

COUNTY OF BUCKINGHAM, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2017

County of Buckingham, Virginia

Financial Report

For the Year Ended June 30, 2017

COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report
For the Year Ended June 30, 2017

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BOARD OF SUPERVISORS

Joe N. Chambers, Jr.	Robert C. "Bobby" Jones, Chairman Danny R. Allen, Vice-Chairman	E. Morgan Dunnivant
Don Matthews	Harry W. Bryant	Donald E. Bryan

BOARD OF SOCIAL SERVICES

Linda Paige, Chairman
Diane Holman James
Danny R. Allen, Vice-Chairman

COUNTY SCHOOL BOARD

Joi W. Goodman	Sherry S. Ragland, Chairman Thomas W. Hutcherson, Jr., Vice-Chairman	H. Ed Wise, Jr.
Jacqueline J. Newton	Theresa D. Bryant	Kathy F. Midkiff

OTHER OFFICIALS

Presiding Judge of the Circuit Court	Donald C. Blessing
Clerk of the Circuit Court	Malcolm A. Booker, Jr.
Presiding Judge of the General District Court	Robert G. Woodson, Jr.
Commonwealth's Attorney	E.M. Wright, Jr.
Commissioner of the Revenue	Stephanie D. Love
Treasurer	Christy L. Christian
Sheriff	William G. Kidd, Jr.
Superintendent of Schools	Dr. Cecil C. Snead, II
Director of Social Services	Braxton L. Apperson
County Administrator	Rebecca S. Carter
Finance Director	Karl R. Carter

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 Buckingham, 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 Buckingham, Virginia, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise County of Buckingham, Virginia'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 Buckingham, Virginia, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension funding on pages 4-9, 79-80, and 81-85, 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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Buckingham, Virginia's basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2017, on our consideration of County of Buckingham, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Buckingham, Virginia's internal control over financial reporting and compliance.

Robinson, Fawcett, Cox Associates

Charlottesville, Virginia

December 7, 2017

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COUNTY OF BUCKINGHAM, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Citizens of County of Buckingham, Virginia

As management of the County of Buckingham, 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, 2017.

Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,508,045 (net position). For business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,343,888.

Fund Financial Statements

In the Governmental Funds, on a current financial resource basis, revenues exceeded expenditures and other financing sources by \$1,586,845 (Exhibit 5) after making contributions totaling \$6,913,608 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$9,922,843, an increase of \$1,586,845 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,165,690 or 48% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$1,793,938 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported revenues and other financing sources in excess of expenses by \$2,035,044.

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$19,343,888, an increase of \$2,035,044.
- Combined long-term obligations in the proprietary funds decreased \$161,520 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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 a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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 administration, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Buckingham, Virginia itself (known as the primary government), but also a legally separate school district and an Industrial Development Authority (IDA) for which the County of Buckingham, Virginia is financially accountable. Financial information for these component units is 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 Buckingham, 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, proprietary, 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 following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major funds are the General Fund, the Virginia Public Assistance Fund, the Debt Service Fund, the County Capital Improvements Fund, and the Debt Financed School Capital Projects Fund.

Proprietary Funds - Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Funds utilize the accrual basis of accounting where the measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary funds consist of Enterprise Funds.

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 statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and the schedules of pension funding for the Virginia Retirement System. Other supplementary information presented includes various combining financial statements for the County's non-major funds, budgetary comparison schedules, and the discretely presented component unit School Board and IDA as well as statistical tables. The School Board and IDA do not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,508,045 at the close of the most recent fiscal year.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 18,147,280	\$ 16,295,005	\$ 4,249,596	\$ 4,533,537	\$ 22,396,876	\$ 20,828,542
Capital assets	36,453,176	38,836,912	27,677,056	26,330,065	64,130,232	65,166,977
Total assets	\$ 54,600,456	\$ 55,131,917	\$ 31,926,652	\$ 30,863,602	\$ 86,527,108	\$ 85,995,519
Deferred outflows of resources:						
Pension related items	\$ 722,834	\$ 458,039	\$ 71,564	\$ 50,910	\$ 794,398	\$ 508,949
Liabilities:						
Long-term liabilities	\$ 34,049,930	\$ 35,843,868	\$ 12,214,705	\$ 12,376,225	\$ 46,264,635	\$ 48,220,093
Current liabilities	783,159	713,942	410,404	1,170,281	1,193,563	1,884,223
Total liabilities	\$ 34,833,089	\$ 36,557,810	\$ 12,625,109	\$ 13,546,506	\$ 47,458,198	\$ 50,104,316
Deferred inflows of resources:						
Deferred revenue	\$ 5,756,327	\$ 5,648,852	\$ -	\$ -	\$ 5,756,327	\$ 5,648,852
Pension related items	225,829	323,372	29,219	59,162	255,048	382,534
Total deferred inflows of resources	\$ 5,982,156	\$ 5,972,224	\$ 29,219	\$ 59,162	\$ 6,011,375	\$ 6,031,386
Net position:						
Net investment in capital assets	\$ 5,282,604	\$ 5,543,486	\$ 15,381,525	\$ 14,211,052	\$ 20,664,129	\$ 19,754,538
Restricted	19,684	24,966	520,683	1,191,491	540,367	1,216,457
Unrestricted	9,205,757	7,491,470	3,441,680	1,906,301	12,647,437	9,397,771
Total net position	\$ 14,508,045	\$ 13,059,922	\$ 19,343,888	\$ 17,308,844	\$ 33,851,933	\$ 30,368,766

At the end of the current fiscal year, the County's investment in capital assets net of related debt used to acquire those assets was \$20,664,129. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Government-wide Financial Analysis: (Continued)

The County's net capital assets decreased \$1,036,745 during the current fiscal year. Depreciation outweighed capital acquisitions in governmental activities in addition to the transfer of debt financed assets to the school board. The sewer treatment plant construction project contributed to an increase in business-type activity capital assets.

Governmental Activities - Governmental activities increased the County's net position by \$1,373,123 during the fiscal year, and business-type activities increased the County's net position by \$2,035,044. This resulted in a total increase of \$3,483,167. Key elements of this increase are as follows:

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 197,949	\$ 190,620	\$ 1,607,912	\$ 1,621,257	\$ 1,805,861	\$ 1,811,877
Operating grants and contributions	4,517,168	4,446,058	-	-	4,517,168	4,446,058
Capital grants and contributions	628,286	468,583	2,023,807	1,721,623	2,652,093	2,190,206
General revenues:						
General property taxes	15,240,213	15,796,716	-	-	15,240,213	15,796,716
Other local taxes	1,544,266	1,531,218	-	-	1,544,266	1,531,218
Grants and other contributions not restricted	1,621,690	1,604,344	-	-	1,621,690	1,604,344
Use of money and property	97,862	88,720	111	102	97,973	88,822
Miscellaneous	41,055	32,599	-	-	41,055	32,599
Total revenues	\$ 23,888,489	\$ 24,158,858	\$ 3,631,830	\$ 3,342,982	\$ 27,520,319	\$ 27,501,840
Expenses:						
General government administration	\$ 1,463,715	\$ 1,700,580	\$ -	\$ -	\$ 1,463,715	\$ 1,700,580
Judicial administration	1,061,769	987,071	-	-	1,061,769	987,071
Public safety	3,594,958	3,653,291	-	-	3,594,958	3,653,291
Public works	1,706,511	1,653,036	-	-	1,706,511	1,653,036
Health and welfare	3,512,614	3,555,122	-	-	3,512,614	3,555,122
Education	8,998,345	8,666,368	-	-	8,998,345	8,666,368
Parks, recreation, and cultural	438,922	413,473	-	-	438,922	413,473
Community development	411,948	220,325	-	-	411,948	220,325
Interest on long-term debt	1,326,584	1,382,617	-	-	1,326,584	1,382,617
Water and Sewer	-	-	1,521,786	1,662,310	1,521,786	1,662,310
Total expenses	\$ 22,515,366	\$ 22,231,883	\$ 1,521,786	\$ 1,662,310	\$ 24,037,152	\$ 23,894,193
Increase (decrease) in net position before transfers	\$ 1,373,123	\$ 1,926,975	\$ 2,110,044	\$ 1,680,672	\$ 3,483,167	\$ 3,607,647
Transfers	75,000	-	(75,000)	-	-	-
Increase (decrease) in net position	\$ 1,448,123	\$ 1,926,975	\$ 2,035,044	\$ 1,680,672	\$ 3,483,167	\$ 3,607,647
Net position, July 1	13,059,922	11,132,947	17,308,844	15,628,172	30,368,766	26,761,119
Net position, June 30	\$ 14,508,045	\$ 13,059,922	\$ 19,343,888	\$ 17,308,844	\$ 33,851,933	\$ 30,368,766

Government-wide Financial Analysis: (Continued)

Revenues increased by \$18,479 in fiscal year 2017 compared to an increase of \$3,253,007 in fiscal year 2016. The prior year increase was attributable to an increase of \$2,165,537 in property taxes and \$1,432,374 in capital contributions in business-type activities. Taxes were higher due to the collection of public service corporation taxes on an installment basis for the first time in fiscal year 2016. This resulted in one and a half year's taxes being collected during the period. In business-type activities, the balance of loan proceeds was drawn and grant funds were received for the remaining project expenses. Expenses closely paralleled the growth in demand and inflation and showed an increase of \$142,929. The \$331,977 increase in education costs and \$191,623 increase in community development were offset with a decrease of \$236,865 in general government administration expenses. Community development increased due to \$150,000 in agriculture and forestry industries grant funds paid to Rock Wood Products of Dillwyn.

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of 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 \$9,922,843, an increase of \$1,586,845 in comparison with the prior year. Approximately 64% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reflected as nonspendable, restricted, committed, or assigned as appropriate to indicate that it is not available for new spending.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$859,552 in expenditures and can be briefly summarized as follows:

- \$320,173 in increases for education
- \$151,143 in increases for community development
- \$243,460 in increases for capital projects
- \$144,776 in other net increases

A portion of this increase (\$528,956) was due to a change in anticipated funding from intergovernmental state and federal revenues. The remainder was to be budgeted from available fund balance. During the year, revenues exceeded budgetary estimates by \$274,285 and budgetary estimates exceeded expenditures by \$411,491 eliminating the need to draw on existing fund balance. In addition, commitments of \$1,075,470 were unspent resulting in unspent items totaling \$1,486,961.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2016 amounts to \$36,453,176 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The County's net capital assets for governmental activities decreased \$2,383,736. Although new vehicles and other equipment were acquired in the current year, there was an offsetting increase of \$1,459,524 in accumulated depreciation. Gene Dixon Park expansion and the Streetscape projects were completed during the year. However, there are future plans to add concession stands and other improvements to the Park.

Capital Asset and Debt Administration: (Continued)

The County's investment in capital assets for its proprietary funds was \$27,677,056 (net of accumulated depreciation) at year-end. This investment in capital assets includes land, construction in progress, water and sewer systems, and machinery and equipment. The proprietary net capital assets increased by \$1,346,991 during the current fiscal year, including an increase of \$616,389 in accumulated depreciation. The most significant additions during fiscal year 2017 were related to construction in progress, including construction for the new sewer plant and the initial phase of the sewer line expansion project.

Additional information on the County's capital assets can be found in note 8 of this report.

Long-term debt - At the end of the current fiscal year, the County had total long-term debt outstanding of \$34,049,930 for its governmental operations. Of this amount \$27,203,081 comprises debt backed by the full faith and credit of the County, including compensated absences of \$619,097 and net pension liability of \$2,157,963. The remainder of the County's debt for governmental operations (\$6,330,000) represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds) and the related premium (\$516,849). Business-type debt of \$12,214,705 is comprised of \$935,531 bonds secured solely by water and sewer revenues, loans totaling \$10,978,949 from the Virginia Resources Authority, compensated absences of \$56,710 and net pension liability of \$243,515.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 4.5 percent, which is slightly lower than the rate of 5.5 percent a year ago. This is higher than the state's average unemployment rate of 3.5 percent and the national average rate of 4.1 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County budget for fiscal year 2017.

The fiscal year 2018 budget amounted to \$23,268,649 (does not include School Funds). The budget includes capital improvements.

Requests for Information

This financial report is designed to provide a general overview of the County of Buckingham, 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 252, Buckingham, VA 23921.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Position
June 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Industrial Development Authority
ASSETS					
Cash and cash equivalents	\$ 8,749,038	\$ 3,402,770	\$ 12,151,808	\$ 1,031,386	\$ 100
Investments in custody of others	105,281	-	105,281	-	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	7,348,738	-	7,348,738	-	-
Accounts receivable	68,853	231,190	300,043	18,680	-
Due from component unit	629,854	-	629,854	-	-
Due from other governmental units	1,082,428	90,608	1,173,036	730,400	-
Inventories	159,433	-	159,433	-	-
Prepaid items	3,655	-	3,655	-	-
Restricted assets:					
Cash and cash equivalents	-	525,028	525,028	-	-
Capital assets (net of accumulated depreciation):					
Land	571,884	170,974	742,858	257,165	-
Intangibles	-	712,100	712,100	-	-
Buildings, improvements, and systems	34,622,839	17,307,809	51,930,648	14,301,333	-
Improvements other than buildings	-	20,788	20,788	141,345	-
Machinery, equipment, and vehicles	1,258,453	227,456	1,485,909	2,489,088	-
Construction in progress	-	9,237,929	9,237,929	-	-
Total assets	\$ 54,600,456	\$ 31,926,652	\$ 86,527,108	\$ 18,969,397	\$ 100
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions subsequent to measurement date	\$ 335,519	\$ 30,577	\$ 366,096	\$ 1,502,674	\$ -
Items related to measurement of net pension liability (asset)	387,315	40,987	428,302	1,984,511	-
Total deferred outflows of resources	\$ 722,834	\$ 71,564	\$ 794,398	\$ 3,487,185	\$ -
LIABILITIES					
Accounts payable	\$ 332,775	\$ 11,284	\$ 344,059	\$ 105,815	\$ -
Accrued liabilities	-	-	-	825,527	-
Contracts payable	-	281,051	281,051	-	-
Retainage payable	-	100,000	100,000	-	-
Customers' deposits payable from restricted assets	-	4,345	4,345	-	-
Accrued interest payable	450,384	13,724	464,108	28,922	-
Due to primary government	-	-	-	629,854	-
Long-term liabilities:					
Due within one year	2,257,196	263,060	2,520,256	138,996	-
Due in more than one year	31,792,734	11,951,645	43,744,379	21,480,949	-
Total liabilities	\$ 34,833,089	\$ 12,625,109	\$ 47,458,198	\$ 23,210,063	\$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 5,756,327	\$ -	\$ 5,756,327	\$ -	\$ -
Items related to measurement of net pension liability (asset)	225,829	29,219	255,048	1,083,269	-
Total deferred inflows of resources	\$ 5,982,156	\$ 29,219	\$ 6,011,375	\$ 1,083,269	\$ -
NET POSITION					
Net investment in capital assets	\$ 5,282,604	\$ 15,381,525	\$ 20,664,129	\$ 15,860,448	\$ -
Restricted:					
Sheriff's fund - DCJS	8,266	-	8,266	-	-
Commonwealth's Attorney - DCJS	4,254	-	4,254	-	-
Courthouse security	7,164	-	7,164	-	-
Debt service and bond covenants	-	520,683	520,683	-	-
Unrestricted (deficit)	9,205,757	3,441,680	12,647,437	(17,697,198)	100
Total net position	\$ 14,508,045	\$ 19,343,888	\$ 33,851,933	\$ (1,836,750)	\$ 100

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

COUNTY OF BUCKINGHAM, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,463,715	\$ 76,980	\$ 262,271	\$ -
Judicial administration	1,061,769	48,631	408,087	-
Public safety	3,594,958	29,809	1,073,024	-
Public works	1,706,511	14,752	-	-
Health and welfare	3,512,614	-	2,618,786	-
Education	8,998,345	-	-	422,278
Parks, recreation, and cultural	438,922	27,777	5,000	-
Community development	411,948	-	150,000	206,008
Interest on long-term debt	1,326,584	-	-	-
Total governmental activities	\$ 22,515,366	\$ 197,949	\$ 4,517,168	\$ 628,286
Business-type activities:				
Water and Sewer Funds	\$ 1,521,786	\$ 1,607,912	\$ -	\$ 2,023,807
Total business-type activities	\$ 1,521,786	\$ 1,607,912	\$ -	\$ 2,023,807
Total primary government	\$ 24,037,152	\$ 1,805,861	\$ 4,517,168	\$ 2,652,093
COMPONENT UNITS:				
School Board	\$ 25,298,772	\$ 200,669	\$ 16,114,114	\$ -
Industrial Development Authority	150,010	-	150,110	-
Total component units	\$ 25,448,782	\$ 200,669	\$ 16,264,224	\$ -
General revenues:				
General property taxes				
Local sales and use taxes				
Consumers' utility taxes				
Motor vehicle licenses				
Other local taxes				
Payment from County of Buckingham - Education				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	Industrial Development Authority
\$ (1,124,464)	\$ -	\$ (1,124,464)		
(605,051)	-	(605,051)		
(2,492,125)	-	(2,492,125)		
(1,691,759)	-	(1,691,759)		
(893,828)	-	(893,828)		
(8,576,067)	-	(8,576,067)		
(406,145)	-	(406,145)		
(55,940)	-	(55,940)		
(1,326,584)	-	(1,326,584)		
<u>\$ (17,171,963)</u>	<u>\$ -</u>	<u>\$ (17,171,963)</u>		
\$ -	\$ 2,109,933	\$ 2,109,933		
\$ -	\$ 2,109,933	\$ 2,109,933		
<u>\$ (17,171,963)</u>	<u>\$ 2,109,933</u>	<u>\$ (15,062,030)</u>		
			\$ (8,983,989)	\$ -
			-	100
			<u>\$ (8,983,989)</u>	<u>\$ 100</u>
\$ 15,240,213	\$ -	\$ 15,240,213	\$ -	\$ -
708,585	-	708,585	-	-
351,477	-	351,477	-	-
337,829	-	337,829	-	-
146,375	-	146,375	-	-
-	-	-	8,955,978	-
97,862	111	97,973	4,034	-
41,055	-	41,055	249,959	-
1,621,690	-	1,621,690	-	-
75,000	(75,000)	-	-	-
<u>\$ 18,620,086</u>	<u>\$ (74,889)</u>	<u>\$ 18,545,197</u>	<u>\$ 9,209,971</u>	<u>\$ -</u>
\$ 1,448,123	\$ 2,035,044	\$ 3,483,167	\$ 225,982	\$ 100
13,059,922	17,308,844	30,368,766	(2,062,732)	-
<u>\$ 14,508,045</u>	<u>\$ 19,343,888</u>	<u>\$ 33,851,933</u>	<u>\$ (1,836,750)</u>	<u>\$ 100</u>

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Fund Financial Statements

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Balance Sheet
Governmental Funds
June 30, 2017

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
ASSETS						
Cash and cash equivalents	\$ 8,386,316	\$ 320,694	\$ -	\$ 42,028	\$ -	\$ 8,749,038
Investments in custody of others	-	-	-	-	105,281	105,281
Receivables (net of allowance for uncollectibles):						
Taxes receivable	7,348,738	-	-	-	-	7,348,738
Accounts receivable	68,203	650	-	-	-	68,853
Due from other funds	439,338	-	-	-	-	439,338
Due from component unit	629,854	-	-	-	-	629,854
Due from other governmental units	964,434	117,994	-	-	-	1,082,428
Prepaid items	3,655	-	-	-	-	3,655
Total assets	<u>\$ 17,840,538</u>	<u>\$ 439,338</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 105,281</u>	<u>\$ 18,427,185</u>
LIABILITIES						
Accounts payable	\$ 332,775	\$ -	\$ -	\$ -	\$ -	\$ 332,775
Due to other funds	-	439,338	-	-	-	439,338
Total liabilities	<u>\$ 332,775</u>	<u>\$ 439,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,113</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 7,732,229	\$ -	\$ -	\$ -	\$ -	\$ 7,732,229
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 3,655	\$ -	\$ -	\$ -	\$ -	\$ 3,655
Restricted:						
Sheriff's fund - DCJS	8,266	-	-	-	-	8,266
Commonwealth's Attorney - DCJS	4,254	-	-	-	-	4,254
Courthouse security	7,164	-	-	-	-	7,164
Committed:						
Upper and Lower Elementary renovation	-	-	-	-	105,281	105,281
Economic Development	681,385	-	-	-	-	681,385
Industrial Development Authority (debt)	200,000	-	-	-	-	200,000
Library construction	250,000	-	-	-	-	250,000
Gene Dixon park expansion	294,914	-	-	42,028	-	336,942
Fire/rescue training	40,000	-	-	-	-	40,000
Social services - legal	4,085	-	-	-	-	4,085
Sheriff's fund - non-DCJS	16,121	-	-	-	-	16,121
Assigned:						
Reassessment	100,000	-	-	-	-	100,000
Renovation projects	-	-	-	1,800,000	-	1,800,000
Unassigned	8,165,690	-	-	(1,800,000)	-	6,365,690
Total fund balances	<u>\$ 9,775,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 105,281</u>	<u>\$ 9,922,843</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,840,538</u>	<u>\$ 439,338</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 105,281</u>	<u>\$ 18,427,185</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2017

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	9,922,843
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Jointly owned assets are included in the total for buildings and improvements.

Land	\$	571,884	
Buildings and improvements		34,622,839	
Machinery, equipment and vehicles		<u>1,258,453</u>	36,453,176

Inventory held for sale is not a financial resource and, therefore, is not reported in the funds. This represents the book value of Gold Hill Elementary School assets transferred from the Component Unit School Board.	159,433
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	1,975,902
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Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year, and therefore, are not reported in the funds.	335,519
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Items related to measurement of the net pension liability are considered deferred outflows or deferred inflows and will be amortized and recognized in pension expense over future years.

Deferred outflows	\$	387,315	
Deferred inflows		<u>(225,829)</u>	161,486

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Lease revenue bonds	\$	(6,330,000)	
Plus: Issuance premium (to be amortized against interest expense)		(516,849)	
General obligation bonds		(23,574,025)	
Plus: Issuance premium (to be amortized against interest expense)		(851,996)	
Net pension liability		(2,157,963)	
Compensated absences		<u>(619,097)</u>	<u>(34,049,930)</u>

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.

Accrued interest payable	<u>(450,384)</u>
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Net position of governmental activities	\$	<u><u>14,508,045</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2017

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
REVENUES						
General property taxes	\$ 15,179,208	\$ -	\$ -	\$ -	\$ -	\$ 15,179,208
Other local taxes	1,544,266	-	-	-	-	1,544,266
Permits, privilege fees, and regulatory licenses	80,714	-	-	-	-	80,714
Fines and forfeitures	34,051	-	-	-	-	34,051
Revenue from the use of money and property	97,114	-	-	-	748	97,862
Charges for services	83,184	-	-	-	-	83,184
Miscellaneous	37,252	3,803	-	-	-	41,055
Intergovernmental:						
Commonwealth	4,578,256	470,811	-	-	-	5,049,067
Federal	354,131	941,668	422,278	-	-	1,718,077
Total revenues	\$ 21,988,176	\$ 1,416,282	\$ 422,278	\$ -	\$ 748	\$ 23,827,484
EXPENDITURES						
Current:						
General government administration	\$ 1,368,455	\$ -	\$ -	\$ -	\$ -	\$ 1,368,455
Judicial administration	832,656	-	-	-	-	832,656
Public safety	3,495,764	-	-	-	-	3,495,764
Public works	1,588,409	-	-	-	-	1,588,409
Health and welfare	1,785,858	1,684,895	-	-	-	3,470,753
Education	6,955,975	-	-	-	-	6,955,975
Parks, recreation, and cultural	385,309	-	-	-	-	385,309
Community development	360,841	-	-	-	-	360,841
Nondepartmental	136,847	-	-	-	-	136,847
Capital projects	243,459	-	-	-	-	243,459
Debt service:						
Principal retirement	-	-	1,949,502	-	-	1,949,502
Interest and other fiscal charges	-	-	1,527,669	-	-	1,527,669
Total expenditures	\$ 17,153,573	\$ 1,684,895	\$ 3,477,171	\$ -	\$ -	\$ 22,315,639
Excess (deficiency) of revenues over (under) expenditures	\$ 4,834,603	\$ (268,613)	\$ (3,054,893)	\$ -	\$ 748	\$ 1,511,845
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 75,000	\$ 268,613	\$ 3,054,893	\$ -	\$ -	\$ 3,398,506
Transfers out	(3,323,506)	-	-	-	-	(3,323,506)
Total other financing sources (uses)	\$ (3,248,506)	\$ 268,613	\$ 3,054,893	\$ -	\$ -	\$ 75,000
Net change in fund balances	\$ 1,586,097	\$ -	\$ -	\$ -	\$ 748	\$ 1,586,845
Fund balances - beginning	8,189,437	-	-	42,028	104,533	8,335,998
Fund balances - ending	\$ 9,775,534	\$ -	\$ -	\$ 42,028	\$ 105,281	\$ 9,922,843

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds	\$ 1,586,845
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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 depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$ 507,804	
Depreciation expense	(1,459,524)	
Adjustment for jointly owned assets	<u>(1,432,016)</u>	(2,383,736)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds.

61,005

The change in deferred inflows related to the measurement of the net pension liability is not reported in governmental funds.

350,992

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. 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 obligations and related items.

Payment of principal	\$ 1,949,502	
Amortization of premium	<u>173,352</u>	2,122,854

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

Compensated absences	\$ 751	
Net pension liability	(329,667)	
Deferred outflows - pension related	11,344	
Accrued interest payable	<u>27,735</u>	<u>(289,837)</u>

Change in net position of governmental activities	\$ <u><u>1,448,123</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
 Proprietary Funds
 June 30, 2017

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,450,661	\$ -	\$ 3,450,661
Accounts receivable	199,097	32,093	231,190
Due from other governmental units	-	90,608	90,608
Total current assets	<u>\$ 3,649,758</u>	<u>\$ 122,701</u>	<u>\$ 3,772,459</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 442,003	\$ 83,025	\$ 525,028
Capital assets:			
Land	\$ 135,757	\$ 35,217	\$ 170,974
Intangibles	712,100	-	712,100
Construction in progress	-	9,237,929	9,237,929
Utility plant in service	19,044,281	4,262,484	23,306,765
Land improvements	22,634	-	22,634
Machinery, equipment, and vehicles	648,747	181,509	830,256
Less accumulated depreciation	(5,015,287)	(1,588,315)	(6,603,602)
Total capital assets	<u>\$ 15,548,232</u>	<u>\$ 12,128,824</u>	<u>\$ 27,677,056</u>
Total noncurrent assets	<u>\$ 15,990,235</u>	<u>\$ 12,211,849</u>	<u>\$ 28,202,084</u>
Total assets	<u>\$ 19,639,993</u>	<u>\$ 12,334,550</u>	<u>\$ 31,974,543</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to measurement date	\$ 26,849	\$ 3,728	\$ 30,577
Items related to measurement of net pension liability	36,805	4,182	40,987
Total deferred outflows of resources	<u>\$ 63,654</u>	<u>\$ 7,910</u>	<u>\$ 71,564</u>
LIABILITIES			
Current liabilities:			
Reconciled overdraft	\$ -	\$ 47,891	\$ 47,891
Accounts payable	4,781	6,503	11,284
Contracts payable	-	281,051	281,051
Retainage payable	-	100,000	100,000
Customers' deposits payable from restricted assets	3,076	1,269	4,345
Accrued interest payable	5,290	8,434	13,724
Compensated absences - current portion	3,976	1,695	5,671
Bonds payable - current portion	28,347	-	28,347
Loans payable - current portion	125,661	103,381	229,042
Total current liabilities	<u>\$ 171,131</u>	<u>\$ 550,224</u>	<u>\$ 721,355</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 907,184	\$ -	\$ 907,184
Loans payable - net of current portion	5,186,274	5,563,633	10,749,907
Compensated absences - net of current portion	35,785	15,254	51,039
Net pension liability	219,382	24,133	243,515
Total noncurrent liabilities	<u>\$ 6,348,625</u>	<u>\$ 5,603,020</u>	<u>\$ 11,951,645</u>
Total liabilities	<u>\$ 6,519,756</u>	<u>\$ 6,153,244</u>	<u>\$ 12,673,000</u>
DEFERRED INFLOWS OF RESOURCES			
Items related to measurement of net pension liability	\$ 26,512	\$ 2,707	\$ 29,219
NET POSITION			
Net investment in capital assets	\$ 9,300,766	\$ 6,080,759	\$ 15,381,525
Restricted:			
Debt service and bond covenants	438,927	81,756	520,683
Unrestricted (deficit)	3,417,686	23,994	3,441,680
Total net position	<u>\$ 13,157,379</u>	<u>\$ 6,186,509</u>	<u>\$ 19,343,888</u>

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

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Year Ended June 30, 2017

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 1,324,758	\$ -	\$ 1,324,758
Sewer revenues	-	268,066	268,066
Tap fees	4,079	-	4,079
Other revenues	11,009	-	11,009
Total operating revenues	<u>\$ 1,339,846</u>	<u>\$ 268,066</u>	<u>\$ 1,607,912</u>
OPERATING EXPENSES			
Water	\$ 590,983	\$ -	\$ 590,983
Sewer	-	112,151	112,151
Depreciation	497,973	118,416	616,389
Total operating expenses	<u>\$ 1,088,956</u>	<u>\$ 230,567</u>	<u>\$ 1,319,523</u>
Operating income (loss)	<u>\$ 250,890</u>	<u>\$ 37,499</u>	<u>\$ 288,389</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	\$ 91	\$ 20	\$ 111
Interest expense	(161,288)	(40,975)	(202,263)
Total nonoperating revenues (expenses)	<u>\$ (161,197)</u>	<u>\$ (40,955)</u>	<u>\$ (202,152)</u>
Income (loss) before contributions and transfers	<u>\$ 89,693</u>	<u>\$ (3,456)</u>	<u>\$ 86,237</u>
CAPITAL CONTRIBUTIONS			
Capital contributions and construction grants	\$ -	\$ 2,023,807	\$ 2,023,807
Transfers out	(75,000)	-	(75,000)
Net contributions and transfers	<u>\$ (75,000)</u>	<u>\$ 2,023,807</u>	<u>\$ 1,948,807</u>
Change in net position	<u>\$ 14,693</u>	<u>\$ 2,020,351</u>	<u>\$ 2,035,044</u>
Total net position - beginning	13,142,686	4,166,158	17,308,844
Total net position - ending	<u>\$ 13,157,379</u>	<u>\$ 6,186,509</u>	<u>\$ 19,343,888</u>

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,345,555	\$ 268,056	\$ 1,613,611
Payments to suppliers	(107,697)	(9,099)	(116,796)
Payments to and for employees	(466,711)	(78,379)	(545,090)
Net cash provided by (used for) operating activities	\$ 771,147	\$ 180,578	\$ 951,725
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to utility plant	\$ (190,210)	\$ (2,493,168)	\$ (2,683,378)
Principal payments on bonds	(27,057)	-	(27,057)
Principal payments on loans	(123,185)	(54,291)	(177,476)
Contributions in aid of construction	-	2,241,705	2,241,705
Interest payments	(161,479)	(81,781)	(243,260)
Net cash provided by (used for) capital and related financing activities	\$ (501,931)	\$ (387,535)	\$ (889,466)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	\$ 91	\$ 20	\$ 111
Net increase (decrease) in cash and cash equivalents	\$ 194,307	\$ (206,937)	\$ (12,630)
Cash and cash equivalents - beginning - including restricted	3,698,357	290,052	3,988,409
Cash and cash equivalents - ending - including restricted	<u>\$ 3,892,664</u>	<u>\$ 83,115</u>	<u>\$ 3,975,779</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 250,890	\$ 37,499	\$ 288,389
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	\$ 497,973	\$ 118,416	\$ 616,389
(Increase) decrease in accounts receivable	5,442	(10)	5,432
(Increase) decrease in deferred outflows - pension related	(17,792)	(2,862)	(20,654)
Increase (decrease) in overdraft	-	47,981	47,981
Increase (decrease) in compensated absences	4,047	40	4,087
Increase (decrease) in accounts payable	(3,461)	4,312	851
Increase (decrease) in customer deposits	267	-	267
Increase (decrease) in net pension liability	35,210	3,716	38,926
Increase (decrease) in deferred inflows - pension related	(1,429)	(28,514)	(29,943)
Total adjustments	\$ 520,257	\$ 143,079	\$ 663,336
Net cash provided by (used for) operating activities	<u>\$ 771,147</u>	<u>\$ 180,578</u>	<u>\$ 951,725</u>
Schedule of noncash capital and related financing activities:			
Acquisition of assets on account (change in accts payable)	\$ (162,500)	\$ (557,498)	\$ (719,998)

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

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>45,383</u>
LIABILITIES	
Amounts held for social services clients	\$ <u>45,383</u>
Total liabilities	\$ <u>45,383</u>

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements As of June 30, 2017

Note 1—Summary of Significant Accounting Policies:

The County of Buckingham, Virginia was formed in 1761, and it is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

The financial statements of the County of Buckingham, Virginia have been prepared in conformity with the 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

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

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

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 the 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 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 Buckingham, Virginia (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 to be included for the fiscal year ended June 30, 2017.

Discretely Presented Component Units

Buckingham County School Board - The School Board members are elected by the citizens of Buckingham County and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

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

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units: (Continued)

Buckingham County Industrial Development Authority - The Buckingham County Industrial Development Authority was created by the County to attract industry to the County and to provide financing for such industries. The Authority does have separate corporate powers that distinguish it as being legally separate from the County. The County is financially accountable for the Authority because it appoints a voting majority of the Authority's governing body and there exists a financial benefit or burden between the two entities. However, because the two governing bodies are not substantially the same, the Authority is a discretely presented component unit of the County. The IDA does not issue a separate financial report.

C. Other Related Organizations

Included in the County's Financial Report

None

Excluded from the County's Financial Report

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Buckingham County Industrial Development Authority.

Jointly Governed Organizations

The County, in conjunction with other localities, has created the Central Virginia Regional Library, the Piedmont Regional Jail, the Piedmont Juvenile Detention Center, and the Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$162,500 to the regional library, \$337,169 to Piedmont Regional Jail Authority, \$67,735 to Piedmont Regional Juvenile Detention Center and \$37,000 to the Crossroads Community Services Board.

Complete financial statements of the jointly governed organizations may be obtained by contacting the County of Buckingham, Virginia, County Administrator, P.O. Box 252, Buckingham, VA 23921.

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.

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

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

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

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues consist of charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 financial statements.

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

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

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

1. Governmental Funds

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

a. General Fund

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

b. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only special revenue fund is the Virginia Public Assistance Fund, which is considered a major fund.

c. Debt Service Fund

The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service. The Debt Service Fund is considered a major fund.

d. Capital Projects Funds

Capital Projects Funds account for and report all financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The County Capital Improvements Fund and Debt Financed School Capital Projects Fund are considered major funds for reporting purposes.

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

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

2. Proprietary Funds

Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The 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 account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Water Fund and the Sewer Fund.

3. Fiduciary Funds (Trust and Agency Funds)

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, which consist of the Special Welfare Fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds utilize the accrual basis of accounting.

4. Component Units

The Industrial Development Authority does not have individual funds. The Buckingham County School Board has the following funds:

Governmental Funds:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Buckingham and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

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.

School Cafeteria Fund - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

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

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

4. Component Units: (Continued)

Capital Projects Fund: Capital projects funds account for and report 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.

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital facilities. This fund had no activity in fiscal year 2017.

E. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level 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. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, VPA Fund, and the County Capital Improvements Funds of the primary government and the School Operating Fund, School Cafeteria Fund, and School Capital Projects Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all county units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

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

F. 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.

G. 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.

Restricted cash consists of reserve accounts established as required by Rural Development bond covenants.

Investments in custody of others include unspent bond proceeds and accumulated interest that the County intends to use for elementary school renovations.

H. Investments

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 deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

I. 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 "due to/from other funds" (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans).

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 \$311,000 at June 30, 2017 and is comprised solely of property taxes. In addition, water and sewer receivables are reported net of a \$43,464 reserve.

J. Inventory and Prepaid Items

All inventories are valued at the lower of cost (first-in, first-out) or market. Inventory represents Gold Hill Elementary School which was transferred from the School Board and is being held for sale.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

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

J. Inventory and Prepaid Items: (Continued)

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

K. Capital Assets

Capital assets, which include property, plant and equipment, and intangibles are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the County and Component Unit School Board as land, buildings, utility plant, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. 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. Interest in the amount of \$302,346 was incurred during fiscal year 2017, of which \$100,082 was capitalized.

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

<u>Assets</u>	<u>Years</u>
Structures, lines and accessories	40-50
Buildings	40
Building improvements	20-40
Land improvements	15
Vehicles	5
Office and computer equipment	5
Buses	8
Police vehicles	3

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

L. 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 only 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 and liabilities. These include differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions. It is also comprised of contributions to the pension plan made during the current year and subsequent to the net pension asset or liability measurement date, which will be recognized as a reduction of the net pension liability next fiscal year. For more detailed information on this item, reference the pension note.

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, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset and liabilities are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension plan investments. For more detailed information on the pension item, reference the pension note.

M. Pensions

For purposes of measuring the net pension assets and liabilities, 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.

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

N. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. 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.

O. 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 it is estimated will be taken as "terminal leave" prior to retirement.

P. Net Position

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

Q. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

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

R. Fund Equity

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

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

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

It is the County's policy to maintain an unassigned fund balance in the general fund equal to 10% of expenditures/operating revenues. The County considers a balance less than 7% to be cause for concern barring unusual or deliberate circumstances.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 2—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by 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).

Custodial Credit Risk (Investments)

The County’s investments at June 30, 2017 were held in the County’s name by the County’s custodial banks.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2017 were rated by Standard & Poor’s and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor’s rating scale.

Rated Debt Investments' Values	
Rated Debt Investments	Ratings
	AAAm
Local Government Investment Pool	\$ 2,327,994
Virginia State Non-Arbitrage Pool	105,281
Total	\$ 2,433,275

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 2—Deposits and Investments: (Continued)

Interest Rate Risk

The County invests funds in low risk investments backed by U.S. government agencies.

Investment Maturities (in years)		
Investment Type	Value	Less Than 1 Year
Local Government Investment Pool	\$ 2,327,994	\$ 2,327,994
Virginia State Non-Arbitrage Pool	105,281	105,281
Total	<u>\$ 2,433,275</u>	<u>\$ 2,433,275</u>

External Investment Pools

The State Non-Arbitrage Pool (SNAP) is an open-end management investment company registered with the Securities and Exchange Commission. In May 2016, the Board voted to convert the SNAP fund to an LGIP structure, which would be managed in conformance with GASB 79.

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

Note 3—Property Taxes:

Real property taxes are assessed on property values as of January 1, and attach as an enforceable lien on property as of the date levied by the Board of Supervisors. Personal property taxes are assessed on a prorated basis for the period the property is located in the County and also attach as an enforceable lien on the property.

Real estate and public service corporation taxes are due on June 5th and December 5th and personal property taxes are due on December 5th.

A ten percent penalty is levied on all taxes not collected on or before their due date. An interest charge of ten percent per annum is also levied on such taxes beginning on their due date.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 3—Property Taxes: (Continued)

Property taxes for calendar year 2016 were levied by the County Board of Supervisors on April 25, 2016, on the assessed values listed as of January 1, 2015. The second half of 2016 real estate taxes was due on December 5, 2016. The first half of 2017 real estate and public service corporation taxes was due on June 5, 2017. The 2016 taxes were levied by the County Board of Supervisors on April 24, 2017 on the assessed value listed as of January 1, 2017.

Property taxes levied in the prior year have been recorded as receivables as of the date the County has the legal right to receive payments thereon. The receivables collected during the fiscal year and during the first 60 days of the succeeding fiscal year are recognized as revenues in the current fiscal year. Taxes receivable as of the end of the year (June 30) and not collected until the succeeding year are reported as deferred inflows of resources.

Note 4—Receivables:

The following is a summary of accounts receivable at June 30, 2017:

	Primary Government				Component Unit
	General	Special Revenue	Governmental Activities	Business-type Activities	School Board
Property taxes	\$ 7,659,738	\$ -	\$ 7,659,738	\$ -	\$ -
Allowance for uncollectibles	(311,000)	-	(311,000)	-	-
Net taxes receivable	<u>\$ 7,348,738</u>	<u>\$ -</u>	<u>\$ 7,348,738</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:					
Utility taxes	\$ 28,972	\$ -	\$ 28,972	\$ -	\$ -
Grantee tax	7,627	-	7,627	-	-
Solid waste	9,989	-	9,989	-	-
Other	17,500	-	17,500	-	4,081
Water and Sewer	-	-	-	231,190	-
Rebates and Refunds	4,115	650	4,765	-	14,599
Total accounts receivable	<u>\$ 68,203</u>	<u>\$ 650</u>	<u>\$ 68,853</u>	<u>\$ 231,190</u>	<u>\$ 18,680</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 5—Due From Other Governmental Units:

Amounts due from other governments are detailed as follows:

	Governmental Activities			Business- Type Activities	Component Unit School Board
	General	Special Revenue	Total		
Commonwealth of Virginia:					
Local sales taxes	\$ 132,226	\$ -	\$ 132,226	\$ -	\$ -
State sales taxes	-	-	-	-	414,112
Communication taxes	65,706	-	65,706	-	-
Public assistance	-	41,476	41,476	-	-
Comprehensive services	310,434	-	310,434	-	-
Shared expenses and grants	113,999	-	113,999	-	-
Forest product sales	17,610	-	17,610	-	-
Motor vehicle carrier tax	10,439	-	10,439	-	-
Four for life	15,458	-	15,458	-	-
Other	41,096	-	41,096	-	-
Federal government:					
VDOT grant	196,503	-	196,503	-	-
Emergency management	38,139	-	38,139	-	-
Victim witness	15,725	-	15,725	-	-
Public assistance	-	76,518	76,518	-	-
Rural Development	-	-	-	90,608	-
Title I	-	-	-	-	183,269
Vocational Education	-	-	-	-	7,352
Title II Part A	-	-	-	-	17,395
Special Education - Title IV-B	-	-	-	-	88,706
Other	7,099	-	7,099	-	19,566
Total	\$ 964,434	\$ 117,994	\$ 1,082,428	\$ 90,608	\$ 730,400

Note 6—Interfund Obligations:

Details of interfund receivables and payables as of June 30, 2017 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 439,338	\$ -
Virginia Public Assistance	-	439,338
Total	\$ 439,338	\$ 439,338

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 6—Interfund Obligations: (Continued)

Details of obligations between the primary government and its component unit as of June 30, 2017 are as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government general fund	Component Unit - School Board	\$ <u>629,854</u>

Note 7—Unavailable Revenue and Deferred Revenue:

Deferred revenue /unavailable revenue represent 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.

	<u>Government-wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
Primary Government:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,975,902
2nd half assessments due in December 2017	5,161,762	5,161,762
Prepaid property taxes due in December 2017, but paid in advance by the taxpayers	<u>594,565</u>	<u>594,565</u>
Total deferred revenue/unavailable revenue	\$ <u>5,756,327</u>	\$ <u>7,732,229</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 8—Capital Assets:

The following is a summary of changes in capital assets during the year:

Primary Government:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 571,884	\$ -	\$ -	\$ 571,884
Construction in progress	1,289,353	243,459	1,532,812	-
Total capital assets not being depreciated	\$ 1,861,237	\$ 243,459	\$ 1,532,812	\$ 571,884
Other capital assets:				
Buildings and improvements	\$ 17,241,065	\$ 1,532,812	\$ -	\$ 18,773,877
Machinery, equipment and vehicles	4,498,065	264,345	79,796	4,682,614
Jointly owned assets	26,102,980	-	1,837,976	24,265,004
Total other capital assets	\$ 47,842,110	\$ 1,797,157	\$ 1,917,772	\$ 47,721,495
Accumulated depreciation:				
Buildings and improvements	\$ 4,919,931	\$ 505,908	\$ -	\$ 5,425,839
Machinery, equipment and vehicles	3,160,695	343,262	79,796	3,424,161
Jointly owned assets	2,785,809	610,354	405,960	2,990,203
Total accumulated depreciation	\$ 10,866,435	\$ 1,459,524	\$ 485,756	\$ 11,840,203
Other capital assets, net	\$ 36,975,675	\$ 337,633	\$ 1,432,016	\$ 35,881,292
Net capital assets	\$ 38,836,912	\$ 581,092	\$ 2,964,828	\$ 36,453,176
Depreciation is allocated to:				
General government administration		\$ 175,862		
Judicial administration		230,015		
Public safety		270,179		
Public works		31,052		
Health and welfare		37,159		
Education		610,354		
Parks and recreation		53,400		
Community Development		51,503		
Total		\$ 1,459,524		

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 8—Capital Assets: (Continued)

Business-type Activities:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 170,974	\$ -	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	<u>7,302,258</u>	<u>1,935,671</u>	<u>-</u>	<u>9,237,929</u>
Total capital assets not being depreciated	<u>\$ 8,185,332</u>	<u>\$ 1,935,671</u>	<u>\$ -</u>	<u>\$ 10,121,003</u>
Other capital assets:				
Buildings and systems	\$ 23,306,765	\$ -	\$ -	\$ 23,306,765
Land improvements	8,570	14,064	-	22,634
Machinery, equipment and vehicles	<u>816,611</u>	<u>13,645</u>	<u>-</u>	<u>830,256</u>
Total other capital assets	<u>\$ 24,131,946</u>	<u>\$ 27,709</u>	<u>\$ -</u>	<u>\$ 24,159,655</u>
Accumulated depreciation:				
Buildings and systems	\$ 5,424,148	\$ 574,808	\$ -	\$ 5,998,956
Land improvements	571	1,275	-	1,846
Machinery, equipment and vehicles	<u>562,494</u>	<u>40,306</u>	<u>-</u>	<u>602,800</u>
Total accumulated depreciation	<u>\$ 5,987,213</u>	<u>\$ 616,389</u>	<u>\$ -</u>	<u>\$ 6,603,602</u>
Other capital assets, net	<u>\$ 18,144,733</u>	<u>\$ (588,680)</u>	<u>\$ -</u>	<u>\$ 17,556,053</u>
Net capital assets	<u>\$ 26,330,065</u>	<u>\$ 1,346,991</u>	<u>\$ -</u>	<u>\$ 27,677,056</u>
Depreciation is allocated to:				
Water operations		\$ 497,973		
Sewer operations		<u>118,416</u>		
		<u>\$ 616,389</u>		

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 8—Capital Assets: (Continued)

Component Unit-School Board:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 257,165	\$ -	\$ -	\$ 257,165
Total capital assets not being depreciated	\$ 257,165	\$ -	\$ -	\$ 257,165
Other capital assets:				
Buildings and improvements	\$ 16,785,966	\$ -	\$ -	\$ 16,785,966
Improvements other than buildings	516,983	11,500	-	528,483
Machinery, equipment and vehicles	6,894,484	220,626	-	7,115,110
Jointly owned assets	10,627,341	1,837,976	-	12,465,317
Total other capital assets	\$ 34,824,774	\$ 2,070,102	\$ -	\$ 36,894,876
Accumulated depreciation:				
Buildings and improvements	\$ 10,357,600	\$ 349,804	\$ -	\$ 10,707,404
Improvements other than buildings	360,778	26,360	-	387,138
Machinery, equipment and vehicles	3,987,054	638,968	-	4,626,022
Jointly owned assets	3,524,953	717,593	-	4,242,546
Total accumulated depreciation	\$ 18,230,385	\$ 1,732,725	\$ -	\$ 19,963,110
Other capital assets, net	\$ 16,594,389	\$ 337,377	\$ -	\$ 16,931,766
Net capital assets	\$ 16,851,554	\$ 337,377	\$ -	\$ 17,188,931
Depreciation is allocated to education		\$ 1,732,725		

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia (1950), as amended, has changed the reporting of local capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments "on-behalf" of school boards was reported in the school board's discrete column along with the related capital assets. Under the law, local governments have a "tenancy in common" with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Buckingham, Virginia for the year ended June 30, 2017, is that school financed assets in the amount of \$21,274,801 net are reported in the Primary Government for financial reporting purposes.

Note 9—Compensated Absences:

In accordance with GASB statement 16, *"Accounting for Compensated Absences,"* the County has accrued the liability arising from outstanding claims and judgments and compensated absences.

County employees earn vacation and sick leave at various rates.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 10—Long-Term Obligations:

The following is a summary of long-term obligation transactions for the County for the year ended June 30, 2017:

	Balance July 1, 2016	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2017
Primary Government:				
Governmental activities:				
Lease revenue bonds	\$ 6,560,000	\$ -	\$ 230,000	\$ 6,330,000
Premium on issuance	571,727	-	54,878	516,849
General obligation school bonds	25,293,527	-	1,719,502	23,574,025
Premium on issuance	970,470	-	118,474	851,996
Net pension liability	1,828,296	1,479,876	1,150,209	2,157,963
Compensated absences	619,848	-	751	619,097
Total obligations from governmental activities	<u>\$ 35,843,868</u>	<u>\$ 1,479,876</u>	<u>\$ 3,273,814</u>	<u>\$ 34,049,930</u>
Business-type activities:				
Revenue bonds	\$ 962,588	\$ -	\$ 27,057	\$ 935,531
Revolving loans	11,156,425	-	177,476	10,978,949
Net pension liability	204,589	168,548	129,622	243,515
Compensated absences	52,623	4,087	-	56,710
Total obligations from business-type activities	<u>\$ 12,376,225</u>	<u>\$ 172,635</u>	<u>\$ 334,155</u>	<u>\$ 12,214,705</u>
Long-term obligations from component unit activities:				
School Board:				
Compensated absences	\$ 562,904	\$ 7,265	\$ -	\$ 570,169
Net pension liability	17,318,267	5,846,589	3,443,563	19,721,293
Energy improvement lease	1,404,157	-	75,674	1,328,483
Total obligations from component unit activities	<u>\$ 19,285,328</u>	<u>\$ 5,853,854</u>	<u>\$ 3,519,237</u>	<u>\$ 21,619,945</u>
Total long-term obligations	<u>\$ 67,505,421</u>	<u>\$ 7,506,365</u>	<u>\$ 7,127,206</u>	<u>\$ 67,884,580</u>
Reconciliation to Exhibit 1:				
	Governmental Activities	Business- Type Activities	Component Unit	Total
Long-term liabilities:				
Due within one year	\$ 2,257,196	\$ 263,060	\$ 138,996	\$ 2,659,252
Due in more than one year	31,792,734	11,951,645	21,480,949	65,225,328
Total long-term obligations	<u>\$ 34,049,930</u>	<u>\$ 12,214,705</u>	<u>\$ 21,619,945</u>	<u>\$ 67,884,580</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 10—Long-Term Obligations: (Continued)

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

Year Ending June 30,	Primary Government		Component Unit School Board	
	Principal	Interest	Principal	Interest
2018	\$ 2,452,676	\$ 1,755,591	\$ 81,979	\$ 36,533
2019	2,537,439	1,678,779	88,612	34,279
2020	2,624,253	1,599,174	95,588	31,842
2021	2,706,460	1,517,171	102,922	29,213
2022	2,795,773	1,432,682	110,630	26,383
2023-2027	13,064,844	5,952,061	683,048	81,655
2028-2032	8,674,537	2,031,200	165,704	4,557
2033-2037	2,921,845	829,851	-	-
2038-2042	1,718,833	532,718	-	-
2043-2047	1,677,985	319,198	-	-
2048-2052	1,564,107	128,677	-	-
2053-2055	448,598	12,951	-	-
Total	\$ 43,187,350	\$ 17,790,053	\$ 1,328,483	\$ 244,462

Note: The above includes long-term obligations and premiums.
Compensated absences are not included.

Details of Long-term Obligations:

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities:</u>		
<u>Lease Revenue Bonds:</u>		
\$9,255,000 lease revenue bonds, issued November 23, 2010 payable in various annual installments ranging from \$230,000 to \$590,000, due on October 1, 2011 through 2033, interest payable semi-annually at 2.357% 5.200%	\$ 6,330,000	\$ 240,000
Plus: Premium on issuance	516,849	52,913
Total Lease Revenue Bonds	\$ 6,846,849	\$ 292,913

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities: (Continued)</u>		
<u>General Obligation School Bonds:</u>		
\$5,930,000 School Bonds, 2002, issued November 7, 2002, maturing in various annual installments of \$295,000 to \$300,000 through July 15, 2022, interest payable semi-annually at 2.35%-5.10%	\$ 1,770,000	\$ 295,000
Plus: Premium on issuance	83,097	11,871
\$5,856,256 School Bonds, 2005, issued November 10, 2005, maturing in various annual installments of \$222,289 to \$370,235 through July 15, 2025, interest payable semi-annually at 4.60%-5.10%	2,997,025	298,009
Plus: Premium on issuance	68,675	14,178
\$10,000,000 School Bonds, 2011, issued June 28, 2011, maturing in various annual installments of \$186,000 to \$784,600, due on June 1, 2013 through June 1, 2027, interest payable semi-annually at 4.50%. However, the bonds were issued as qualified tax credit bonds allowing a direct payment of a refundable credit to the issuer, which will completely offset interest payments.	7,652,000	677,000
\$13,325,000 School Bonds, 2011B, issued November 9, 2011, maturing in various annual installments of \$320,000 to \$985,000, due on July 15, 2012 through July 15, 2031, interest payable semi-annually at 2.05%-5.05%	11,155,000	520,000
Plus: Premium on issuance	700,224	86,315
Total General Obligation School Bonds	\$ 24,426,021	\$ 1,902,373
<u>Net pension liability (payable from general fund)</u>	\$ 2,157,963	\$ -
<u>Compensated absences (payable from general fund)</u>	\$ 619,097	\$ 61,910
Total long-term obligations from governmental activities	\$ 34,049,930	\$ 2,257,196

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Business-type Activities:</u>		
<u>Revenue bonds:</u>		
\$1,268,000 Water System Revenue Bonds authorized April 16, 1998, due in monthly installments of \$5,822 including interest at 4.5%, beginning March 31, 2000 through 2038	\$ 935,531	\$ 28,347
Total Revenue Bonds	\$ 935,531	\$ 28,347
<u>Revolving loans:</u>		
\$1,056,863 VRA revolving fund loan originated October 30, 2004. The loan is due in semi-annual installments of \$20,729 including interest at 1%, beginning March 1, 2005 through 2034	\$ 646,659	\$ 35,079
\$1,171,700 Rural Development loan originated in 2007, due in monthly installments of \$5,097 including interest at 4.125%, beginning October 13, 2007 through 2044	983,155	20,944
\$5,000,000 Rural Development loan originated July 25, 2011, due in monthly installments of \$16,700 including interest at 2.375%, beginning August 25, 2013 through 2051. Interest only payments due July 25, 2012 and July 25, 2013. The interest only payments included principal components.	4,665,276	90,582
\$4,718,000 Rural Development loan originated January 6, 2015, due in monthly installments of \$15,098 including interest at 2.125%, beginning February 6, 2017. Interest only payments are due January 6, 2016 and January 6, 2017. The IDA has pledged availability fees of up to \$256,068 annually or \$21,339 monthly as security for the loan.	4,683,859	82,437
Total Revolving Loans	\$ 10,978,949	\$ 229,042
<u>Net pension liability</u>	\$ 243,515	\$ -
<u>Compensated absences</u>	\$ 56,710	\$ 5,671
Total long-term obligations from business-type activities	\$ 12,214,705	\$ 263,060

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Component Unit School Board:</u>		
<u>Energy improvement lease:</u>		
\$1,596,421 equipment lease/purchase agreement for energy improvements dated September 5, 2012. The lease is to be repaid in annual installments ranging from \$102,491 on September 5, 2013 to \$170,261 on September 5, 2027. Interest is charged at a rate of 2.75%	\$ 1,328,483	\$ 81,979
<u>Net pension liability</u>	\$ 19,721,293	\$ -
<u>Compensated absences (payable from school operating fund)</u>	\$ 570,169	\$ 57,017
Total long-term obligations from component unit school board	\$ 21,619,945	\$ 138,996
Total long-term obligations	<u>\$ 67,884,580</u>	<u>\$ 2,659,252</u>

The County entered into an agreement with the Buckingham Industrial Development Authority (IDA) in 2013 pledged as security for the USDA Rural Development loan for construction of the new sewer plant. The IDA has agreed to pay an availability fee up to \$256,068 annually or \$21,339 per month to help fund loan payments. The first payment will be due when the 1st installment is made on the loan or the new sewer plant becomes operational, whichever occurs first. In fiscal year 2017, the County made payments of \$75,490 for debt service (principal payments of \$31,669 and interest of \$43,821) to the IDA. However, the debt is reflected on the County's financial statements and not the IDA's.

Note 11—Pension Plan:

Plan Description

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

All full-time, salaried permanent 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.

Note 11—Pension Plan: (Continued)***Plan Description (Continued)***

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. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</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. Employees are eligible for 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>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members")</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.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—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.</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 BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—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. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees are paying the full 5% as of July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p>Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees are paying the full 5% as of July 1, 2016.</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>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—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 Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—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 Contributions Component:</u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	<p>Vesting (Cont.) <u>Defined Contributions Component: (Cont.)</u> Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <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>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Calculating the Benefit (Cont.) 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 (Cont.)</p>	<p>Calculating the Benefit (Cont.) <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>
<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 <u>Defined Benefit Component:</u> 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>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<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 <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</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 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>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility (Cont.)</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>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>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>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>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—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:</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. • 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:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<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>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</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>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p>Disability Coverage Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<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. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</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. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost. <p><u>Defined Contribution Component:</u> Not applicable.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Pension Plan Data (Continued)

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2016 Comprehensive Annual Financial Report (CAFR). A copy of the 2016 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2016-annual-report-pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500

Employees Covered by Benefit Terms

As of the June 30, 2015 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	49	44
Inactive members:		
Vested inactive members	11	11
Non-vested inactive members	15	16
Inactive members active elsewhere in VRS	37	25
Total inactive members	63	52
Active members	92	53
Total covered employees	204	149

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 contribution rate for the year ended June 30, 2017 was 9.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

Note 11—Pension Plan: (Continued)

Contributions (Continued)

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 \$366,096 and \$469,307 for the years ended June 30, 2017 and June 30, 2016, respectively.

The Component Unit School Board’s contractually required contribution rate for nonprofessional employees for the year ended June 30, 2017 was 4.77% 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 \$36,777 and \$69,623 for the years ended June 30, 2017 and June 30, 2016, respectively.

Net Pension Liability (Asset)

The County’s and Component Unit School Board’s (nonprofessional) net pension liabilities were measured as of June 30, 2016. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2015, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2016.

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, 2014, 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, 2015.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: 14% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2015, 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, 2016.

Inflation	2.5%
Salary increases, including inflation	3.5% - 4.75%
Investment rate of return	7.0%, net of pension plan investment expense, 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: 60% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees: (Continued)

All Others (Non 10 Largest) - Non-LEOS:

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 2 years

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, 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, 2018 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.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2015	\$ 17,111,227	\$ 15,078,342	\$ 2,032,885
Changes for the year:			
Service cost	\$ 458,107	\$ -	\$ 458,107
Interest	1,179,405	-	1,179,405
Differences between expected and actual experience	(335,084)	-	(335,084)
Contributions - employer	-	468,270	(468,270)
Contributions - employee	-	202,312	(202,312)
Net investment income	-	272,613	(272,613)
Benefit payments, including refunds of employee contributions	(525,169)	(525,169)	-
Administrative expenses	-	(9,247)	9,247
Other changes	-	(113)	113
Net changes	\$ 777,259	\$ 408,666	\$ 368,593
Balances at June 30, 2016	\$ 17,888,486	\$ 15,487,008	\$ 2,401,478

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Changes in Net Pension Liability (Asset) (Continued)

	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, 2015	\$ 3,125,005	\$ 3,149,738	\$ (24,733)
Changes for the year:			
Service cost	\$ 82,952	\$ -	\$ 82,952
Interest	213,652	-	213,652
Differences between expected and actual experience	(52,634)	-	(52,634)
Contributions - employer	-	68,989	(68,989)
Contributions - employee	-	41,524	(41,524)
Net investment income	-	55,416	(55,416)
Benefit payments, including refunds of employee contributions	(145,680)	(145,680)	-
Administrative expenses	-	(1,962)	1,962
Other changes	-	(23)	23
Net changes	\$ 98,290	\$ 18,264	\$ 80,026
Balances at June 30, 2016	\$ 3,223,295	\$ 3,168,002	\$ 55,293

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 Rate (7.00%)	1% Increase (8.00%)
County's Net Pension Liability (Asset)	\$ 4,694,995	\$ 2,401,478	\$ 500,057
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 444,485	\$ 55,293	\$ (269,717)

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

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

For the year ended June 30, 2017, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$320,719 and (\$10,497), respectively. At June 30, 2017, 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	\$ 22,186	\$ 251,313	\$ -	\$ 45,269
Net difference between projected and actual earnings on pension plan investments	402,381	-	81,511	-
Change in proportionate share	3,735	3,735		
Employer contributions subsequent to the measurement date	366,096	-	36,777	-
Total	\$ 794,398	\$ 255,048	\$ 118,288	\$ 45,269

\$366,096 and \$36,777 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability or addition to the Net Pension Asset in the fiscal year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2018	\$ (63,595)	\$ (32,543)
2019	(63,596)	(11,254)
2020	142,920	47,285
2021	157,525	32,754
2022	-	-
Thereafter	-	-

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

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 options provided to school divisions 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.

Each School Division's contractually required contribution rate for the year ended June 30, 2017 was 14.66% 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 an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarial rate for the Teacher Retirement Plan was 16.32%. 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. Based on the provisions of §51.1-145 of the Code of Virginia, as amended the contributions were funded at 89.84% of the actuarial rate for the year ended June 30, 2017. Contributions to the pension plan from the School Board were \$1,465,897 and \$1,485,652 for the years ended June 30, 2017 and June 30, 2016, respectively.

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

At June 30, 2017, the school division reported a liability of \$19,666,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2016 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, 2016 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2016, the school division's proportion was .14033% as compared to .13779% at June 30, 2015.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2017, the school division recognized pension expense of \$1,827,000. 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, 2017, 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	\$ -	\$ 637,000
Net difference between projected and actual earnings on pension plan investments	1,123,000	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	780,000	401,000
Employer contributions subsequent to the measurement date	<u>1,465,897</u>	<u>-</u>
Total	<u>\$ 3,368,897</u>	<u>\$ 1,038,000</u>

\$1,465,897 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2018. 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>	
2018	\$ 5,000
2019	5,000
2020	542,000
2021	327,000
Thereafter	(14,000)

Note 11—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, 2015, 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, 2016.

Inflation	2.5%
Salary increases, including inflation	3.5% - 5.95%
Investment rate of return	7.0%, net of pension plan investment expense, 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-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females set back 5 years
- Post-Retirement:
RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 3 years
- Post-Disablement:
RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability
- Reduce rates of salary increase by 0.25% per year

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, 2016, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$ 44,182,326
Plan Fiduciary Net Position	<u>30,168,211</u>
Employers' Net Pension Liability	<u>\$ 14,014,115</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.28%

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.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (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:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		*Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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, 2018, 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, 2018 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.

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		
		(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan				
Net Pension Liability (Asset)	\$	28,034,000	\$ 19,666,000	\$ 12,773,000

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2016 Comprehensive Annual Financial Report (CAFR). A copy of the 2016 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2016-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements As of June 30, 2017 (Continued)

Note 12—Commitments and Contingencies:

Federal programs in which the County and its component unit participate were audited in accordance with the provisions of Uniform Guidance. 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, future disallowances of current grant program expenditures, if any, would be immaterial.

The Board of Supervisors has authorized wastewater upgrades for Buckingham County. The estimated cost of this project is \$9,052,000. The project will be funded primarily with loans and grants through the Rural Development division of the U.S. Department of Agriculture. A grant of \$4,334,000 and loan of \$4,718,000 have been awarded to the County for this project. All loan funds have been drawn down as of year-end. Engineering work on the new sewer plant began in fiscal year 2011 and construction is underway.

At June 30, 2017, the County had several major projects underway, which are presented in the financial statements as construction in progress. Presented is a list of major projects, contract amounts, expenditures to date, and balances of contracts remaining:

Project	Contract Amount	Expenditures to Date	Balance of Contract
Various water and sewer engineering and design work	\$ 1,226,012	\$ 1,060,647	\$ 165,365
Wastewater treatment plant expansion	7,655,590	7,386,772	268,818

Note 13—Surety Bonds:

	Amount
Fidelity and Deposit Company of Maryland - Surety Management - Faithful Performance of Duty Bond:	
Malcolm A. Booker, Jr., Clerk of the Circuit Court	\$ 330,000
Christy L. Christian, Treasurer	400,000
Stephanie D. Love, Commissioner of the Revenue	3,000
William G. Kidd, Jr., Sheriff	30,000
Virginia Association of Counties Group Self-Insurance Risk Pool:	
County Employees - blanket bond	250,000
School Employees - blanket bond	250,000
Commonwealth of Va Division of Risk Management (VaRISK 2)	
Social Services Employees - blanket bond	1,000,000
Western Surety Company - Surety:	
Social Services Employees - blanket bond	100,000
Western Surety Company - Surety:	
Christy L. Christian, Treasurer	20,000

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 14—Landfill Closure and Postclosure Care Cost:

The County of Buckingham, Virginia owns a landfill in which contaminated material was found. The Environmental Protection Agency (EPA) classified the site as hazardous and negotiated the remedial action required for the closure of the site. The County and private parties, who contributed to the waste at the site were involved in the closure. The closure of the landfill has now been completed with oversight of the EPA. Under the closure plan, continuing monitoring and evaluation of the site is required. The County's responsibility under the monitoring and evaluation is met by performing in-kind services. The County's financial obligation for the landfill as a hazardous waste site has been met. The County at this time does not have an operating landfill. The County hauls waste to other surrounding localities.

As of December 2017, Buckingham County has a demand from the Environmental Protection Agency (EPA) for a claim of approximately \$5,000,000. This is a claim related to costs associated with the Love Landfill "Superfund" site for monitoring and over site. The County has entered into discussion with EPA requesting a reduction or abatement of that amount based on the demand and an ability to pay. That dialogue is ongoing, but the exact amount that may be owed is not known.

Note 15—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 losses. For the previous three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 16—Litigation:

At June 30, 2017, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable. However, as mentioned in Note 14, there is a demand from the EPA for \$5,000,000, but the County is currently negotiating a reduction or abatement of that amount for a payment amount not to exceed \$125,000.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements As of June 30, 2017 (Continued)

Note 17—Expenditures and Appropriations:

Expenditures exceeded appropriations in the following functions of the General Fund: Public Safety (\$32,496), Public Works (\$118,214), and Parks, Recreation, and Cultural (\$37,756). However, all disbursements were approved in accordance with operating policies.

Note 18—Interfund Transfers:

Interfund transfers for the year ended June 30, 2017 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
Governmental Activities:			
General Fund	\$ 75,000	\$ 3,323,506	\$ (3,248,506)
VPA Fund	268,613	-	268,613
Debt Service Fund	3,054,893	-	3,054,893
Total interfund transfers	<u>\$ 3,398,506</u>	<u>\$ 3,323,506</u>	<u>\$ 75,000</u>
Business-type Activities:			
Water Fund	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ (75,000)</u>
Net interfund transfers			<u>\$ -</u>

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

Note 19—Other Postemployment Benefits-Health Insurance:

The County offers postemployment medical coverage to their retired employees. Retirees and their spouses are permitted to remain on the respective County plan until they are eligible for Medicare benefits. Premiums are paid by the retirees. At June 30, 2017, the County has elected not to obtain an actuarial valuation to determine liability for this benefit in accordance with the financial reporting requirements of GASB 45. Any liability at June 30, 2017 is not believed to be material to the financial statements. The School Board had one participant on its plan during the year but none at year-end and the benefit is no longer offered so there is minimal impact to the financial statements.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 20—Other Postemployment Benefits—VRS Health Insurance Credit:

A. Plan Description

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

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

Benefit provisions and eligibility requirements are established by Title 51.1, Chapter 14 of the Code of Virginia. The VRS actuarially determines the amount necessary to fund all credits provided, reflects the cost of such credits in the applicable employer contribution rate pursuant to §51.1-145, and prescribes such terms and conditions as are necessary to carry out the provisions of the health insurance credit program. VRS issues separate financial statements as previously discussed in Note 11.

B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.07% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2017, 2016, and 2015 were \$112,515, \$113,455, and \$108,651, respectively and equaled the required contributions for each year.

Note 21—Operating Leases:

The County leases the newly renovated County Administration building to the Departments of Health and Social Services. In fiscal year 2013, the Health Department entered into a 15 year lease with the County and future payments are as follows:

<u>Year Ending June 30,</u>	<u>Health Dept</u>	<u>DSS</u>
2018	\$ 50,000	\$ 29,052
2019	50,000	29,052
2020	50,000	24,210
2021	50,000	-
2022	50,000	-
2022-2026	250,000	-
2027-2028	41,666	-
Total	<u>\$ 541,666</u>	<u>\$ 82,314</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2017 (Continued)

Note 21—Operating Leases: (Continued)

In addition, the County rents land from a private individual under a 20 year lease. Payments under the lease are due as follows:

<u>Year Ending June 30,</u>	<u>Land</u>
2018	\$ 7,200
2019	7,200
2020	7,200
2021	7,200
2022	7,200
2023-2027	37,044
2028-2032	37,080
2033	1,236
Total	<u>\$ 111,360</u>

Note 22—Governor's Agriculture & Forestry Industries Development:

The County was awarded a grant of \$150,000 from the Governor's Agriculture & Forestry Industries Development Fund through the Va Dept of Agriculture & Consumer Services for inducing Rock Wood Products of Dillwyn, Inc. to construct an agriculture &/or forestry processing/ value-added facility using Virginia-grown products in the County, thereby making a significant Capital Investment, creating a significant number of New Jobs, and purchasing a significant amount of Virginia-grown agriculture & forestall products.

The construction and operation of the Facility will

- entail a capital expenditure of approximately \$8,750,000, of which approximately \$4,250,000 will be invested in the construction of a new building & approximately \$4,500,000 will be invested in machinery and equipment.
- entail the creation of 12 new jobs at the facility.
- lead to the purchase of Virginia-grown agricultural and forestall products in the following amount: \$3,646,000 or 9,500,000 board feet of net new purchases of Virginia-grown timber over the performance period.

Grant funds of \$150,000 were paid from the County to the IDA to be paid to Rock Wood Products. An estimated \$9,600 is to be provided from the Commonwealth for the Virginia Jobs Investment Program. As matching grants, the County expects to provide tax abatements of \$150,000.

If the Company is unlikely to meet and maintain at least 50% of targets by and through the performance date, and if the Company has been promptly notified of such determination, the entire grant must be repaid by the Company to the Authority.

Note 22—Governor’s Agriculture & Forestry Industries Development: (Continued)

For purposes of repayment, the grant is to be allocated as \$50,000 (33%) for the Company’s Capital Investment Target, \$50,000 (33%) for its new jobs, and \$50,000 for its purchase of Virginia-grown agricultural and forestall products. If the Company has met at least 90% of each of the targets at the performance date, the Company is no longer obligated to repay any portion of the grant. If the Company has not met 90%, the Company shall repay a proportional share.

1. Repayment shall be due from the Company to the IDA within 30 days of the Performance Date or the Determination Date, as applicable.
2. Progress reports are due annually, starting February 28, 2018 and at such other times the County, IDA, or VDACS may reasonably require. The first progress report will cover from 10/27/16 to 1/31/18, the 2nd will cover 2/1/18 to 1/31/19, and the 3rd and final will cover 2/1/19 to 1/31/20.

Note 23—Upcoming Pronouncements:

Statement No. 81, *Irrevocable Split-Interest Agreements*, improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

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.

Note 23—Upcoming Pronouncements: (Continued)

Statement No. 86, Certain Debt Extinguishment Issues, improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

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.

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

Note 24—Subsequent Events:

In August 2017, the BOS accepted a bid of \$234,593 for the purchase of a 2018 Solid Waste truck.

In November 2017, the County refunded courthouse debt. Based on market rates as of November 1, 2017, the refunding generated net present value savings of \$543,588 (10.3% of refunded principal), and there are positive savings in every year through the final maturity. The annual debt service savings range from \$20,840.35 to \$47,992.49 through the final maturity of the loan.

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.

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
General property taxes	\$ 14,840,976	\$ 14,840,976	\$ 15,179,208	\$ 338,232
Other local taxes	1,577,500	1,577,500	1,544,266	(33,234)
Permits, privilege fees, and regulatory licenses	63,600	63,600	80,714	17,114
Fines and forfeitures	48,100	48,100	34,051	(14,049)
Revenue from the use of money and property	128,500	128,500	97,114	(31,386)
Charges for services	66,216	66,216	83,184	16,968
Miscellaneous	40,000	40,000	37,252	(2,748)
Intergovernmental:				
Commonwealth	4,420,043	4,667,400	4,578,256	(89,144)
Federal	-	281,599	354,131	72,532
Total revenues	<u>\$ 21,184,935</u>	<u>\$ 21,713,891</u>	<u>\$ 21,988,176</u>	<u>\$ 274,285</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,339,987	\$ 1,396,844	\$ 1,368,455	\$ 28,389
Judicial administration	778,066	872,095	832,656	39,439
Public safety	3,395,539	3,463,268	3,495,764	(32,496)
Public works	1,464,036	1,470,195	1,588,409	(118,214)
Health and welfare	1,798,942	1,799,192	1,785,858	13,334
Education	7,047,574	7,367,747	6,955,975	411,772
Parks, recreation, and cultural	345,801	347,553	385,309	(37,756)
Community development	221,567	372,710	360,841	11,869
Nondepartmental	314,000	232,000	136,847	95,153
Capital projects	-	243,460	243,459	1
Total expenditures	<u>\$ 16,705,512</u>	<u>\$ 17,565,064</u>	<u>\$ 17,153,573</u>	<u>\$ 411,491</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,479,423</u>	<u>\$ 4,148,827</u>	<u>\$ 4,834,603</u>	<u>\$ 685,776</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Transfers out	(3,424,543)	(3,432,302)	(3,323,506)	108,796
Total other financing sources (uses)	<u>\$ (3,349,543)</u>	<u>\$ (3,357,302)</u>	<u>\$ (3,248,506)</u>	<u>\$ 108,796</u>
Net change in fund balance	\$ 1,129,880	\$ 791,525	\$ 1,586,097	\$ 794,572
Fund balance - beginning	(1,146,517)	(808,162)	8,189,437	8,997,599
Fund balance - ending	<u>\$ (16,637)</u>	<u>\$ (16,637)</u>	<u>\$ 9,775,534</u>	<u>\$ 9,792,171</u>

Virginia Public Assistance Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 3,803	\$ (6,197)
Intergovernmental:				
Commonwealth	494,776	498,382	470,811	(27,571)
Federal	859,699	868,310	941,668	73,358
Total revenues	<u>\$ 1,364,475</u>	<u>\$ 1,376,692</u>	<u>\$ 1,416,282</u>	<u>\$ 39,590</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 1,731,847	\$ 1,751,823	\$ 1,684,895	\$ 66,928
Total expenditures	<u>\$ 1,731,847</u>	<u>\$ 1,751,823</u>	<u>\$ 1,684,895</u>	<u>\$ 66,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (367,372)</u>	<u>\$ (375,131)</u>	<u>\$ (268,613)</u>	<u>\$ 106,518</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 367,372	\$ 375,131	\$ 268,613	\$ (106,518)
Total other financing sources (uses)	<u>\$ 367,372</u>	<u>\$ 375,131</u>	<u>\$ 268,613</u>	<u>\$ (106,518)</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule Changes in Net Pension Liability and Related Ratios
Primary Government
For the Years Ended June 30, 2015 through June 30, 2017

	2016	2015	2014
Total pension liability			
Service cost	\$ 458,107	\$ 464,384	\$ 460,562
Interest	1,179,405	1,102,964	1,033,309
Differences between expected and actual experience	(335,084)	43,830	-
Benefit payments, including refunds of employee contributions	(525,169)	(513,164)	(484,431)
Net change in total pension liability	\$ 777,259	\$ 1,098,014	\$ 1,009,440
Total pension liability - beginning	17,111,227	16,013,213	15,003,773
Total pension liability - ending (a)	\$ 17,888,486	\$ 17,111,227	\$ 16,013,213
Plan fiduciary net position			
Contributions - employer	\$ 468,270	\$ 455,429	\$ 502,256
Contributions - employee	202,312	197,041	210,098
Net investment income	272,613	661,502	1,940,568
Benefit payments, including refunds of employee contributions	(525,169)	(513,164)	(484,431)
Administrative expense	(9,247)	(8,779)	(10,150)
Other	(113)	(141)	102
Net change in plan fiduciary net position	\$ 408,666	\$ 791,888	\$ 2,158,443
Plan fiduciary net position - beginning	15,078,342	14,286,454	12,128,011
Plan fiduciary net position - ending (b)	\$ 15,487,008	\$ 15,078,342	\$ 14,286,454
County's net pension liability - ending (a) - (b)	\$ 2,401,478	\$ 2,032,885	\$ 1,726,759
Plan fiduciary net position as a percentage of the total pension liability	86.58%	88.12%	89.22%
Covered payroll	\$ 4,066,784	\$ 3,950,804	\$ 3,874,861
County's net pension liability as a percentage of covered payroll	59.05%	51.45%	44.56%

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.

Schedule Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Years Ended June 30, 2015 through June 30, 2017

	2016	2015	2014
Total pension liability			
Service cost	\$ 82,952	\$ 88,072	\$ 89,530
Interest	213,652	207,919	198,288
Differences between expected and actual experience	(52,634)	(70,545)	-
Benefit payments, including refunds of employee contributions	(145,680)	(141,428)	(159,042)
Net change in total pension liability	\$ 98,290	\$ 84,018	\$ 128,776
Total pension liability - beginning	3,125,005	3,040,987	2,912,211
Total pension liability - ending (a)	\$ 3,223,295	\$ 3,125,005	\$ 3,040,987
Plan fiduciary net position			
Contributions - employer	\$ 68,989	\$ 66,646	\$ 68,290
Contributions - employee	41,524	40,260	39,920
Net investment income	55,416	139,344	418,583
Benefit payments, including refunds of employee contributions	(145,680)	(141,428)	(159,042)
Administrative expense	(1,962)	(1,915)	(2,281)
Other	(23)	(29)	22
Net change in plan fiduciary net position	\$ 18,264	\$ 102,878	\$ 365,492
Plan fiduciary net position - beginning	3,149,738	3,046,860	2,681,368
Plan fiduciary net position - ending (b)	\$ 3,168,002	\$ 3,149,738	\$ 3,046,860
School Division's net pension liability (asset) - ending (a) - (b)	\$ 55,293	\$ (24,733)	\$ (5,873)
Plan fiduciary net position as a percentage of the total pension liability	98.28%	100.79%	100.19%
Covered payroll	\$ 844,944	\$ 814,326	\$ 799,196
School Division's net pension liability (asset) as a percentage of covered payroll	6.54%	-3.04%	-0.73%

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.

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Years Ended June 30, 2015 through June 30, 2017

	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.14033%	0.13779%	0.14235%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,666,000	\$ 17,343,000	\$ 17,202,000
Employer's Covered Payroll	9,980,456	10,294,522	10,268,842
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	197.05%	168.47%	167.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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.

Schedule of Employer Contributions

For the Years Ended June 30, 2008 through June 30, 2017

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2017	\$ 366,096	\$ 366,096	\$ -	\$ 4,093,208	8.94%
2016	469,307	469,307	-	4,066,784	11.54%
2015	455,923	455,923	-	3,950,804	11.54%
2014	502,569	502,569	-	3,874,861	12.97%
2013	486,908	486,908	-	3,754,106	12.97%
2012	361,872	361,872	-	3,423,572	10.57%
2011	349,819	349,819	-	3,309,545	10.57%
2010	270,535	270,535	-	3,243,826	8.34%
2009	276,827	276,827	-	3,319,265	8.34%
2008	205,399	205,399	-	3,150,292	6.52%
Component Unit School Board (nonprofessional)					
2017	\$ 36,777	\$ 36,777	\$ -	\$ 843,268	4.36%
2016	69,623	69,623	-	844,944	8.24%
2015	67,100	67,100	-	814,326	8.24%
2014	68,331	68,331	-	799,196	8.55%
2013	64,905	64,905	-	759,122	8.55%
2012	48,989	48,989	-	796,563	6.15%
2011	53,330	53,330	-	867,158	6.15%
2010	57,957	57,957	-	911,266	6.36%
2009	59,239	59,239	-	931,430	6.36%
2008	46,216	46,216	-	913,368	5.06%
Component Unit School Board (professional)					
2017	\$ 1,465,897	\$ 1,465,897	\$ -	\$ 10,667,516	13.74%
2016	1,485,652	1,485,652	-	9,980,456	14.89%
2015	1,448,771	1,448,771	-	10,294,522	14.07%
2014	1,197,347	1,197,347	-	10,268,842	11.66%
2013	1,101,172	1,101,172	-	9,444,014	11.66%
2012	645,888	645,888	-	10,203,602	6.33%
2011	413,912	413,912	-	10,532,112	3.93%
2010	722,889	722,889	-	10,913,067	6.62%
2009	961,488	961,488	-	10,913,598	8.81%
2008	1,091,967	1,091,967	-	10,601,621	10.30%

Notes to Required Supplementary Information
For the Year Ended June 30, 2017

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, 2016 is not material.

Changes of assumptions - The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

Largest 10 - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) - LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability

Component Unit School Board - Professional Employees

- Update mortality table
- Adjustments to the rates of service retirement
- Decrease in rates of withdrawals for 3 through 9 years of service
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Financial Statements and Schedules

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Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2017

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
Federal	\$ 420,000	\$ 420,000	\$ 422,278	\$ 2,278
Total revenues	\$ 420,000	\$ 420,000	\$ 422,278	\$ 2,278
EXPENDITURES				
Debt service:				
Principal retirement	\$ 1,949,502	\$ 1,949,502	\$ 1,949,502	\$ -
Interest and other fiscal charges	1,527,669	1,527,669	1,527,669	-
Total expenditures	\$ 3,477,171	\$ 3,477,171	\$ 3,477,171	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ (3,057,171)	\$ (3,057,171)	\$ (3,054,893)	\$ 2,278
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,057,171	\$ 3,057,171	\$ 3,054,893	\$ (2,278)
Total other financing sources (uses)	\$ 3,057,171	\$ 3,057,171	\$ 3,054,893	\$ (2,278)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

County Capital Improvements Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	42,028	42,028
Fund balance - ending	\$ -	\$ -	\$ 42,028	\$ 42,028

Debt Financed School Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 748	\$ 748
Total revenues	\$ -	\$ -	\$ 748	\$ 748
Net change in fund balance	\$ -	\$ -	\$ 748	\$ 748
Fund balance - beginning	-	-	104,533	104,533
Fund balance - ending	\$ -	\$ -	\$ 105,281	\$ 105,281

Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2017

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 40,279	\$ 6,294	\$ 1,190	\$ 45,383
Total assets	<u>\$ 40,279</u>	<u>\$ 6,294</u>	<u>\$ 1,190</u>	<u>\$ 45,383</u>
LIABILITIES				
Amounts held for social services clients	\$ 40,279	\$ 6,294	\$ 1,190	\$ 45,383
Total liabilities	<u>\$ 40,279</u>	<u>\$ 6,294</u>	<u>\$ 1,190</u>	<u>\$ 45,383</u>

Discretely Presented Component Unit-School Board

Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2017

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 794,102	\$ 237,284	\$ 1,031,386
Receivables (net of allowance for uncollectibles):			
Accounts receivable	18,680	-	18,680
Due from other governmental units	716,989	13,411	730,400
Total assets	<u>\$ 1,529,771</u>	<u>\$ 250,695</u>	<u>\$ 1,780,466</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 105,815	\$ -	\$ 105,815
Accrued liabilities	794,102	31,425	825,527
Due to primary government	629,854	-	629,854
Total liabilities	<u>\$ 1,529,771</u>	<u>\$ 31,425</u>	<u>\$ 1,561,196</u>
Fund balances:			
Committed:			
Cafeteria operations	\$ -	\$ 219,270	\$ 219,270
Total fund balances	<u>\$ -</u>	<u>\$ 219,270</u>	<u>\$ 219,270</u>
Total liabilities and fund balances	<u>\$ 1,529,771</u>	<u>\$ 250,695</u>	<u>\$ 1,780,466</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above			\$ 219,270
Pension contributions subsequent to the measurement date will be a reduction to or increase in net pension liability or asset in the next fiscal year, and therefore, are not reported in the funds. Deferred outflows also include the change in proportion.			1,502,674
Items related to measurement of the net pension liability (asset) are considered deferred inflows and will be amortized and recognized in pension expense over future years.			
Deferred outflows of resources		\$ 1,984,511	
Deferred inflows of resources		<u>(1,083,269)</u>	901,242
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land		\$ 257,165	
Buildings and improvements		6,078,562	
Improvements other than buildings		141,345	
Machinery, equipment, and vehicles		2,489,088	
Jointly owned assets		<u>8,222,771</u>	17,188,931
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			
Energy improvement lease		\$ (1,328,483)	
Compensated absences		(570,169)	
Net pension liability (asset)		(19,721,293)	
Accrued interest payable		<u>(28,922)</u>	(21,648,867)
Net position of governmental activities			<u>\$ (1,836,750)</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2017

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 4,034	\$ -	\$ 4,034
Charges for services	6,400	194,269	200,669
Miscellaneous	249,959	-	249,959
Intergovernmental:			
Local government	6,843,608	70,000	6,913,608
Commonwealth	13,130,949	39,393	13,170,342
Federal	1,993,149	950,623	2,943,772
Total revenues	<u>\$ 22,228,099</u>	<u>\$ 1,254,285</u>	<u>\$ 23,482,384</u>
EXPENDITURES			
Current:			
Education	\$ 22,113,811	\$ 1,126,622	\$ 23,240,433
Debt service:			
Principal retirement	75,674	-	75,674
Interest and other fiscal charges	38,614	-	38,614
Total expenditures	<u>\$ 22,228,099</u>	<u>\$ 1,126,622</u>	<u>\$ 23,354,721</u>
Net change in fund balances	\$ -	\$ 127,663	\$ 127,663
Fund balances - beginning	-	91,607	91,607
Fund balances - ending	<u>\$ -</u>	<u>\$ 219,270</u>	<u>\$ 219,270</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 \$ 127,663

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 (did not exceed) depreciation in the current period.

Capital asset additions	\$ 232,126	
Depreciation in current year	(1,015,132)	
Adjustment for jointly owned assets	<u>1,120,383</u>	337,377

The change in deferred inflows related to the measurement of the net pension liability (asset) is not reported in governmental funds. 858,001

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. It represents principal payments on the energy improvement lease. 75,674

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 details of changes in the following items which comprise this adjustment are:

Compensated absences	\$ (7,265)	
Net pension asset	(24,733)	
Net pension liability	(2,378,293)	
Deferred outflows - pension related items	1,235,910	
Accrued interest payable	<u>1,648</u>	(1,172,733)

Change in net position of governmental activities \$ 225,982

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2017

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 3,500	\$ 3,500	\$ 4,034	\$ 534
Charges for services	11,000	11,000	6,400	(4,600)
Miscellaneous	370,760	402,584	249,959	(152,625)
Intergovernmental:				
Local government	6,997,207	7,247,380	6,843,608	(403,772)
Commonwealth	13,353,012	13,172,065	13,130,949	(41,116)
Federal	1,911,567	2,443,449	1,993,149	(450,300)
Total revenues	<u>\$ 22,647,046</u>	<u>\$ 23,279,978</u>	<u>\$ 22,228,099</u>	<u>\$ (1,051,879)</u>
EXPENDITURES				
Current:				
Education	\$ 22,532,758	\$ 23,165,690	\$ 22,113,811	\$ 1,051,879
Debt service:				
Principal retirement	75,674	75,674	75,674	-
Interest and other fiscal charges	38,614	38,614	38,614	-
Total expenditures	<u>\$ 22,647,046</u>	<u>\$ 23,279,978</u>	<u>\$ 22,228,099</u>	<u>\$ 1,051,879</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 24

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
207,000	207,000	194,269	(12,731)
-	-	-	-
-	70,000	70,000	-
27,426	38,830	39,393	563
892,514	797,748	950,623	152,875
<u>\$ 1,126,940</u>	<u>\$ 1,113,578</u>	<u>\$ 1,254,285</u>	<u>\$ 140,707</u>
\$ 1,186,940	\$ 1,205,185	\$ 1,126,622	\$ 78,563
-	-	-	-
-	-	-	-
<u>\$ 1,186,940</u>	<u>\$ 1,205,185</u>	<u>\$ 1,126,622</u>	<u>\$ 78,563</u>
\$ (60,000)	\$ (91,607)	\$ 127,663	\$ 219,270
60,000	91,607	91,607	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,270</u>	<u>\$ 219,270</u>

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Discretely Presented Component Unit-Industrial Development Authority

Statement of Net Position

Discretely Presented Component Unit - Industrial Development Authority

June 30, 2017

ASSETS

Current assets:

Cash and cash equivalents

\$ 100

Total assets

\$ 100

NET POSITION

Unrestricted (deficit)

\$ 100

Total net position

\$ 100

Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2017

OPERATING REVENUES

Economic Incentive Funds from Buckingham County	\$	150,000
Other revenues		110
Total operating revenues	\$	<u>150,110</u>

OPERATING EXPENSES

Economic Development Incentives	\$	150,000
Other charges		10
Total operating expenses	\$	<u>150,010</u>

Operating income (loss)	\$	<u>100</u>
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Total net position - beginning		-
Total net position - ending	\$	<u><u>100</u></u>

Statement of Cash Flows

Discretely Presented Component Unit - Industrial Development Authority

For the Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Buckingham County	\$	150,110
Payments to Rock Wood		(150,010)
Net cash provided by (used for) operating activities	\$	<u>100</u>
Net increase (decrease) in cash and cash equivalents	\$	100
Cash and cash equivalents - beginning		-
Cash and cash equivalents - ending	\$	<u><u>100</u></u>

Supporting Schedules

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2017

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 7,990,000	\$ 7,990,000	\$ 7,725,132	\$ (264,868)
Real and personal public service corporation taxes	3,457,976	3,457,976	3,798,408	340,432
Personal property taxes	2,600,000	2,600,000	2,860,183	260,183
Mobile home taxes	60,000	60,000	49,331	(10,669)
Machinery and tools taxes	210,000	210,000	206,659	(3,341)
Merchants' capital taxes	170,000	170,000	191,228	21,228
Aircraft taxes	3,000	3,000	695	(2,305)
Penalties	170,000	170,000	179,778	9,778
Interest	180,000	180,000	167,794	(12,206)
Total general property taxes	<u>\$ 14,840,976</u>	<u>\$ 14,840,976</u>	<u>\$ 15,179,208</u>	<u>\$ 338,232</u>
Other local taxes:				
Local sales and use taxes	\$ 720,000	\$ 720,000	\$ 708,585	\$ (11,415)
Consumers' utility taxes	340,000	340,000	351,477	11,477
Franchise license taxes	70,000	70,000	27,162	(42,838)
Transient occupancy taxes	3,000	3,000	4,282	1,282
Motor vehicle licenses	342,000	342,000	337,829	(4,171)
Bank stock taxes	40,000	40,000	41,588	1,588
Taxes on recordation and wills	62,500	62,500	73,343	10,843
Total other local taxes	<u>\$ 1,577,500</u>	<u>\$ 1,577,500</u>	<u>\$ 1,544,266</u>	<u>\$ (33,234)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 4,000	\$ 4,000	\$ 3,734	\$ (266)
Permits and other licenses	59,600	59,600	76,980	17,380
Total permits, privilege fees, and regulatory licenses	<u>\$ 63,600</u>	<u>\$ 63,600</u>	<u>\$ 80,714</u>	<u>\$ 17,114</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 40,000	\$ 40,000	\$ 22,738	\$ (17,262)
Other fines and forfeitures	8,100	8,100	11,313	3,213
Total fines and forfeitures	<u>\$ 48,100</u>	<u>\$ 48,100</u>	<u>\$ 34,051</u>	<u>\$ (14,049)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 3,500	\$ 3,500	\$ 17,475	\$ 13,975
Revenue from use of property	125,000	125,000	79,639	(45,361)
Total revenue from use of money and property	<u>\$ 128,500</u>	<u>\$ 128,500</u>	<u>\$ 97,114</u>	<u>\$ (31,386)</u>
Charges for services:				
Sheriff's fees	\$ 1,416	\$ 1,416	\$ 1,306	\$ (110)
Charges for law library	2,400	2,400	2,227	(173)
Excess fees of clerk	4,700	4,700	4,353	(347)
Charges for courthouse maintenance	6,500	6,500	5,471	(1,029)
Charges for parks and recreation	-	-	27,777	27,777
Miscellaneous jail and inmate fees	1,000	1,000	1,266	266
Courthouse security fees	30,000	30,000	23,503	(6,497)
Charges for Commonwealth's Attorney	1,200	1,200	1,709	509
Charges for local court appointed attorney	2,000	2,000	820	(1,180)
Charges for sanitation and waste removal	17,000	17,000	14,752	(2,248)
Total charges for services	<u>\$ 66,216</u>	<u>\$ 66,216</u>	<u>\$ 83,184</u>	<u>\$ 16,968</u>

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2017 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 10,170	\$ (19,830)
Service charge on tax exempt properties	10,000	10,000	8,184	(1,816)
Sale of salvage and surplus	-	-	18,420	18,420
Donations, etc (Sheriff)	-	-	478	478
Total miscellaneous	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 37,252</u>	<u>\$ (2,748)</u>
Total revenue from local sources	<u>\$ 16,764,892</u>	<u>\$ 16,764,892</u>	<u>\$ 17,055,789</u>	<u>\$ 290,897</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications taxes	\$ 425,000	\$ 425,000	\$ 399,666	\$ (25,334)
Motor vehicle carriers' tax	12,000	12,000	10,503	(1,497)
Animal friendly plates - DMV	100	100	10	(90)
Mobile home titling tax	32,000	32,000	32,824	824
Grantor's tax on deeds	20,000	20,000	22,144	2,144
Auto rental tax	1,000	1,000	2,019	1,019
Forest product sales	15,000	15,000	17,610	2,610
Personal property tax relief funds	1,136,914	1,136,914	1,136,914	-
Total noncategorical aid	<u>\$ 1,642,014</u>	<u>\$ 1,642,014</u>	<u>\$ 1,621,690</u>	<u>\$ (20,324)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 200,000	\$ 200,000	\$ 202,795	\$ 2,795
Sheriff	800,000	800,000	806,043	6,043
Commissioner of revenue	76,195	76,195	78,077	1,882
Treasurer	81,135	81,135	81,727	592
Registrar/electoral board	40,000	40,000	37,029	(2,971)
Clerk of the Circuit Court	205,000	217,616	205,292	(12,324)
Total shared expenses	<u>\$ 1,402,330</u>	<u>\$ 1,414,946</u>	<u>\$ 1,410,963</u>	<u>\$ (3,983)</u>
Other categorical aid:				
Recordation tax	\$ 16,000	\$ 16,000	\$ 21,670	\$ 5,670
Fire program funds	50,000	50,000	48,897	(1,103)
Forest products sales	-	-	43,768	43,768
Arts grant	5,000	5,000	5,000	-

Schedule of Revenues - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2017 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
4 for life	\$ -	\$ 15,458	\$ 15,458	\$ -
E-911 grants	43,000	43,000	46,340	3,340
Miscellaneous grants	7,155	7,155	-	(7,155)
Comprehensive Services Act program	1,254,544	1,254,544	1,205,459	(49,085)
Victim and witness assistance	-	69,283	8,828	(60,455)
Governor's Agriculture Funds	-	150,000	150,000	-
Asset forfeiture DCJS	-	-	183	183
Total other categorical aid	\$ 1,375,699	\$ 1,610,440	\$ 1,545,603	\$ (64,837)
Total categorical aid	\$ 2,778,029	\$ 3,025,386	\$ 2,956,566	\$ (68,820)
Total revenue from the Commonwealth	\$ 4,420,043	\$ 4,667,400	\$ 4,578,256	\$ (89,144)
Revenue from the federal government:				
Categorical aid:				
State and community highway safety	\$ -	\$ -	\$ 22,916	\$ 22,916
VDOT transportation enhancement	-	-	206,008	206,008
Local law enforcement block grant	-	-	2,177	2,177
Emergency management grants	-	-	87,636	87,636
Victim Witness	-	-	26,483	26,483
Asset forfeiture funds	-	-	5,413	5,413
Other grants	-	281,599	3,498	(278,101)
Total categorical aid	\$ -	\$ 281,599	\$ 354,131	\$ 72,532
Total revenue from the federal government	\$ -	\$ 281,599	\$ 354,131	\$ 72,532
Total General Fund	\$ 21,184,935	\$ 21,713,891	\$ 21,988,176	\$ 274,285
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ 10,000	\$ 10,000	\$ 3,803	\$ (6,197)
Total revenue from local sources	\$ 10,000	\$ 10,000	\$ 3,803	\$ (6,197)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 494,776	\$ 498,382	\$ 470,811	\$ (27,571)
Total categorical aid	\$ 494,776	\$ 498,382	\$ 470,811	\$ (27,571)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 859,699	\$ 868,310	\$ 941,668	\$ 73,358
Total categorical aid	\$ 859,699	\$ 868,310	\$ 941,668	\$ 73,358
Total Virginia Public Assistance Fund	\$ 1,364,475	\$ 1,376,692	\$ 1,416,282	\$ 39,590

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2017 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Federal tax credit	\$ 420,000	\$ 420,000	\$ 422,278	\$ 2,278
Total revenue from the federal government	\$ 420,000	\$ 420,000	\$ 422,278	\$ 2,278
 Total Debt Service Fund	 \$ 420,000	 \$ 420,000	 \$ 422,278	 \$ 2,278
 Debt Financed School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 748	\$ 748
Total revenue from local sources	\$ -	\$ -	\$ 748	\$ 748
 Total Debt Financed School Capital Projects Fund	 \$ -	 \$ -	 \$ 748	 \$ 748
 Total Primary Government	 \$ 22,969,410	 \$ 23,510,583	 \$ 23,827,484	 \$ 316,901
 Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 3,500	\$ 3,500	\$ 4,034	\$ 534
Charges for services:				
Tuition and other payments	\$ 11,000	\$ 11,000	\$ 6,400	\$ (4,600)
Miscellaneous:				
Other miscellaneous	\$ 370,760	\$ 402,584	\$ 249,959	\$ (152,625)
Total revenue from local sources	\$ 385,260	\$ 417,084	\$ 260,393	\$ (156,691)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2017 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ 6,997,207	\$ 7,247,380	\$ 6,843,608	\$ (403,772)
Total revenues from local governments	\$ 6,997,207	\$ 7,247,380	\$ 6,843,608	\$ (403,772)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,368,690	\$ 2,307,836	\$ 2,313,878	\$ 6,042
Basic school aid	6,186,710	6,259,470	6,262,978	3,508
ISAP	7,859	8,387	8,418	31
Remedial summer education	49,892	50,222	50,222	-
Regular foster care	14,013	13,086	1,788	(11,298)
Gifted and talented	60,146	60,400	60,427	27
Remedial education	348,348	349,815	349,972	157
Compensation Supplement	98,407	-	-	-
Special education- SOQ	890,919	894,670	895,073	403
Textbooks	109,892	21,983	25,845	3,862
Vocational standards of quality payments	219,284	220,207	220,306	99
Social security fringe benefits	380,927	382,531	382,704	173
Retirement fringe benefits	785,662	788,970	789,326	356
Group life fringe benefits	26,314	26,425	26,437	12
Early reading intervention	47,375	45,221	45,221	-
Project Graduation	-	-	6,715	6,715
Homebound education	14,137	10,257	10,256	(1)
Vocational education - equipment	4,895	7,710	4,360	(3,350)
Vocational occupational preparedness	31,759	31,643	21,420	(10,223)
Safe and stable families	26,000	26,600	2,100	(24,500)
Special ed foster care	-	-	9,027	9,027
At risk payments	481,661	450,124	450,124	-
Primary class size/K-3 initiative	435,252	422,429	422,429	-
Virginia Preschool Initiative	288,531	282,761	282,761	-
Standards of Learning algebra readiness	35,390	35,390	37,661	2,271
VPSA technology funds	154,000	230,620	213,328	(17,292)
Other state funds	286,949	245,308	238,173	(7,135)
Total categorical aid	\$ 13,353,012	\$ 13,172,065	\$ 13,130,949	\$ (41,116)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,066,975	\$ 1,577,042	\$ 1,213,310	\$ (363,732)
Title VI-B, special education flow-through	523,447	534,687	532,236	(2,451)
Title VI-B, special education pre-school	9,568	9,568	9,568	-
Vocational education	-	-	44,735	44,735
Title II, Part A	145,848	165,400	117,168	(48,232)

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2017 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid: (Continued)				
ROTC	\$ 60,689	\$ 44,779	\$ 37,374	\$ (7,405)
Rural and low-income schools	58,416	67,773	38,758	(29,015)
Perkins VOC	46,624	44,200	-	(44,200)
Total categorical aid	<u>\$ 1,911,567</u>	<u>\$ 2,443,449</u>	<u>\$ 1,993,149</u>	<u>\$ (450,300)</u>
Total School Operating Fund	<u>\$ 22,647,046</u>	<u>\$ 23,279,978</u>	<u>\$ 22,228,099</u>	<u>\$ (1,051,879)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 207,000	\$ 207,000	\$ 194,269	\$ (12,731)
Total revenue from local sources	<u>\$ 207,000</u>	<u>\$ 207,000</u>	<u>\$ 194,269</u>	<u>\$ (12,731)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ -	\$ 70,000	\$ 70,000	\$ -
Total revenues from local governments	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ -</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,534	\$ 11,347	\$ 11,268	\$ (79)
Breakfast After the Bell	-	6,187	6,829	642
School breakfast program	15,892	21,296	21,296	-
Total revenue from the Commonwealth	<u>\$ 27,426</u>	<u>\$ 38,830</u>	<u>\$ 39,393</u>	<u>\$ 563</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 772,748	\$ 772,748	\$ 863,954	\$ 91,206
Fresh fruit and vegetables - FFV	64,766	-	-	-
Summer feeding program	-	-	13,411	13,411
USDA	55,000	25,000	-	(25,000)
Commodities	-	-	73,258	73,258
Total revenue from the federal government	<u>\$ 892,514</u>	<u>\$ 797,748</u>	<u>\$ 950,623</u>	<u>\$ 152,875</u>
Total School Cafeteria Fund	<u>\$ 1,126,940</u>	<u>\$ 1,113,578</u>	<u>\$ 1,254,285</u>	<u>\$ 140,707</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 23,773,986</u>	<u>\$ 24,393,556</u>	<u>\$ 23,482,384</u>	<u>\$ (911,172)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2017

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 86,109	\$ 88,174	\$ 77,954	\$ 10,220
General and financial administration:				
County administrator	\$ 222,102	\$ 226,025	\$ 228,710	\$ (2,685)
Accounting and Auditing Services	35,000	35,000	50,000	(15,000)
Cost allocation plan	3,500	3,500	3,800	(300)
Commissioner of revenue	230,399	233,916	233,875	41
Treasurer	270,151	273,828	266,752	7,076
Finance/Human Resource	217,458	220,474	205,877	14,597
Information Technology	111,945	151,394	151,303	91
Total general and financial administration	\$ 1,090,555	\$ 1,144,137	\$ 1,140,317	\$ 3,820
Board of elections:				
Electoral board and officials	\$ 66,743	\$ 66,743	\$ 54,097	\$ 12,646
Registrar	96,580	97,790	96,087	1,703
Total board of elections	\$ 163,323	\$ 164,533	\$ 150,184	\$ 14,349
Total general government administration	\$ 1,339,987	\$ 1,396,844	\$ 1,368,455	\$ 28,389
Judicial administration:				
Courts:				
Circuit court	\$ 14,280	\$ 14,280	\$ 15,675	\$ (1,395)
General district court	8,870	8,870	10,207	(1,337)
Special magistrates	2,500	2,500	-	2,500
Court appointed attorney	-	-	360	(360)
Clerk of the circuit court	354,674	373,148	368,523	4,625
Victim and witness assistance		69,283	35,374	33,909
Total courts	\$ 380,324	\$ 468,081	\$ 430,139	\$ 37,942
Commonwealth's attorney:				
Commonwealth's attorney	\$ 397,742	\$ 404,014	\$ 402,517	\$ 1,497
Total commonwealth's attorney	\$ 397,742	\$ 404,014	\$ 402,517	\$ 1,497
Total judicial administration	\$ 778,066	\$ 872,095	\$ 832,656	\$ 39,439
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,886,826	\$ 1,934,141	\$ 2,110,411	\$ (176,270)
Selective enforcement	-	-	24,369	(24,369)
Sheriff's fund	-	-	5,116	(5,116)
Total law enforcement and traffic control	\$ 1,886,826	\$ 1,934,141	\$ 2,139,896	\$ (205,755)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2017 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 277,417	\$ 277,417	\$ 277,456	\$ (39)
Ambulance and rescue services	196,200	211,658	210,458	1,200
Forest fire prevention	27,000	27,000	26,178	822
Emergency services	219,156	220,202	160,963	59,239
Total fire and rescue services	<u>\$ 719,773</u>	<u>\$ 736,277</u>	<u>\$ 675,055</u>	<u>\$ 61,222</u>
Correction and detention:				
Piedmont Regional Jail Authority	\$ 500,000	\$ 500,000	\$ 337,169	\$ 162,831
Piedmont Regional Juvenile Detention Center	35,000	35,000	67,735	(32,735)
Total correction and detention	<u>\$ 535,000</u>	<u>\$ 535,000</u>	<u>\$ 404,904</u>	<u>\$ 130,096</u>
Inspections:				
Building	\$ 118,037	\$ 119,934	\$ 121,170	\$ (1,236)
Total inspections	<u>\$ 118,037</u>	<u>\$ 119,934</u>	<u>\$ 121,170</u>	<u>\$ (1,236)</u>
Other protection:				
Animal control	\$ 130,703	\$ 132,716	\$ 149,559	\$ (16,843)
Medical Examiner	200	200	180	20
Southside Center for Violence Prevention	5,000	5,000	5,000	-
Total other protection	<u>\$ 135,903</u>	<u>\$ 137,916</u>	<u>\$ 154,739</u>	<u>\$ (16,823)</u>
Total public safety	<u>\$ 3,395,539</u>	<u>\$ 3,463,268</u>	<u>\$ 3,495,764</u>	<u>\$ (32,496)</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,200	\$ 4,200	\$ 4,924	\$ (724)
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 4,200</u>	<u>\$ 4,200</u>	<u>\$ 4,924</u>	<u>\$ (724)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 876,119	\$ 878,952	\$ 947,690	\$ (68,738)
Anti-Litter	7,155	7,155	205	6,950
Total sanitation and waste removal	<u>\$ 883,274</u>	<u>\$ 886,107</u>	<u>\$ 947,895</u>	<u>\$ (61,788)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 576,562	\$ 579,888	\$ 635,590	\$ (55,702)
Total maintenance of general buildings and grounds	<u>\$ 576,562</u>	<u>\$ 579,888</u>	<u>\$ 635,590</u>	<u>\$ (55,702)</u>
Total public works	<u>\$ 1,464,036</u>	<u>\$ 1,470,195</u>	<u>\$ 1,588,409</u>	<u>\$ (118,214)</u>
Health and welfare:				
Health:				
Health Department	\$ 114,085	\$ 114,085	\$ 114,033	\$ 52
Total health	<u>\$ 114,085</u>	<u>\$ 114,085</u>	<u>\$ 114,033</u>	<u>\$ 52</u>
Mental health and mental retardation:				
Crossroads Board	\$ 37,000	\$ 37,000	\$ 37,000	\$ -
Total mental health and mental retardation	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2017 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Piedmont Sr Resources Area on Aging	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Buckingham County active seniors	5,000	5,000	-	5,000
Tax relief for the elderly	-	-	23,745	(23,745)
Jaunt Inc transportation service	28,084	28,084	28,084	-
Piedmont area transit	10,000	10,000	10,000	-
VA legal aid	4,812	4,812	4,812	-
Pregnancy Support Center	5,000	5,000	5,000	-
Relay for life	-	250	250	-
Comprehensive services	1,592,461	1,592,461	1,560,434	32,027
Total welfare	<u>\$ 1,647,857</u>	<u>\$ 1,648,107</u>	<u>\$ 1,634,825</u>	<u>\$ 13,282</u>
Total health and welfare	<u>\$ 1,798,942</u>	<u>\$ 1,799,192</u>	<u>\$ 1,785,858</u>	<u>\$ 13,334</u>
Education:				
Other instructional costs:				
Contributions to colleges and agencies	\$ 50,367	\$ 50,367	\$ 42,367	\$ 8,000
Contribution to Buckingham County School Board	6,997,207	7,317,380	6,913,608	403,772
Total education	<u>\$ 7,047,574</u>	<u>\$ 7,367,747</u>	<u>\$ 6,955,975</u>	<u>\$ 411,772</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 160,738	\$ 162,490	\$ 172,762	\$ (10,272)
Programs	-	-	27,484	(27,484)
Ellis Acres Memorial Park	5,000	5,000	5,000	-
Total parks and recreation	<u>\$ 165,738</u>	<u>\$ 167,490</u>	<u>\$ 205,246</u>	<u>\$ (37,756)</u>
Cultural enrichment:				
Arts Council	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Longwood Center For the Visual Arts	1,063	1,063	1,063	-
Hatton ferry fund	2,000	2,000	2,000	-
VA Retreat	4,500	4,500	4,500	-
Total cultural enrichment	<u>\$ 17,563</u>	<u>\$ 17,563</u>	<u>\$ 17,563</u>	<u>\$ -</u>
Library:				
Regional library	\$ 162,500	\$ 162,500	\$ 162,500	\$ -
Total library	<u>\$ 162,500</u>	<u>\$ 162,500</u>	<u>\$ 162,500</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 345,801</u>	<u>\$ 347,553</u>	<u>\$ 385,309</u>	<u>\$ (37,756)</u>
Community development:				
Planning and community development:				
Planning	\$ 93,786	\$ 94,929	\$ 86,431	\$ 8,498
Planning District Commission	15,700	15,700	15,700	-
Buckingham Industrial Development Authority	-	150,000	150,000	-
Economic Development			785	(785)
Longwood Small Business Development Center	5,849	5,849	5,849	-
Virginia's Growth Alliance	17,146	17,146	17,146	-
Total planning and community development	<u>\$ 132,481</u>	<u>\$ 283,624</u>	<u>\$ 275,911</u>	<u>\$ 7,713</u>
Environmental management:				
Peter Francisco Soil and Water Conservation	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total environmental management	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2017 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Cooperative extension office	\$ 79,086	\$ 79,086	\$ 74,930	\$ 4,156
Total cooperative extension program	\$ 79,086	\$ 79,086	\$ 74,930	\$ 4,156
Total community development	\$ 221,567	\$ 372,710	\$ 360,841	\$ 11,869
Nondepartmental:				
Bank Charges - Bank of America	\$ 30,000	\$ 30,000	\$ 31,519	\$ (1,519)
Unemployment insurance	5,000	5,000	1,598	3,402
Worker's compensation	52,000	52,000	13,730	38,270
School sewer contract	145,000	145,000	90,000	55,000
Other	82,000	-	-	-
Total nondepartmental	\$ 314,000	\$ 232,000	\$ 136,847	\$ 95,153
Capital projects:				
Sidewalk	\$ -	\$ 243,460	\$ 243,459	\$ 1
Total capital projects	\$ -	\$ 243,460	\$ 243,459	\$ 1
Total General Fund	\$ 16,705,512	\$ 17,565,064	\$ 17,153,573	\$ 411,491
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,385,747	\$ 1,405,723	\$ 1,323,979	\$ 81,744
Public assistance	346,100	346,100	360,916	(14,816)
Total welfare and social services	\$ 1,731,847	\$ 1,751,823	\$ 1,684,895	\$ 66,928
Total Virginia Public Assistance Fund	\$ 1,731,847	\$ 1,751,823	\$ 1,684,895	\$ 66,928
Debt Service Fund:				
Debt service:				
Principal retirement	\$ 1,949,502	\$ 1,949,502	\$ 1,949,502	\$ -
Interest and other fiscal charges	1,527,669	1,527,669	1,527,669	-
Total Debt Service Fund	\$ 3,477,171	\$ 3,477,171	\$ 3,477,171	\$ -
Total Primary Government	\$ 21,914,530	\$ 22,794,058	\$ 22,315,639	\$ 478,419

Schedule of Expenditures - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2017 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, attendance and health	\$ 1,137,044	\$ 1,137,044	\$ 1,111,456	\$ 25,588
Instruction	16,126,417	16,676,659	15,904,780	771,879
Operation and maintenance services	2,167,336	2,182,635	2,105,298	77,337
Pupil transportation	2,153,853	2,127,099	1,972,247	154,852
Total administration of schools	<u>\$ 21,584,650</u>	<u>\$ 22,123,437</u>	<u>\$ 21,093,781</u>	<u>\$ 1,029,656</u>
Capital Projects:				
Technology	\$ 948,108	\$ 1,042,253	\$ 1,020,030	\$ 22,223
Total Capital Projects	<u>\$ 948,108</u>	<u>\$ 1,042,253</u>	<u>\$ 1,020,030</u>	<u>\$ 22,223</u>
Total education	<u>\$ 22,532,758</u>	<u>\$ 23,165,690</u>	<u>\$ 22,113,811</u>	<u>\$ 1,051,879</u>
Debt service:				
Principal retirement	\$ 75,674	\$ 75,674	\$ 75,674	\$ -
Interest and other fiscal charges	38,614	38,614	38,614	-
Total debt service	<u>\$ 114,288</u>	<u>\$ 114,288</u>	<u>\$ 114,288</u>	<u>\$ -</u>
Total School Operating Fund	<u><u>\$ 22,647,046</u></u>	<u><u>\$ 23,279,978</u></u>	<u><u>\$ 22,228,099</u></u>	<u><u>\$ 1,051,879</u></u>
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,186,940	\$ 1,205,185	\$ 1,053,364	\$ 151,821
Commodities	-	-	73,258	(73,258)
Total school food services	<u>\$ 1,186,940</u>	<u>\$ 1,205,185</u>	<u>\$ 1,126,622</u>	<u>\$ 78,563</u>
Total education	<u>\$ 1,186,940</u>	<u>\$ 1,205,185</u>	<u>\$ 1,126,622</u>	<u>\$ 78,563</u>
Total School Cafeteria Fund	<u><u>\$ 1,186,940</u></u>	<u><u>\$ 1,205,185</u></u>	<u><u>\$ 1,126,622</u></u>	<u><u>\$ 78,563</u></u>
Total Discretely Presented Component Unit - School Board	<u><u>\$ 23,833,986</u></u>	<u><u>\$ 24,485,163</u></u>	<u><u>\$ 23,354,721</u></u>	<u><u>\$ 1,130,442</u></u>

Statistical Information

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COUNTY OF BUCKINGHAM, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government										Total
	Admini- stration	Judicial Admini- stration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Develop- ment	Interest on Long- Term Debt	Water and Sewer Funds	
2007-08 \$	1,235,723 \$	805,582 \$	2,789,740 \$	1,471,478 \$	2,317,682 \$	6,117,949 \$	293,220 \$	174,795 \$	879,572 \$	1,058,409 \$	17,144,150
2008-09	1,321,992	865,246	2,688,440	1,437,105	2,859,230	5,855,367	306,125	191,422	829,980	1,074,621	17,429,528
2009-10	1,559,861	896,908	2,670,689	1,422,145	2,612,133	4,994,689	291,273	189,236	780,565	1,203,612	16,621,111
2010-11	1,384,736	917,801	2,762,662	1,408,760	2,737,450	6,040,884	325,171	201,937	1,165,465	1,207,953	18,152,819
2011-12	1,257,550	985,318	2,690,813	1,451,262	2,939,399	6,306,702	348,226	188,906	1,569,248	1,268,953	19,006,377
2012-13	2,595,482	1,035,208	3,363,851	1,498,252	2,239,623	7,749,790	387,451	193,740	1,569,221	1,267,501	21,900,119
2013-14	1,685,556	1,060,639	3,842,550	1,529,098	3,294,797	8,147,210	389,563	207,163	1,553,742	1,580,946	23,291,264
2014-15	1,565,410	1,002,077	4,017,264	1,646,492	3,523,182	8,427,308	432,069	218,033	1,436,287	1,615,778	23,883,900
2015-16	1,700,580	987,071	3,653,291	1,653,036	3,555,122	8,666,368	413,473	220,325	1,382,617	1,662,310	23,894,193
2016-17	1,463,715	1,061,769	3,594,958	1,706,511	3,512,614	8,998,345	438,922	411,948	1,326,584	1,521,786	24,037,152

COUNTY OF BUCKINGHAM, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

PROGRAM REVENUES				GENERAL REVENUES						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes (1)	Other Local Taxes (2)(3)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs (2)	Gain on Disposal of Assets	Total
2007-08	\$ 1,561,548	\$ 3,438,106	\$ 80,000	\$ 8,263,540	\$ 1,944,916	\$ 366,768	\$ 214,461	\$ 1,228,275	\$ 96,844	\$ 17,194,458
2008-09	1,698,605	3,847,111	1,835,364	9,894,353	1,865,115	178,571	104,985	1,206,892	-	20,630,996
2009-10	1,831,477	3,452,561	860,616	12,489,199	3,129,756	114,255	110,822	1,650,350	-	23,639,036
2010-11	1,802,334	3,593,877	313,505	10,616,164	1,558,471	114,818	105,766	1,643,192	-	19,748,127
2011-12	1,720,579	3,680,538	463,673	11,745,730	1,405,633	94,894	56,144	1,617,869	-	20,785,060
2012-13	1,762,976	3,900,775	5,911,322	12,678,306	1,440,590	75,566	56,263	1,652,039	-	27,477,837
2013-14	1,898,194	4,315,514	723,746	12,986,630	1,604,503	85,167	87,704	1,673,742	-	23,375,200
2014-15	1,902,629	4,299,529	970,564	13,631,179	1,663,458	83,592	71,861	1,626,021	-	24,248,833
2015-16	1,811,877	4,446,058	2,190,206	15,796,716	1,531,218	88,822	32,599	1,604,344	-	27,501,840
2016-17	1,805,861	4,517,168	2,652,093	15,240,213	1,544,266	97,973	41,055	1,621,690	-	27,520,319

- (1) General property taxes increased in fiscal year 2010 due to a change in presentation in accordance with GASB 33.
- (2) In fiscal year 2010, communication taxes were reclassified from local taxes to noncategorical state aid in accordance with APA guidelines.
- (3) Increase in local taxes is related to new power plant locating in the County in fiscal year 2010, which impacted sales and other taxes.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)

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	Non-departmental	Debt Service (3)		Total
2007-08	\$ 1,082,319	\$ 541,288	\$ 2,734,527	\$ 1,327,749	\$ 2,318,517	\$ 22,069,288	\$ 288,233	\$ 164,538	\$ 153,775	\$ 2,051,733	\$ 32,731,967			
2008-09	1,205,801	600,952	3,281,609	1,290,292	2,844,876	22,981,348	320,903	181,164	148,315	1,896,398	34,751,658			
2009-10	1,456,324	632,614	2,616,176	1,277,735	2,619,740	22,756,388	474,857	178,977	174,583	1,866,657	34,054,051			
2010-11	1,153,471	654,802	2,587,032	1,268,721	2,745,685	21,371,496	337,377	191,679	176,258	1,812,632	32,299,153			
2011-12	1,228,193	726,999	2,519,559	1,541,936	2,933,693	21,963,359	337,794	178,648	174,677	2,593,520	34,198,378			
2012-13	1,429,691	737,529	3,316,080	1,385,267	3,139,453	21,565,379	373,627	183,482	159,694	3,944,365	36,234,567			
2013-14	1,521,630	802,694	3,528,585	1,409,089	3,237,366	22,805,455	402,645	196,905	172,235	4,811,303	38,887,907			
2014-15	1,352,741	765,866	3,994,971	1,532,059	3,535,951	23,693,675	420,234	210,616	173,601	3,203,387	38,883,101			
2015-16	1,456,920	780,627	3,616,697	1,537,630	3,584,376	24,182,516	398,855	212,814	169,951	3,194,871	39,135,257			
2016-17	1,368,455	832,656	3,495,764	1,588,409	3,470,753	23,282,800	385,309	360,841	136,847	3,591,459	38,513,293			

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit excluding capital projects.

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

(3) 2011-12 excludes payoff of interim financing funded with issuance of new debt.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 4

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (2)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (3)	Total
2007-08 \$	8,165,190	\$ 1,972,396	\$ 89,059	\$ 32,426	\$ 268,844	\$ 421,092	\$ 688,166	\$ 19,738	\$ 20,835,242	\$ 32,492,153
2008-09	9,451,458	1,865,115	75,292	68,577	127,372	409,788	850,476	37,901	22,393,726	35,279,705
2009-10	9,741,625	3,129,756	84,822	58,038	77,656	357,233	714,329	30,929	21,705,834	35,900,222
2010-11	10,563,656	1,558,471	61,439	56,670	69,642	338,340	906,055	22,447	20,923,637	34,500,357
2011-12	11,465,915	1,405,633	58,249	44,598	62,663	350,436	784,144	3,034	21,201,190	35,375,862
2012-13	12,443,638	1,440,590	85,392	78,760	67,085	336,213	926,178	-	21,294,948	36,672,804
2013-14	13,147,771	1,604,503	60,746	54,451	84,140	328,259	852,561	-	22,217,446	38,349,877
2014-15	13,495,901	1,663,458	57,211	48,488	86,870	310,933	815,594	-	22,662,073	39,140,528
2015-16	15,710,523	1,531,218	63,097	37,720	94,724	303,587	511,867	-	23,225,245	41,477,981
2016-17	15,179,208	1,544,266	80,714	34,051	101,148	283,853	291,014	-	22,881,258	40,395,512

(1) Includes General, Special Revenue, and Debt Service funds of the Primary Government and its Discretely Presented Component Unit.

(2) Increase in local taxes is related to new power plant locating in the County in fiscal year 2010, which impacted sales and other taxes.

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Collected within the Fiscal										Percent of Delinquent Taxes to Tax Levy
	Year of the Levy			Delinquent		Percent of		Outstanding			
	Total Tax Levy (1)	Amount Collected (1,3)	Percent of Levy Collected	Tax Collections (1)	Total Tax Collections	Total Tax Collections to Tax Levy	Delinquent Taxes (1,2)				
2007-08	\$ 9,261,316	\$ 8,944,524	96.58%	\$ 235,117	\$ 9,179,641	99.12%	\$ 81,675	0.88%			
2008-09	10,777,878	9,787,442	90.81%	874,619	10,662,061	98.93%	115,817	1.07%			
2009-10	10,589,590	9,923,038	93.71%	545,789	10,468,827	98.86%	120,763	1.14%			
2010-11	11,439,032	10,550,992	92.24%	763,100	11,314,092	98.91%	124,940	1.09%			
2011-12	12,433,137	11,649,756	93.70%	629,514	12,279,270	98.76%	153,867	1.24%			
2012-13	13,446,472	12,776,284	95.02%	486,105	13,262,389	98.63%	184,083	1.37%			
2013-14	13,805,588	13,240,204	95.90%	329,119	13,569,323	98.29%	236,265	1.71%			
2014-15	14,467,711	13,743,751	95.00%	427,439	14,171,190	97.95%	296,521	2.05%			
2015-16	16,658,592	15,801,943	94.86%	453,558	16,255,501	97.58%	403,091	2.42%			
2016-17	16,015,659	15,123,883	94.43%	-	15,123,883	94.43%	891,776	5.57%			

(1) Exclusive of penalties and interest.

(2) Includes all delinquent taxes.

(3) Includes revenue from the Commonwealth for Personal Property Tax Relief Act.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (1)		Machinery and Tools		Merchants' Capital		Public Service (2,4,5)		Aircraft (3)		Total
2007-08	\$ 1,072,958,030	\$	98,823,429	\$	6,864,290	\$	11,023,763	\$	46,496,132	\$	-	\$ 1,236,165,644
2008-09	1,421,037,892		110,182,035		8,250,120		10,032,815		83,407,789		-	1,632,910,651
2009-10	1,431,613,499		104,059,189		7,949,090		10,486,865		76,947,351		2,073,500	1,633,129,494
2010-11	1,445,038,406		102,709,557		7,411,150		11,029,035		274,324,587		147,150	1,840,659,885
2011-12	1,452,096,856		104,942,505		7,685,500		12,406,003		466,323,519		151,500	2,043,605,883
2012-13	1,461,765,706		107,585,400		8,184,860		17,701,611		647,876,531		139,400	2,243,253,508
2013-14	1,447,598,003		108,393,316		7,216,720		17,311,230		647,182,004		135,200	2,227,836,473
2014-15	1,419,142,650		101,741,211		7,016,330		17,054,639		641,413,099		134,400	2,186,502,329
2015-16	1,412,731,450		103,671,456		7,255,010		18,854,949		962,370,653		130,400	2,505,013,918
2016-17	1,418,184,000		109,294,993		7,425,880		19,487,757		673,628,750		126,400	2,228,147,780

(1) Assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

(3) 2009-10 was the first year of levy.

(4) Increase in public service assessment is related to new power plant locating in the County in fiscal year 2010.

(5) Elected to do semi-annual billing of Public Service Corp taxes beginning in fiscal year 2016.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Mobile Homes	Personal Property (2)	Machinery and Tools (2)	Merchants' Capital	Aircraft (3)
	1st Half	2nd Half					
2007-08	\$ 0.58	\$ 0.44	\$ 0.58	\$ 4.05	\$ 2.90	\$ 1.00	-
2008-09	0.44	0.44	0.44	4.05	2.90	1.00	-
2009-10	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2010-11	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2011-12	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2012-13	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2013-14	0.44	0.50	0.44	4.05	2.90	1.00	0.55
2014-15	0.50	0.50	0.50	4.05	2.90	1.00	0.55
2015-16	0.50	0.55	0.50	4.05	2.90	1.00	0.55
2016-17	0.55	0.55	0.55	4.05	2.90	1.00	0.55

(1) Per \$100 of assessed value.

(2) Per \$100 of assessed value based on loan NADA value.

(3) 2009-10 was the first year of levy.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 8

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Less:		Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value		Net Bonded Debt per Capita
			Debt Service Monies Available						
2007-08	16,342	\$ 1,236,166	\$ -		20,511,736	20,511,736	1.66%	\$	1,255
2008-09	16,547	1,632,911	-		19,463,062	19,463,062	1.19%		1,176
2009-10	16,814	1,633,129	-		18,395,228	18,395,228	1.13%		1,094
2010-11	17,182	1,840,660	-		42,076,504	42,076,504	2.29%		2,449
2011-12	17,143	2,043,606	-		39,714,254	39,714,254	1.94%		2,317
2012-13	17,296	2,243,254	-		37,684,292	37,684,292	1.68%		2,179
2013-14	17,185	2,227,836	-		34,763,484	34,763,484	1.56%		2,023
2014-15	17,152	2,186,502	-		33,345,895	33,345,895	1.53%		1,944
2015-16	16,988	2,186,502	-		31,853,527	31,853,527	1.46%		1,875
2016-17	16,913	2,505,014	-		29,904,025	29,904,025	1.19%		1,768

(1) Weldon Cooper Center for Public Service at the University of Virginia.

(2) From table 6.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.
Excludes revenue bonds, capital leases, and compensated absences.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 9

Ratio of Annual Debt Service Expenditures for General Bonded
Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2007-08	\$ 1,115,489	\$ 936,244	\$ 2,051,733	\$ 32,731,967	6.27%
2008-09	1,010,442	885,956	1,896,398	34,751,658	5.46%
2009-10	1,030,872	835,785	1,866,657	34,054,051	5.48%
2010-11	830,343	982,289	1,812,632	32,299,153	5.61%
2011-12	1,343,921	1,249,599	2,593,520	34,198,378	7.58%
2012-13	2,029,962	1,914,403	3,944,365	36,234,567	10.89%
2013-14	2,979,397	1,831,906	4,811,303	38,887,907	12.37%
2014-15	1,508,581	1,694,806	3,203,387	38,883,101	8.24%
2015-16	1,562,051	1,632,820	3,194,871	39,135,257	8.16%
2016-17	2,025,176	1,756,691	3,781,867	38,513,293	9.82%

(1) Includes Debt Service funds of the Primary Government and Discretely Presented Component Unit School Board
excluding capital projects.

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COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Buckingham, Virginia as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise County of Buckingham, Virginia's basic financial statements and have issued our report thereon dated December 7, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Buckingham, 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 Buckingham, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Buckingham, 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.

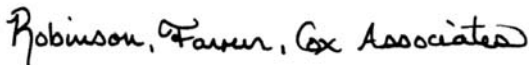
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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


Charlottesville, Virginia
December 7, 2017

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 Buckingham, Virginia

Report on Compliance for Each Major Federal Program

We have audited County of Buckingham, 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 Buckingham, Virginia's major federal programs for the year ended June 30, 2017. County of Buckingham, 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 the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of County of Buckingham, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Buckingham, 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 Buckingham, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, County of Buckingham, 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, 2017.

Report on Internal Control over Compliance

Management of County of Buckingham, 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 Buckingham, 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 Buckingham, 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, Farrow, Cox Associates
Charlottesville, Virginia
December 7, 2017

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/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:			
Virginia Department of Social Services:			
Promoting Safe and Stable Families	93.556	0950115/0950116	\$ 6,900
Temporary Assistance for Needy Families (TANF)	93.558	0400116/0400117	161,691
Refugee and Entrant Assistance - State Administered Programs	93.566	0500116/0500117	528
Low-Income Home Energy Assistance	93.568	0600416/0600417	18,893
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760116/0760117	29,108
Chafee Education and Training Vouchers Program (ETV)	93.599	9160115	78
Adoption and Legal Guardianship Incentive Payments	93.603	1130114/1130115	1,436
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900116	234
Foster Care - Title IV-E	93.658	1100116/1100117	97,460
Adoption Assistance	93.659	1120116/1120117	72,816
Social Services Block Grant	93.667	1000116/1000117	106,761
Chafee Foster Care Independence Program	93.674	9150116/9150117	1,442
Children's Health Insurance Program (CHIP)	93.767	0540116/0540117	7,417
Medical Assistance Program	93.778	1200116/1200117	243,383
Total Department of Health and Human Services			\$ 748,147
Department of Agriculture:			
Direct Payments:			
Special Evaluation Assistance for Rural Communities and Households	10.759	N/A	\$ 30,000
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	1,993,807
Total Department of Agriculture - direct payments			\$ 2,023,807
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - School Nutrition Program	10.555	406230	\$ 72,351
Virginia Department of Education:			
National School Lunch Program	10.555	406230	569,521 \$ 641,872
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - Summer Food Service Program for Children	10.559	Unknown	\$ 907
Virginia Department of Health:			
Summer Food Service Program for Children	10.559	58857	13,411 \$ 14,318
Virginia Department of Education:			
School Breakfast Program	10.553	405910	\$ 294,433 \$ 950,623
Virginia Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010116/ 0010117/0040116/0040117	194,369
Total Department of Agriculture - pass-through payments			\$ 1,144,992
Total Department of Agriculture			\$ 3,168,799

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2017

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	
Department of Defense:				
Direct Payments:				
ROTC	12.U00	N/A	\$	37,374
Total Department of Defense			\$	37,374
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Emergency Management Performance Grants	97.042	52743	\$	15,000
Homeland Security Grant Program (SHSP)	97.067	7268; 7105		72,636
Total Department of Homeland Security			\$	87,636
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	17-A4000VW15	\$	26,483
Bulletproof Vest Partnership Program	16.607	Unknown		2,650
Edward Byrne Memorial Justice Assistance Grant Program	16.738	16-R1127LO15		2,177
Total Department of Justice - pass-through			\$	31,310
Total Department of Justice			\$	31,310
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Transportation:				
Highway Planning and Construction	20.205	EN05-014-110, P101	\$	206,008
Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	OP-2016-56244-6444 SC-2016-56287-6487 SC-2017-57247-6896	\$	10,509
National Priority Safety Programs	20.616	M6OT-2017-57241-6890	10,207	20,716
Alcohol Open Container Requirements	20.607	154AL-2016-56257-6457		2,200
Total Department of Transportation			\$	228,924
Department of Treasury:				
Pass Through Payments:				
Office of Attorney General:				
Asset Forfeiture	21.U00	Unknown	\$	5,413
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I - Grants to Local Educational Agencies	84.010	429010/428920	\$	1,213,310
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B)	84.027	430710	\$	532,236
Special Education - Preschool Grants (IDEA Preschool)	84.173	625210	9,568	541,804
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	610950		44,735
Rural Education	84.358	434810		38,758
Improving Teacher Quality State Grants	84.367	614800		117,168
Total Department of Education			\$	1,955,775
Total Expenditures of Federal Awards			\$	6,263,378

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2017

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Buckingham, Virginia under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County of Buckingham, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Buckingham, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Subrecipients

No awards were passed through to subrecipients.

Note 5 - Indirect Costs

The County has elected not to use the 10% de minimis indirect cost rate.

Note 6 - 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	\$ 354,131
Special Revenue Fund:	
Virginia Public Assistance Fund	941,668
Debt Service Fund	422,278
Proprietary Funds:	
Water and Sewer Funds (including loan proceeds)	2,023,807
Total primary government	<u>\$ 3,741,884</u>

Component Unit School Board:

School Operating Fund	\$ 1,993,149
School Cafeteria Fund	950,623
Total component unit school board	<u>\$ 2,943,772</u>
Total federal expenditures per basic financial statements	<u>\$ 6,685,656</u>

BABs interest subsidy	<u>\$ (422,278)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 6,263,378</u></u>
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COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
Identification of major programs:	

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings to report.

COUNTY OF BUCKINGHAM, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

There were no findings reported for the year ended June 30, 2016.

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