,709	(81,278)
Total revenues	$ 15,882,223	$ 16,731,602	$ 16,308,072	$ (423,530)
EXPENDITURES				
Current:				
Education	$ 15,882,223	$ 16,731,602	$ 16,308,072	$ 423,530
Total expenditures	$ 15,882,223	$ 16,731,602	$ 16,308,072	$ 423,530
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ -	$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

Exhibit 22

County of Amelia, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2014

	School Special Revenue Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 372,265	$ 372,265	$ 246,214	$ (126,051)
Intergovernmental:				
Local government	52,977	52,977	52,977	-
Commonwealth	114,329	114,329	113,321	(1,008)
Federal	272,600	314,789	488,338	173,549
Total revenues	$ 812,171	$ 854,360	$ 900,850	$ 46,490
EXPENDITURES				
Current:				
Education	$ 886,925	$ 1,172,958	$ 1,065,274	$ 107,684
Excess (deficiency) of revenues over (under) expenditures	$ (74,754)	$ (318,598)	$ (164,424)	$ 154,174
OTHER FINANCING SOURCES (USES)				
Transfers out	$ -	$ -	$ -	$ -
Total other financing sources (uses)	$ -	$ -	$ -	$ -
Net change in fund balances	$ (74,754)	$ (318,598)	$ (164,424)	$ 154,174
Fund balances - beginning	74,754	318,598	228,622	(89,976)
Fund balances - ending	$ -	$ -	$ 64,198	$ 64,198

DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY

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Exhibit 23

County of Amelia, Virginia
Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2014

ASSETS		
Current assets:		
Investments	$	23,562
Interest receivable		3
Total assets	$	23,565
NET POSITION		
Unrestricted	$	23,565
Total net position	$	23,565

Exhibit 24

County of Amelia, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2014

OPERATING EXPENSES		
Other supplies and expenses	$	17,743
Total operating expenses	$	17,743
Operating income (loss)	$	(17,743)
NONOPERATING REVENUES (EXPENSES)		
Investment income	$	49
Total nonoperating revenues (expenses)	$	49
Income (loss)	$	(17,694)
Change in net position	$	(17,694)
Total net position - beginning		41,259
Total net position - ending	$	23,565

Exhibit 25

County of Amelia, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES		
Payments for operating activities	$	(17,743)
Net cash provided by (used for) operating activities	$	(17,743)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received	$	46
Net increase (decrease) in cash and cash equivalents	$	(17,697)
Cash and cash equivalents - beginning		41,259
Cash and cash equivalents - ending	$	23,562
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$	(17,743)
Net cash provided by (used for) operating activities	$	(17,743)

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SUPPORTING SCHEDULES

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County of Amelia, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 4,700,000	$ 4,700,000	$ 4,790,402	$ 90,402
Real and personal public service corporation taxes	201,545	201,545	207,038	5,493
Personal property taxes	1,900,000	1,900,000	2,040,393	140,393
Mobile home taxes	18,000	18,000	18,968	968
Machinery and tools taxes	40,000	40,000	27,035	(12,965)
Penalties	80,000	80,000	109,035	29,035
Interest	25,000	25,000	32,407	7,407
Total general property taxes	$ 6,964,545	$ 6,964,545	$ 7,225,278	$ 260,733
Other local taxes:				
Local sales and use taxes	$ 654,441	$ 654,441	$ 621,285	$ (33,156)
Consumers' utility taxes	235,000	235,000	221,861	(13,139)
Consumption tax	40,000	40,000	42,423	2,423
Business license taxes	175,000	175,000	185,119	10,119
Motor vehicle licenses	335,000	335,000	351,547	16,547
Bank stock taxes	52,000	52,000	46,128	(5,872)
Taxes on recordation and wills	76,000	76,000	98,877	22,877
Total other local taxes	$ 1,567,441	$ 1,567,441	$ 1,567,240	$ (201)
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 13,000	$ 13,000	$ 17,188	$ 4,188
Land use application fees	1,600	1,600	690	(910)
Transfer fees	500	500	474	(26)
Permits and other licenses	84,500	84,500	108,114	23,614
Total permits, privilege fees, and regulatory licenses	$ 99,600	$ 99,600	$ 126,466	$ 26,866
Fines and forfeitures:				
Court fines and forfeitures	$ 231,500	$ 231,500	$ 178,515	$ (52,985)
Revenue from use of money and property:				
Revenue from use of money	$ 25,000	$ 25,000	$ 38,817	$ 13,817
Revenue from use of property	18,500	18,500	17,615	(885)
Total revenue from use of money and property	$ 43,500	$ 43,500	$ 56,432	$ 12,932
Charges for services:				
Sheriff's fees	$ 1,200	$ 1,200	$ 1,777	$ 577
Court costs	6,750	6,750	8,720	1,970
Courthouse maintenance fees	9,000	9,000	7,864	(1,136)
Charges for Commonwealth's Attorney	1,800	1,800	1,725	(75)
Charges for other protection	500	500	2,015	1,515
Charges for sanitation and waste removal	195,000	195,000	200,511	5,511
Charges for planning and development	300	300	-	(300)
Charges for parks and recreation	135,000	135,000	111,213	(23,787)
Charges for library	5,000	5,000	7,548	2,548
Total charges for services	$ 354,550	$ 354,550	$ 341,373	$ (13,177)

County of Amelia, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	$ 109,724	$ 109,724	$ 184,293	$ 74,569
Recovered costs:				
Social Services reimbursement	$ 86,000	$ 86,000	$ 100,171	$ 14,171
Total revenue from local sources	$ 9,456,860	$ 9,456,860	$ 9,779,768	$ 322,908
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	$ 21,000	$ 21,000	$ 19,627	$ (1,373)
Communications tax	260,000	260,000	255,422	(4,578)
Rolling stock tax	31,086	31,086	31,117	31
Auto rental tax	1,500	1,500	975	(525)
State recordation tax	64,280	64,280	63,437	(843)
Personal property tax relief funds	1,019,213	1,019,213	1,019,213	-
Total noncategorical aid	$ 1,397,079	$ 1,397,079	$ 1,389,791	$ (7,288)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 157,920	$ 157,920	$ 158,017	$ 97
Sheriff	727,186	727,186	720,757	(6,429)
Commissioner of revenue	89,389	89,389	89,841	452
Treasurer	84,599	84,599	84,339	(260)
Registrar/electoral board	41,923	41,923	36,640	(5,283)
Clerk of the Circuit Court	182,524	182,524	182,253	(271)
Total shared expenses	$ 1,283,541	$ 1,283,541	$ 1,271,847	$ (11,694)
Other categorical aid:				
Public assistance and welfare administration	$ 397,055	$ 397,055	$ 332,178	$ (64,877)
Emergency medical services grant	13,215	13,215	14,389	1,174
School resource officer grant	-	32,635	32,635	-
Juvenile confinement	9,914	9,914	9,914	-
Litter control	7,216	7,216	6,366	(850)
Comprehensive Services Act	160,000	160,000	175,977	15,977
Wireless grant	39,937	39,937	40,509	572
Library	49,259	49,259	51,519	2,260
Victim-witness grant	31,137	31,137	30,120	(1,017)
Fire programs	35,325	35,325	38,112	2,787
Circuit court records grant	-	-	9,041	9,041

County of Amelia, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Bio solids	$ 5,000	$ 5,000	$ 2,550	$ (2,450)
Other state funds	200	200	1,043	843
Total other categorical aid	$ 748,258	$ 780,893	$ 744,353	$ (36,540)
Total categorical aid	$ 2,031,799	$ 2,064,434	$ 2,016,200	$ (48,234)
Total revenue from the Commonwealth	$ 3,428,878	$ 3,461,513	$ 3,405,991	$ (55,522)
Revenue from the federal government:				
Other categorical aid:				
Public assistance and welfare administration	$ 809,698	$ 809,698	$ 645,607	$ (164,091)
Byrne formula grant program	-	-	1,934	1,934
SCAAP grant	-	-	729	729
State and community highway safety	26,000	26,000	46,994	20,994
Emergency management performance grants	-	-	7,500	7,500
State homeland security program	-	-	10,523	10,523
USDA fire truck grant	-	-	25,000	25,000
Energy efficiency loan interest	-	-	59,379	59,379
Total other categorical aid	$ 835,698	$ 835,698	$ 797,666	$ (38,032)
Total categorical aid	$ 835,698	$ 835,698	$ 797,666	$ (38,032)
Total revenue from the federal government	$ 835,698	$ 835,698	$ 797,666	$ (38,032)
Total General Fund	$ 13,721,436	$ 13,754,071	$ 13,983,425	$ 229,354
Special Revenue Funds:				
County Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ -	$ -	$ 410	$ 410
Charges for services:				
Courthouse security fees	$ 45,000	$ 45,000	$ 37,888	$ (7,112)
Total charges for services	$ 45,000	$ 45,000	$ 37,888	$ (7,112)
Miscellaneous revenue:				
Miscellaneous	$ 3,800	$ 3,800	$ 54,495	$ 50,695
Total revenue from local sources	$ 48,800	$ 48,800	$ 92,793	$ 43,993

County of Amelia, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
County Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Forfeited assets	$ -	$ -	$ 22,289	$ 22,289
Total revenue from the Commonwealth	$ -	$ -	$ 22,289	$ 22,289
Revenue from the federal government:				
Categorical aid:				
Forfeited assets	$ -	$ -	$ 2,706	$ 2,706
Total revenue from the federal government	$ -	$ -	$ 2,706	$ 2,706
Total County Special Revenue Fund	$ 48,800	$ 48,800	$ 117,788	$ 68,988
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ 500	$ 500	$ 404	$ (96)
Charges for services:				
Charges for sanitation and waste removal	$ 600,450	$ 600,450	$ 608,197	$ 7,747
Total charges for services	$ 600,450	$ 600,450	$ 608,197	$ 7,747
Recovered costs:				
Other recovered costs	$ 30,000	$ 30,000	$ -	$ (30,000)
Total revenue from local sources	$ 630,950	$ 630,950	$ 608,601	$ (22,349)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco Commission grant	$ 620,000	$ 620,000	$ -	$ (620,000)
Total revenue from the Commonwealth	$ 620,000	$ 620,000	$ -	$ (620,000)
Total County Capital Projects Fund	$ 1,250,950	$ 1,250,950	$ 608,601	$ (642,349)
Total Revenues - Primary Government	$ 15,021,186	$ 15,053,821	$ 14,709,814	$ (344,007)

County of Amelia, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	$ 2,500	$ 2,500	$ 1,373	$ (1,127)
Charges for services:				
Tuition	$ 17,500	$ 17,500	$ 8,420	$ (9,080)
Miscellaneous revenue:				
Miscellaneous	$ 186,218	$ 208,335	$ 412,867	$ 204,532
Recovered costs:				
Head Start transportation	$ -	$ -	$ 3,000	$ 3,000
Total revenue from local sources	$ 206,218	$ 228,335	$ 425,660	$ 197,325
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Amelia	$ 5,420,359	$ 5,420,359	$ 4,953,713	$ (466,646)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	$ 1,942,384	$ 1,942,384	$ 1,873,019	$ (69,365)
Basic school aid	4,742,160	4,742,160	4,852,354	110,194
Gifted and talented	52,611	52,611	53,242	631
Special education	702,971	702,971	722,626	19,655
GED funding	7,859	7,859	7,859	-
Vocational education	73,190	73,190	59,766	(13,424)
School fringes	947,795	947,795	1,059,882	112,087
Strategic compensation grant	-	536,904	467,595	(69,309)
Social security grant	-	100,000	100,000	-
Reduced K-3	180,100	180,100	185,680	5,580
Early reading intervention	28,529	28,529	36,680	8,151
English as a second language	17,902	17,902	25,685	7,783
Homebound	15,945	15,945	20,240	4,295
CTE equipment	-	-	2,945	2,945
Project graduation	12,000	12,000	48,259	36,259
Technology grant	128,000	219,988	52,581	(167,407)
At risk	235,996	235,996	237,843	1,847
Standards of Learning algebra readiness	20,863	20,863	22,901	2,038
Remedial education - summer school	74,095	74,095	97,866	23,771
Remedial education	183,578	183,578	185,780	2,202
Mentor teacher program	1,472	1,472	1,136	(336)
Other state aid	100,579	100,579	10,051	(90,528)
Total categorical aid	$ 9,468,029	$ 10,196,921	$ 10,123,990	$ (72,931)
Total revenue from the Commonwealth	$ 9,468,029	$ 10,196,921	$ 10,123,990	$ (72,931)

County of Amelia, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I grants to local educational agencies	$ 274,594	$ 286,053	$ 261,376	$ (24,677)
Special education-grants to states	404,070	420,378	413,675	(6,703)
Vocational education - basic grants to states	27,918	28,497	31,555	3,058
Special education - preschool grants	12,585	12,595	17,011	4,416
Improving teacher quality state grants	66,513	136,527	81,092	(55,435)
Title III	1,937	1,937	-	(1,937)
Total categorical aid	$ 787,617	$ 885,987	$ 804,709	$ (81,278)
Total revenue from the federal government	$ 787,617	$ 885,987	$ 804,709	$ (81,278)
Total School Operating Fund	$ 15,882,223	$ 16,731,602	$ 16,308,072	$ (423,530)
School Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	$ 372,265	$ 372,265	$ 246,214	$ (126,051)
Total revenue from local sources	$ 372,265	$ 372,265	$ 246,214	$ (126,051)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Amelia	$ 52,977	$ 52,977	$ 52,977	$ -
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	$ 13,886	$ 13,886	$ 11,674	$ (2,212)
Textbook payments	100,443	100,443	101,647	1,204
Total categorical aid	$ 114,329	$ 114,329	$ 113,321	$ (1,008)
Total revenue from the Commonwealth	$ 114,329	$ 114,329	$ 113,321	$ (1,008)
Revenue from the federal government:				
Categorical aid:				
School food program grant	$ 272,600	$ 272,600	$ 446,149	$ 173,549
Commodities	-	42,189	42,189	-
Total categorical aid	$ 272,600	$ 314,789	$ 488,338	$ 173,549
Total revenue from the federal government	$ 272,600	$ 314,789	$ 488,338	$ 173,549
Total School Special Revenue Fund	$ 812,171	$ 854,360	$ 900,850	$ 46,490
Total Discretely Presented Component Unit - School Board	$ 16,694,394	$ 17,585,962	$ 17,208,922	$ (377,040)

County of Amelia, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 167,007	$ 167,007	$ 132,196	$ 34,811
General and financial administration:				
County administrator	$ 398,800	$ 398,800	$ 413,813	$ (15,013)
Legal services	74,160	74,160	75,272	(1,112)
Commissioner of revenue	281,223	270,511	250,845	19,666
Independent Auditor	38,500	38,500	38,500	-
Treasurer	286,921	286,921	281,847	5,074
Other general and financial administration	125,562	136,274	187,245	(50,971)
Total general and financial administration	$ 1,205,166	$ 1,205,166	$ 1,247,522	$ (42,356)
Board of elections:				
Electoral board and officials	$ 32,594	$ 32,594	$ 19,813	$ 12,781
Registrar	95,443	95,443	84,972	10,471
Total board of elections	$ 128,037	$ 128,037	$ 104,785	$ 23,252
Total general government administration	$ 1,500,210	$ 1,500,210	$ 1,484,503	$ 15,707
Judicial administration:				
Courts:				
Circuit court	$ 10,568	$ 10,568	$ 11,073	$ (505)
General district court	24,975	24,975	17,046	7,929
Special Magistrates	1,200	1,200	20	1,180
Sheriff - court services unit	17,088	17,088	14,487	2,601
Sheriff - courtroom security	41,739	63,739	59,709	4,030
Victim and witness assistance	33,717	33,717	32,620	1,097
Law library	3,565	3,565	3,663	(98)
Clerk of the circuit court	307,648	320,300	297,020	23,280
Total courts	$ 440,500	$ 475,152	$ 435,638	$ 39,514
Commonwealth's attorney:				
Commonwealth's attorney	$ 313,344	$ 318,810	$ 309,269	$ 9,541
Total judicial administration	$ 753,844	$ 793,962	$ 744,907	$ 49,055
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 1,884,568	$ 1,906,951	$ 1,861,768	$ 45,183
School resource officer	-	61,289	52,078	9,211
911 System	254,975	254,975	238,226	16,749
Total law enforcement and traffic control	$ 2,139,543	$ 2,223,215	$ 2,152,072	$ 71,143
Fire and rescue services:				
Fire department	$ 205,178	$ 207,264	$ 188,354	$ 18,910
Ambulance and rescue services	62,700	62,700	63,089	(389)
Total fire and rescue services	$ 267,878	$ 269,964	$ 251,443	$ 18,521

County of Amelia, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Payments to Regional Jail	$ 240,000	$ 375,000	$ 374,328	$ 672
Payments to Juvenile Detention Center	30,000	30,000	6,225	23,775
Total correction and detention	$ 270,000	$ 405,000	$ 380,553	$ 24,447
Inspections:				
Building	$ 128,831	$ 128,831	$ 79,876	$ 48,955
Other protection:				
Animal control	$ 139,796	$ 139,796	$ 138,670	$ 1,126
Emergency services	100,063	134,138	135,240	(1,102)
Medical examiner	180	180	80	100
Total other protection	$ 240,039	$ 274,114	$ 273,990	$ 124
Total public safety	$ 3,046,291	$ 3,301,124	$ 3,137,934	$ 163,190
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	$ 5,200	$ 5,200	$ 4,804	$ 396
Sanitation and waste removal:				
Refuse disposal	$ 273,394	$ 273,394	$ 253,984	$ 19,410
Maintenance of general buildings and grounds:				
General properties	$ 814,953	$ 814,953	$ 649,817	$ 165,136
Total public works	$ 1,093,547	$ 1,093,547	$ 908,605	$ 184,942
Health and welfare:				
Health:				
Supplement of local health department	$ 145,480	$ 145,480	$ 111,258	$ 34,222
Mental health and mental retardation:				
Crossroads	$ 64,000	$ 64,000	$ 64,000	$ -
Welfare:				
Public assistance and welfare administration	$ 1,498,910	$ 1,498,910	$ 1,233,445	$ 265,465
Comprehensive services act	319,624	319,624	345,198	(25,574)
Social services board	3,271	3,271	2,649	622
Total welfare	$ 1,821,805	$ 1,821,805	$ 1,581,292	$ 240,513
Total health and welfare	$ 2,031,285	$ 2,031,285	$ 1,756,550	$ 274,735

County of Amelia, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Community College	$ 5,838	$ 5,838	$ 989	$ 4,849
Contribution to County School Board	5,473,336	5,473,336	5,006,690	466,646
Total education	$ 5,479,174	$ 5,479,174	$ 5,007,679	$ 471,495
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	$ 262,915	$ 262,915	$ 261,585	$ 1,330
Library:				
Library administration	$ 292,606	$ 294,493	$ 298,372	$ (3,879)
Total parks, recreation, and cultural	$ 555,521	$ 557,408	$ 559,957	$ (2,549)
Community development:				
Planning and community development:				
Planning and zoning	$ 107,403	$ 107,403	$ 102,075	$ 5,328
Board of zoning appeals	450	450	-	450
Economic development	32,600	32,600	17,743	14,857
Total planning and community development	$ 140,453	$ 140,453	$ 119,818	$ 20,635
Environmental management:				
Contribution to soil and water conservation district	$ 12,900	$ 12,900	$ 12,900	$ -
Flood and erosion control	12,376	12,376	7,689	4,687
Total environmental management	$ 25,276	$ 25,276	$ 20,589	$ 4,687
Cooperative extension program:				
Extension office	$ 76,309	$ 76,309	$ 78,448	$ (2,139)
Total community development	$ 242,038	$ 242,038	$ 218,855	$ 23,183
Capital projects:				
SCAAP grant project	$ -	$ -	$ 729	$ (729)
Technology grant project	-	-	27,633	(27,633)
IPR program	300	65,300	65,182	118
Other capital projects	200	200	1,718	(1,518)
Total capital projects	$ 500	$ 65,500	$ 95,262	$ (29,762)

County of Amelia, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Debt service:				
Principal retirement	$ 440,000	$ 440,000	$ 330,766	$ 109,234
Interest and other fiscal charges	133,986	133,986	243,720	(109,734)
Total debt service	$ 573,986	$ 573,986	$ 574,486	$ (500)
Total General Fund	$ 15,276,396	$ 15,638,234	$ 14,488,738	$ 1,149,496
County Special Revenue Fund:				
Public Safety:				
Sheriff:				
Forfeited assets	$ -	$ -	$ 46,032	$ (46,032)
Total County Special Revenue Fund	$ -	$ -	$ 46,032	$ (46,032)
Capital Projects Fund:				
County Capital Projects Fund:				
Capital projects expenditures:				
School projects	$ -	$ 47,236	$ 47,228	$ 8
County capital projects	1,347,202	1,881,553	669,999	1,211,554
Total capital projects	$ 1,347,202	$ 1,928,789	$ 717,227	$ 1,211,562
Total County Capital Projects Fund	$ 1,347,202	$ 1,928,789	$ 717,227	$ 1,211,562
Total Primary Government	$ 16,623,598	$ 17,567,023	$ 15,251,997	$ 2,315,026
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	$ 1,192,000	$ 1,221,116	$ 1,227,005	$ (5,889)
Instruction costs	11,702,980	12,523,242	12,002,177	521,065
Pupil transportation	1,453,190	1,568,621	1,668,362	(99,741)
Operation and maintenance of school plant	1,534,053	1,418,623	1,410,528	8,095
Total education	$ 15,882,223	$ 16,731,602	$ 16,308,072	$ 423,530
Total School Operating Fund	$ 15,882,223	$ 16,731,602	$ 16,308,072	$ 423,530

County of Amelia, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2014

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds:				
School Special Revenue Fund:				
Education:				
School food services	$ 724,125	$ 724,125	$ 661,492	$ 62,633
Purchase of textbooks	162,800	406,644	361,593	45,051
Commodities	-	42,189	42,189	-
Total School Special Revenue Fund	$ 886,925	$ 1,172,958	$ 1,065,274	$ 107,684
Total Discretely Presented Component Unit - School Board	$ 16,769,148	$ 17,904,560	$ 17,373,346	$ 531,214

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STATISTICAL INFORMATION

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Table 1

County of Amelia, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Sanitary District	Total
2005	$ 1,388,627	$ 529,879	$ 1,609,806	$ 717,649	$ 1,260,737	$ 4,038,486	$ 369,701	$ 753,041	$ 377,368	$ 552,652	$ 11,597,946
2006	1,261,738	608,725	1,812,286	890,000	1,384,064	6,742,450	393,684	2,909,130	428,536	622,158	17,052,771
2007	1,405,905	598,360	2,024,485	1,903,456	1,651,508	5,266,265	475,837	1,311,153	445,116	671,291	15,753,376
2008	1,358,926	687,057	2,368,075	1,128,387	1,792,303	5,509,457	489,571	403,372	363,098	675,262	14,775,508
2009	1,403,535	698,653	2,716,067	1,344,358	1,777,720	5,323,104	521,866	325,028	325,999	687,074	15,123,404
2010	1,411,481	812,424	3,486,512	894,193	1,815,222	4,756,806	520,951	249,971	91,538	679,436	14,718,534
2011	1,727,212	678,883	2,701,541	948,197	1,839,393	5,380,927	544,177	248,281	310,451	667,609	15,046,671
2012	1,674,203	730,856	2,857,590	1,515,809	1,699,946	5,653,776	543,833	192,626	271,437	621,784	15,761,860
2013	1,706,345	765,573	3,288,315	1,024,339	1,876,664	5,355,124	611,009	527,242	235,972	593,906	15,984,489
2014	1,593,468	776,237	3,445,649	1,170,623	1,670,608	5,385,673	591,491	594,582	223,135	630,756	16,082,222

Table 2

County of Amelia, Virginia
Government-Wide Revenues
Last Ten Fiscal Years

	PROGRAM REVENUES			GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
2005	$ 1,902,041	$ 2,718,801	$ 767,495	$ 4,691,874	$ 1,772,842	$ 204,588	$ 49,866	$ 933,347	$ 13,040,854
2006	1,997,712	2,415,452	3,305,181	4,947,171	1,827,066	371,962	192,077	1,409,753	16,466,374
2007	2,375,618	2,709,422	1,147,138	5,671,144	1,917,890	598,967	220,952	1,564,894	16,206,025
2008	2,425,393	3,066,731	315,870	6,607,770	1,928,252	445,461	202,393	1,125,567	16,117,437
2009	2,369,605	3,451,119	298,875	7,030,195	1,802,647	177,654	249,316	1,100,355	16,479,766
2010	2,094,499	2,915,375	807,277	6,698,182	1,477,885	165,993	499,684	1,409,280	16,068,175
2011	2,885,986	2,873,695	-	6,444,873	1,515,784	157,628	270,166	1,394,339	15,542,471
2012	2,188,018	2,841,920	-	6,790,813	1,536,883	145,893	447,314	1,302,212	15,253,053
2013	1,856,133	2,977,173	-	6,935,586	1,545,825	72,655	418,947	1,319,015	15,125,334
2014	1,661,511	2,838,861	103,938	7,052,795	1,567,240	57,246	238,788	1,389,791	14,910,170

Table 3

County of Amelia, Virginia
General Governmental Expenditures by Function (1,3)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
2005	$ 1,169,933	$ 501,713	$ 1,517,761	$ 584,608	$ 1,312,782	$ 14,027,957	$ 336,693	$ 376,571	$ 786,271	$ 20,614,289
2006	1,157,884	579,120	1,678,458	859,455	1,382,828	14,824,680	381,973	451,760	8,182,236	29,498,394
2007	1,184,089	567,154	1,782,975	864,947	1,683,597	16,414,605	441,577	579,612	1,134,783	24,653,339
2008	1,347,918	658,002	2,209,536	834,031	1,847,996	16,958,325	459,017	332,632	1,074,412	25,721,869
2009	1,408,093	670,119	2,562,844	840,320	1,758,681	17,873,586	481,688	286,564	1,054,984	26,936,879
2010	1,394,465	688,476	2,356,051	845,838	1,904,574	17,079,267	483,716	247,792	839,444	25,839,623
2011	1,565,005	650,030	2,348,926	870,518	1,910,023	16,119,943	504,480	243,549	1,143,205	25,355,679
2012	1,608,467	699,394	2,405,642	967,369	1,797,756	16,649,493	509,979	183,166	1,130,651	25,951,917
2013	1,645,229	734,217	2,909,683	924,280	1,977,788	15,657,464	542,486	237,288	914,774	25,543,209
2014	1,484,503	744,907	3,183,966	908,605	1,756,550	17,374,335	559,957	218,855	574,486	26,806,164

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.
(3) Excludes Capital projects funds.

Table 4

County of Amelia, Virginia
General Governmental Revenues by Source (1,3)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2005	$ 4,716,275	$ 1,772,842	$ 208,332	$ 43,310	$ 191,716	$ 1,478,060	$ 206,942	$ 42,156	$ 14,028,018	$ 22,687,651
2006	4,970,257	1,827,066	325,205	93,811	338,991	1,421,134	312,187	4,214	16,693,674	25,986,539
2007	5,591,062	1,917,890	278,754	135,033	569,894	1,812,712	455,153	123,456	16,464,227	27,348,181
2008	6,464,564	1,928,252	229,741	181,238	417,688	2,230,052	461,219	78,899	16,012,997	28,004,650
2009	6,859,158	1,802,647	160,747	189,075	164,920	1,926,092	484,877	76,020	17,402,818	29,066,354
2010	6,470,665	1,477,885	162,489	16,793	162,726	1,684,498	411,488	98,310	17,435,709	27,920,563
2011	6,580,459	1,515,784	118,036	195,651	154,225	687,777	474,876	97,683	14,949,513	24,774,004
2012	6,603,169	1,536,883	95,413	197,161	146,300	616,760	157,735	144,445	15,291,661	24,789,527
2013	7,021,596	1,545,825	101,037	239,194	75,085	698,425	622,934	99,449	15,133,598	25,537,143
2014	7,225,278	1,567,240	126,466	178,515	58,215	633,895	651,655	103,171	15,759,010	26,303,445

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.
(3) Exludes Capital projects funds.

Table 5

County of Amelia, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2005	$ 5,604,004	$ 5,374,683	95.91%	$ 152,297	$ 5,526,980	98.63%	$ 305,349	5.45%
2006	5,967,840	5,778,868	96.83%	141,510	5,920,378	99.20%	283,428	4.75%
2007	6,516,385	6,367,759	97.72%	157,518	6,525,277	100.14%	401,659	6.16%
2008	7,568,823	7,246,789	95.75%	121,509	7,368,298	97.35%	555,846	7.34%
2009	7,965,477	7,455,764	93.60%	308,749	7,764,513	97.48%	802,921	10.08%
2010	7,767,156	7,044,774	90.70%	348,244	7,393,018	95.18%	857,670	11.04%
2011	7,859,093	7,133,128	90.76%	354,971	7,488,099	95.28%	825,695	10.51%
2012	7,851,275	7,187,882	91.55%	307,049	7,494,931	95.46%	739,827	9.42%
2013	7,994,316	7,602,007	95.09%	300,840	7,902,847	98.86%	746,545	9.34%
2014	8,482,046	8,052,171	94.93%	402,725	8,454,896	99.68%	721,829	8.51%

(1) Exclusive of penalties, interest and land redemptions.
(2) Includes four years of taxes.

Table 6

County of Amelia, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools	Mobile Homes	Public Utility (2) Real Estate	Public Utility (2) Personal Property	Total
2005	$ 636,320,105	$ 59,358,499	$ 4,017,550	$ 5,739,024	$ 26,845,265	$ 68,975	$ 732,349,418
2006	659,542,611	68,605,683	2,668,400	5,670,344	24,079,559	66,233	760,632,830
2007	982,417,621	72,543,560	3,710,075	4,970,850	34,862,647	87,140	1,098,591,893
2008	1,002,644,186	74,590,525	6,706,940	4,679,150	33,199,987	67,140	1,121,887,928
2009	1,027,417,960	84,271,167	7,977,175	4,674,650	27,805,662	56,317	1,152,202,931
2010	1,033,233,853	70,391,917	4,308,775	4,598,725	28,550,898	71,586	1,141,155,754
2011	1,037,797,786	70,483,734	3,930,550	4,572,825	31,821,143	88,878	1,148,694,916
2012	1,045,275,607	69,302,288	3,527,050	4,558,450	34,085,222	125,536	1,156,874,153
2013	1,006,947,721	71,999,188	3,022,375	4,652,575	41,703,478	133,467	1,128,458,804
2014	1,011,526,185	74,570,663	2,550,475	4,671,300	43,125,143	103,815	1,136,547,581

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.

Table 7

County of Amelia, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Mobile Homes
2005	$ 0.52	$ 3.50	$ 1.00	$ 0.52
2006	0.52	3.50	1.00	0.52
2007	0.39	3.50	1.00	0.39
2008	0.43	4.00	1.00	0.43
2009	0.43	4.00	1.00	0.43
2010	0.43	4.00	1.00	0.43
2011	0.43	4.00	1.00	0.43
2012	0.43	4.00	1.00	0.43
2013	0.47	4.15	1.00	0.47
2014	0.47	4.15	1.00	0.47

(1) Per $100 of assessed value.

Table 8

County of Amelia, Virginia
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2005	11,400	$ 732,349,418	$ 2,315,244	$ 2,315,244	0.32%	$ 203
2006	11,400	760,632,830	7,523,488	7,523,488	0.99%	660
2007	11,400	1,098,591,893	7,021,136	7,021,136	0.64%	616
2008	11,400	1,121,887,928	6,501,943	6,501,943	0.58%	570
2009	11,400	1,152,202,931	5,972,445	5,972,445	0.52%	524
2010	12,690	1,141,155,754	5,431,725	5,431,725	0.48%	428
2011	12,690	1,148,694,916	6,013,866	6,013,866	0.52%	474
2012	12,690	1,156,874,153	5,378,040	5,378,040	0.46%	424
2013	12,690	1,128,458,804	4,729,103	4,729,103	0.42%	373
2014	12,690	1,136,547,581	4,398,337	4,398,337	0.39%	347

(1) Weldon Cooper Center for Public Service for the 2000 and 2010 Census counts.
(2) From Table 6.
(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.
Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

COMPLIANCE

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

To The Honorable Members of the Board of Supervisors
County of Amelia
Amelia, 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 units, each major fund, and the aggregate remaining fund information of County of Amelia Virginia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise County of Amelia, Virginia's basic financial statements, and have issued our report thereon dated December 17, 2014.

Internal Control over Financial Reporting

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

Purpose of this Report

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

Richmond, Virginia
December 17, 2014

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

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

Report on Compliance for Each Major Federal Program

We have audited County of Amelia, 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 Amelia, Virginia's major federal programs for the year ended June 30, 2014. County of Amelia, 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 Amelia, 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 Amelia, 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 Amelia, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, County of Amelia, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of County of Amelia, 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 Amelia, 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 Amelia, 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.

Richmond, Virginia
December 17, 2014

County of Amelia, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950113/0950114	$ 7,823
Temporary Assistance for Needy Families	93.558	0400113/0400114	143,194
Refugee and Entrant Assistance - State Administered Programs	93.566	0500113/0500114	927
Low Income Home Energy Assistance	93.568	0600413/0600414	12,783
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760113/0760114	21,756
Chafee Education and Training Vouchers	93.599	9160113/9160114	4,193
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900113/0900114	907
Foster care - Title IV-E	93.658	1100113/1100114	45,261
Adoption Assistance	93.659	1120113/11201114	18,093
Social Services Block Grant	93.667	1000113/1000114	84,300
Chafee Foster Care Independence Program	93.674	9150113/9150114	1,052
Children's Health Insurance Program	93.767	0540113/0540114	4,384
Medical Assistance Program	93.778	1200113/1200114	139,282
Total Department of Health and Human Services			$ 483,955
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	77501-52740/52749	$ 7,500
State Homeland Security Program	97.073	77501-52708	10,523
Total Department of Homeland Security			$ 18,023
Department of Agriculture:			
Direct Payments:			
Community Facilities Loans and Grants	10.766	N/A	$ 25,000
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution	10.555	17901-45707	$ 42,189
Department of Education:			
National School Lunch Program	10.555	17901-45707	304,306
Total CFDA# 10.555	10.555	17901-45707	$ 346,495
School Breakfast Program	10.553	17901-40591	$ 141,843

County of Amelia, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Agriculture: (Continued)			
Pass Through Payments: (Continued)			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010113/0010114	$ 161,652
Total Department of Agriculture			$ 674,990
Department of Treasury			
Pass Through Payments:			
Commonwealth of Virginia Attorney General's Office:			
Forfeited assets	21.xxx	N/A	$ 2,706
Department of Justice:			
Direct payments:			
State Criminal Alien Assistance Program	16.606	N/A	$ 729
Pass Through Payments:			
Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	39001-51100	1,934
Total Department of Justice			$ 2,663
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and Community Highway Safety Program	20.600	60507-54427	$ 46,994
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	17901-42901-42999	$ 261,376
Special Education Cluster:			
Special Education - Grants to States	84.027	17901-43071-61234	413,675
Special Education - Preschool Grants	84.173	17901-62521	17,011
Career and Technical Education - Basic Grants to States	84.048	17901-61095	31,555
Improving Teacher Quality State Grants	84.367	17901-61480	81,092
Total Department of Education			$ 804,709
Total Expenditures of Federal Awards			$ 2,034,040

See accompanying notes to schedule of expenditures of federal awards.

County of Amelia, Virginia

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

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of County of Amelia, Virginia under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of County of Amelia, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Amelia, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received or 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	$	797,666
Special Revenue Fund		2,706
Total primary government	$	800,372
Component Unit School Board:		
School Operating Fund	$	804,709
School Special Revenue Fund		488,338
Total Component Unit School Board	$	1,293,047
Total federal expenditures per basic financial statements	$	2,093,419
Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards		(59,379)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	2,034,040

Section I–Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:			*unmodified*	
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	✓	no
Significant deficiency(ies) identified?	_____	yes	✓	none reported
Noncompliance material to financial statements noted?	_____	yes	✓	no

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?	_____	yes	✓	no
Significant deficiency(ies) identified?	_____	yes	✓	none reported
Type of auditors' report issued on compliance for major programs:			*unmodified*	
Any findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____	yes	✓	no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553/10.555	Child Nutrition Cluster
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?	✓	yes	_____	no

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

There were no prior year findings.

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