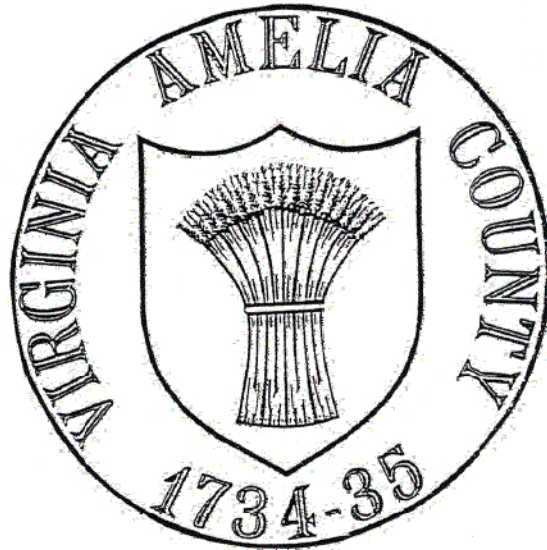


COUNTY OF AMELIA, VIRGINIA



ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2018

COUNTY OF AMELIA, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

COUNTY OF AMELIA, VIRGINIA

Board of Supervisors

Franklin D. Harris, Chairperson

Roger A. Scott
Ralph A. Whitaker, Jr.

Thomas R. Gleason, Vice Chairperson
Carroll E. Barnard

Department of Social Services Administrative Board

A. Taylor Harvie, III

County School Board

Glen Wilkerson, Chairperson

Jim Ferrara
Bonnie Vega

Mike Neller, Vice Chairperson
Catherine N. Wilkinson

Other Officials

Judge of the Circuit Court Paul W. Cella
Clerk of the Circuit Court Marilyn L. Wilson
Commonwealth's Attorney..... Lee R. Harrison
Commissioner of the Revenue Laura M. Walsh
Treasurer Pamela H. Conyers
Sheriff Rick L. Walker
Director of Social Services Martha A. Pullen
County Administrator A. Taylor Harvie, III
Judge of the General District Court Mayo K. Gravatt
Judge of the Juvenile and Domestic Relations Court Valentine W. Southall, Jr.
Superintendent of Schools Dr. Jack McKinley

COUNTY OF AMELIA, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To The Honorable Members of
the Board of Supervisors
County of 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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2018, the County adopted new accounting guidance, GASB Statement Nos. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 20 of the financial statements, in 2018, the County restated beginning balances to reflect the requirements of GASB Statement No. 75. The County also restated beginning balances to adjust for excess depreciation expense in prior years, to record a capital asset addition to school equipment purchased in the prior year, and to transfer property to the IDA per a deed issued in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-8, 104 and 105-121 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Amelia, Virginia's basic financial statements. The introductory section, 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Supplementary and *Other Information (Continued)*

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Amelia, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Amelia, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 20, 2018

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, 2018.

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 \$23,671,565 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other sources in excess of expenditures and other financing uses of \$615,198 (Exhibit 5) after making contributions totaling \$4,691,909 to the School Board.

< As of the close of the current fiscal year; the County's funds reported ending fund balances of \$12,037,971, an increase of \$615,198 in comparison with the prior year.

< At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,475,851, or 41% of total general fund expenditures and other financing uses.

< The combined long-term obligations decreased \$1,382,125 during the current fiscal year.

Overview of the Financial Statements

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

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

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

Overview of the Financial Statements (Continued)

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

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

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.

Overview of the Financial Statements (Continued)

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.

Government-wide Financial Analysis

In 2018, the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. To reflect the requirements of GASB Statement No. 75, it was necessary to restate beginning net position. Beginning net position was also restated to correct excess depreciation expense in prior years, to add school equipment acquired in a prior year, and to show the deed of property from the County to the IDA in a prior year. The restated balances are utilized for purposes of discussion and analysis herein.

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,671,565 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 14,083,178	\$ 13,593,365	\$ 125,720	\$ 63,349	\$ 14,208,898	\$ 13,656,714
Capital assets	10,347,373	11,808,717	6,267,951	6,258,780	16,615,324	18,067,497
Total assets	\$ 24,430,551	\$ 25,402,082	\$ 6,393,671	\$ 6,322,129	\$ 30,824,222	\$ 31,724,211
Deferred outflows of resources	\$ 324,396	\$ 637,258	\$ 8,138	\$ 15,240	\$ 332,534	\$ 652,498
Current liabilities	\$ 1,124,626	\$ 1,388,247	\$ 164,975	\$ 15,159	\$ 1,289,601	\$ 1,403,406
Long-term liabilities outstanding	3,392,325	4,751,556	1,718,801	2,041,686	5,111,126	6,793,242
Total liabilities	\$ 4,516,951	\$ 6,139,803	\$ 1,883,776	\$ 2,056,845	\$ 6,400,727	\$ 8,196,648
Deferred inflows of resources	\$ 1,058,606	\$ 476,200	\$ 25,858	\$ 12,169	\$ 1,084,464	\$ 488,369
Net investment in capital assets	\$ 7,188,504	\$ 8,288,356	\$ 4,410,568	\$ 4,251,244	\$ 11,599,072	\$ 12,539,600
Restricted for:						
Landfill	1,017,108	1,012,928	-	-	1,017,108	1,012,928
Cash proffers	595,019	524,410	-	-	595,019	524,410
Indoor plumbing	29,160	26,441	-	-	29,160	26,441
Asset forfeiture	29,303	30,290	-	-	29,303	30,290
Courthouse security	28,253	3,125	-	-	28,253	3,125
Unrestricted	10,292,043	9,537,787	81,607	17,111	10,373,650	9,554,898
Total net position	\$ 19,179,390	\$ 19,423,337	\$ 4,492,175	\$ 4,268,355	\$ 23,671,565	\$ 23,691,692

Government-wide Financial Analysis (Continued)

Governmental and business-type activities increased the County's net position by \$1,535,444 during the current fiscal year. The following table summarizes the County's Statement of Activities:

County of Amelia, Virginia's Changes in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,157,624	\$ 3,971,573	\$ 455,498	\$ 380,262	\$ 1,613,122	\$ 4,351,835
Operating grants and contributions	3,028,519	3,086,136	-	-	3,028,519	3,086,136
Capital grants and contributions	-	-	208,990	13,626	208,990	13,626
General revenues:						
General property taxes	8,575,221	8,384,347	-	-	8,575,221	8,384,347
Other local taxes	1,930,607	1,799,598	-	-	1,930,607	1,799,598
Grants and other contributions not restricted	1,316,173	1,352,298	-	-	1,316,173	1,352,298
Other general revenues	375,772	274,199	-	-	375,772	274,199
Transfers	(262,032)	(171,839)	262,032	171,839	-	-
Total revenues	\$ 16,121,884	\$ 18,696,312	\$ 926,520	\$ 565,727	\$ 17,048,404	\$ 19,262,039
Expenses:						
General government administration	\$ 1,763,705	\$ 1,864,753	\$ -	\$ -	\$ 1,763,705	\$ 1,864,753
Judicial administration	742,841	842,795	-	-	742,841	842,795
Public safety	3,367,969	3,405,773	-	-	3,367,969	3,405,773
Public works	1,070,773	1,027,901	693,409	624,085	1,764,182	1,651,986
Health and welfare	1,650,447	1,730,950	-	-	1,650,447	1,730,950
Education	5,173,199	5,719,068	-	-	5,173,199	5,719,068
Parks, recreation, and cultural	652,166	609,538	-	-	652,166	609,538
Community development	233,201	819,585	-	-	233,201	819,585
Interest and other fiscal charges	165,250	198,423	-	-	165,250	198,423
Total expenses	\$ 14,819,551	\$ 16,218,786	\$ 693,409	\$ 624,085	\$ 15,512,960	\$ 16,842,871
Change in net position	\$ 1,302,333	\$ 2,477,526	\$ 233,111	\$ (58,358)	\$ 1,535,444	\$ 2,419,168
Beginning of year, as restated	17,877,057	16,945,811	4,259,064	4,326,713	22,136,121	21,272,524
End of year	\$ 19,179,390	\$ 19,423,337	\$ 4,492,175	\$ 4,268,355	\$ 23,671,565	\$ 23,691,692

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 \$12,037,971, an increase of \$615,198 in comparison with the prior year. Approximately 54% of the reported fund balance constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

Financial Analysis of the County's Funds (Continued)

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 \$4,410,568. The total increase in net position was \$233,111. 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 more than budgetary estimates by \$121,376. Expenditures and other financing uses were less than budgetary estimates by \$1,079,922, resulting in a positive variance of \$1,201,298.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental activities as of June 30, 2018 was \$7,188,504 and its investment in capital assets for its proprietary operations was \$13,303,442 (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 \$4,895,550. Of this amount, \$3,038,167 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 \$346,404 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 2019 fiscal year.

The fiscal year 2019 budget decreased by approximately .12%. All tax rates remained the same with the exception of the real estate rate, which decreased from .51 to .47. This was a result of the real estate reassessment that occurred. Due to higher assessment values, the rate of .47 brings in the same amount of real estate taxes as the .51 rate from the prior year.

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.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

County of Amelia, Virginia

Statement of Net Position
June 30, 2018

	Primary Government				
	Governmental	Business-type	Total	Component Units	
	Activities	Activities		School Board	IDA
ASSETS					
Cash and cash equivalents	\$ 3,343,766	\$ -	\$ 3,343,766	\$ 365,537	\$ -
Investments	4,170,405	-	4,170,405	-	245,942
Receivables (net of allowance for uncollectibles):					
Taxes receivable	1,110,944	-	1,110,944	-	-
Accounts receivable	91,271	76,356	167,627	97,363	-
Interest receivable	-	-	-	-	439
Due from primary government	-	-	-	603,236	-
Due from other governmental units	545,880	-	545,880	344,622	-
Prepaid items	-	38,571	38,571	-	-
Certificate of deposit	3,364,961	-	3,364,961	-	-
Restricted assets:					
Landfill funds held with trustee	1,017,108	-	1,017,108	-	-
Net pension asset	438,843	10,793	449,636	71,047	-
Capital assets (net of accumulated depreciation):					
Land and land improvements	1,596,464	29,463	1,625,927	367,715	1,082,620
Buildings and improvements	6,429,826	-	6,429,826	6,288,413	1,265,234
Utility plant in service	-	6,149,738	6,149,738	-	-
Machinery and equipment	2,302,578	88,750	2,391,328	1,665,992	78,679
Infrastructure	-	-	-	97,930	-
Construction in progress	18,505	-	18,505	-	-
Total assets	<u>\$ 24,430,551</u>	<u>\$ 6,393,671</u>	<u>\$ 30,824,222</u>	<u>\$ 9,901,855</u>	<u>\$ 2,672,914</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 300,278	\$ 7,384	\$ 307,662	\$ 2,097,104	\$ -
OPEB related items	24,118	754	24,872	175,344	-
Total deferred outflows of resources	<u>\$ 324,396</u>	<u>\$ 8,138</u>	<u>\$ 332,534</u>	<u>\$ 2,272,448</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ 61,837	\$ 1,094	\$ 62,931	\$ 89,751	\$ -
Accrued liabilities	-	-	-	964,061	-
Accrued interest payable	81,600	10,199	91,799	-	-
Due to other funds	603,236	-	603,236	-	-
Long-term liabilities:					
Due within one year	377,953	153,682	531,635	132,675	-
Due in more than one year	3,392,325	1,718,801	5,111,126	24,966,416	-
Total liabilities	<u>\$ 4,516,951</u>	<u>\$ 1,883,776</u>	<u>\$ 6,400,727</u>	<u>\$ 26,152,903</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 15,810	\$ -	\$ 15,810	\$ -	\$ -
Pension related items	1,001,465	24,842	1,026,307	1,785,293	-
OPEB related items	41,331	1,016	42,347	618,829	-
Total deferred inflows of resources	<u>\$ 1,058,606</u>	<u>\$ 25,858</u>	<u>\$ 1,084,464</u>	<u>\$ 2,404,122</u>	<u>\$ -</u>
NET POSITION					
Net investment in capital assets	\$ 7,188,504	\$ 4,410,568	\$ 11,599,072	\$ 7,532,791	\$ 2,426,533
Restricted:					
Landfill funds held by trustees	1,017,108	-	1,017,108	-	-
Cash proffers	595,019	-	595,019	-	-
Indoor plumbing	29,160	-	29,160	-	-
Asset forfeiture	29,303	-	29,303	-	-
Courthouse security fund	28,253	-	28,253	-	-
Unrestricted (deficit)	10,292,043	81,607	10,373,650	(23,915,513)	246,381
Total net position	<u>\$ 19,179,390</u>	<u>\$ 4,492,175</u>	<u>\$ 23,671,565</u>	<u>\$ (16,382,722)</u>	<u>\$ 2,672,914</u>

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

County of Amelia, Virginia

Statement of Activities

For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		Component Units			
				Governmental Activities	Business-type Activities		School Board	IDA	
PRIMARY GOVERNMENT:									
Governmental activities:									
General government administration	\$ 1,763,705	\$ -	\$ 229,673	\$ (1,534,032)	\$ (1,534,032)				
Judicial administration	742,841	137,458	429,798	(175,585)	(175,585)				
Public safety	3,367,969	209,584	931,088	(2,227,297)	(2,227,297)				
Public works	1,070,773	686,099	-	(384,674)	(384,674)				
Health and welfare	1,650,447	-	1,307,721	(342,726)	(342,726)				
Education	5,173,199	-	-	(5,173,199)	(5,173,199)				
Parks, recreation, and cultural	652,166	124,483	64,439	(463,244)	(463,244)				
Community development	233,201	-	6,038	(227,163)	(227,163)				
Interest on long-term debt	165,250	-	59,762	(105,488)	(105,488)				
Total governmental activities	\$ 14,819,551	\$ 1,157,624	\$ 3,028,519	\$ (10,633,408)	\$ (10,633,408)				
Business-type activities:									
Sanitary District	\$ 693,409	\$ 455,498	\$ -	\$ (28,921)	\$ (28,921)				
Total business-type activities	\$ 693,409	\$ 455,498	\$ -	\$ (28,921)	\$ (28,921)				
Total primary government	\$ 15,512,960	\$ 1,613,122	\$ 3,028,519	\$ (10,662,329)	\$ (10,662,329)				
COMPONENT UNITS:									
School Board	\$ 18,604,469	\$ 371,802	\$ 12,527,910	\$ (5,704,757)	\$ (5,704,757)				
Industrial Development Authority	73,681	123,475	-	-	-				49,794
Total component units	\$ 18,678,150	\$ 495,277	\$ 12,527,910	\$ (5,704,757)	\$ (5,704,757)				49,794
General revenues:									
General property taxes				\$ 8,575,221	\$ -	\$ 8,575,221	\$ -	\$ -	
Other local taxes:									
Local sales and use taxes				803,295	-	803,295	-	-	
Consumers' utility taxes				236,835	-	236,835	-	-	
Motor vehicle licenses				369,403	-	369,403	-	-	
Business license taxes				283,197	-	283,197	-	-	
Other local taxes				237,877	-	237,877	-	-	
Unrestricted revenues from use of money and property				115,672	-	115,672	3,890	-	2,978
Miscellaneous				260,100	-	260,100	674,065	-	49,569
Payments from Amelia County				-	-	-	5,038,313	-	-
Grants and contributions not restricted to specific programs				1,316,173	-	1,316,173	-	-	-
Transfers				(262,032)	262,032	-	-	-	-
Total general revenues and transfers	\$ 11,935,741	\$ 262,032	\$ 12,197,773	\$ 12,197,773	\$ 5,716,268	\$ 52,547	\$ -	\$ -	\$ -
Change in net position	\$ 1,302,333	\$ 233,111	\$ 1,535,444	\$ 11,511	\$ 11,511	\$ 102,341	\$ -	\$ -	\$ -
Net position - beginning, as restated	17,877,057	4,259,064	22,136,121	(16,394,233)	(16,394,233)	2,570,573	-	-	-
Net position - ending	\$ 19,179,390	\$ 4,492,175	\$ 23,671,565	\$ (16,382,722)	\$ (16,382,722)	\$ 2,672,914	\$ -	\$ -	\$ -

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

Fund Financial Statements

County of Amelia, Virginia

Balance Sheet
Governmental Funds
June 30, 2018

	General	County Capital Projects	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 567,804	\$ 2,112,758	\$ 663,204	\$ 3,343,766
Investments	2,442,304	1,671,760	56,341	4,170,405
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,110,944	-	-	1,110,944
Accounts receivable	50,322	38,413	2,536	91,271
Due from other governmental units	545,880	-	-	545,880
Certificate of deposit	3,364,961	-	-	3,364,961
Restricted assets:				
Landfill funds held with trustee	1,017,108	-	-	1,017,108
Total assets	<u>\$ 9,099,323</u>	<u>\$ 3,822,931</u>	<u>\$ 722,081</u>	<u>\$ 13,644,335</u>
LIABILITIES				
Accounts payable	\$ 61,837	\$ -	\$ -	\$ 61,837
Due to other funds	603,236			603,236
Total liabilities	<u>\$ 665,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 665,073</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 941,291	\$ -	\$ -	\$ 941,291
Total deferred inflows of resources	<u>\$ 941,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 941,291</u>
FUND BALANCES				
Restricted	\$ 1,017,108	\$ -	\$ 681,735	\$ 1,698,843
Committed	-	3,822,931	40,346	3,863,277
Unassigned	6,475,851	-	-	6,475,851
Total fund balances	<u>\$ 7,492,959</u>	<u>\$ 3,822,931</u>	<u>\$ 722,081</u>	<u>\$ 12,037,971</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,099,323</u>	<u>\$ 3,822,931</u>	<u>\$ 722,081</u>	<u>\$ 13,644,335</u>

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

County of Amelia, Virginia

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		\$ 12,037,971
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 22,041,935		
Accumulated depreciation	(11,694,562)		10,347,373

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

Unavailable revenue - property taxes		925,481
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The net pension asset in governmental activities is not a financial resource and, therefore, is not reported in the funds.

Net pension asset		438,843
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Items related to the measurement of the net pension asset, group life insurance OPEB, and health insurance credit OPEB liabilities are considered deferred outflows and deferred inflows and will be amortized and recognized as expenses over future periods.

Deferred outflows related to:

Pension	300,278		
Group life insurance OPEB items	21,508		
Health insurance credit OPEB items	2,610		324,396

Deferred inflows related to:

Pension	(1,001,465)		
Group life insurance OPEB items	(40,016)		
Health insurance credit OPEB items	(1,315)		(1,042,796)

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	\$ (3,038,167)		
Bond issuance premium	(120,702)		
Accrued interest payable	(81,600)		
Net OPEB liability - group life insurance	(316,224)		
Net OPEB liability - health insurance credit	(25,849)		
Compensated absences	(269,336)		(3,851,878)

Net position of governmental activities		\$ 19,179,390
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The notes to the financial statements are an integral part of this statement.

County of Amelia, Virginia

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>General</u>	<u>County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES				
General property taxes	\$ 8,517,333	\$ -	\$ -	\$ 8,517,333
Other local taxes	1,930,607	-	-	1,930,607
Permits, privilege fees, and regulatory licenses	179,026	-	-	179,026
Fines and forfeitures	130,925	-	-	130,925
Revenue from the use of money and property	100,556	7,845	7,271	115,672
Charges for services	341,382	477,369	28,922	847,673
Miscellaneous	187,023	-	73,077	260,100
Recovered costs	218,596	76,901	-	295,497
Intergovernmental:				
Commonwealth	3,523,885	-	-	3,523,885
Federal	820,807	-	-	820,807
Total revenues	<u>\$ 15,950,140</u>	<u>\$ 562,115</u>	<u>\$ 109,270</u>	<u>\$ 16,621,525</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,779,303	\$ -	\$ -	\$ 1,779,303
Judicial administration	779,193	-	-	779,193
Public safety	3,655,549	-	-	3,655,549
Public works	1,016,035	-	-	1,016,035
Health and welfare	1,972,400	-	-	1,972,400
Education	4,693,021	-	-	4,693,021
Parks, recreation, and cultural	611,598	-	-	611,598
Community development	243,364	-	-	243,364
Capital projects	-	457,697	-	457,697
Debt service:				
Principal retirement	346,404	-	-	346,404
Interest and other fiscal charges	189,731	-	-	189,731
Total expenditures	<u>\$ 15,286,598</u>	<u>\$ 457,697</u>	<u>\$ -</u>	<u>\$ 15,744,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 663,542</u>	<u>\$ 104,418</u>	<u>\$ 109,270</u>	<u>\$ 877,230</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 408,692	\$ 68,294	\$ -	\$ 476,986
Transfers out	(330,326)	(399,861)	(8,831)	(739,018)
Total other financing sources (uses)	<u>\$ 78,366</u>	<u>\$ (331,567)</u>	<u>\$ (8,831)</u>	<u>\$ (262,032)</u>
Net change in fund balances	\$ 741,908	\$ (227,149)	\$ 100,439	\$ 615,198
Fund balances - beginning	6,751,051	4,050,080	621,642	11,422,773
Fund balances - ending	<u>\$ 7,492,959</u>	<u>\$ 3,822,931</u>	<u>\$ 722,081</u>	<u>\$ 12,037,971</u>

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

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, 2018

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

Net change in fund balances - total governmental funds	\$	615,198
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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	\$ 576,167		
Depreciation expense	(522,655)		
Activity related to joint tenancy assets to Component Unit from Primary Government	<u>(346,404)</u>		(292,892)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ 57,888		
Change in deferred inflows related to:			
Pension	(531,011)		
Group life insurance OPEB items	(40,016)		
Health insurance credit OPEB items	<u>(1,315)</u>		(514,454)

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:

Principal retirement on school general obligation bonds		346,404
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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:

Bond issuance premium amortization	\$ 15,088		
Change in compensated absences	(2,975)		
Change in net pension asset/liability	1,403,677		
Change in net OPEB liability - group life insurance	57,584		
Change in net OPEB liability - health insurance credit	1,190		
Change in deferred outflows related to:			
Pension	(336,980)		
Group life insurance OPEB items	1,012		
Health insurance credit OPEB items	87		
Change in accrued interest payable	<u>9,394</u>		1,148,077

Change in net position of governmental activities	\$	<u>1,302,333</u>
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The notes to the financial statements are an integral part of this statement.

County of Amelia, Virginia

Statement of Net Position
Proprietary Funds
June 30, 2018

	Enterprise Fund Sanitary District
ASSETS	
Current assets:	
Accounts receivable, net of allowance for uncollectibles	\$ 76,356
Prepaid items	38,571
Total current assets	<u>\$ 114,927</u>
Noncurrent assets:	
Net pension asset	<u>\$ 10,793</u>
Capital assets:	
Land and land improvements	\$ 29,463
Utility plant in service	9,819,288
Machinery and equipment	390,254
Accumulated depreciation	<u>(3,971,054)</u>
Total capital assets	<u>\$ 6,267,951</u>
Total noncurrent assets	<u>\$ 6,278,744</u>
Total assets	<u>\$ 6,393,671</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	\$ 7,384
OPEB related items	754
Total deferred outflows of resources	<u>\$ 8,138</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,094
Accrued interest payable	10,199
Bonds payable - current portion	153,013
Compensated absences - current portion	669
Total current liabilities	<u>\$ 164,975</u>
Noncurrent liabilities:	
Net group life OPEB liability	\$ 7,776
Net health insurance credit OPEB liability	636
Bonds payable - net of current portion	1,704,370
Compensated absences - net of current portion	6,019
Total noncurrent liabilities	<u>\$ 1,718,801</u>
Total liabilities	<u>\$ 1,883,776</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	\$ 24,842
OPEB related items	1,016
Total deferred inflows of resources	<u>\$ 25,858</u>
NET POSITION	
Net investment in capital assets	\$ 4,410,568
Unrestricted	81,607
Total net position	<u>\$ 4,492,175</u>

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

County of Amelia, Virginia

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2018

	Enterprise Fund <u>Sanitary District</u>
OPERATING REVENUES	
Charges for services:	
Water and sewer revenues	\$ 421,655
Penalties	28,889
Total operating revenues	<u>\$ 450,544</u>
OPERATING EXPENSES	
Water	\$ 96,352
Sewer	339,204
Depreciation	199,819
Total operating expenses	<u>\$ 635,375</u>
Operating income (loss)	<u>\$ (184,831)</u>
NONOPERATING REVENUES (EXPENSES)	
Connection fees	\$ 4,954
Interest expense	(58,034)
Total nonoperating revenues (expenses)	<u>\$ (53,080)</u>
Income (loss) before contributions and transfers	<u>\$ (237,911)</u>
Capital contributions and construction grants	\$ 208,990
Transfers in	262,032
Change in net position	\$ 233,111
Total net position - beginning, as restated	4,259,064
Total net position - ending	<u><u>\$ 4,492,175</u></u>

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

County of Amelia, Virginia

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Enterprise Fund <u>Sanitary District</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 417,039
Payments to suppliers	(343,344)
Payments to employees	(130,987)
Net cash provided by (used for) operating activities	<u>\$ (57,292)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 262,032
Net cash provided by (used for) noncapital financing activities	<u>\$ 262,032</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset additions	\$ (208,990)
Principal payments on bonds	(150,153)
Capital contributions	208,990
Connection fees	4,954
Interest payments	(59,541)
Net cash provided by (used for) capital and related financing activities	<u>\$ (204,740)</u>
Net increase (decrease) in cash and cash equivalents	\$ -
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ (184,831)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 199,819
(Increase) decrease in accounts receivable	(33,505)
(Increase) decrease in prepaid items	(18,073)
(Increase) decrease in net pension asset	(34,518)
(Increase) decrease in deferred outflows of resources	7,668
Increase (decrease) in accounts payable	(2,359)
Increase (decrease) in compensated absences	(3,737)
Increase (decrease) in net OPEB liabilities	(1,445)
Increase (decrease) in deferred inflows of resources	13,689
Total adjustments	<u>\$ 127,539</u>
Net cash provided by (used for) operating activities	<u><u>\$ (57,292)</u></u>

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

County of Amelia, Virginia

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust <u>Funds</u>	Agency <u>Funds</u>
ASSETS		
Cash and cash equivalents	\$ 7,400	\$ 48,372
Investments	267,221	-
Receivables:		
Interest and dividends	1,529	1
Total assets	<u>\$ 276,150</u>	<u>\$ 48,373</u>
LIABILITIES		
Amounts held for social services clients	\$ -	\$ 13,634
Performance bonds	-	22,983
Amounts held for others	-	11,756
Total liabilities	<u>\$ -</u>	<u>\$ 48,373</u>
NET POSITION		
Held in trust for scholarships	<u>\$ 276,150</u>	<u>\$ -</u>

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

County of Amelia, Virginia

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	<u>Private Purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Private donations	\$ 14,319
Total contributions	\$ 14,319
Investment earnings:	
Interest	\$ 21,086
Total investment earnings	\$ 21,086
Total additions	\$ 35,405
DEDUCTIONS	
Scholarships	\$ 11,325
Total deductions	\$ 11,325
Change in net position	\$ 24,080
Net position - beginning	252,070
Net position - ending	\$ 276,150

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018

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 accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. 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.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government (governmental 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).

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or 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.

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units at June 30, 2018.

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, 2018.

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

B. Individual Component Unit Disclosures: (Continued)

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, 2018. 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.

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.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

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

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 unavailable 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.

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 nonmajor 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.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

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

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 the Special Welfare, Performance Bond, Project Lifesaver, and A.M. Radio Partners funds. 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.

F. Investments

The money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposits (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value. Investments in custody of others include unspent bond proceeds and accumulated interest that the County intends to use for the new government complex.

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 \$180,757 at June 30, 2018 and is comprised of \$154,025 for property taxes and \$26,732 related to proprietary revenue.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

G. Receivables and Payables: (Continued)

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
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.

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 at acquisition 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, 2018.

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.

<u>Assets</u>	<u>Years</u>
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.

<u>Assets</u>	<u>Years</u>
Sewer System	50
Sewage Treatment Plant	25
Machinery and Equipment	3-5

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

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.

J. 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.

K. 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.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

K. Fund Equity: (Continued)

The 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:

	<u>General Fund</u>	<u>Major Capital Project Fund County Capital Projects Fund</u>	<u>Nonmajor Special Revenue Fund County Special Revenue Fund</u>	<u>Total</u>
Fund Balances:				
Restricted:				
Cash Proffers	\$ -	\$ -	\$ 595,019	\$ 595,019
Indoor Plumbing	-	-	29,160	29,160
Asset forfeiture	-	-	29,303	29,303
Courthouse security fund	-	-	28,253	28,253
Landfill funds held by trustees	1,017,108	-	-	1,017,108
Total Restricted Fund Balance	\$ 1,017,108	\$ -	\$ 681,735	\$ 1,698,843
Committed:				
Capital Improvements	\$ -	\$ 3,817,334	\$ -	\$ 3,817,334
Special Library	-	-	27,276	27,276
Amelia County Clean-up Program	-	-	13,070	13,070
Hindle Building Bell Fund	-	5,597	-	5,597
Total Committed Fund Balance	\$ -	\$ 3,822,931	\$ 40,346	\$ 3,863,277
Unassigned	\$ 6,475,851	\$ -	\$ -	\$ 6,475,851
Total Fund Balances	\$ 7,492,959	\$ 3,822,931	\$ 722,081	\$ 12,037,971

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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

L. 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.

M. 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.

N. Pensions

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

O. Other Postemployment Benefits (OPEB)

Group Life Insurance

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

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

O. Other Postemployment Benefits (OPEB): (Continued)

Political Subdivision and Teacher Employee Health Insurance Credit Program

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

P. 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.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension asset/liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

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 two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, and amounts prepaid on next year's taxes and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on next year's taxes are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

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

R. Adoption of Accounting Principles

The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the fiscal year ended June 30, 2018. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to postemployment benefits other than pensions (other postemployment benefits or OPEB). Note disclosure and required supplementary information requirements about OPEB are also addressed. The requirements of this Statement will improve accounting and financial reporting by state and local governments for OPEB. In addition, the County implemented Governmental Accounting Standards Board Statement No. 85, *Omnibus 2017* during the fiscal year ended June 30, 2018. This Statement addresses practice issues identified during implementation and application of certain GASB statements for a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). The implementation of these Statements resulted in a restatement of net position.

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

There were no expenditures in excess of appropriations for the fiscal year ended June 30, 2018.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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, 2018 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		
	AAAm	AA+	AA-
Local Government Investment Pool	\$ 2,046,607	\$ -	\$ -
Virginia Investment Pool - Stable NAV Liquidity Pool	1,263,037	-	-
U.S. Government Securities Money Market Fund	-	1,052,300	-
Corporate Debt	-	-	54,403
Total	<u>\$ 3,309,644</u>	<u>\$ 1,052,300</u>	<u>\$ 54,403</u>

Interest Rate Risk

Investment Maturities (in years)

Investment Type	Fair Value	Less Than	
		1 Year	1-5 Years
Local Government Investment Pool	\$ 2,046,607	\$ 2,046,607	\$ -
Virginia Investment Pool - Stable NAV Liquidity Pool	1,263,037	1,263,037	-
U.S. Government Securities Money Market Fund	1,052,300	1,052,300	-
Corporate Debt	54,403	54,403	-
Total	<u>\$ 4,416,347</u>	<u>\$ 4,416,347</u>	<u>\$ -</u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 3 - Deposits and Investments: (Continued)

External Investment Pools

The value of the positions in the external investment pools (Local Government Investment Pool and Virginia Investment Pool) is the same as the value of pool shares. As LGIP and VIP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury (LGIP) and the Virginia Municipal League and Virginia Association of Counties (VIP). LGIP and VIP are amortized cost basis portfolios under the provisions of GASB Statement No. 79. There are no withdrawal limitations or restrictions imposed on participants.

Note 4—Due to/from Other Governments:

At June 30, 2018, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
County of Amelia	\$ -	\$ 603,236
Commonwealth of Virginia:		
Local sales tax	151,593	-
Welfare	31,922	-
Comprehensive services act	94,641	-
State Sales Tax	-	250,531
Constitutional officer reimbursements	117,585	-
Recordation tax	8,982	-
Mobile home titling tax	7,856	-
E-911 wireless	6,951	-
Victim witness	14,533	-
Communications tax	37,281	-
Four-for-life	14,954	-
School fund grants	-	-
Federal Government:		
School fund grants	-	94,091
Victim witness	2,243	-
Welfare	57,339	-
Total due from other governments	<u>\$ 545,880</u>	<u>\$ 947,858</u>

At June 30, 2018, amounts due to other local governments are as follows:

Other Local Governments:		
Amelia County School Board	<u>\$ 603,236</u>	<u>\$ -</u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 5—Capital Assets:

Primary Government:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2018:

	Restated Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
<i>Governmental Activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 1,596,464	\$ -	\$ -	\$ 1,596,464
Construction in progress	<u>-</u>	<u>18,505</u>	<u>-</u>	<u>18,505</u>
Total capital assets not subject to depreciation	<u>\$ 1,596,464</u>	<u>\$ 18,505</u>	<u>\$ -</u>	<u>\$ 1,614,969</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 6,629,865	\$ -	\$ -	\$ 6,629,865
Machinery and Equipment	6,585,034	557,662	-	7,142,696
Jointly owned assets	<u>7,011,281</u>	<u>-</u>	<u>356,876</u>	<u>6,654,405</u>
Total capital assets subject to depreciation	<u>\$ 20,226,180</u>	<u>\$ 557,662</u>	<u>\$ 356,876</u>	<u>\$ 20,426,966</u>
Accumulated depreciation:				
Buildings and improvements	\$ 3,049,364	\$ 188,842	\$ -	\$ 3,238,206
Machinery and Equipment	4,506,305	333,813	-	4,840,118
Jointly owned assets	<u>3,626,710</u>	<u>183,467</u>	<u>193,939</u>	<u>3,616,238</u>
Total accumulated depreciation	<u>\$ 11,182,379</u>	<u>\$ 706,122</u>	<u>\$ 193,939</u>	<u>\$ 11,694,562</u>
Total capital assets subject to depreciation, net	<u>\$ 9,043,801</u>	<u>\$ (148,460)</u>	<u>\$ 162,937</u>	<u>\$ 8,732,404</u>
Governmental activities capital assets, net	<u><u>\$ 10,640,265</u></u>	<u><u>\$ (129,955)</u></u>	<u><u>\$ 162,937</u></u>	<u><u>\$ 10,347,373</u></u>

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COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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, 2018:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
<i>Business-type activities:</i>				
Capital assets not subject to depreciation:				
Land and land improvements	\$ 29,463	\$ -	\$ -	\$ 29,463
Total capital assets not subject to depreciation	<u>\$ 29,463</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,463</u>
Capital assets subject to depreciation:				
Utility plant in service	\$ 9,610,298	\$ 208,990	\$ -	\$ 9,819,288
Machinery and equipment	390,254	-	-	390,254
Total capital assets subject to depreciation	<u>\$ 10,000,552</u>	<u>\$ 208,990</u>	<u>\$ -</u>	<u>\$ 10,209,542</u>
Accumulated depreciation:				
Utility plant in service	\$ 3,481,565	\$ 187,985	\$ -	\$ 3,669,550
Machinery and equipment	289,670	11,834	-	301,504
Total accumulated depreciation	<u>\$ 3,771,235</u>	<u>\$ 199,819</u>	<u>\$ -</u>	<u>\$ 3,971,054</u>
Total capital assets subject to depreciation, net	<u>\$ 6,229,317</u>	<u>\$ 9,171</u>	<u>\$ -</u>	<u>\$ 6,238,488</u>
Business-type activities capital assets, net	<u>\$ 6,258,780</u>	<u>\$ 9,171</u>	<u>\$ -</u>	<u>\$ 6,267,951</u>

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COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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, 2018:

	Restated Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
Capital assets not subject to depreciation:				
Land and land improvements	\$ 367,715	\$ -	\$ -	\$ 367,715
Construction in progress	<u>26,175</u>	<u>78,750</u>	<u>104,925</u>	<u>-</u>
Total capital assets not subject to depreciation	<u>\$ 393,890</u>	<u>\$ 78,750</u>	<u>\$ 104,925</u>	<u>\$ 367,715</u>
Capital assets subject to depreciation:				
Infrastructure	\$ -	\$ 104,925	\$ -	\$ 104,925
Machinery and Equipment	4,244,741	148,693	-	4,393,434
Jointly owned assets	<u>13,416,445</u>	<u>-</u>	<u>(356,876)</u>	<u>13,773,321</u>
Total capital assets subject to depreciation	<u>\$ 17,661,186</u>	<u>\$ 253,618</u>	<u>\$ (356,876)</u>	<u>\$ 18,271,680</u>
Accumulated depreciation:				
Infrastructure	\$ -	\$ 6,995	\$ -	\$ 6,995
Machinery and Equipment	2,395,358	332,084	-	2,727,442
Jointly owned assets	<u>6,939,895</u>	<u>351,074</u>	<u>(193,939)</u>	<u>7,484,908</u>
Total accumulated depreciation	<u>\$ 9,335,253</u>	<u>\$ 690,153</u>	<u>\$ (193,939)</u>	<u>\$ 10,219,345</u>
Total capital assets subject to depreciation, net	<u>\$ 8,325,933</u>	<u>\$ (436,535)</u>	<u>\$ (162,937)</u>	<u>\$ 8,052,335</u>
Component unit school board capital assets, net	<u>\$ 8,719,823</u>	<u>\$ (357,785)</u>	<u>\$ (58,012)</u>	<u>\$ 8,420,050</u>

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COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 5—Capital Assets: (Continued)

Component Unit - School Board: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government administration	\$ 80,217
Judicial administration	28,953
Public safety	337,017
Public works	24,254
Health and welfare	3,137
Education	183,467
Parks, recreation and cultural	49,077
Total depreciation expense - governmental activities	<u>\$ 706,122</u>
Business-type activities:	
Sanitary District Fund	<u>\$ 199,819</u>
Total depreciation expense - primary government	<u>\$ 905,941</u>
Component Unit School Board	<u><u>\$ 690,153</u></u>

Component Unit - Industrial Development Authority:

The following is a summary of changes in capital assets for the fiscal year ending June 30, 2018:

	Restated Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
Capital assets not subject to depreciation:				
Land and land improvements	\$ 1,112,640	\$ -	\$ 30,020	\$ 1,082,620
Total capital assets not subject to depreciation	<u>\$ 1,112,640</u>	<u>\$ -</u>	<u>\$ 30,020</u>	<u>\$ 1,082,620</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 1,352,464	\$ -	\$ -	\$ 1,352,464
Machinery and equipment	107,290	-	-	107,290
Total capital assets subject to depreciation	<u>\$ 1,459,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,459,754</u>
Accumulated depreciation:				
Buildings and improvements	\$ 53,418	\$ 33,812	\$ -	\$ 87,230
Machinery and equipment	21,458	7,153	-	28,611
Total accumulated depreciation	<u>\$ 74,876</u>	<u>\$ 40,965</u>	<u>\$ -</u>	<u>\$ 115,841</u>
Total capital assets subject to depreciation, net	<u>\$ 1,384,878</u>	<u>\$ (40,965)</u>	<u>\$ -</u>	<u>\$ 1,343,913</u>
Business-type activities capital assets, net	<u><u>\$ 2,497,518</u></u>	<u><u>\$ (40,965)</u></u>	<u><u>\$ 30,020</u></u>	<u><u>\$ 2,426,533</u></u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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, 2018:

	Restated Balance July 1, 2017	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2018	Amounts Due Within One Year
Primary Government Obligations:					
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 266,361	\$ 29,611	\$ 26,636	\$ 269,336	\$ 26,934
Net OPEB liability - group life insurance	373,808	2,928	60,512	316,224	-
Net OPEB liability - health insurance credit	27,039	3,617	4,807	25,849	-
Total incurred by County	<u>\$ 667,208</u>	<u>\$ 36,156</u>	<u>\$ 91,955</u>	<u>\$ 611,409</u>	<u>\$ 26,934</u>
Incurred by School Board:					
General obligation bonds	\$ 3,384,571	-	\$ 346,404	\$ 3,038,167	\$ 351,019
Add deferred amounts:					
Bond Issuance premium	135,790	-	15,088	120,702	-
Total incurred by School Board	<u>\$ 3,520,361</u>	<u>\$ -</u>	<u>\$ 361,492</u>	<u>\$ 3,158,869</u>	<u>\$ 351,019</u>
Total Governmental Activities Obligations	<u>\$ 4,187,569</u>	<u>\$ 36,156</u>	<u>\$ 453,447</u>	<u>\$ 3,770,278</u>	<u>\$ 377,953</u>
Business-type Activities Obligations:					
Compensated absences	\$ 10,425	\$ 1,043	\$ 4,780	\$ 6,688	\$ 669
Net OPEB liability - group life insurance	9,192	72	1,488	7,776	-
Net OPEB liability - health insurance credit	665	89	118	636	-
Revenue bonds	2,007,536	-	150,153	1,857,383	153,013
Total Business-type Activities Obligations	<u>\$ 2,027,818</u>	<u>\$ 1,204</u>	<u>\$ 156,539</u>	<u>\$ 1,872,483</u>	<u>\$ 153,682</u>
Total Primary Government Obligations	<u>\$ 6,215,387</u>	<u>\$ 37,360</u>	<u>\$ 609,986</u>	<u>\$ 5,642,761</u>	<u>\$ 531,635</u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30	Business-type Activities Obligations	
	Revenue Bonds	
	Principal	Interest
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	55,215	-
Total	\$ <u>1,857,383</u>	\$ <u>556,609</u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30	Governmental Activities	
	School Fund Obligations	
	General Obligation Bonds	
	Principal	Interest
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	\$ 3,038,167	\$ 1,049,908

Details of Long-Term Obligations:

Governmental Activities:

Incurred by County:

	Total Amount
Net OPEB liability - group life insurance	\$ 316,224
Net OPEB liability - health insurance credit	\$ 25,849
Compensated absences (payable from General Fund)	\$ 269,336
Total Incurred by County	\$ 611,409

Incurred by School Board:

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%.	\$ 2,393,167
\$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%.	645,000
Total General Obligation Bonds	\$ 3,038,167
Bond Issuance premium	120,702
Total incurred by School Board	\$ 3,158,869
Total Long-Term Obligations, Governmental Activities	\$ 3,770,278

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 6—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations: (Continued)

Business-type Activities:

Revenue Bonds:

2001 Virginia Water Facilities Revolving Fund, loan commitment of \$457,100, interest at 4.10%, \$17,058 due semi-annually through May 1, 2021.	\$ 95,387
2000 Virginia Water Facilities Revolving Fund, loan commitment of \$1,368,299, interest at 0.50%, \$29,701 due semi-annually through March 1, 2026.	465,271
2004 Virginia Water Facilities Revolving Fund, loan commitment of \$396,385, non-interest bearing, \$6,606 due semi-annually through June 1, 2034.	211,405
\$900,000 Tax Revenue bond issued November 7, 2002, interest payable at 4.50%, \$4,131 due monthly through June 7, 2042.	730,320
2006 Virginia Water Facilities Revolving Fund, loan commitment of \$700,000, varying interest rate from 4.7% to 4.96%, varying payments due semi-annually through November 1, 2026.	<u>355,000</u>
Total Revenue Bonds	<u>\$ 1,857,383</u>
Compensated absences (payable from Enterprise Fund)	<u>\$ 6,688</u>
Net OPEB liability - group life insurance	<u>\$ 7,776</u>
Net OPEB liability - health insurance credit	<u>\$ 636</u>
Total Long-Term Obligations, Business-type Activities	<u><u>\$ 1,872,483</u></u>
Total Long-Term Obligations, Primary Government	<u><u>\$ 5,642,761</u></u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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, 2018.

	Restated Balance at July 1, 2017	Increases	Decreases	Balance at June 30, 2018	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 164,557	\$ 16,456	\$ 34,963	\$ 146,050	\$ 14,605
Capital lease	1,001,929	-	114,670	887,259	118,070
Net pension liability	15,160,000	2,363,000	4,129,000	13,394,000	-
Net OPEB liability - group life insurance	888,000	25,000	139,000	774,000	-
Net OPEB liability - health insurance credit	1,372,000	122,000	112,000	1,382,000	-
Total Pay-as-you-Go OPEB liability	<u>8,645,865</u>	<u>626,482</u>	<u>756,565</u>	<u>8,515,782</u>	<u>-</u>
Total Component Unit-School Board	<u>\$ 27,232,351</u>	<u>\$ 3,152,938</u>	<u>\$ 5,286,198</u>	<u>\$ 25,099,091</u>	<u>\$ 132,675</u>

Details of Long-Term Obligations:

	Total Amount
<u>Capital Lease:</u>	
\$455,445 lease for the purchase of five school buses issued on August 19, 2013, due in annual installments of \$52,381 on each August 19 through 2022; interest rate of 3.25%. The cost of the school buses was \$455,445. At June 30, 2016, accumulated depreciation for the school buses amounted to \$134,141.	\$ <u>887,259</u>
Net pension liability	\$ <u>13,394,000</u>
Net OPEB liability - group life insurance	\$ <u>774,000</u>
Net OPEB liability - health insurance credit	\$ <u>1,382,000</u>
Total Pay-as-you-Go OPEB liability	\$ <u>8,515,782</u>
Compensated absences (payable from General Fund)	\$ <u>146,050</u>
Total Component Unit-School Board	\$ <u><u>25,099,091</u></u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 6—Long-Term Obligations: (Continued)

Component Unit - School Board:

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

Year Ending June 30	Component Unit-School Board Obligations	
	Capital Lease	
	Principal	Interest
2019	\$ 118,070	\$ 7,749
2020	121,571	6,296
2021	125,177	4,797
2022	128,889	3,249
2023	133,623	11,189
2024	84,270	7,252
2025	86,621	4,901
2026	89,038	2,484
Total	\$ 887,259	\$ 47,917

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, 2018, such funds in the amount of \$1,017,108 are presented in the accompanying financial statements as "Landfill funds held with trustee."

Note 8—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. Under the accrual basis, assessments for future periods are deferred. Deferred/unavailable revenue is comprised of the following:

Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$925,481 at June 30, 2018.

Unavailable/Deferred Prepaid Property Taxes - Property taxes due subsequent to June 30, 2018 but paid in advance by the taxpayers totaled \$15,810 at June 30, 2018.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

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 Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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, 2018, 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.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan:

Plan Description

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

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.</p>	<p>About Plan 2 Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

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

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

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

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contribution Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>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.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	<p>Vesting (Cont.)</p> <p><u>Defined Contribution Component:</u> <u>(Cont.)</u></p> <ul style="list-style-type: none"> • 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. <p>Distribution is not required by law until age 70½.</p>
<p>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.</p> <p>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.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member’s average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member’s average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage (Cont.)	Disability Coverage (Cont.)	Disability Coverage (Cont.) Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
<p>Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> •Hybrid Retirement Plan members are ineligible for ported service. <p><u>Defined Contribution Component:</u> Not applicable.</p>

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
	<u> </u>	<u> </u>
Inactive members or their beneficiaries currently receiving benefits	42	47
Inactive members:		
Vested inactive members	15	5
Non-vested inactive members	14	25
Inactive members active elsewhere in VRS	<u>31</u>	<u>11</u>
Total inactive members	60	41
Active members	<u>81</u>	<u>46</u>
Total covered employees	<u><u>183</u></u>	<u><u>134</u></u>

Contributions

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

The County’s contractually required employer contribution rate for the year ended June 30, 2018 was 7.50% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the pension plan from the County were \$307,662 and \$295,137 for the years ended June 30, 2018 and June 30, 2017, respectively.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Contributions (Continued)

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2018 was 7.12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$59,342 and \$60,160 for the years ended June 30, 2018 and June 30, 2017, respectively.

Net Pension Liability

The County's and Component Unit School Board's (nonprofessional) net pension liability (asset) were measured as of June 30, 2017. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2016, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Largest 10 - Non-Hazardous Duty:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)

Post-Disablement:

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

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

Largest 10 - Hazardous Duty:

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the employer for the County and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2016	\$ 14,476,545	\$ 13,487,986	\$ 988,559
Changes for the year:			
Service cost	\$ 456,504	\$ -	\$ 456,504
Interest	995,666	-	995,666
Differences between expected and actual experience	(647,683)	-	(647,683)
Assumption changes	(115,572)	-	(115,572)
Contributions - employer	-	291,773	(291,773)
Contributions - employee	-	195,927	(195,927)
Net investment income	-	1,650,237	(1,650,237)
Benefit payments, including refunds	(505,483)	(505,483)	-
Administrative expenses	-	(9,349)	9,349
Other changes	-	(1,477)	1,477
Net changes	\$ 183,432	\$ 1,621,628	\$ (1,438,196)
Balances at June 30, 2017	\$ 14,659,977	\$ 15,109,614	\$ (449,637)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2016	\$ 3,791,185	\$ 3,500,514	\$ 290,671
Changes for the year:			
Service cost	\$ 82,325	\$ -	\$ 82,325
Interest	258,111	-	258,111
Differences between expected and actual experience	(187,110)	-	(187,110)
Assumption changes	197	-	197
Contributions - employer	-	57,873	(57,873)
Contributions - employee	-	40,462	(40,462)
Net investment income	-	419,754	(419,754)
Benefit payments, including refunds	(207,781)	(207,781)	-
Administrative expenses	-	(2,476)	2,476
Other changes	-	(372)	372
Net changes	\$ (54,258)	\$ 307,460	\$ (361,718)
Balances at June 30, 2017	\$ 3,736,927	\$ 3,807,974	\$ (71,047)

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

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

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

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County			
Net Pension Liability (Asset)	\$ 1,370,991	\$ (449,637)	\$ (1,971,305)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 359,048	\$ (71,047)	\$ (433,504)

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

For the year ended June 30, 2018, the County and Component Unit School Board (nonprofessional) recognized pension expense of (\$245,377) and \$8,107, respectively. At June 30, 2018, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 728,479	\$ 40,133	\$ 101,280
Change in assumptions	-	80,444	107	-
Net difference between projected and actual earnings on pension plan investments	-	217,385	-	52,013
Employer contributions subsequent to the measurement date	307,662	-	59,342	-
Total	\$ 307,662	\$ 1,026,308	\$ 99,582	\$ 153,293

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

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

\$307,662 and \$59,342 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>		<u>Primary Government</u>		<u>Component Unit School Board (nonprofessional)</u>
2019	\$	(558,516)	\$	(80,641)
2020		(257,062)		2,240
2021		(69,315)		1,076
2022		(141,415)		(35,728)
2023		-		-
Thereafter		-		-

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement

Each School Division's contractually required employer contribution rate for the year ended June 30, 2018 was 16.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015 and reflects the transfer in June 2015 of \$192,884,000 as an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,441,523 and \$1,260,921 for the years ended June 30, 2018 and June 30, 2017, respectively.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

At June 30, 2018, the school division reported a liability of \$13,394,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the school division's proportion was 0.10891% as compared to 0.10818% at June 30, 2016.

For the year ended June 30, 2017, the school division recognized pension expense of \$1,056,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2018, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 947,000
Change in assumptions	195,000	-
Net difference between projected and actual earnings on pension plan investments	-	487,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	361,000	198,000
Employer contributions subsequent to the measurement date	<u>1,441,523</u>	<u>-</u>
Total	<u>\$ 1,997,523</u>	<u>\$ 1,632,000</u>

\$1,441,523 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (458,000)
2020	35,000
2021	(157,000)
2022	(458,000)
2023	(38,000)

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2017, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 45,417,520
Plan Fiduciary Net Position	33,119,545
Employers' Net Pension Liability (Asset)	<u>\$ 12,297,975</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 72.92%

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 12—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)

School division's proportionate
share of the VRS Teacher
Employee Retirement Plan
Net Pension Liability (Asset)

20,002,000

13,394,000

7,928,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13—Group Life Insurance (GLI) Program (OPEB Plan):

Plan Description

All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS Group Life Insurance Program upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Plan Description (Continued)

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Eligible Employees</p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>
<p>Benefit Amounts</p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> • <u>Natural Death Benefit</u> - The natural death benefit is equal to the employee’s covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> - The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> - In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option
<p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Plan Description (Continued)

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program were \$22,063 and \$20,661 for the years ended June 30, 2018 and June 30, 2017, respectively, for the County; \$4,557 and \$4,394 for the years ended June 30, 2018 and June 30, 2017, respectively, for the component unit school board (nonprofessional); and \$44,044 and \$44,954 for the years ended June 30, 2018 and June 30, 2017, respectively, for the component unit school board (professional).

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

At June 30, 2018, liabilities of \$324,000, \$69,000, and \$705,000 were reported for the County, component unit school board (nonprofessional), and component unit school board (professional), respectively, for the proportionate shares of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the participating employers' proportion was 0.02154%, 0.00458%, and 0.04687% as compared to 0.02188%, 0.00484%, 0.04590% at June 30, 2016, for the County, component unit school board (nonprofessional), and component unit school board (professional), respectively.

For the year ended June 30, 2018, the participating employers recognized GLI OPEB expense of \$3,000, \$0, and \$11,000, for the County, component unit school board (nonprofessional), and component unit school board (professional), respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

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

At June 30, 2018, the employers reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)		Component Unit School Board (professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,000	\$ -	\$ 1,000	\$ -	\$ 16,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	12,000	-	3,000	-	27,000
Change in assumptions	-	17,000	-	4,000	-	36,000
Changes in proportion	-	5,000	-	4,000	14,000	-
Employer contributions subsequent to the measurement date	22,063	-	4,557	-	44,044	-
Total	\$ 22,063	\$ 41,000	\$ 4,557	\$ 12,000	\$ 58,044	\$ 79,000

\$22,063, \$4,557, and \$44,044, for the County, component unit school board (nonprofessional), and component unit school board (professional), respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employers' contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2019	\$ (8,000)	\$ (3,000)	\$ (13,000)
2020	(8,000)	(3,000)	(13,000)
2021	(8,000)	(3,000)	(13,000)
2022	(8,000)	(3,000)	(13,000)
2023	(5,000)	-	(8,000)
Thereafter	(4,000)	-	(5,000)

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

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

Mortality Rates - General State Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - SPORS Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rate - VaLORS Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - JRS Employees

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males set back 1 year, 85% of rates; females set back 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year; females set back 1 year with 1.5% compounding increase from ages 70 to 85.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males 115% of rates; females 130% of rates.

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees: (Continued)

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

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

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the Group Life Insurance Program is as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Program
		<hr/>
Total GLI OPEB Liability	\$	2,942,426
Plan Fiduciary Net Position		1,437,586
Employers' Net GLI OPEB Liability (Asset)	\$	<hr/> <hr/> 1,504,840
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		48.86%

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

NET GLI OPEB Liability (Continued)

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

Long-Term Expected Rate of Return

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 13—Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of the Employers’ Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 419,000	\$ 324,000	\$ 247,000
Component Unit School Board (nonprofessional) proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 89,000	\$ 69,000	\$ 52,000
Component Unit School Board (professional) proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 912,000	\$ 705,000	\$ 537,000

Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program’s Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program:

Plan Description

All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree’s death.

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2016 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>5</u>
Inactive members:	
Vested inactive members	2
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	<u>2</u>
Active members	<u>28</u>
Total covered employees	<u><u>35</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2018 was 0.19% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the Health Insurance Credit Program were \$2,810 and 2,585 for the years ended June 30, 2018 and June 30, 2017, respectively.

Net HIC OPEB Liability

The County's net Health Insurance Credit OPEB liability was measured as of June 30, 2017. The total Health Insurance Credit OPEB liability was determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

Actuarial Assumptions

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

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

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

Mortality Rates - Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

Long-Term Expected Rate of Return

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

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

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2019, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2016	\$ 37,130	\$ 9,426	\$ 27,704
Changes for the year:			
Service cost	\$ 1,167	\$ -	\$ 1,167
Interest	2,521	-	2,521
Assumption changes	(1,191)	-	(1,191)
Contributions - employer	-	2,585	(2,585)
Net investment income	-	1,095	(1,095)
Benefit payments	(2,236)	(2,236)	-
Administrative expenses	-	(18)	18
Other changes	-	54	(54)
Net changes	\$ 261	\$ 1,480	\$ (1,219)
Balances at June 30, 2017	\$ 37,391	\$ 10,906	\$ 26,485

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

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

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
County's Net HIC OPEB Liability	\$ 30,856	\$ 26,485	\$ 22,798

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 14—Health Insurance Credit (HIC) Program: (Continued)

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

For the year ended June 30, 2018, the County recognized Health Insurance Credit Program OPEB expense of \$2,713. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to the County's Health Insurance Credit Program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,009
Change in assumptions	-	338
Employer contributions subsequent to the measurement date	<u>2,810</u>	<u>-</u>
Total	<u>\$ 2,810</u>	<u>\$ 1,347</u>

\$2,810 reported as deferred outflows of resources related to the HIC OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (266)
2020	(266)
2021	(266)
2022	(268)
2023	(182)
Thereafter	(99)

Health Insurance Credit Program Plan Data

Information about the VRS Political Subdivision Health Insurance Credit Program is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Program (OPEB Plan):

Plan Description

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Program (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division’s contractually required employer contribution rate for the year ended June 30, 2018 was 1.23% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$103,743 and \$95,451 for the years ended June 30, 2018 and June 30, 2017, respectively.

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

At June 30, 2018, the school division reported a liability of \$1,382,000 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2017 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation as of that date. The school division’s proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the school division’s proportion of the VRS Teacher Employee Health Insurance Credit Program was 0.10896% as compared to 0.10818% at June 30, 2016.

For the year ended June 30, 2018, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$113,000. Since there was a change in proportionate share between June 30, 2016 and June 30, 2017, a portion of the VRS Teacher Employee Health Insurance Credit Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2018, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee Health Insurance Credit Program OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	2,000
Change in assumptions	-	15,000
Change in proportion	9,000	-
Employer contributions subsequent to the measurement date	103,743	-
Total	\$ 112,743	\$ 17,000

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Program (OPEB Plan): (Continued)

Teacher Employee Health Insurance Credit Program OPEB Liabilities, Teacher Employee Health Insurance Credit Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee Health Insurance Credit Program OPEB (Continued)

\$103,743 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (2,000)
2020	(2,000)
2021	(2,000)
2022	(2,000)
2023	-
Thereafter	-

Actuarial Assumptions

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Program (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee Health Insurance Credit Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2017, NOL amounts for the VRS Teacher Employee Health Insurance Credit Program is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,364,702
Plan Fiduciary Net Position		96,091
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,268,611</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		7.04%

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Program (OPEB Plan): (Continued)

Net Teacher Employee HIC OPEB Liability (Continued)

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

Long-Term Expected Rate of Return

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

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

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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Program (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 7.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2019, the rate contributed by each school division for the VRS Teacher Employee Health Insurance Credit Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,542,000	\$ 1,382,000	\$ 1,246,000

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2017 Comprehensive Annual Financial Report (CAFR). A copy of the 2017 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2017-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 16—Medical, Dental, and Disability Insurance - Pay-as-you-Go (OPEB Plan):

Component Unit School Board

Plan Description

In addition to the pension benefits described in Note 1, Amelia County Public Schools administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the school board's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits that are provided to eligible retirees include Medical, Dental, and Disability insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. The retiree pays 100% of all premiums. Medical and dental coverage stops at age 65 or when eligible for Medicare. Disability coverage changes to a carve-out class at eligibility for Medicare and stops at age 65.

Plan Membership

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

Total active employees with coverage	\$	239
Total retirees with coverage		<u>49</u>
Total	\$	<u><u>288</u></u>

Contributions

The School Board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2018 was \$119,760.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2018. The total OPEB liability was determined by an actuarial valuation as of June 30, 2016.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 16—Medical, Dental, and Disability Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

Component Unit School Board: (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of June 30, 2017
Salary Increases	5.35% for 1-2 years of service with a decrease in the rate for each year of services thereafter to 3.50% as of June 30, 2017 and 2018
Discount Rate	3.50% for accounting and funding disclosures as of June 30, 2017 3.87% for accounting and funding disclosures as of June 30, 2018

Mortality rates for Active employees and healthy retirees were based on a RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015 while mortality rates for disabled retirees were based on a RPH-2015 Disabled Mortality Table fully generational using scale MP-15. The RPH-2015 table is calculated based on a RPH-2014 table with 8 years of MP-2014 mortality improvement backed out and projected to 2015 using scale MP-2015.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Discount Rate

The final equivalent single discount rate used for this year's valuation is 3.87% as of the end of the fiscal year with the expectation that the School Board will continue paying the pay-go cost.

Changes in Total OPEB Liability

	Component Unit School Board Total OPEB Liability
Balances at June 30, 2017	\$ 8,645,865
Changes for the year:	
Service cost	315,854
Interest	310,628
Changes in assumptions	(581,777)
Benefit payments	(174,788)
Net changes	(130,083)
Balances at June 30, 2018	\$ 8,515,782

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 16—Medical, Dental, and Disability Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

Component Unit School Board: (Continued)

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current discount rate:

Rate		
1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
\$ 10,213,841	\$ 8,515,782	\$ 7,171,791

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7.00% decreasing by 0.25% annually to an ultimate rate of 4%) or one percentage point higher (9.00% decreasing by 0.25% annually to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

Rates		
Healthcare Cost		
1% Decrease	Trend	1% Increase
\$ 6,855,647	\$ 8,515,782	\$ 10,728,320

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

For the year ended June 30, 2018, the School Board recognized OPEB expense in the amount of \$555,534. At June 30, 2018, the School Board reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ (510,829)
Total	<u>\$ (510,829)</u>

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 16—Medical, Dental, and Disability Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

Component Unit School Board: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

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

<u>Year Ended June 30</u>	
2019	\$ (70,948)
2020	(70,948)
2021	(70,948)
2022	(70,948)
2023	(70,948)
Thereafter	(156,089)

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

Note 17—Surety Bonds:

The County of Amelia holds the following Surety Bonds:

	<u>Amount</u>
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
Laura M. Walsh, Commissioner of the Revenue	3,000
Rick 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

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 18—Interfund Transfers:

Interfund transfers for the year ended June 30, 2018, consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 408,692	\$ 330,326
County Capital Projects Fund	68,294	399,861
County Special Revenue Fund	-	8,831
	<u>476,986</u>	<u>739,018</u>
Total	\$ 476,986	\$ 739,018
Enterprise Fund	\$ 262,032	\$ -
	<u>262,032</u>	<u>-</u>
Grand Total	\$ <u>739,018</u>	\$ <u>739,018</u>

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

Note 19—Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 19—Fair Value Measurements: (Continued)

The County has the following recurring fair value measurements as of June 30, 2018:

Investment type	Balance June 30, 2018	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Primary Government				
Debt Securities:				
Corporate Debt	\$ 54,403	\$ 54,403	\$ -	\$ -
U.S. Government Securities Money Market Fund	1,052,300	1,052,300	-	-
	<u>\$ 1,106,703</u>	<u>\$ 1,106,703</u>	<u>\$ -</u>	<u>\$ -</u>

Note 20—Restatement of Net Position:

The County's net position was restated as follows:

	Governmental Activities	Business-type Activities Sanitary District	Component-Unit School Board	Component-Unit Industrial Development Authority
Net position, as previously reported	\$ 19,423,337	\$ 4,268,355	\$ (9,318,239)	\$ 1,402,121
Excess depreciation expense in prior years	-	-	131,544	-
Prior year addition to school equipment	-	-	63,967	-
Deed of property to IDA in prior year	(1,168,452)	-	-	1,168,452
Implementation of GASB 75	<u>(377,828)</u>	<u>(9,291)</u>	<u>(7,271,505)</u>	<u>-</u>
Net position, as restated	<u>\$ 17,877,057</u>	<u>\$ 4,259,064</u>	<u>\$ (16,394,233)</u>	<u>\$ 2,570,573</u>

Note 21—Upcoming Pronouncements:

Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include when disclosing information related to debt. It defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. The Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, it requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

COUNTY OF AMELIA, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (Continued)

Note 21—Upcoming Pronouncements: (Continued)

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Management is currently evaluating the impact these standards will have on the financial statements when adopted.

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.

County of Amelia, Virginia

General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 8,413,751	\$ 8,413,751	\$ 8,517,333	\$ 103,582
Other local taxes	1,703,000	1,703,000	1,930,607	227,607
Permits, privilege fees, and regulatory licenses	130,575	130,575	179,026	48,451
Fines and forfeitures	171,900	171,900	130,925	(40,975)
Revenue from the use of money and property	47,575	47,575	100,556	52,981
Charges for services	328,885	328,885	341,382	12,497
Miscellaneous	122,080	226,573	187,023	(39,550)
Recovered costs	128,250	182,391	218,596	36,205
Intergovernmental:				
Commonwealth	3,632,409	3,639,448	3,523,885	(115,563)
Federal	936,352	936,352	820,807	(115,545)
Total revenues	\$ 15,614,777	\$ 15,780,450	\$ 15,950,140	\$ 169,690
EXPENDITURES				
Current:				
General government administration	\$ 1,614,954	\$ 1,827,071	\$ 1,779,303	\$ 47,768
Judicial administration	852,905	816,096	779,193	36,903
Public safety	3,799,538	3,849,709	3,655,549	194,160
Public works	1,074,821	1,076,137	1,016,035	60,102
Health and welfare	2,196,889	2,196,889	1,972,400	224,489
Education	5,003,712	5,003,712	4,693,021	310,691
Parks, recreation, and cultural	607,430	617,425	611,598	5,827
Community development	288,122	288,122	243,364	44,758
Capital projects	350	350	-	350
Debt service:				
Principal retirement	346,404	346,404	346,404	-
Interest and other fiscal charges	189,182	189,182	189,731	(549)
Total expenditures	\$ 15,974,307	\$ 16,211,097	\$ 15,286,598	\$ 924,499
Excess (deficiency) of revenues over (under) expenditures	\$ (359,530)	\$ (430,647)	\$ 663,542	\$ 1,094,189
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 454,544	\$ 457,006	\$ 408,692	\$ (48,314)
Transfers out	(485,749)	(485,749)	(330,326)	155,423
Total other financing sources (uses)	\$ (31,205)	\$ (28,743)	\$ 78,366	\$ 107,109
Net change in fund balances	\$ (390,735)	\$ (459,390)	\$ 741,908	\$ 1,201,298
Fund balances - beginning	390,735	459,390	6,751,051	6,291,661
Fund balances - ending	\$ -	\$ -	\$ 7,492,959	\$ 7,492,959

County of Amelia, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Primary Government
 For the Years Ended June 30, 2015 through June 30, 2018

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 456,504	\$ 465,839	\$ 461,138	\$ 452,456
Interest	995,666	963,557	932,346	874,169
Differences between expected and actual experience	(647,683)	(404,512)	(381,023)	-
Changes in assumptions	(115,572)	-	-	-
Benefit payments, including refunds of employee contributions	(505,483)	(626,865)	(506,315)	(484,753)
Net change in total pension liability	\$ 183,432	\$ 398,019	\$ 506,146	\$ 841,872
Total pension liability - beginning	14,476,545	14,078,526	13,572,380	12,730,508
Total pension liability - ending (a)	\$ 14,659,977	\$ 14,476,545	\$ 14,078,526	\$ 13,572,380
Plan fiduciary net position				
Contributions - employer	\$ 291,773	\$ 410,080	\$ 401,322	\$ 484,286
Contributions - employee	195,927	193,495	189,494	187,386
Net investment income	1,650,237	232,112	584,360	1,711,486
Benefit payments, including refunds of employee contributions	(505,483)	(626,865)	(506,315)	(484,753)
Administrative expense	(9,349)	(8,174)	(7,791)	(8,981)
Other	(1,477)	(99)	(126)	90
Net change in plan fiduciary net position	\$ 1,621,628	\$ 200,549	\$ 660,944	\$ 1,889,514
Plan fiduciary net position - beginning	13,487,986	13,287,437	12,626,493	10,736,979
Plan fiduciary net position - ending (b)	\$ 15,109,614	\$ 13,487,986	\$ 13,287,437	\$ 12,626,493
County's net pension liability (asset) - ending (a) - (b)	\$ (449,637)	\$ 988,559	\$ 791,089	\$ 945,887
Plan fiduciary net position as a percentage of the total pension liability	103.07%	93.17%	94.38%	93.03%
Covered payroll	\$ 3,935,166	\$ 3,921,031	\$ 3,823,516	\$ 3,755,658
County's net pension liability as a percentage of covered payroll	-11.43%	25.21%	20.69%	25.19%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Amelia, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 Component Unit School Board (nonprofessional)
 For the Year Ended June 30, 2015 through June 30, 2018

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 82,325	\$ 89,371	\$ 86,961	\$ 94,280
Interest	258,111	234,908	234,130	224,266
Differences between expected and actual experience	(187,110)	207,349	(119,218)	-
Changes in assumptions	197	-	-	-
Benefit payments, including refunds of employee contributions	(207,781)	(192,553)	(188,960)	(166,305)
Net change in total pension liability	\$ (54,258)	\$ 339,075	\$ 12,913	\$ 152,241
Total pension liability - beginning	3,791,185	3,452,110	3,439,197	3,286,956
Total pension liability - ending (a)	\$ 3,736,927	\$ 3,791,185	\$ 3,452,110	\$ 3,439,197
Plan fiduciary net position				
Contributions - employer	\$ 57,873	\$ 68,660	\$ 65,179	\$ 71,139
Contributions - employee	40,462	41,997	40,171	40,745
Net investment income	419,754	59,763	155,863	474,163
Benefit payments, including refunds of employee contributions	(207,781)	(192,553)	(188,960)	(166,305)
Administrative expense	(2,476)	(2,202)	(2,185)	(2,580)
Other	(372)	(26)	(33)	25
Net change in plan fiduciary net position	\$ 307,460	\$ (24,361)	\$ 70,035	\$ 417,187
Plan fiduciary net position - beginning	3,500,514	3,524,875	3,454,840	3,037,653
Plan fiduciary net position - ending (b)	\$ 3,807,974	\$ 3,500,514	\$ 3,524,875	\$ 3,454,840
School Division's net pension liability (asset) - ending (a) - (b)	\$ (71,047)	\$ 290,671	\$ (72,765)	\$ (15,643)
Plan fiduciary net position as a percentage of the total pension liability	101.90%	92.33%	102.11%	100.45%
Covered payroll	\$ 844,938	\$ 869,346	\$ 813,650	\$ 814,564
School Division's net pension liability (asset) as a percentage of covered payroll	-8.41%	33.44%	-8.94%	-1.92%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Amelia, Virginia

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
For the Years Ended June 30, 2015 through June 30, 2018

	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.10891%	0.10818%	0.11039%	0.10594%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 13,394,000	\$ 15,160,000	\$ 13,894,000	\$ 12,803,000
Employer's Covered Payroll	8,601,098	8,240,228	7,993,097	7,806,938
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	155.72%	183.98%	173.82%	164.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.92%	68.28%	70.68%	70.88%

Schedule is intended to show information for 10 years. Information prior to the 2014 valuation is not available. However, additional years will be included as they become available.

County of Amelia, Virginia

Schedule of Employer Contributions
VRS Pension Plan

For the Years Ended June 30, 2009 through June 30, 2018

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government					
2018	\$ 307,662	\$ 307,662	\$ -	\$ 4,192,868	7.34%
2017	295,137	295,137	-	3,935,166	7.50%
2016	410,080	410,080	-	3,921,031	10.46%
2015	402,999	402,999	-	3,823,516	10.54%
2014	480,724	480,724	-	3,755,658	12.80%
2013	470,714	470,714	-	3,677,455	12.80%
2012	337,949	337,949	-	3,342,724	10.11%
2011	333,706	333,706	-	3,300,748	10.11%
2010	284,283	284,283	-	3,328,837	8.54%
2009	286,741	286,741	-	3,357,622	8.54%
Component Unit School Board (nonprofessional)					
2018	\$ 59,342	\$ 59,342	\$ -	\$ 876,331	6.77%
2017	60,160	60,160	-	844,938	7.12%
2016	68,660	68,660	-	869,346	7.90%
2015	65,580	65,580	-	813,650	8.06%
2014	71,111	71,111	-	814,564	8.73%
2013	74,115	74,115	-	848,968	8.73%
2012	67,137	67,137	-	933,751	7.19%
2011	67,915	67,915	-	944,571	7.19%
2010	68,002	68,002	-	940,559	7.23%
2009	68,591	68,591	-	948,697	7.23%
Component Unit School Board (professional)					
2018	\$ 1,441,523	\$ 1,441,523	\$ -	\$ 8,832,862	16.32%
2017	1,260,921	1,260,921	-	8,601,098	14.66%
2016	1,158,576	1,158,576	-	8,240,228	14.06%
2015	1,158,999	1,158,999	-	7,993,097	14.50%
2014	910,289	910,289	-	7,806,938	11.66%
2013	898,667	898,667	-	7,707,264	11.66%
2012	907,166	907,166	-	8,006,761	11.33%
2011	732,139	732,139	-	8,198,645	8.93%
2010	989,822	989,822	-	7,167,429	13.81%
2009	1,159,514	1,159,514	-	8,396,191	13.81%

County of Amelia, Virginia

Notes to Required Supplementary Information
VRS Pension Plan
For the Year Ended June 30, 2018

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this is a fairly new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2017 are not material.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 - Non-Hazardous Duty:

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

Largest 10 - Hazardous Duty:

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

County of Amelia, Virginia

Schedule of Net OPEB Liability
 Group Life Insurance Program
 For the Year Ended June 30, 2018

<u>Date</u>	<u>Employer's Proportion of the Net GLI OPEB Liability</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</u>
Primary Government:					
2017	0.02154% \$	324,000 \$	3,973,361	8.1543%	48.86%
Component Unit School Board (nonprofessional):					
2017	0.00458% \$	69,000 \$	844,938	8.1663%	48.86%

County of Amelia, Virginia

Schedule of Employer Contributions

Group Life Insurance Program

For the Years Ended June 30, 2009 through June 30, 2018

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Primary Government					
2018	\$ 22,063	\$ 22,063	\$ -	4,242,885	0.52%
2017	20,661	20,661	-	3,973,361	0.52%
2016	18,871	18,871	-	3,931,448	0.48%
2015	18,353	18,353	-	3,823,516	0.48%
2014	18,027	18,027	-	3,755,658	0.48%
2013	17,652	17,652	-	3,677,455	0.48%
2012	9,366	9,366	-	3,344,892	0.28%
2011	9,242	9,242	-	3,300,747	0.28%
2010	6,844	6,844	-	2,534,663	0.27%
2009	9,070	9,070	-	3,359,177	0.27%
Component Unit School Board (nonprofessional)					
2018	\$ 4,557	\$ 4,557	\$ -	876,331	0.52%
2017	4,394	4,394	-	844,938	0.52%
2016	4,173	4,173	-	869,346	0.48%
2015	3,906	3,906	-	813,650	0.48%
2014	3,910	3,910	-	814,564	0.48%
2013	4,075	4,075	-	848,968	0.48%
2012	2,615	2,615	-	933,751	0.28%
2011	2,645	2,645	-	944,571	0.28%
2010	1,906	1,906	-	705,750	0.27%
2009	2,562	2,562	-	948,936	0.27%
Component Unit School Board (professional)					
2018	\$ 44,044	\$ 44,044	\$ -	8,470,094	0.52%
2017	44,954	44,954	-	8,644,966	0.52%
2016	39,593	39,593	-	8,248,543	0.48%
2015	39,395	39,395	-	8,207,250	0.48%
2014	37,187	37,187	-	7,747,327	0.48%
2013	36,597	36,597	-	7,624,385	0.48%
2012	23,435	23,435	-	8,369,628	0.28%
2011	22,905	22,905	-	8,180,248	0.28%
2010	17,160	17,160	-	6,355,492	0.27%
2009	22,468	22,468	-	8,321,553	0.27%

Current year contributions are from County records and prior year contributions are from the VRS actuarial valuation performed each year.

County of Amelia, Virginia

Notes to Required Supplementary Information
 Group Life Insurance Program
 For the Year Ended June 30, 2018

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

General State Employees

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

Teachers

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

SPORS Employees

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

VaLORS Employees

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

Notes to Required Supplementary Information
Group Life Insurance Program
For the Year Ended June 30, 2018 (Continued)

JRS Employees

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

Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - General Employees

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

Largest Ten Locality Employers - Hazardous Duty Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

County of Amelia, Virginia

Schedule of Changes in the County's Net OPEB Liability and Related Ratios
Health Insurance Credit Program (HIC)
For the Year Ended June 30, 2018

	2017
Total HIC OPEB liability	
Service cost	\$ 1,167
Interest	2,521
Changes in assumptions	(1,191)
Benefit payments, including refunds of employee contributions	(2,236)
Net change in total pension liability	\$ 261
Total HIC OPEB liability - beginning	37,130
Total HIC OPEB liability - ending (a)	\$ 37,391
Plan fiduciary net position	
Contributions - employer	\$ 2,585
Net investment income	1,095
Benefit payments, including refunds of employee contributions	(2,236)
Administrative expense	(18)
Other	54
Net change in plan fiduciary net position	\$ 1,480
Plan fiduciary net position - beginning	9,426
Plan fiduciary net position - ending (b)	\$ 10,906
City's net HIC OPEB liability - ending (a) - (b)	\$ 26,485
Plan fiduciary net position as a percentage of the total HIC OPEB liability	29.17%
Covered payroll	\$ 1,360,680
City's net HIC OPEB liability as a percentage of covered payroll	1.95%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Amelia, Virginia

Schedule of Employer Contributions
Health Insurance Credit Program (HIC)

For the Years Ended June 30, 2009 through June 30, 2018

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 2,810	\$ 2,810	\$ -	\$ 1,479,287	0.19%
2017	2,585	2,585	-	1,360,680	0.19%
2016	2,802	2,802	-	1,334,335	0.21%
2015	2,703	2,703	-	1,287,350	0.21%
2014	1,290	1,290	-	1,289,792	0.10%
2013	3,676	3,676	-	3,676,166	0.10%
2012	3,010	3,010	-	3,344,673	0.09%
2011	2,969	2,969	-	3,299,414	0.09%
2010	2,691	2,691	-	1,921,855	0.14%
2009	-	-	-	-	0.00%

County of Amelia, Virginia

Notes to Required Supplementary Information
Health Insurance Credit Program (HIC)
For the Year Ended June 30, 2018

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - General Employees

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

Largest Ten Locality Employers - Hazardous Duty Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

County of Amelia, Virginia

Schedule of County School Board's Share of Net OPEB Liability
 Teacher Health Insurance Credit Program (HIC)
 For the Year Ended June 30, 2018

Date	Employer's Proportion of the Net GLI OPEB Liability	Employer's Proportionate Share of the Net GLI OPEB Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
2017	0.10896%	\$ 1,382,000	\$ 8,599,203	16.0713%	7.04%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available. However, additional years will be included as they become available.

County of Amelia, Virginia

Schedule of Employer Contributions
 Teacher Health Insurance Credit Program (HIC)
 For the Years Ended June 30, 2009 through June 30, 2018

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2018	\$ 103,743	\$ 103,743	-	\$ 8,434,380	1.23%
2017	95,451	95,451	-	8,599,203	1.11%
2016	87,435	87,435	-	8,248,543	1.06%
2015	86,997	86,997	-	8,207,250	1.06%
2014	85,995	85,995	-	7,747,327	1.11%
2013	83,470	83,470	-	7,519,823	1.11%
2012	49,791	49,791	-	8,298,516	0.60%
2011	49,060	49,060	-	8,176,659	0.60%
2010	66,558	66,558	-	6,399,824	1.04%
2009	90,427	90,427	-	8,372,889	1.08%

County of Amelia, Virginia

**Notes to Required Supplementary Information
Teacher Health Insurance Credit Program (HIC)
For the Year Ended June 30, 2018**

Changes of benefit terms - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

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

County of Amelia, Virginia

Schedule of Changes in Total OPEB Liability and Related Ratios
 Component Unit School Board
 For the Year Ended June 30, 2018

	2018
Total OPEB liability	
Service cost	\$ 315,854
Interest	310,628
Changes in assumptions	(581,777)
Benefit payments	(174,788)
Net change in total OPEB liability	\$ (130,083)
Total OPEB liability - beginning	8,645,865
Total OPEB liability - ending	\$ 8,515,782
Covered payroll	\$ 8,986,700
School Board's total OPEB liability (asset) as a percentage of covered payroll	94.76%

Schedule is intended to show information for 10 years. Additional years will be included as they become available.

County of Amelia, Virginia

Notes to Required Supplementary Information
 Component Unit School Board OPEB
 For the Year Ended June 30, 2018

Valuation Date: 6/30/2016
 Measurement Date: 6/30/2018

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.50% as of June 30, 2017; 3.87% as of June 30, 2018
Inflation	2.50% per year as of June 30, 2017; 2.50% per year as of June 30, 2018
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.10% in 2017 and gradually declines to 4.40% by the year 2087
Salary Increase Rates	The salary increase rate starts at 5.35% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RPH-2015 Total Dataset Mortality Table fully generational using scale MP-2015. The mortality rates for disabled retirees and calculated using the PRH-2015 Disabled Mortality Table fully generational using scale MP-2015.

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules

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, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ 600	\$ 600	\$ 7,845	\$ 7,245
Charges for services	384,000	384,000	477,369	93,369
Recovered costs	-	-	76,901	76,901
Total revenues	<u>\$ 384,600</u>	<u>\$ 384,600</u>	<u>\$ 562,115</u>	<u>\$ 177,515</u>
EXPENDITURES				
Capital projects	\$ 1,200,000	\$ 2,226,640	\$ 457,697	\$ 1,768,943
Total expenditures	<u>\$ 1,200,000</u>	<u>\$ 2,226,640</u>	<u>\$ 457,697</u>	<u>\$ 1,768,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (815,400)</u>	<u>\$ (1,842,040)</u>	<u>\$ 104,418</u>	<u>\$ 1,946,458</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 68,294	\$ 68,294
Transfers out	(396,000)	(396,000)	(399,861)	(3,861)
Total other financing sources (uses)	<u>\$ (396,000)</u>	<u>\$ (396,000)</u>	<u>\$ (331,567)</u>	<u>\$ 64,433</u>
Net change in fund balances	\$ (1,211,400)	\$ (2,238,040)	\$ (227,149)	\$ 2,010,891
Fund balances - beginning	1,211,400	2,238,040	4,050,080	1,812,040
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,822,931</u>	<u>\$ 3,822,931</u>

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, 2018

	County Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 7,271	\$ 7,271
Charges for services	38,000	38,000	28,922	(9,078)
Miscellaneous	-	-	73,077	73,077
Total revenues	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ 109,270</u>	<u>\$ 71,270</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (8,831)	\$ (8,831)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,831)</u>	<u>\$ (8,831)</u>
Net change in fund balances	\$ 38,000	\$ 38,000	\$ 100,439	\$ 62,439
Fund balances - beginning	(38,000)	(38,000)	621,642	659,642
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 722,081</u>	<u>\$ 722,081</u>

County of Amelia, Virginia

Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Agency Funds					Private Purpose Trust Funds					
	Special Welfare	Performance Bond	A.M. Radio Partners	Project Lifesaver	Total	Harris Scholarship	Wright Scholarship	Arnold Scholarship	Black Scholarship	N.S. Montague Scholarship	Total
ASSETS											
Cash and cash equivalents	\$ 13,634	\$ 22,983	\$ 10,180	\$ 1,575	\$ 48,372	\$ -	\$ -	\$ -	\$ 7,400	\$ -	\$ 7,400
Investments	-	-	-	-	-	4,201	11,231	215,626	-	36,163	267,221
Receivables:											
Interest and dividends	-	-	-	1	1	7	19	1,439	4	60	1,529
Total assets	\$ 13,634	\$ 22,983	\$ 10,180	\$ 1,576	\$ 48,373	\$ 4,208	\$ 11,250	\$ 217,065	\$ 7,404	\$ 36,223	\$ 276,150
LIABILITIES											
Amounts held for social services clients	\$ 13,634	\$ -	\$ -	\$ -	\$ 13,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Performance bonds	-	22,983	-	-	22,983	-	-	-	-	-	-
Amounts held for others	-	-	10,180	1,576	11,756	-	-	-	-	-	-
Total liabilities	\$ 13,634	\$ 22,983	\$ 10,180	\$ 1,576	\$ 48,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION											
Held in trust for scholarships	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,208	\$ 11,250	\$ 217,065	\$ 7,404	\$ 36,223	\$ 276,150

County of Amelia, Virginia

Combining Statement of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2018

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Special Welfare:				
Assets:				
Cash and cash equivalents	\$ 15,437	\$ 1,812	\$ 3,615	\$ 13,634
Liabilities:				
Amounts held for social services clients	\$ 15,437	\$ 1,812	\$ 3,615	\$ 13,634
Performance Bond:				
Assets:				
Cash and cash equivalents	\$ 22,812	\$ 171	\$ -	\$ 22,983
Liabilities:				
Performance bonds	\$ 22,812	\$ 171	\$ -	\$ 22,983
A.M. Radio Partners:				
Assets:				
Cash and cash equivalents	\$ 10,179	\$ 1	\$ -	\$ 10,180
Liabilities:				
Amounts held for others	\$ 10,179	\$ 1	\$ -	\$ 10,180
Project Lifesaver:				
Assets:				
Cash and cash equivalents	\$ 1,966	\$ 1,620	\$ 2,011	\$ 1,575
Interest and dividends receivable	2	1	2	1
Total assets	<u>1,968</u>	<u>1,621</u>	<u>2,013</u>	<u>1,576</u>
Liabilities:				
Amounts held for others	\$ 1,968	\$ 1,621	\$ 2,013	\$ 1,576
Totals -- All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 50,394	\$ 3,604	\$ 5,626	\$ 48,372
Interest and dividends receivable	2	1	2	1
Total assets	<u>\$ 50,396</u>	<u>\$ 3,605</u>	<u>\$ 5,628</u>	<u>\$ 48,373</u>
Liabilities:				
Amounts held for social services clients	\$ 15,437	\$ 1,812	\$ 3,615	\$ 13,634
Performance bonds	22,812	171	-	22,983
Amounts held for others	12,147	1,622	\$ 2,013	11,756
Total liabilities	<u>\$ 50,396</u>	<u>\$ 3,605</u>	<u>\$ 5,628</u>	<u>\$ 48,373</u>

Discretely Presented Component Unit-School Board

County of Amelia, Virginia

Combining Balance Sheet - Governmental Funds
Discretely Presented Component Unit - School Board
June 30, 2018

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 365,537	\$ 365,537
Accounts receivable	96,910	453	97,363
Due from primary government	603,236	-	603,236
Due from other governmental units	338,108	6,514	344,622
Total assets	<u>\$ 1,038,254</u>	<u>\$ 372,504</u>	<u>\$ 1,410,758</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 89,751	\$ -	\$ 89,751
Accrued liabilities	948,503	15,558	964,061
Total liabilities	<u>\$ 1,038,254</u>	<u>\$ 15,558</u>	<u>\$ 1,053,812</u>
FUND BALANCES			
Committed - Textbook	\$ -	\$ 319,471	\$ 319,471
Unassigned	-	37,475	37,475
Total fund balances	<u>\$ -</u>	<u>\$ 356,946</u>	<u>\$ 356,946</u>
Total liabilities and fund balances	<u>\$ 1,038,254</u>	<u>\$ 372,504</u>	<u>\$ 1,410,758</u>

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

Total fund balances per above \$ 356,946

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 18,639,395	
Accumulated depreciation	<u>(10,219,345)</u>	8,420,050

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

Net pension asset	\$ 71,047	
Deferred inflows related to:		
Pension	(1,785,293)	
Group life insurance OPEB items	(91,000)	
Health insurance credit OPEB items	(17,000)	
Total Pay-as-you-Go OPEB items	<u>(510,829)</u>	(2,333,075)

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	\$ (146,050)	
Capital lease	(887,259)	
Pension	(13,394,000)	
Net OPEB liability - group life insurance	(774,000)	
Net OPEB liability - health insurance credit	(1,382,000)	
Total Pay-as-you-Go OPEB liability	(8,515,782)	
Deferred outflows related to:		
Pension	2,097,104	
Group life insurance OPEB items	62,601	
Health insurance credit OPEB items	<u>112,743</u>	(22,826,643)

Net position of governmental activities \$ (16,382,722)

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, 2018

	School Operating Fund	School Special Revenue Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 3,890	\$ -	\$ 3,890
Charges for services	14,530	357,272	371,802
Miscellaneous	674,065	-	674,065
Intergovernmental:			
Local government	4,691,909	-	4,691,909
Commonwealth	10,879,870	161,477	11,041,347
Federal	924,636	561,927	1,486,563
Total revenues	<u>\$ 17,188,900</u>	<u>\$ 1,080,676</u>	<u>\$ 18,269,576</u>
EXPENDITURES			
Current:			
Education	\$ 17,044,997	\$ 962,716	\$ 18,007,713
Debt service:			
Principal retirement	114,670	-	114,670
Interest and other fiscal charges	29,233	-	29,233
Total expenditures	<u>\$ 17,188,900</u>	<u>\$ 962,716</u>	<u>\$ 18,151,616</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 117,960	\$ 117,960
Net change in fund balances	\$ -	\$ 117,960	\$ 117,960
Fund balances - beginning	-	238,986	238,986
Fund balances - ending	<u>\$ -</u>	<u>\$ 356,946</u>	<u>\$ 356,946</u>
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			\$ 117,960
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		\$ 227,443	
Depreciation expense		(873,620)	
Activity related to joint tenancy assets to Component Unit from Primary Government		346,404	(299,773)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Change in deferred inflows related to:			
Pension		(1,017,849)	
Group life insurance OPEB items		(91,000)	
Health insurance credit OPEB items		(17,000)	
Total Pay-as-you-Go OPEB items		<u>(510,829)</u>	(1,636,678)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
			114,670
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:			
Change in compensated absences		\$ 18,507	
Change in net pension asset		71,047	
Change in net pension liability		2,056,671	
Change in net group life insurance OPEB liability		114,000	
Change in net health insurance credit OPEB liability		(10,000)	
Change in total Pay-as-you-Go OPEB liability		130,083	
Change in deferred outflows related to:			
Pension		(697,320)	
Group life insurance OPEB items		14,601	
Health insurance credit OPEB items		17,743	1,715,332
Change in net position of governmental activities			<u>\$ 11,511</u>

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, 2018

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 15,000	\$ 15,000	\$ 3,890	\$ (11,110)
Charges for services	17,500	17,500	14,530	(2,970)
Recovered Costs	10,000	10,000	-	(10,000)
Miscellaneous	321,868	410,023	674,065	264,042
Intergovernmental:				
Local government	5,000,000	5,000,000	4,691,909	(308,091)
Commonwealth	11,134,492	11,134,492	10,879,870	(254,622)
Federal	873,779	873,779	924,636	50,857
Total revenues	<u>\$ 17,372,639</u>	<u>\$ 17,460,794</u>	<u>\$ 17,188,900</u>	<u>\$ (271,894)</u>
EXPENDITURES				
Current:				
Education	\$ 17,228,736	\$ 17,316,891	\$ 17,044,997	\$ 271,894
Debt service:				
Principal retirement	114,670	114,670	114,670	-
Interest and other fiscal charges	29,233	29,233	29,233	-
Total expenditures	<u>\$ 17,372,639</u>	<u>\$ 17,460,794</u>	<u>\$ 17,188,900</u>	<u>\$ 271,894</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2018

	School Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 323,277	\$ 323,277	\$ 357,272	\$ 33,995
Intergovernmental:				
Commonwealth	160,583	160,583	161,477	894
Federal	492,000	535,443	561,927	26,484
Total revenues	<u>\$ 975,860</u>	<u>\$ 1,019,303</u>	<u>\$ 1,080,676</u>	<u>\$ 61,373</u>
EXPENDITURES				
Current:				
Education	\$ 1,143,022	\$ 1,194,465	\$ 962,716	\$ 231,749
Excess (deficiency) of revenues over (under) expenditures	\$ (167,162)	\$ (175,162)	\$ 117,960	\$ 293,122
Net change in fund balances	\$ (167,162)	\$ (175,162)	\$ 117,960	\$ 293,122
Fund balances - beginning	167,162	175,162	238,986	63,824
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 356,946</u>	<u>\$ 356,946</u>

Discretely Presented Component Unit-Industrial Development Authority

County of Amelia, Virginia

Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2018

ASSETS

Current assets:

Investments	\$ 245,942
Interest receivable	439
Total current assets	<u>\$ 246,381</u>

Noncurrent assets:

Capital assets:

Land and land improvements	\$ 1,082,620
Buildings	1,352,464
Equipment	107,290
Accumulated depreciation	(115,841)
Total noncurrent assets	<u>\$ 2,426,533</u>
Total assets	<u><u>\$ 2,672,914</u></u>

NET POSITION

Investment in capital assets	\$ 2,426,533
Unrestricted	246,381
Total net position	<u><u>\$ 2,672,914</u></u>

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, 2018

OPERATING REVENUES

Charges for services:

Rental income	\$ 123,475
Total operating revenues	\$ 123,475

OPERATING EXPENSES

Other supplies and expenses	\$ 32,716
Depreciation	40,965
Total operating expenses	\$ 73,681
Operating income (loss)	\$ 49,794

NONOPERATING REVENUES (EXPENSES)

Investment income	\$ 2,978
Gain on sale of assets	49,569
Total nonoperating revenues (expenses)	\$ 52,547
Income (loss)	\$ 102,341
Change in net position	\$ 102,341

Total net position - beginning, as restated	2,570,573
Total net position - ending	\$ 2,672,914

County of Amelia, Virginia

Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 123,475
Payments for operating activities	(32,716)
Net cash provided by (used for) operating activities	<u>\$ 90,759</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from the sale of assets	<u>\$ 79,589</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale (purchase) of investments	\$ (172,887)
Interest and dividends received	<u>2,539</u>
Net cash provided (used) by investing activities	<u>\$ (170,348)</u>
Net increase (decrease) in cash and cash equivalents	\$ -
Cash and cash equivalents - beginning	<u>-</u>
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ 49,794</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	<u>\$ 40,965</u>
Net cash provided by (used for) operating activities	<u><u>\$ 90,759</u></u>

Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 5,537,854	\$ 5,537,854	\$ 5,294,959	\$ (242,895)
Real and personal public service corporation taxes	208,200	208,200	254,057	45,857
Personal property taxes	2,462,287	2,462,287	2,707,099	244,812
Mobile home taxes	23,990	23,990	21,413	(2,577)
Machinery and tools taxes	28,420	28,420	47,347	18,927
Penalties	118,000	118,000	134,996	16,996
Interest	35,000	35,000	57,462	22,462
Total general property taxes	<u>\$ 8,413,751</u>	<u>\$ 8,413,751</u>	<u>\$ 8,517,333</u>	<u>\$ 103,582</u>
Other local taxes:				
Local sales and use taxes	\$ 712,000	\$ 712,000	\$ 803,295	\$ 91,295
Consumers' utility taxes	222,000	222,000	236,835	14,835
Consumption tax	54,000	54,000	43,891	(10,109)
Business license taxes	190,000	190,000	283,197	93,197
Motor vehicle licenses	355,000	355,000	369,403	14,403
Bank stock taxes	52,500	52,500	63,510	11,010
Taxes on recordation and wills	117,500	117,500	130,476	12,976
Total other local taxes	<u>\$ 1,703,000</u>	<u>\$ 1,703,000</u>	<u>\$ 1,930,607</u>	<u>\$ 227,607</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 14,000	\$ 14,000	\$ 12,693	\$ (1,307)
Land use application fees	925	925	3,820	2,895
Transfer fees	500	500	567	67
Permits and other licenses	115,150	115,150	161,946	46,796
Total permits, privilege fees, and regulatory licenses	<u>\$ 130,575</u>	<u>\$ 130,575</u>	<u>\$ 179,026</u>	<u>\$ 48,451</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 171,900	\$ 171,900	\$ 130,925	\$ (40,975)
Revenue from use of money and property:				
Revenue from use of money	\$ 30,075	\$ 30,075	\$ 82,516	\$ 52,441
Revenue from use of property	17,500	17,500	18,040	540
Total revenue from use of money and property	<u>\$ 47,575</u>	<u>\$ 47,575</u>	<u>\$ 100,556</u>	<u>\$ 52,981</u>
Charges for services:				
Sheriff's fees	\$ 550	\$ 550	\$ 1,021	\$ 471
Court costs	4,450	4,450	4,918	468
Charges for Commonwealth's Attorney	1,750	1,750	1,615	(135)
Charges for other protection	635	635	615	(20)
Charges for sanitation and waste removal	203,000	203,000	208,730	5,730
Charges for parks and recreation	110,000	110,000	118,565	8,565
Charges for library	8,500	8,500	5,918	(2,582)
Total charges for services	<u>\$ 328,885</u>	<u>\$ 328,885</u>	<u>\$ 341,382</u>	<u>\$ 12,497</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 122,080	\$ 226,573	\$ 187,023	\$ (39,550)
Recovered costs:				
Social Services reimbursement	\$ 128,000	\$ 182,141	\$ 216,901	\$ 34,760
Other recovered costs	250	250	1,695	1,445
Total recovered costs	<u>\$ 128,250</u>	<u>\$ 182,391</u>	<u>\$ 218,596</u>	<u>\$ 36,205</u>
Total revenue from local sources	<u>\$ 11,046,016</u>	<u>\$ 11,204,650</u>	<u>\$ 11,605,448</u>	<u>\$ 400,798</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Mobile home titling tax	\$ 24,000	\$ 24,000	\$ 30,409	\$ 6,409
Communications tax	248,000	248,000	232,163	(15,837)
Rolling stock tax	29,000	29,000	-	(29,000)
Auto rental tax	1,900	1,900	719	(1,181)
State recordation tax	34,000	34,000	32,102	(1,898)
Personal property tax relief funds	1,019,213	1,019,213	1,019,213	-
Total noncategorical aid	<u>\$ 1,356,113</u>	<u>\$ 1,356,113</u>	<u>\$ 1,314,606</u>	<u>\$ (41,507)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 226,433	\$ 226,433	\$ 224,884	\$ (1,549)
Sheriff	771,834	\$ 771,834	759,407	(12,427)
Commissioner of revenue	87,348	\$ 87,348	86,884	(464)
Treasurer	89,437	\$ 89,437	88,015	(1,422)
Registrar/electoral board	43,500	\$ 43,500	37,399	(6,101)
Clerk of the Circuit Court	192,605	192,605	187,470	(5,135)
Total shared expenses	<u>\$ 1,411,157</u>	<u>\$ 1,411,157</u>	<u>\$ 1,384,059</u>	<u>\$ (27,098)</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 342,937	\$ 342,937	\$ 336,135	\$ (6,802)
Emergency medical services grant	15,000	15,000	14,954	(46)
School resource officer grant	32,000	32,000	-	(32,000)
Juvenile confinement	9,913	9,913	9,913	-
Litter control	6,400	6,400	6,038	(362)
Comprehensive Services Act	240,000	240,000	288,948	48,948
Wireless grant	42,500	42,500	44,604	2,104
Library	55,000	62,039	63,039	1,000
Victim-witness grant	17,445	17,445	17,444	(1)
Fire programs	40,200	40,200	42,424	2,224
DMV animal friendly plates	300	300	321	21

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
RAD grant	\$ 700	\$ 700	\$ 1,400	\$ 700
PSAP GIS project grant	62,744	62,744	-	(62,744)
Total other categorical aid	<u>\$ 865,139</u>	<u>\$ 872,178</u>	<u>\$ 825,220</u>	<u>\$ (46,958)</u>
Total categorical aid	<u>\$ 2,276,296</u>	<u>\$ 2,283,335</u>	<u>\$ 2,209,279</u>	<u>\$ (74,056)</u>
Total revenue from the Commonwealth	<u>\$ 3,632,409</u>	<u>\$ 3,639,448</u>	<u>\$ 3,523,885</u>	<u>\$ (115,563)</u>
Revenue from the federal government:				
Other categorical aid:				
Public assistance and welfare administration	\$ 800,185	\$ 800,185	\$ 682,638	\$ (117,547)
SCAAP grant	200	200	-	(200)
Local emergency management performance grant	10,000	10,000	7,453	(2,547)
Local law enforcement block grant	-	-	1,567	1,567
DMV grant	14,000	14,000	17,054	3,054
Victim witness	52,333	52,333	52,333	-
Energy efficiency loan interest	59,634	59,634	59,762	128
Total other categorical aid	<u>\$ 936,352</u>	<u>\$ 936,352</u>	<u>\$ 820,807</u>	<u>\$ (115,545)</u>
Total categorical aid	<u>\$ 936,352</u>	<u>\$ 936,352</u>	<u>\$ 820,807</u>	<u>\$ (115,545)</u>
Total revenue from the federal government	<u>\$ 936,352</u>	<u>\$ 936,352</u>	<u>\$ 820,807</u>	<u>\$ (115,545)</u>
Total General Fund	<u>\$ 15,614,777</u>	<u>\$ 15,780,450</u>	<u>\$ 15,950,140</u>	<u>\$ 169,690</u>
Special Revenue Funds:				
County Special Revenue Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 7,271	\$ 7,271
Charges for services:				
Courthouse security fees	\$ 38,000	\$ 38,000	\$ 28,922	\$ (9,078)
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 73,077	\$ 73,077
Total revenue from local sources	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ 109,270</u>	<u>\$ 71,270</u>
Total County Special Revenue Fund	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ 109,270</u>	<u>\$ 71,270</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 600	\$ 600	\$ 7,845	\$ 7,245
Charges for services:				
Charges for sanitation and waste removal	\$ 384,000	\$ 384,000	\$ 477,369	\$ 93,369
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 76,901	\$ 76,901
Total revenue from local sources	\$ 384,600	\$ 384,600	\$ 562,115	\$ 177,515
Total County Capital Projects Fund	\$ 384,600	\$ 384,600	\$ 562,115	\$ 177,515
Total Revenues - Primary Government	\$ 16,037,377	\$ 16,203,050	\$ 16,621,525	\$ 418,475
Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 15,000	\$ 15,000	\$ 3,890	\$ (11,110)
Charges for services:				
Tuition	\$ 17,500	\$ 17,500	\$ 14,530	\$ (2,970)
Miscellaneous:				
Miscellaneous	\$ 321,868	\$ 410,023	\$ 674,065	\$ 264,042
Recovered costs:				
Head Start transportation	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Total revenue from local sources	\$ 364,368	\$ 452,523	\$ 692,485	\$ 239,962
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Amelia	\$ 5,000,000	\$ 5,000,000	\$ 4,691,909	\$ (308,091)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,089,439	\$ 2,089,439	\$ 1,973,580	\$ (115,859)
Basic school aid	5,499,272	5,499,272	5,476,750	(22,522)
Regular foster care	24,398	24,398	35,639	11,241
Gifted and talented	56,977	56,977	56,863	(114)
Special education	712,208	712,208	710,793	(1,415)
GED funding	7,859	7,859	8,294	435
Vocational education	130,572	130,572	130,312	(260)
Compensation supplement	55,253	55,253	55,113	(140)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
School fringes	1,133,598	1,133,598	1,131,345	(2,253)
Lottery	325,384	325,384	325,034	(350)
Reduced K-3	297,873	297,873	288,723	(9,150)
Early reading intervention	33,393	33,393	37,846	4,453
English as a second language	31,724	31,724	30,402	(1,322)
Homebound	11,336	11,336	7,871	(3,465)
CTE equipment	5,557	5,557	6,711	1,154
Project graduation	3,974	3,974	3,974	-
Technology grant	128,000	128,000	-	(128,000)
At risk	297,032	297,032	300,672	3,640
Standards of Learning algebra readiness	22,515	22,515	22,515	-
Remedial education - summer school	34,841	34,841	40,307	5,466
Remedial education	232,655	232,655	232,192	(463)
Mentor teacher program	632	632	1,655	1,023
Other state aid	-	-	3,279	3,279
Total categorical aid	<u>\$ 11,134,492</u>	<u>\$ 11,134,492</u>	<u>\$ 10,879,870</u>	<u>\$ (254,622)</u>
Total revenue from the Commonwealth	<u>\$ 11,134,492</u>	<u>\$ 11,134,492</u>	<u>\$ 10,879,870</u>	<u>\$ (254,622)</u>
Revenue from the federal government:				
Categorical aid:				
Title I grants to local educational agencies	\$ 342,524	\$ 342,524	\$ 365,042	\$ 22,518
Special education-grants to states	424,148	424,148	424,286	138
Vocational education - basic grants to states	28,810	28,810	46,573	17,763
Special education - preschool grants	13,102	13,102	11,890	(1,212)
Improving teacher quality state grants	65,195	65,195	72,700	7,505
Student support and academic enrichment	-	-	4,145	4,145
Total categorical aid	<u>\$ 873,779</u>	<u>\$ 873,779</u>	<u>\$ 924,636</u>	<u>\$ 50,857</u>
Total revenue from the federal government	<u>\$ 873,779</u>	<u>\$ 873,779</u>	<u>\$ 924,636</u>	<u>\$ 50,857</u>
Total School Operating Fund	<u>\$ 17,372,639</u>	<u>\$ 17,460,794</u>	<u>\$ 17,188,900</u>	<u>\$ (271,894)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Component Unit - School Board: (Continued)				
School Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 323,277	\$ 323,277	\$ 357,272	\$ 33,995
Total revenue from local sources	<u>\$ 323,277</u>	<u>\$ 323,277</u>	<u>\$ 357,272</u>	<u>\$ 33,995</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 30,273	\$ 30,273	\$ 31,426	\$ 1,153
Textbook payments	130,310	130,310	130,051	(259)
Total categorical aid	<u>\$ 160,583</u>	<u>\$ 160,583</u>	<u>\$ 161,477</u>	<u>\$ 894</u>
Total revenue from the Commonwealth	<u>\$ 160,583</u>	<u>\$ 160,583</u>	<u>\$ 161,477</u>	<u>\$ 894</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 492,000	\$ 492,000	\$ 518,484	\$ 26,484
Commodities	-	43,443	43,443	-
Total categorical aid	<u>\$ 492,000</u>	<u>\$ 535,443</u>	<u>\$ 561,927</u>	<u>\$ 26,484</u>
Total revenue from the federal government	<u>\$ 492,000</u>	<u>\$ 535,443</u>	<u>\$ 561,927</u>	<u>\$ 26,484</u>
Total School Special Revenue Fund	<u>\$ 975,860</u>	<u>\$ 1,019,303</u>	<u>\$ 1,080,676</u>	<u>\$ 61,373</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 18,348,499</u>	<u>\$ 18,480,097</u>	<u>\$ 18,269,576</u>	<u>\$ (210,521)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 159,542	\$ 159,542	\$ 123,155	\$ 36,387
General and financial administration:				
County administrator	\$ 412,813	\$ 412,813	\$ 410,243	\$ 2,570
Legal services	79,890	79,890	79,793	97
Commissioner of revenue	256,588	256,588	254,718	1,870
Independent Auditor	44,850	44,850	49,350	(4,500)
Treasurer	284,289	284,289	282,313	1,976
Other general and financial administration	250,246	462,363	462,386	(23)
Total general and financial administration	<u>\$ 1,328,676</u>	<u>\$ 1,540,793</u>	<u>\$ 1,538,803</u>	<u>\$ 1,990</u>
Board of elections:				
Electoral board and officials	\$ 35,054	\$ 35,054	\$ 28,654	\$ 6,400
Registrar	91,682	91,682	88,691	2,991
Total board of elections	<u>\$ 126,736</u>	<u>\$ 126,736</u>	<u>\$ 117,345</u>	<u>\$ 9,391</u>
Total general government administration	<u>\$ 1,614,954</u>	<u>\$ 1,827,071</u>	<u>\$ 1,779,303</u>	<u>\$ 47,768</u>
Judicial administration:				
Courts:				
Circuit court	\$ 14,100	\$ 14,100	\$ 6,918	\$ 7,182
General district court	18,998	18,998	16,768	2,230
Special Magistrates	300	300	246	54
Sheriff - court services unit	18,607	18,607	4,617	13,990
Sheriff - courtroom security	135,412	88,003	90,208	(2,205)
Victim and witness assistance	71,373	71,373	69,858	1,515
Law library	3,665	3,665	1,210	2,455
Clerk of the circuit court	287,936	287,936	279,935	8,001
Total courts	<u>\$ 550,391</u>	<u>\$ 502,982</u>	<u>\$ 469,760</u>	<u>\$ 33,222</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 302,514	\$ 313,114	\$ 309,433	\$ 3,681
Total judicial administration	<u>\$ 852,905</u>	<u>\$ 816,096</u>	<u>\$ 779,193</u>	<u>\$ 36,903</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,169,198	\$ 2,280,127	\$ 2,183,221	\$ 96,906
School resource officer	60,758	-	-	-
Total law enforcement and traffic control	<u>\$ 2,229,956</u>	<u>\$ 2,280,127</u>	<u>\$ 2,183,221</u>	<u>\$ 96,906</u>
Fire and rescue services:				
Fire department	\$ 749,050	\$ 749,050	\$ 749,664	\$ (614)
Ambulance and rescue services	63,100	63,100	62,854	246
Total fire and rescue services	<u>\$ 812,150</u>	<u>\$ 812,150</u>	<u>\$ 812,518</u>	<u>\$ (368)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Payments to Regional Jail	\$ 377,000	\$ 377,000	\$ 261,287	\$ 115,713
Payments to Juvenile Detention Center	18,000	18,000	13,575	4,425
Total correction and detention	<u>\$ 395,000</u>	<u>\$ 395,000</u>	<u>\$ 274,862</u>	<u>\$ 120,138</u>
Inspections:				
Building	\$ 90,114	\$ 90,114	\$ 89,244	\$ 870
Other protection:				
Animal control	\$ 149,747	\$ 149,747	\$ 150,584	\$ (837)
Emergency services	122,451	122,451	145,000	(22,549)
Medical examiner	120	120	120	-
Total other protection	<u>\$ 272,318</u>	<u>\$ 272,318</u>	<u>\$ 295,704</u>	<u>\$ (23,386)</u>
Total public safety	<u>\$ 3,799,538</u>	<u>\$ 3,849,709</u>	<u>\$ 3,655,549</u>	<u>\$ 194,160</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 5,300	\$ 5,300	\$ 4,896	\$ 404
Sanitation and waste removal:				
Refuse disposal	\$ 252,994	\$ 252,994	\$ 237,374	\$ 15,620
Maintenance of general buildings and grounds:				
General properties	\$ 816,527	\$ 817,843	\$ 773,765	\$ 44,078
Total public works	<u>\$ 1,074,821</u>	<u>\$ 1,076,137</u>	<u>\$ 1,016,035</u>	<u>\$ 60,102</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 153,604	\$ 153,604	\$ 145,652	\$ 7,952
Mental health and mental retardation:				
Crossroads	\$ 66,000	\$ 66,000	\$ 66,000	\$ -
Welfare:				
Public assistance and welfare administration	\$ 1,519,859	\$ 1,519,859	\$ 1,259,557	\$ 260,302
Area agency on aging	4,043	4,043	4,043	-
Childrens services act	450,687	450,687	496,675	(45,988)
Social services board	2,696	2,696	473	2,223
Total welfare	<u>\$ 1,977,285</u>	<u>\$ 1,977,285</u>	<u>\$ 1,760,748</u>	<u>\$ 216,537</u>
Total health and welfare	<u>\$ 2,196,889</u>	<u>\$ 2,196,889</u>	<u>\$ 1,972,400</u>	<u>\$ 224,489</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 3,712	\$ 3,712	\$ 1,112	\$ 2,600
Contribution to County School Board	5,000,000	5,000,000	4,691,909	308,091
Total education	<u>\$ 5,003,712</u>	<u>\$ 5,003,712</u>	<u>\$ 4,693,021</u>	<u>\$ 310,691</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 279,078	\$ 279,078	\$ 276,772	\$ 2,306
Library:				
Library administration	\$ 328,352	\$ 338,347	\$ 334,826	\$ 3,521
Total parks, recreation, and cultural	<u>\$ 607,430</u>	<u>\$ 617,425</u>	<u>\$ 611,598</u>	<u>\$ 5,827</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 125,880	\$ 125,880	\$ 115,582	\$ 10,298
Board of zoning appeals	-	-	120	(120)
Economic development	57,250	57,250	32,769	24,481
Total planning and community development	<u>\$ 183,130</u>	<u>\$ 183,130</u>	<u>\$ 148,471</u>	<u>\$ 34,659</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 12,900	\$ 12,900	\$ 12,900	\$ -
Flood and erosion control	11,054	11,054	9,081	1,973
Total environmental management	<u>\$ 23,954</u>	<u>\$ 23,954</u>	<u>\$ 21,981</u>	<u>\$ 1,973</u>
Cooperative extension program:				
Extension office	\$ 81,038	\$ 81,038	\$ 72,912	\$ 8,126
Total community development	<u>\$ 288,122</u>	<u>\$ 288,122</u>	<u>\$ 243,364</u>	<u>\$ 44,758</u>
Capital projects:				
SCAAP grant project	\$ 350	\$ 350	\$ -	\$ 350
Total capital projects	<u>\$ 350</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 350</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2018

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Debt service:				
Principal retirement	\$ 346,404	\$ 346,404	\$ 346,404	\$ -
Interest and other fiscal charges	189,182	189,182	189,731	(549)
Total debt service	<u>\$ 535,586</u>	<u>\$ 535,586</u>	<u>\$ 536,135</u>	<u>\$ (549)</u>
 Total General Fund	 <u>\$ 15,974,307</u>	 <u>\$ 16,211,097</u>	 <u>\$ 15,286,598</u>	 <u>\$ 924,499</u>
 Capital Projects Fund:				
County Capital Projects Fund:				
Capital projects:				
School projects	\$ 225,000	\$ 408,892	\$ 133,774	\$ 275,118
County capital projects	975,000	1,817,748	323,923	1,493,825
Total capital projects	<u>\$ 1,200,000</u>	<u>\$ 2,226,640</u>	<u>\$ 457,697</u>	<u>\$ 1,768,943</u>
 Total County Capital Projects Fund	 <u>\$ 1,200,000</u>	 <u>\$ 2,226,640</u>	 <u>\$ 457,697</u>	 <u>\$ 1,768,943</u>
 Total Primary Government	 <u>\$ 17,174,307</u>	 <u>\$ 18,437,737</u>	 <u>\$ 15,744,295</u>	 <u>\$ 2,693,442</u>
 Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,340,683	\$ 1,340,683	\$ 1,334,878	\$ 5,805
Instruction costs	12,883,313	12,971,468	12,545,986	425,482
Pupil transportation	1,643,485	1,643,485	1,735,590	(92,105)
Operation and maintenance of school plant	1,361,255	1,361,255	1,428,543	(67,288)
 Total education	 <u>\$ 17,228,736</u>	 <u>\$ 17,316,891</u>	 <u>\$ 17,044,997</u>	 <u>\$ 271,894</u>
 Debt service:				
Principal retirement	\$ 114,670	\$ 114,670	\$ 114,670	\$ -
Interest and other fiscal charges	29,233	29,233	29,233	-
Total debt service	<u>\$ 143,903</u>	<u>\$ 143,903</u>	<u>\$ 143,903</u>	<u>\$ -</u>
 Total School Operating Fund	 <u>\$ 17,372,639</u>	 <u>\$ 17,460,794</u>	 <u>\$ 17,188,900</u>	 <u>\$ 271,894</u>
 Special Revenue Funds:				
School Special Revenue Fund:				
Education:				
School food services	\$ 880,550	\$ 888,550	\$ 858,552	\$ 29,998
Purchase of textbooks	262,472	262,472	60,721	201,751
Commodities	-	43,443	43,443	-
 Total School Special Revenue Fund	 <u>\$ 1,143,022</u>	 <u>\$ 1,194,465</u>	 <u>\$ 962,716</u>	 <u>\$ 231,749</u>
 Total Discretely Presented Component Unit - School Board	 <u>\$ 18,515,661</u>	 <u>\$ 18,655,259</u>	 <u>\$ 18,151,616</u>	 <u>\$ 503,643</u>

STATISTICAL INFORMATION

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
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
2015	1,518,593	752,482	3,275,948	1,201,005	1,642,741	5,317,680	577,018	444,668	220,003	791,653	15,741,791
2016	1,678,210	755,646	3,231,655	(331,120)	1,724,362	5,662,665	611,931	1,345,342	194,995	632,679	15,506,365
2017	1,864,753	842,795	3,405,773	1,027,901	1,730,950	5,719,068	609,538	819,585	198,423	624,085	16,842,871
2018	1,763,705	742,841	3,367,969	1,070,773	1,650,447	5,173,199	652,166	233,201	165,250	693,409	15,512,960

County of Amelia, Virginia

Government-Wide Revenues

Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	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			
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			
2015	1,652,357	3,008,010	191,780	7,497,455	1,677,527	47,228	110,589	1,361,766	15,546,712			
2016	2,936,985	3,023,800	234,084	7,956,608	1,699,701	59,212	202,108	1,350,044	17,462,542			
2017	4,351,835	3,086,136	13,626	8,384,347	1,799,598	96,222	177,977	1,352,298	19,262,039			
2018	1,157,624	3,028,519	-	8,575,221	1,930,607	115,672	260,100	1,316,173	16,383,916			

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
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
2015	1,432,482	706,901	3,153,371	935,226	1,798,811	17,131,226	567,652	223,118	554,937	26,503,724
2016	1,509,454	763,447	3,139,165	1,002,190	1,900,931	17,611,787	589,512	1,295,868	607,267	28,419,621
2017	1,561,187	834,848	3,583,688	998,133	1,866,444	18,972,667	601,687	791,192	689,640	29,899,486
2018	1,779,303	779,193	3,655,549	1,016,035	1,972,400	18,152,728	611,598	243,364	536,135	28,746,305

(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.

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
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
2015	7,568,465	1,677,527	126,237	183,743	48,466	664,087	459,292	130,771	16,208,569	27,067,157
2016	7,843,728	1,699,701	129,241	134,292	57,932	365,454	202,108	125,121	16,275,329	26,832,906
2017	8,222,335	1,799,598	136,636	151,839	92,763	355,175	107,588	123,971	16,885,239	27,875,144
2018	8,517,333	1,930,607	179,026	130,925	107,827	370,304	260,100	218,596	16,872,602	28,587,320

(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.

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
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%
2015	8,749,109	8,469,283	96.80%	263,113	8,732,396	99.81%	678,119	7.75%
2016	9,189,117	8,706,028	94.74%	365,879	9,071,907	98.72%	738,748	8.04%
2017	9,772,547	8,793,594	89.98%	807,872	9,601,466	98.25%	811,191	8.30%
2018	9,876,702	9,030,603	91.43%	875,346	9,905,949	100.30%	842,084	8.53%

(1) Exclusive of penalties, interest and land redemptions.

(2) Includes three years of taxes.

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)			Total
					Real Estate	Real Estate	Personal Property	
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	
2015	1,014,492,502	75,562,866	2,902,825	4,793,250	40,299,622	76,930	1,138,127,995	
2016	1,022,222,257	78,539,493	3,862,375	4,832,600	41,166,610	90,867	1,150,714,202	
2017	1,075,290,535	84,393,931	3,962,550	4,750,200	42,741,541	150,893	1,211,289,650	
2018	1,074,586,500	89,446,739	4,892,200	4,669,500	50,025,114	111,356	1,223,731,409	

(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
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
2015	0.49	4.15	1.00	0.49
2016	0.51	4.20	1.00	0.51
2017	0.51	4.20	1.00	0.51
2018	0.51	4.20	1.00	0.51

(1) Per \$100 of assessed value.

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		Net Bonded Debt per Capita
					Debt to Assessed Value	Debt to Assessed Value	
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
2015	12,690	1,138,127,995	4,064,444	4,064,444	0.36%		320
2016	12,690	1,150,714,202	3,726,591	3,726,591	0.32%		294
2017	12,690	1,211,289,650	3,384,571	3,384,571	0.28%		267
2018	12,690	1,223,731,409	3,038,167	3,038,167	0.25%		239

(1) Weldon Cooper Center for Public Service and United States Census Bureau. Census data updated every 10 years.

(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

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To The Honorable Members of
the Board of Supervisors
County of 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, 2018, 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 November 20, 2018.

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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 20, 2018

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To The Honorable Members of
the Board of Supervisors
County of 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 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, 2018. 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 federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of County of 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 the audit requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of 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, 2018.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
November 20, 2018

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

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	0950117	\$ 7,846
Temporary Assistance for Needy Families	93.558	0950117/0400118	118,544
Refugee and Entrant Assistance - State Administered Programs	93.566	0500118	177
Low Income Home Energy Assistance	93.568	0600418	15,691
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760118	19,137
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900118	345
Foster care - Title IV-E	93.658	1100118	69,973
Adoption Assistance	93.659	1120118	22,487
Social Services Block Grant	93.667	1000118	71,090
Chafee Foster Care Independence Program	93.674	9150117	705
Children's Health Insurance Program	93.767	0540118	6,567
Medical Assistance Program	93.778	1200118	176,892
Total Department of Health and Human Services			<u>\$ 509,454</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMP-2017-EP-00006	<u>\$ 7,453</u>
Total Department of Homeland Security			<u>\$ 7,453</u>
Department of Agriculture:			
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution	10.555	APE40254	\$ 43,443
Department of Education:			
National School Lunch Program	10.555	APE40254	329,360
Total CFDA# 10.555	10.555	APE40254	<u>\$ 372,803</u>
School Breakfast Program	10.553	APE40253	<u>\$ 171,877</u>
Summer Food Service Program	10.559	APE60302/APE60303	<u>\$ 17,248</u>
Total Child Nutrition Cluster			<u>\$ 561,928</u>
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program			
	10.561	0010118	<u>\$ 173,182</u>
Total Department of Agriculture			<u>\$ 735,110</u>

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16DJBX0482	\$ 1,567
Crime Victim Assistance	16.575	16VAGX0039	52,333
Total Department of Justice			<u>\$ 53,900</u>
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
		FSC-2018-58129-8129	
State and Community Highway Safety	20.600	/ SC-2017-57237-6886	\$ 17,054
Total Department of Transportation			<u>\$ 17,054</u>
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	APE42901	\$ 365,042
Special Education Cluster:			
Special Education - Grants to States	84.027	APE43071	424,287
Special Education - Preschool Grants	84.173	APE62521	11,890
Total Special Education Cluster			<u>\$ 436,177</u>
Career and Technical Education - Basic Grants to States	84.048	APE61095	\$ 46,573
Supporting Effective Instruction State Grant	84.367	APE61480	72,700
Student Support and Academic Enrichment Grants	84.424	APE60281	4,145
Total Department of Education			<u>\$ 924,637</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,247,608</u></u>

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, 2018

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, 2018. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards, 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	\$ <u>820,807</u>
Component Unit School Board:	
School Operating Fund	\$ 924,636
School Special Revenue Fund	561,927
Total Component Unit School Board	\$ <u>1,486,563</u>
Total federal expenditures per basic financial statements	\$ <u>2,307,370</u>
Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards	\$ <u>(59,762)</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>2,247,608</u></u>

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

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

Note 7 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

County of Amelia, Virginia

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

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 2 CFR
section 200.516(a)? _____ yes ✓ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
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: \$750,000

Auditee qualified as low-risk auditee? _____ yes ✓ no

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questions Costs

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

County of Amelia, Virginia

Summary Schedule of Prior Audit Findings
For the year ended June 30, 2018

2017-001

Condition: The Component Unit School Board was not reconciling revenues and expenditures reported on its accounting system to those reported on the County's accounting system. As such, there were unexplained variances between the expenditures in the Component Unit School Board's accounting system and the County's accounting system.

Recommendation: We recommend that the revenues and expenditures recorded in the Component Unit School Board's accounting system be reconciled to the County's accounting system on a monthly basis.

Current status: This finding was not present in fiscal year 2018.

2017-002

Condition: The County appropriated \$4,724,354 as a contribution to the Component Unit School Board's School Fund for the year ended June 30, 2017. The School Board over-budgeted state and federal School Fund revenues by \$510,266 for the same period. As a result, the School Fund required a contribution from the County in excess of the budget of \$482,087 in order to maintain a zero balance at June 30, 2017.

Recommendation: We recommend that proper training be given to management of the Component Unit School Board in the area of proper planning and budgeting.

Current status: This finding was not present in fiscal year 2018.

2017-003

Condition: The Component Unit School Board did not record a capital lease that was issued in FY16 for the amount of \$789,135 on their financial statements. Payback of the lease proceeds did not begin until FY17. For financial reporting purposes, the capital lease was not discovered until FY17, when debt payments were reconciled.

Recommendation: We recommend that capital leases be recorded appropriately in the financial statements when issued.

Current status: This finding was not present in fiscal year 2018.