

Virginia National Bankshares Corp
Form 10-K/A
August 19, 2015

Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2014

Commission File Number: 000-55117

VIRGINIA NATIONAL BANKSHARES CORPORATION

(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

46-2331578
(I.R.S. Employer
Identification Number)

404 People Place, Charlottesville, Virginia
(Address of principal executive offices)

22911
(Zip Code)

(434) 817-8621

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$2.50 par value
(Title of class)

OTC Markets Group's OTCQX Marketplace
(Name of exchange on which registered)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** _
No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **Yes** _
No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** **No** _

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** **No** _

Edgar Filing: Virginia National Bankshares Corp - Form 10-K/A

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** **No**

On June 30, 2014, the aggregate market value of the common equity held by non-affiliates of the registrant was \$58,831,849.

The registrant has one class of common stock, of which 2,688,781 shares were outstanding as of close of business March 14, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are hereby incorporated into Amendment No. 1 on Form 10-K/A by reference:
Part II and Part IV of the Virginia National Bankshares Corporation 2014 Annual Report on Form 10-K filed March 30, 2015.

Table of Contents

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (Amendment No. 1) to Virginia National Bankshares Corporation s (the Company) Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (the Original Filing) is being filed solely for the purpose of amending and restating in its entirety Part II, Item 9A, Controls and Procedures, to affirm that as of December 31, 2014, management has concluded that the internal control over financial reporting was effective.

In accordance with Rule 12b-15 under the U.S. Securities Exchange Act of 1934 (the Exchange Act), Part II, Item 9A of the Original Filing has been amended and restated in its entirety, and Part IV, Item 15 of the Original Filing has been amended and restated solely to include as exhibits the new certifications required by Rule 13a-14(a) under the Exchange Act. This Amendment No. 1 does not amend or otherwise update any other information in the Original Filing. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Filing.

Table of Contents

FORM 10-K/A INDEX

		Page
	<u>Part II</u>	
<u>Item 9A</u>	<u>Controls and Procedures</u>	<u>4</u>
	<u>Part IV</u>	
<u>Item 15</u>	<u>Exhibits, Financial Statement Schedules</u>	<u>5</u>
<u>Signatures</u>		<u>6</u>

Table of Contents

Item 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures. The Company maintains disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Controller (Acting Principal Financial Officer), as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating its disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of December 31, 2014, the Company's Chief Executive Officer and Controller (Acting Principal Financial Officer) have concluded that the disclosure controls and procedures were effective at the reasonable assurance level.

Management's Report on Internal Control over Financial Reporting. Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. This assessment was based on criteria established in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on May 14, 2013. The revised version of the Framework superseded the original Framework and became effective at the end of 2014. The Company does not anticipate any change in internal control effectiveness during the complete transition to the new framework during 2015.

Based on their evaluation using these criteria, the Company's Chief Executive Officer and Controller (Acting Principal Financial Officer) have concluded that the internal control over financial reporting was effective. The annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the SEC that permit the Company to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting. There was no change in the internal control over financial reporting that occurred during the quarter ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

Table of Contents

Part IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) The exhibits required for this Amendment 1 are included, attached, or incorporated by reference as indicated below.

(1)(2) Financial Statements and Schedules

The following consolidated financial statements and reports of independent registered public accountants of the Company that are required to be filed in our Annual Report are included in the Original Filing in Part II, Item 8 Consolidated Financial Statements and Supplementary Data:

- (i) Consolidated Balance Sheets December 31, 2014 and December 31, 2013
- (ii) Consolidated Statements of Income Years ended December 31, 2014 and December 31, 2013
- (iii) Consolidated Statements of Comprehensive Income (Loss) Years ended December 31, 2014 and December 31, 2013
- (iv) Consolidated Statements of Changes in Shareholders Equity Years ended December 31, 2014 and December 31, 2013
- (v) Consolidated Statements of Cash Flows Years ended December 31, 2014 and December 31, 2013
- (vi) Notes to the Consolidated Financial Statements

(3) Exhibit Index:

Exhibit

Number	Description of Exhibit
2.0	Reorganization Agreement and Plan of Share Exchange, dated as of March 6, 2013, between Virginia National Bank and Virginia National Bankshares Corporation ^a
3.1	Articles of Incorporation of Virginia National Bankshares Corporation, as amended and restated ^b
3.2	Bylaws of Virginia National Bankshares Corporation ^c
10.1	Virginia National Bank 1998 Stock Incentive Plan ^d
10.2	Virginia National Bank 2003 Stock Incentive Plan ^e
10.3	Virginia National Bank Amended and Restated 2005 Stock Incentive Plan ^f
10.4	Virginia National Bankshares Corporation 2014 Stock Incentive Plan ^g
21.0	Subsidiaries of the Registrant ^h
31.1	302 Certification of Principal Executive Officer
31.2	302 Certification of Acting Principal Financial Officer
32.1	906 Certification ^h
101.0	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets as of December 31, 2014 and December 31, 2013, (ii) the Consolidated Statements of Income for the years ended December 31, 2014 and December 31, 2013, (iii) the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2014 and December 31, 2013, (iv) the Consolidated Statements of Changes in Shareholders Equity for years ended December 31, 2014 and December 31, 2013, (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2014 and December 31, 2013, and (vi) the Notes to the Consolidated Financial Statements ^h

^{a, b, c} Incorporated herein by reference to Virginia National Bankshares Corporation's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 18, 2013.

^d Incorporated herein by reference to Virginia National Bank's Definitive Proxy Statement, filed with the Office of the Comptroller of the Currency on or around April 16, 1999.

^e Incorporated herein by reference to Virginia National Bank's Definitive Proxy Statement, filed with the Office of the Comptroller of the Currency on April 24, 2003.

^f Incorporated herein by reference to Virginia National Bank's Definitive Proxy Statement, filed with the Office of the Comptroller of the Currency on March 30, 2006.

^g Incorporated herein by reference to Virginia National Bankshares Corporation's Definitive Proxy Statement, filed with the Securities and Exchange Commission on April 10, 2014.

^h Incorporated herein by reference to the corresponding exhibit to the Original Filing.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto, duly authorized.

VIRGINIA NATIONAL BANKSHARES CORPORATION

/s/ Glenn W. Rust
Glenn W. Rust
President and Chief Executive Officer

Date: August 19, 2015