

# COUNTY OF BUCKINGHAM, VIRGINIA



FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2014



**County of Buckingham, Virginia**

**Financial Report**

**For the Year Ended June 30, 2014**

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COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report  
For the Year Ended June 30, 2014

TABLE OF CONTENTS

---

	<u>PAGE</u>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-9
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1 Statement of Net Position	10
Exhibit 2 Statement of Activities	11-12
<b>Fund Financial Statements:</b>	
Exhibit 3 Balance Sheet—Governmental Funds	13
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	15
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Exhibit 7 Statement of Net Position—Proprietary Funds	17
Exhibit 8 Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds	18
Exhibit 9 Statement of Cash Flows—Proprietary Funds	19
Exhibit 10 Statement of Fiduciary Net Position—Fiduciary Funds	20
Notes to Financial Statements	21-57

**COUNTY OF BUCKINGHAM, VIRGINIA**

**Financial Report  
For the Year Ended June 30, 2014**

**TABLE OF CONTENTS**

---

	<u>PAGE</u>
<b><u>REQUIRED SUPPLEMENTARY INFORMATION:</u></b>	
Exhibit 11    Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—General Fund	58
Exhibit 12    Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Virginia Public Assistance Fund	59
Exhibit 13    Schedule of Pension Funding Progress	60
<b><u>OTHER SUPPLEMENTARY INFORMATION:</u></b>	
<b>Combining and Individual Fund Statements and Schedules:</b>	
Exhibit 14    Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Debt Service Fund	61
Exhibit 15    Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual— County Capital Improvements Fund	62
Exhibit 16    Schedule of Revenues, Expenditures and Changes in Fund Balance—Budget and Actual—Debt Financed School Capital Projects Fund	63
Exhibit 17    Statement of Changes in Assets and Liabilities—Agency Funds	64
Exhibit 18    Combining Balance Sheet—Discretely Presented Component Unit—School Board	65
Exhibit 19    Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds—Discretely Presented Component Unit—School Board	66
Exhibit 20    Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Discretely Presented Component Unit—School Board	67-68
<b>Supporting Schedules:</b>	
Schedule 1    Schedule of Revenues—Budget and Actual—Governmental Funds	69-74
Schedule 2    Schedule of Expenditures—Budget and Actual—Governmental Funds	75-79

COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report  
For the Year Ended June 30, 2014

TABLE OF CONTENTS

---

PAGE

**OTHER SUPPLEMENTARY INFORMATION: (CONTINUED)**

**Statistical Information:**

Table 1	Government-Wide Expenses by Function–Last Ten Fiscal Years	80
Table 2	Government-Wide Revenues–Last Ten Fiscal Years	81
Table 3	General Governmental Expenditures by Function–Last Ten Fiscal Years	82
Table 4	General Governmental Revenues by Source–Last Ten Fiscal Years	83
Table 5	Property Tax Levies and Collections–Last Ten Fiscal Years	84
Table 6	Assessed Value of Taxable Property–Last Ten Fiscal Years	85
Table 7	Property Tax Rates–Last Ten Fiscal Years	86
Table 8	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita–Last Ten Fiscal Years	87
Table 9	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures–Last Ten Fiscal Years	88

**COMPLIANCE**

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 <i>Government Auditing Standards</i>	89-90
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	91-92
Schedule of Expenditures of Federal Awards	93-94
Notes to Schedule of Expenditures of Federal Awards	95
Schedule of Findings and Questioned Costs	96
Summary Schedule of Prior Audit Findings	97





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**BOARD OF SUPERVISORS**

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Joe N. Chambers, Jr.,	Donald E. Bryan, Chairman I. Monroe Snoddy, Vice-Chairman	John N. Staton
E.A. "Bill" Talbert	Cassandra L. Stish	Danny R. Allen

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**BOARD OF SOCIAL SERVICES**

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Ophelia Washington, Chairman  
Linda Page  
I. Monroe Snoddy

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**COUNTY SCHOOL BOARD**

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David W. Christian	H. Ed Wise, Jr., Chairman Sherry S. Ragland, Vice-Chairman	Thomas W. Hutcherson, Jr.
Russell P. Gowin	Theresa D. Bryant	Kathy F. Midkiff

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**OTHER OFFICIALS**

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Presiding Judge of the Circuit Court  
Clerk of the Circuit Court  
Presiding Judge of the General District Court  
Commonwealth's Attorney  
Commissioner of the Revenue  
Treasurer  
Sheriff  
Superintendent of Schools  
Director of Social Services  
County Administrator  
Finance Director

Kimberly S. White  
Malcolm A. Booker, Jr.  
Robert G. Woodson, Jr.  
E.M. Wright, Jr.  
Stephanie L. Allen  
Christy L. Christian  
William G. Kidd, Jr.  
Dr. Cecil C. Snead, II  
Braxton L. Apperson  
Rebecca S. Carter  
Karl Carter



# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

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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 unit, each major fund and the aggregate remaining fund information of County of Buckingham, Virginia, as of and for the year ended June 30, 2014, 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.

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of County of Buckingham, Virginia, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis budgetary comparison information, and schedule of pension funding progress on pages 4-9, 58-59, and 60, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The 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 February 3, 2015, 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, Turner, & Associates*  
Charlottesville, Virginia  
February 3, 2015

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**COUNTY OF BUCKINGHAM, VIRGINIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**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, 2014.

**Financial Highlights**

**Government-wide Financial Statements**

- On a government-wide basis for governmental activities, the assets of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,379,814 (net position). For business-type activities, assets exceeded liabilities by \$15,515,224.

**Fund Financial Statements**

In the Governmental Funds, on a current financial resource basis, expenditures exceeded revenues and other financing sources by \$2,537,746 (Exhibit 5) after making contributions totaling \$6,050,697 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$6,411,738, a decrease of \$2,537,746 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,932,427 or 32% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$3,230,964 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported revenues and other financing sources in excess of expenses by \$385,247.

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$15,515,224, an increase of \$385,247.
- Combined long-term obligations in the proprietary funds decreased \$516,770 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 for which the County of Buckingham, Virginia is financially accountable. Financial information for this component unit 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 schedule of pension funding progress 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 as well as statistical tables. The School Board does not issue separate financial statements.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets exceeded liabilities and deferred inflows of resources by \$13,379,814 at the close of the most recent fiscal year.

#### **Summary Statement of Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Assets:</b>						
Current and other assets	\$ 12,178,491	\$ 15,766,424	\$ 2,682,650	\$ 3,190,013	\$ 14,861,141	\$ 18,956,437
Capital assets	<u>42,931,594</u>	<u>43,852,103</u>	<u>20,965,420</u>	<u>21,072,037</u>	<u>63,897,014</u>	<u>64,924,140</u>
Total assets	<u>\$ 55,110,085</u>	<u>\$ 59,618,527</u>	<u>\$ 23,648,070</u>	<u>\$ 24,262,050</u>	<u>\$ 78,758,155</u>	<u>\$ 83,880,577</u>
<b>Liabilities:</b>						
Long-term liabilities	\$ 37,287,245	\$ 40,518,209	\$ 7,792,142	\$ 8,308,912	\$ 45,079,387	\$ 48,827,121
Current liabilities	<u>880,359</u>	<u>2,187,752</u>	<u>340,704</u>	<u>823,161</u>	<u>1,221,063</u>	<u>3,010,913</u>
Total liabilities	<u>\$ 38,167,604</u>	<u>\$ 42,705,961</u>	<u>\$ 8,132,846</u>	<u>\$ 9,132,073</u>	<u>\$ 46,300,450</u>	<u>\$ 51,838,034</u>
<b>Deferred inflows of resources:</b>						
Deferred revenue	<u>\$ 3,562,667</u>	<u>\$ 3,231,441</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,562,667</u>	<u>\$ 3,231,441</u>
<b>Net position:</b>						
Net investment in capital assets	\$ 6,326,325	\$ 5,347,717	\$ 13,236,863	\$ 12,826,350	\$ 19,563,188	\$ 18,174,067
Restricted	39,661	55,471	1,101,815	1,063,751	1,141,476	1,119,222
Unrestricted	<u>7,013,828</u>	<u>8,277,937</u>	<u>1,176,546</u>	<u>1,239,876</u>	<u>8,190,374</u>	<u>9,517,813</u>
Total net position	<u>\$ 13,379,814</u>	<u>\$ 13,681,125</u>	<u>\$ 15,515,224</u>	<u>\$ 15,129,977</u>	<u>\$ 28,895,038</u>	<u>\$ 28,811,102</u>

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 \$19,563,188. 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.

The County's net capital assets decreased by \$1,027,126 during the current fiscal year. Several projects were transferred from CIP to depreciable categories during the year, including the new County administration building, renovations to the old County administration building, the school renovation project, which is reported on the County's books because it was funded by debt, and the new water plant.

## Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities decreased the County's net position by \$301,311 during the fiscal year, while business-type activities increased the County's net position by \$385,247. This resulted in a net increase of \$83,936. Key elements of this increase are as follows:

### Summary Statement of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 207,045	\$ 270,133	\$ 1,691,149	\$ 1,492,843	\$ 1,898,194	\$ 1,762,976
Operating grants and contributions	4,315,514	3,900,775	-	-	4,315,514	3,900,775
Capital grants and contributions	448,792	633,525	274,954	5,277,797	723,746	5,911,322
General revenues:						
General property taxes	12,986,630	12,678,306	-	-	12,986,630	12,678,306
Other local taxes	1,604,503	1,440,590	-	-	1,604,503	1,440,590
Grants and other contributions not restricted	1,673,742	1,652,039	-	-	1,673,742	1,652,039
Use of money and property	85,077	75,460	90	106	85,167	75,566
Miscellaneous	87,704	56,263	-	-	87,704	56,263
Total revenues	<u>\$ 21,409,007</u>	<u>\$ 20,707,091</u>	<u>\$ 1,966,193</u>	<u>\$ 6,770,746</u>	<u>\$ 23,375,200</u>	<u>\$ 27,477,837</u>
Expenses:						
General government administration	\$ 1,685,556	\$ 1,705,602	\$ -	\$ -	\$ 1,685,556	\$ 1,705,602
Judicial administration	1,060,639	1,035,208	-	-	1,060,639	1,035,208
Public safety	3,842,550	3,363,851	-	-	3,842,550	3,363,851
Public works	1,529,098	1,498,252	-	-	1,529,098	1,498,252
Health and welfare	3,294,797	3,129,503	-	-	3,294,797	3,129,503
Education	8,147,210	7,749,790	-	-	8,147,210	7,749,790
Parks, recreation, and cultural	389,563	387,451	-	-	389,563	387,451
Community development	207,163	193,740	-	-	207,163	193,740
Interest on long-term debt	1,553,742	1,569,221	-	-	1,553,742	1,569,221
Water and Sewer	-	-	1,580,946	1,267,501	1,580,946	1,267,501
Total expenses	<u>\$ 21,710,318</u>	<u>\$ 20,632,618</u>	<u>\$ 1,580,946</u>	<u>\$ 1,267,501</u>	<u>\$ 23,291,264</u>	<u>\$ 21,900,119</u>
Increase (decrease) in net position	\$ (301,311)	\$ 74,473	\$ 385,247	\$ 5,503,245	\$ 83,936	\$ 5,577,718
Net position, July 1	13,681,125	13,606,652	15,129,977	9,626,732	28,811,102	23,233,384
Net position, June 30	<u>\$ 13,379,814</u>	<u>\$ 13,681,125</u>	<u>\$ 15,515,224</u>	<u>\$ 15,129,977</u>	<u>\$ 28,895,038</u>	<u>\$ 28,811,102</u>

## **Government-wide Financial Analysis: (Continued)**

Revenues decreased by \$4,093,279 in fiscal year 2014 compared to an increase of \$6,590,036 in fiscal year 2013. Increased assessments in fiscal year 2013 resulted in increased property taxes. Also in 2013, business-type activities showed an increase in capital grants, due to the water project that was funded by \$5,277,797 in Rural Development grant funds after loan proceeds were completely drawn. This project was completed in fiscal year 2014 but the bulk of the project was complete before the fiscal year began. Expenses closely paralleled the growth in demand and inflation. Notable increases include the public safety and education functions in the amount of \$478,699 and \$397,420, respectively.

## **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 \$6,411,738, a decrease of \$2,537,746 in comparison with the prior year. Approximately 75% 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, or committed 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 \$3,236,469 in expenditures and can be briefly summarized as follows:

- \$279,712 in increases for general government administration
- \$452,319 in increases for public safety
- \$1,183,663 in increases for education
- \$1,243,266 in increases for capital projects
- \$77,509 in other net increases

A portion of this increase (\$371,478) 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, budgetary estimates exceeded expenditures by \$230,338 eliminating the need to draw on existing fund balance. In addition, commitments of \$875,385 were unspent resulting in unspent items totaling \$1,105,723.

## **Capital Asset and Debt Administration**

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2014 amounts to \$42,931,594 (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 \$920,509. Although there were new additions in the current year, there was an offsetting increase of \$1,095,498 in accumulated depreciation. The county government complex (including the new administration building and renovations to the old administration building to house the departments of health and social services), E911 system upgrade, and school renovation projects were completed and transferred out of construction in progress. Gene Dixon Park expansion and the Streetscape project are still reflected as construction in progress as the projects were not complete at year end.

## **Capital Asset and Debt Administration: (Continued)**

The County's investment in capital assets for its proprietary funds was \$20,965,420 (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 \$106,617 during the current fiscal year, including an increase of \$621,776 in accumulated depreciation. Additions during fiscal year 2014 were limited to construction in progress, including design costs for the new sewer plant and completion of the new water plant. The design phase of the new sewer plant is still underway at year end.

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 \$37,287,245 for its governmental operations. Of this amount \$29,604,478 comprises debt backed by the full faith and credit of the County, including compensated absences of \$579,678. The remainder of the County's debt for governmental operations (\$6,990,000) represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds) and the related premium (\$692,767). Business-type debt of \$7,792,142 is comprised of \$1,013,273 bonds secured solely by water and sewer revenues, loans totaling \$6,715,284 from the Virginia Resources Authority, and compensated absences of \$63,585.

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 5.8 percent, which is a decrease from a rate of 7.2 percent a year ago. This is higher than the state's average unemployment rate of 4.5 percent and slightly higher than the national average rate of 5.4 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 2015.

The fiscal year 2015 budget amounted to \$21,157,387 (does not include School Fund). 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, 2014

	Primary Government			Component
	Governmental	Business-type		Unit
	Activities	Activities	Total	School Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,067,833	\$ 2,066,840	\$ 7,134,673	\$ 1,761,901
Cash in custody of others	-	-	-	-
Investments in custody of others	102,298	-	102,298	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	5,142,550	-	5,142,550	-
Accounts receivable	55,115	224,841	279,956	56,592
Due from component unit	894,635	-	894,635	-
Due from other governmental units	707,585	-	707,585	1,093,921
Inventories	159,433	-	159,433	-
Prepaid items	15,710	3,885	19,595	-
Restricted assets:				
Cash and cash equivalents	33,332	387,084	420,416	-
Capital assets (net of accumulated depreciation):				
Land	571,884	170,974	742,858	232,313
Intangibles	-	712,100	712,100	-
Buildings, improvements, and systems	39,968,043	19,110,418	59,078,461	12,526,347
Improvements other than buildings	-	-	-	193,250
Machinery, equipment, and vehicles	1,636,713	232,998	1,869,711	3,262,883
Construction in progress	754,954	738,930	1,493,884	-
Total assets	<u>\$ 55,110,085</u>	<u>\$ 23,648,070</u>	<u>\$ 78,758,155</u>	<u>\$ 19,127,207</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 144,235	\$ 5,923	\$ 150,158	\$ 248,483
Accrued liabilities	-	-	-	1,633,904
Contracts payable	65,656	56,032	121,688	-
Retainage payable	75,000	266,091	341,091	-
Customers' deposits payable from restricted assets	-	3,463	3,463	-
Accrued interest payable	529,132	9,195	538,327	42,290
Due to primary government	-	-	-	894,635
Unearned revenue	66,336	-	66,336	-
Long-term liabilities:				
Due within one year	1,694,866	168,045	1,862,911	121,733
Due in more than one year	35,592,379	7,624,097	43,216,476	1,993,509
Total liabilities	<u>\$ 38,167,604</u>	<u>\$ 8,132,846</u>	<u>\$ 46,300,450</u>	<u>\$ 4,934,554</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 3,562,667	\$ -	\$ 3,562,667	\$ -
<b>NET POSITION</b>				
Net investment in capital assets	\$ 6,326,325	\$ 13,236,863	\$ 19,563,188	\$ 14,676,961
Restricted:				
Sheriff's fund - DCJS	11,091	-	11,091	-
Courthouse security	28,570	-	28,570	-
Debt service and bond covenants	-	385,815	385,815	-
Water plant capital improvements	-	716,000	716,000	-
Unrestricted (deficit)	7,013,828	1,176,546	8,190,374	(484,308)
Total net position	<u>\$ 13,379,814</u>	<u>\$ 15,515,224</u>	<u>\$ 28,895,038</u>	<u>\$ 14,192,653</u>

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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,685,556	\$ 56,664	\$ 265,307	\$ -
Judicial administration	1,060,639	71,129	410,684	-
Public safety	3,842,550	36,687	1,190,853	-
Public works	1,529,098	20,447	6,867	-
Health and welfare	3,294,797	-	2,441,803	-
Education	8,147,210	-	-	417,600
Parks, recreation, and cultural	389,563	22,118	-	-
Community development	207,163	-	-	31,192
Interest on long-term debt	1,553,742	-	-	-
Total governmental activities	<u>\$ 21,710,318</u>	<u>\$ 207,045</u>	<u>\$ 4,315,514</u>	<u>\$ 448,792</u>
Business-type activities:				
Water and Sewer Funds	\$ 1,580,946	\$ 1,691,149	\$ -	\$ 274,954
Total business-type activities	<u>\$ 1,580,946</u>	<u>\$ 1,691,149</u>	<u>\$ -</u>	<u>\$ 274,954</u>
Total primary government	<u><u>\$ 23,291,264</u></u>	<u><u>\$ 1,898,194</u></u>	<u><u>\$ 4,315,514</u></u>	<u><u>\$ 723,746</u></u>
COMPONENT UNIT:				
School Board	\$ 24,252,792	\$ 236,411	\$ 15,779,398	\$ -
Total component unit	<u>\$ 24,252,792</u>	<u>\$ 236,411</u>	<u>\$ 15,779,398</u>	<u>\$ -</u>

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  
Total general revenues  
Change in net position  
Net position - beginning  
Net position - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (1,363,585)	\$ -	\$ (1,363,585)	
(578,826)	-	(578,826)	
(2,615,010)	-	(2,615,010)	
(1,501,784)	-	(1,501,784)	
(852,994)	-	(852,994)	
(7,729,610)	-	(7,729,610)	
(367,445)	-	(367,445)	
(175,971)	-	(175,971)	
(1,553,742)	-	(1,553,742)	
<u>\$ (16,738,967)</u>	<u>\$ -</u>	<u>\$ (16,738,967)</u>	
\$ -	\$ 385,157	\$ 385,157	
\$ -	\$ 385,157	\$ 385,157	
<u>\$ (16,738,967)</u>	<u>\$ 385,157</u>	<u>\$ (16,353,810)</u>	
			\$ (8,236,983)
			<u>\$ (8,236,983)</u>
\$ 12,986,630	\$ -	\$ 12,986,630	\$ -
681,796	-	681,796	-
348,178	-	348,178	-
333,196	-	333,196	-
241,333	-	241,333	-
-	-	-	8,128,070
85,077	90	85,167	700
87,704	-	87,704	764,857
1,673,742	-	1,673,742	-
<u>\$ 16,437,656</u>	<u>\$ 90</u>	<u>\$ 16,437,746</u>	<u>\$ 8,893,627</u>
\$ (301,311)	\$ 385,247	\$ 83,936	\$ 656,644
13,681,125	15,129,977	28,811,102	13,536,009
<u>\$ 13,379,814</u>	<u>\$ 15,515,224</u>	<u>\$ 28,895,038</u>	<u>\$ 14,192,653</u>

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## **Fund Financial Statements**

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Balance Sheet  
Governmental Funds  
June 30, 2014

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,958,866	\$ -	\$ -	\$ 108,967	\$ -	\$ 5,067,833
Investments in custody of others	-	-	-	-	102,298	102,298
Receivables (net of allowance for uncollectibles):						
Taxes receivable	5,142,550	-	-	-	-	5,142,550
Accounts receivable	53,295	1,820	-	-	-	55,115
Due from other funds	377,541	-	-	-	-	377,541
Due from component unit	894,635	-	-	-	-	894,635
Due from other governmental units	383,189	324,396	-	-	-	707,585
Prepaid items	15,710	-	-	-	-	15,710
Restricted assets:						
Cash and cash equivalents	-	-	-	33,332	-	33,332
Total assets	<u>\$ 11,825,786</u>	<u>\$ 326,216</u>	<u>\$ -</u>	<u>\$ 142,299</u>	<u>\$ 102,298</u>	<u>\$ 12,396,599</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 129,617	\$ 10,118	\$ 4,500	\$ -	\$ -	\$ 144,235
Contracts payable	-	-	-	65,656	-	65,656
Retainage payable	-	-	-	75,000	-	75,000
Due to other funds	-	316,098	-	61,443	-	377,541
Unearned revenue	66,336	-	-	-	-	66,336
Total liabilities	<u>\$ 195,953</u>	<u>\$ 326,216</u>	<u>\$ 4,500</u>	<u>\$ 202,099</u>	<u>\$ -</u>	<u>\$ 728,768</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	<u>\$ 5,256,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,256,093</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	\$ 15,710	\$ -	\$ -	\$ -	\$ -	\$ 15,710
Restricted:						
Sheriff's fund - DCJS	11,091	-	-	-	-	11,091
Courthouse security	28,570	-	-	-	-	28,570
Committed:						
Upper and Lower Elementary renovation	-	-	-	-	102,298	102,298
Economic Development	681,385	-	-	-	-	681,385
Gene Dixon park expansion	552,281	-	-	42,028	-	594,309
Solid waste vehicle	100,000	-	-	-	-	100,000
Fire/rescue training	40,000	-	-	-	-	40,000
Sheriff's fund - non-DCJS	12,276	-	-	-	-	12,276
Unassigned:						
General fund	4,932,427	-	-	-	-	4,932,427
Debt service funds	-	-	(4,500)	-	-	(4,500)
Capital projects funds	-	-	-	(101,828)	-	(101,828)
Total fund balances	<u>\$ 6,373,740</u>	<u>\$ -</u>	<u>\$ (4,500)</u>	<u>\$ (59,800)</u>	<u>\$ 102,298</u>	<u>\$ 6,411,738</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,825,786</u>	<u>\$ 326,216</u>	<u>\$ -</u>	<u>\$ 142,299</u>	<u>\$ 102,298</u>	<u>\$ 12,396,599</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, 2014

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 6,411,738
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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	39,968,043	
Machinery, equipment and vehicles	1,636,713	
Construction in progress	<u>754,954</u>	42,931,594

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

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

1,693,426

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	\$ (6,990,000)	
Plus: Issuance premium (to be amortized against interest expense)	(692,767)	
General obligation bonds	(27,773,484)	
Plus: Issuance premium (to be amortized against interest expense)	(1,224,316)	
Vehicle Loan	(27,000)	
Compensated absences	<u>(579,678)</u>	<u>(37,287,245)</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>(529,132)</u>
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Net position of governmental activities	<u>\$ 13,379,814</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, 2014

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
<b>REVENUES</b>						
General property taxes	\$ 13,147,771	\$ -	\$ -	\$ -	\$ -	\$ 13,147,771
Other local taxes	1,604,503	-	-	-	-	1,604,503
Permits, privilege fees, and regulatory licenses	60,746	-	-	-	-	60,746
Fines and forfeitures	54,451	-	-	-	-	54,451
Revenue from the use of money and property	83,440	-	-	-	1,637	85,077
Charges for services	91,848	-	-	-	-	91,848
Miscellaneous	71,947	15,757	-	-	-	87,704
Intergovernmental:						
Commonwealth	3,266,441	1,607,974	-	-	-	4,874,415
Federal	312,204	833,829	417,600	-	-	1,563,633
Total revenues	\$ 18,693,351	\$ 2,457,560	\$ 417,600	\$ -	\$ 1,637	\$ 21,570,148
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 1,521,630	\$ -	\$ -	\$ -	\$ -	\$ 1,521,630
Judicial administration	802,694	-	-	-	-	802,694
Public safety	3,528,585	-	-	-	-	3,528,585
Public works	1,409,089	-	-	-	-	1,409,089
Health and welfare	206,461	3,030,905	-	-	-	3,237,366
Education	6,069,838	-	-	-	-	6,069,838
Parks, recreation, and cultural	402,645	-	-	-	-	402,645
Community development	196,905	-	-	-	-	196,905
Nondepartmental	172,235	-	-	-	-	172,235
Capital projects	1,247,754	-	-	173,979	663,362	2,085,095
Debt service:						
Principal retirement	-	-	2,920,808	-	-	2,920,808
Interest and other fiscal charges	-	-	1,788,004	-	-	1,788,004
Total expenditures	\$ 15,557,836	\$ 3,030,905	\$ 4,708,812	\$ 173,979	\$ 663,362	\$ 24,134,894
Excess (deficiency) of revenues over (under) expenditures	\$ 3,135,515	\$ (573,345)	\$ (4,291,212)	\$ (173,979)	\$ (661,725)	\$ (2,564,746)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ 573,345	\$ 4,286,712	\$ 114,179	\$ -	\$ 4,974,236
Transfers out	(4,974,236)	-	-	-	-	(4,974,236)
USDA vehicle loan	27,000	-	-	-	-	27,000
Total other financing sources (uses)	\$ (4,947,236)	\$ 573,345	\$ 4,286,712	\$ 114,179	\$ -	\$ 27,000
Net change in fund balances	\$ (1,811,721)	\$ -	\$ (4,500)	\$ (59,800)	\$ (661,725)	\$ (2,537,746)
Fund balances - beginning	8,185,461	-	-	-	764,023	8,949,484
Fund balances - ending	\$ 6,373,740	\$ -	\$ (4,500)	\$ (59,800)	\$ 102,298	\$ 6,411,738

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, 2014

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

Net change in fund balances - total governmental funds \$ (2,537,746)

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	\$ 1,410,108	
Depreciation expense	(1,481,822)	
Adjustment for jointly owned assets	<u>(848,795)</u>	(920,509)

The increase in inventory reflects the transfer of Gold Hill Elementary School assets from the Component Unit School Board.	159,433
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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.	(161,141)
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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.

Issuance of vehicle loan	\$ (27,000)	
Payment of principal	2,920,808	
Amortization of premium	<u>200,771</u>	3,094,579

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 (net of FY13 amount reported as fund liability)	\$ 30,582	
Accrued interest payable	<u>33,491</u>	<u>64,073</u>

Change in net position of governmental activities	\$ <u><u>(301,311)</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, 2014

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,502,464	\$ -	\$ 2,502,464
Accounts receivable	193,747	31,094	224,841
Prepaid items	3,885	-	3,885
Total current assets	<u>\$ 2,700,096</u>	<u>\$ 31,094</u>	<u>\$ 2,731,190</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 344,424	\$ 42,660	\$ 387,084
Capital assets:			
Land	\$ 135,757	\$ 35,217	\$ 170,974
Intangibles	712,100	-	712,100
Construction in progress	-	738,930	738,930
Utility plant in service	19,124,469	4,262,485	23,386,954
Machinery, equipment, and vehicles	536,318	181,509	717,827
Less accumulated depreciation	(3,528,298)	(1,233,067)	(4,761,365)
Total capital assets	<u>\$ 16,980,346</u>	<u>\$ 3,985,074</u>	<u>\$ 20,965,420</u>
Total noncurrent assets	<u>\$ 17,324,770</u>	<u>\$ 4,027,734</u>	<u>\$ 21,352,504</u>
Total assets	<u>\$ 20,024,866</u>	<u>\$ 4,058,828</u>	<u>\$ 24,083,694</u>
<b>LIABILITIES</b>			
Current liabilities:			
Reconciled overdraft	\$ -	\$ 435,624	\$ 435,624
Accounts payable	2,791	3,132	5,923
Contracts payable	56,032	-	56,032
Retainage payable	266,091	-	266,091
Customers' deposits payable from restricted assets	2,194	1,269	3,463
Accrued interest payable	6,725	2,470	9,195
Compensated absences - current portion	4,056	2,302	6,358
Bonds payable - current portion	24,773	-	24,773
Loans payable - current portion	118,403	18,511	136,914
Total current liabilities	<u>\$ 481,065</u>	<u>\$ 463,308</u>	<u>\$ 944,373</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 988,500	\$ -	\$ 988,500
Loans payable - net of current portion	5,555,890	1,022,480	6,578,370
Compensated absences - net of current portion	36,505	20,722	57,227
Total noncurrent liabilities	<u>\$ 6,580,895</u>	<u>\$ 1,043,202</u>	<u>\$ 7,624,097</u>
Total liabilities	<u>\$ 7,061,960</u>	<u>\$ 1,506,510</u>	<u>\$ 8,568,470</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 10,292,780	\$ 2,944,083	\$ 13,236,863
Restricted:			
Debt service and bond covenants	344,424	41,391	385,815
Water plant capital improvements	716,000	-	716,000
Unrestricted (deficit)	1,609,702	(433,156)	1,176,546
Total net position	<u>\$ 12,962,906</u>	<u>\$ 2,552,318</u>	<u>\$ 15,515,224</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, 2014

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Water revenues	\$ 1,352,679	\$ -	\$ 1,352,679
Sewer revenues	-	325,523	325,523
Tap fees	2,825	-	2,825
Other revenues	10,122	-	10,122
Total operating revenues	<u>\$ 1,365,626</u>	<u>\$ 325,523</u>	<u>\$ 1,691,149</u>
<b>OPERATING EXPENSES</b>			
Water	\$ 704,069	\$ -	\$ 704,069
Sewer	-	144,658	144,658
Depreciation	494,840	126,936	621,776
Total operating expenses	<u>\$ 1,198,909</u>	<u>\$ 271,594</u>	<u>\$ 1,470,503</u>
Operating income (loss)	<u>\$ 166,717</u>	<u>\$ 53,929</u>	<u>\$ 220,646</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	\$ 73	\$ 17	\$ 90
Interest expense	(53,578)	(56,865)	(110,443)
Total nonoperating revenues (expenses)	<u>\$ (53,505)</u>	<u>\$ (56,848)</u>	<u>\$ (110,353)</u>
Income (loss) before contributions	<u>\$ 113,212</u>	<u>\$ (2,919)</u>	<u>\$ 110,293</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions and construction grants	<u>\$ 274,954</u>	<u>\$ -</u>	<u>\$ 274,954</u>
Change in net position	<u>\$ 388,166</u>	<u>\$ (2,919)</u>	<u>\$ 385,247</u>
Total net position - beginning	12,574,740	2,555,237	15,129,977
Total net position - ending	<u>\$ 12,962,906</u>	<u>\$ 2,552,318</u>	<u>\$ 15,515,224</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, 2014

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,373,950	\$ 327,103	\$ 1,701,053
Payments to suppliers	(173,100)	120,894	(52,206)
Payments to and for employees	(540,255)	(58,102)	(598,357)
Net cash provided by (used for) operating activities	\$ 660,595	\$ 389,895	\$ 1,050,490
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Additions to utility plant	\$ (586,149)	\$ (299,946)	\$ (886,095)
Principal payments on bonds	(383,866)	-	(383,866)
Principal payments on loans	(101,380)	(31,884)	(133,264)
Contributions in aid of construction	407,371	-	407,371
Interest payments	(164,501)	(58,082)	(222,583)
Net cash provided by (used for) capital and related financing activities	\$ (828,525)	\$ (389,912)	\$ (1,218,437)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	\$ 73	\$ 17	\$ 90
Net increase (decrease) in cash and cash equivalents	\$ (167,857)	\$ -	\$ (167,857)
Cash and cash equivalents - beginning - including restricted	3,014,745	-	3,014,745
Cash and cash equivalents - ending - including restricted	\$ 2,846,888	\$ -	\$ 2,846,888
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 166,717	\$ 53,929	\$ 220,646
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	\$ 494,840	\$ 126,936	\$ 621,776
(Increase) decrease in accounts receivable	8,657	1,580	10,237
(Increase) decrease in prepaid items	(3,885)	-	(3,885)
Increase (decrease) in overdraft	-	200,737	200,737
Increase (decrease) in compensated absences	(6,650)	7,010	360
Increase (decrease) in accounts payable	1,249	(297)	952
Increase (decrease) in customer deposits	(333)	-	(333)
Total adjustments	\$ 493,878	\$ 335,966	\$ 829,844
Net cash provided by (used for) operating activities	\$ 660,595	\$ 389,895	\$ 1,050,490

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

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2014

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>39,554</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 65
Amounts held for social services clients	<u>39,489</u>
Total liabilities	\$ <u>39,554</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, 2014

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#### **Note 1—Summary of Significant Accounting Policies:**

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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 unit. 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 unit. Governments will report all capital assets in the government-wide statement of net position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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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 unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

#### **B. Individual Component Unit Disclosures**

*Blended Component Unit.* The County has no blended component units to be included for the fiscal year ended June 30, 2014.

##### *Discretely Presented Component Unit*

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, 2014 (Continued)

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

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#### **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 \$152,800 to the regional library, \$441,543 to Piedmont Regional Jail, \$36,267 to Piedmont Regional Juvenile Detention Center and \$36,000 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.

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.

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

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

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

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.

**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.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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

##### **1. Governmental Funds: (Continued)**

###### **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.

##### **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.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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

##### 4. Component Unit

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.

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 is considered a major fund.

#### 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.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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#### **E. Budgets and Budgetary Accounting (Continued)**

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.

#### **F. 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.

#### **G. Investments**

Investments are stated at fair value.

#### **H. 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 \$470,043 at June 30, 2014 and is comprised solely of property taxes.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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#### I. 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest in the amount of \$118,340 was incurred during fiscal year 2014, of which \$7,895 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
Vehicles	5
Office and computer equipment	5
Buses	8
Police vehicles	3

#### J. 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.

#### K. 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.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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#### K. Long-term Obligations: (Continued)

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.

#### L. Fund Equity

The 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, 2014 (Continued)

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

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#### **M. 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.

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.

#### **N. 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.

#### **O. 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 does not have any deferred outflows of resources as of June 30, 2014.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that qualifies for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup>, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup> and amounts prepaid on the 2<sup>nd</sup> half installments are reported as deferred inflows of resources.

#### **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.



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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

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#### 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.

#### R. Upcoming Pronouncements

The Governmental Accounting Standards Board has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The County believes the implementation of Statement No. 68 will significantly impact the County's net position; however, no formal study or estimate of the impact of this standard has been performed.

### Note 2—Deposits and Investments:

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#### 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, 2014 were held in the County's name by the County's custodial banks.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### Note 2—Deposits and Investments: (Continued)

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#### Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2014 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	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 3,975,746
Virginia State Non-Arbitrage Pool	103,995
Total	\$ 4,079,741

#### Interest Rate Risk

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

#### External Investment Pools

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

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

### Note 3—Property Taxes:

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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 taxes are due on June 5<sup>th</sup> and December 5<sup>th</sup> and personal property taxes are due on December 5<sup>th</sup>.

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, 2014 (Continued)

## Note 3—Property Taxes: (Continued)

Property taxes for calendar year 2013 were levied by the County Board of Supervisors on April 22, 2013, on the assessed values listed as of January 1, 2013. The second half of 2013 real estate taxes was due on December 5, 2013. The first half of 2014 real estate taxes was due on June 5, 2014. The 2014 taxes were levied by the County Board of Supervisors on April 21, 2014 on the assessed value listed as of January 1, 2014.

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, 2014:

	Primary Government				Component Unit
	General	Special Revenue	Governmental Activities	Business-Type Activities	School Board
Property taxes	\$ 5,612,593	\$ -	\$ 5,612,593	\$ -	\$ -
Allowance for uncollectibles	(470,043)	-	(470,043)	-	-
Net taxes receivable	<u>\$ 5,142,550</u>	<u>\$ -</u>	<u>\$ 5,142,550</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:					
Utility taxes	\$ 28,395	\$ -	\$ 28,395	\$ -	\$ -
Grantee tax	3,707	-	3,707	-	-
Solid waste	9,231	-	9,231	-	-
Other	11,962	-	11,962	-	1,200
Water and Sewer	-	-	-	224,841	-
Rebates and Refunds	-	1,820	1,820	-	21,936
E-rate	-	-	-	-	33,456
Total accounts receivable	<u>\$ 53,295</u>	<u>\$ 1,820</u>	<u>\$ 55,115</u>	<u>\$ 224,841</u>	<u>\$ 56,592</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 5—Due From Other Governmental Units:**

Amounts due from other governments are detailed as follows:

	Governmental Activities			Component
	General	Special Revenue	Total	School Board Unit
<b>Commonwealth of Virginia:</b>				
Local sales taxes	\$ 104,980	\$ -	\$ 104,980	\$ -
State sales taxes	-	-	-	376,457
Communication taxes	71,777	-	71,777	-
Public assistance	-	39,853	39,853	-
Comprehensive services	-	218,380	218,380	-
Shared expenses and grants	113,222	-	113,222	-
Forest product sales	15,865	-	15,865	-
Fire programs	7,929	-	7,929	-
Alternative education	-	-	-	42,130
Other	34,416	-	34,416	3,014
<b>Federal government:</b>				
VDOT grant	8,000	-	8,000	-
Public assistance	-	66,163	66,163	-
Rural Development	27,000	-	27,000	-
Title I	-	-	-	473,892
Title VI-B	-	-	-	127,381
Title IV Part B -21st Century	-	-	-	14,255
Title II Part A	-	-	-	23,183
Other school funds	-	-	-	33,609
<b>Total</b>	<b>\$ 383,189</b>	<b>\$ 324,396</b>	<b>\$ 707,585</b>	<b>\$ 1,093,921</b>

**Note 6—Interfund Obligations:**

Details of interfund receivables and payables as of June 30, 2014 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 377,541	\$ -
Virginia Public Assistance	-	316,098
County Capital Improvements	-	61,443
<b>Total</b>	<b>\$ 377,541</b>	<b>\$ 377,541</b>

**COUNTY OF BUCKINGHAM, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 6—Interfund Obligations: (Continued)**

Details of obligations between the primary government and its component unit as of June 30, 2014 are as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government general fund	Component Unit - School Board	\$ <u>894,635</u>

**Note 7—Unavailable Revenue and Deferred Inflows of Resources:**

Deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred.

	<u>Government-wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
<b>Primary Government:</b>		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,693,426
2nd half assessments due in December 2014	3,209,664	3,209,664
Prepaid property taxes due in December 2014, but paid in advance by the taxpayers	<u>353,003</u>	<u>353,003</u>
Total deferred/unavailable revenue	\$ <u>3,562,667</u>	\$ <u>5,256,093</u>

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

## Note 8—Capital Assets:

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

### Primary Government:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 571,884	\$ -	\$ -	\$ 571,884
Construction in progress	5,643,028	1,237,320	6,125,394	754,954
Construction in progress-jointly owned assets	<u>23,722,617</u>	<u>663,363</u>	<u>24,385,980</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 29,937,529</u>	<u>\$ 1,900,683</u>	<u>\$ 30,511,374</u>	<u>\$ 1,326,838</u>
Other capital assets:				
Buildings and improvements	\$ 11,858,619	\$ 5,371,146	\$ -	\$ 17,229,765
Machinery, equipment and vehicles	3,405,449	927,036	103,985	4,228,500
Jointly owned assets	<u>6,245,301</u>	<u>24,385,980</u>	<u>1,794,497</u>	<u>28,836,784</u>
Total other capital assets	<u>\$ 21,509,369</u>	<u>\$ 30,684,162</u>	<u>\$ 1,898,482</u>	<u>\$ 50,295,049</u>
Accumulated depreciation:				
Buildings and improvements	\$ 3,613,150	\$ 438,250	\$ -	\$ 4,051,400
Machinery, equipment and vehicles	2,376,848	318,924	103,985	2,591,787
Jointly owned assets	<u>1,604,797</u>	<u>724,648</u>	<u>282,339</u>	<u>2,047,106</u>
Total accumulated depreciation	<u>\$ 7,594,795</u>	<u>\$ 1,481,822</u>	<u>\$ 386,324</u>	<u>\$ 8,690,293</u>
Other capital assets, net	<u>\$ 13,914,574</u>	<u>\$ 29,202,340</u>	<u>\$ 1,512,158</u>	<u>\$ 41,604,756</u>
Net capital assets	<u>\$ 43,852,103</u>	<u>\$ 31,103,023</u>	<u>\$ 32,023,532</u>	<u>\$ 42,931,594</u>

### Depreciation is allocated to:

General government administration	\$ 172,501
Judicial administration	265,053
Public safety	228,196
Public works	31,497
Health and welfare	34,510
Education	724,648
Parks and recreation	15,159
Community Development	<u>10,258</u>

Total \$ 1,481,822

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

**Note 8—Capital Assets: (Continued)**

**Business-type Activities:**

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 170,974	\$ -	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	12,499,928	375,209	12,136,207	738,930
Total capital assets not being depreciated	\$ 13,383,002	\$ 375,209	\$ 12,136,207	\$ 1,622,004
Other capital assets:				
Buildings and systems	\$ 11,110,797	\$ 12,276,157	\$ -	\$ 23,386,954
Machinery, equipment and vehicles	717,827	-	-	717,827
Total other capital assets	\$ 11,828,624	\$ 12,276,157	\$ -	\$ 24,104,781
Accumulated depreciation:				
Buildings and systems	\$ 3,701,269	\$ 575,267	\$ -	\$ 4,276,536
Machinery, equipment and vehicles	438,320	46,509	-	484,829
Total accumulated depreciation	\$ 4,139,589	\$ 621,776	\$ -	\$ 4,761,365
Other capital assets, net	\$ 7,689,035	\$ 11,654,381	\$ -	\$ 19,343,416
Net capital assets	\$ 21,072,037	\$ 12,029,590	\$ 12,136,207	\$ 20,965,420
Depreciation is allocated to:				
Water operations		\$ 494,840		
Sewer operations		126,936		
		\$ 621,776		

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

## Note 8—Capital Assets: (Continued)

### Component Unit-School Board:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 277,809	\$ -	\$ 45,496	\$ 232,313
Construction in progress	1,797,376	340,735	2,138,111	-
Total capital assets not being depreciated	\$ 2,075,185	\$ 340,735	\$ 2,183,607	\$ 232,313
Other capital assets:				
Buildings and improvements	\$ 17,934,402	\$ -	\$ 1,105,903	\$ 16,828,499
Improvements other than buildings	504,728	59,640	61,526	502,842
Machinery, equipment and vehicles	4,560,673	2,419,422	322,120	6,657,975
Jointly owned assets	6,099,040	1,794,497	-	7,893,537
Total other capital assets	\$ 29,098,843	\$ 4,273,559	\$ 1,489,549	\$ 31,882,853
Accumulated depreciation:				
Buildings and improvements	\$ 10,248,312	\$ 356,963	\$ 829,269	\$ 9,776,006
Improvements other than buildings	325,679	35,511	51,598	309,592
Machinery, equipment and vehicles	3,227,972	473,464	306,344	3,395,092
Jointly owned assets	1,940,006	479,677	-	2,419,683
Total accumulated depreciation	\$ 15,741,969	\$ 1,345,615	\$ 1,187,211	\$ 15,900,373
Other capital assets, net	\$ 13,356,874	\$ 2,927,944	\$ 302,338	\$ 15,982,480
Net capital assets	\$ 15,432,059	\$ 3,268,679	\$ 2,485,945	\$ 16,214,793
Depreciation is allocated to education		\$ 1,345,615		

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, 2014, is that school financed assets in the amount of \$26,789,678 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, 2014 (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, 2014:

	Balance July 1, 2013	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2014
Primary Government:				
Governmental activities:				
Lease revenue bonds	\$ 8,250,000	\$ -	\$ 1,260,000	\$ 6,990,000
Premium on issuance	759,849	-	67,082	692,767
General obligation school bonds	29,434,292	-	1,660,808	27,773,484
Premium on issuance	1,358,005	-	133,689	1,224,316
Vehicle Loan	-	27,000	-	27,000
Compensated absences	716,063	-	136,385	579,678
Total obligations from governmental activities	\$ 40,518,209	\$ 27,000	\$ 3,257,964	\$ 37,287,245
Business-type activities:				
Revenue bonds	\$ 1,397,139	\$ -	\$ 383,866	\$ 1,013,273
Revolving loans	6,848,548	-	133,264	6,715,284
Compensated absences	63,225	360	-	63,585
Total obligations from business-type activities	\$ 8,308,912	\$ 360	\$ 517,130	\$ 7,792,142
Long-term obligations from component unit activities:				
School Board:				
Compensated absences	\$ 514,354	\$ 63,056	\$ -	\$ 577,410
Energy improvement lease	1,596,421	-	58,589	1,537,832
Total obligations from component unit activities	\$ 2,110,775	\$ 63,056	\$ 58,589	\$ 2,115,242
Total long-term obligations	\$ 50,937,896	\$ 90,416	\$ 3,833,683	\$ 47,194,629
Reconciliation to Exhibit 1:				
	Governmental Activities	Business- Type Activities	Component Unit	Total
Long-term liabilities:				
Due within one year	\$ 1,694,866	\$ 168,045	\$ 121,733	\$ 1,984,644
Due in more than one year	35,592,379	7,624,097	1,993,509	45,209,985
Total long-term obligations	\$ 37,287,245	\$ 7,792,142	\$ 2,115,242	\$ 47,194,629

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (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	
	Principal	Interest	Principal	Interest
2015	\$ 1,798,585	\$ 1,861,947	\$ 63,992	\$ 42,290
2016	1,840,803	1,797,669	69,683	40,531
2017	2,293,245	1,728,517	75,674	38,614
2018	2,370,238	1,656,853	81,979	36,533
2019	2,453,233	1,581,810	88,612	34,279
2020-2024	13,080,360	6,699,325	555,101	130,855
2025-2029	10,465,792	3,949,612	602,791	42,796
2030-2034	6,636,268	1,063,044	-	-
2035-2039	1,169,189	386,074	-	-
2040-2044	1,049,634	225,160	-	-
2045-2049	901,735	100,265	-	-
2050-2051	377,042	9,063	-	-
Total	\$ 44,436,124	\$ 21,059,339	\$ 1,537,832	\$ 365,898

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

**Details of Long-term Obligations:**

	Amount Outstanding	Due within One year
<b><u>Governmental Activities:</u></b>		
<b><u>Lease Revenue Bonds:</u></b>		
\$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%	\$ 6,990,000	\$ 210,000
Plus: Premium on issuance	692,767	62,784
Total Lease Revenue Bonds	\$ 7,682,767	\$ 272,784

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

## Note 10—Long-Term Obligations: (Continued)

### Details of Long-term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<b><u>Governmental Activities: (Continued)</u></b>		
<b><u>General Obligation School Bonds:</u></b>		
\$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%	\$ 2,655,000	\$ 295,000
Plus: Premium on issuance	118,710	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%	3,847,484	276,589
Plus: Premium on issuance	120,130	18,602
\$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.	8,701,000	186,000
\$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%	12,570,000	450,000
Plus: Premium on issuance	985,476	99,052
Total General Obligation School Bonds	\$ <u>28,997,800</u>	\$ <u>1,337,114</u>
<b><u>Loan payable:</u></b>		
\$27,000 Rural Development loan to acquire a police vehicle bearing interest at 4.00%. Although the loan calls for a 5 year payment plan, the County paid off the loan in early 2015.	\$ 27,000	\$ 27,000
<b><u>Compensated absences (payable from general fund)</u></b>	\$ 579,678	\$ 57,968
Total long-term obligations from governmental activities	\$ <u><u>37,287,245</u></u>	\$ <u><u>1,694,866</u></u>

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

## Note 10—Long-Term Obligations: (Continued)

### Details of Long-term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<b><u>Business-type Activities:</u></b>		
<b><u>Revenue bonds:</u></b>		
\$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	\$ 1,013,273	\$ 24,773
Total Revenue Bonds	\$ 1,013,273	\$ 24,773
<b><u>Revolving loans:</u></b>		
\$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	\$ 749,822	\$ 34,045
\$1,170,700 Rural Development loan due in monthly installments of \$5,097 including interest at 4.125%, beginning October 13, 2007	1,040,991	18,511
\$5,000,000 Rural Development loan due in monthly installments of \$16,700 including interest at 2.375%, beginning August 25, 2012. Interest only payments are due July 25, 2012 and July 25, 2013. The interest only payments included principal components.	4,924,471	84,358
Total Revolving Loans	\$ 6,715,284	\$ 136,914
<b><u>Compensated absences</u></b>	\$ 63,585	\$ 6,358
Total long-term obligations from business-type activities	\$ 7,792,142	\$ 168,045
<b><u>Component Unit Activities:</u></b>		
<b><u>Energy improvement lease:</u></b>		
\$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% Energy improvements of \$1,546,465 are reflected in CIP at year-end.	\$ 1,537,832	\$ 63,992
<b><u>Compensated absences (payable from school operating fund)</u></b>	\$ 577,410	\$ 57,741
Total long-term obligations from component unit activities	\$ 2,115,242	\$ 121,733
Total long-term obligations	\$ 47,194,629	\$ 1,984,644

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### **Note 10—Long-Term Obligations: (Continued)**

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#### **Details of Long-term Obligations: (Continued)**

On June 16, 2014, the County paid \$725,000 to defease a portion of its payments under the financing lease that are allocable to the 2010C bonds and payable in 2014 and 2015 (on November 1<sup>st</sup>). Defeased principal payments will be made by the Trustee as follows: \$355,000 in 2014 and \$370,000 in 2015.

### **Note 11—Pension Plan:**

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#### **A. Plan Description**

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

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

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

VRS – PLAN 1
--------------

- 1. Plan Overview** - VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
- 2. Eligible Members** - Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.
- 3. Hybrid Opt-In Election** - VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

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

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

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

**Note 11—Pension Plan: (Continued)**

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**A. Plan Description (Continued)**

<b>VRS – PLAN 1 (CONTINUED)</b>
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4. **Retirement Contributions** - Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.
5. **Creditable Service** - Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
6. **Vesting** - Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

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

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

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

8. **Average Final Compensation** - A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.

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

**Note 11—Pension Plan: (Continued)**

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**A. Plan Description (Continued)**

<b>VRS – PLAN 1 (CONTINUED)</b>
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- 11. Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

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

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

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

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

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

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

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



**Note 11—Pension Plan: (Continued)**

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**A. Plan Description (Continued)**

**VRS – PLAN 1 (CONTINUED)**

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

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

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

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

**VRS – PLAN 2**

- 1. Plan Overview** - VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
- 2. Eligible Members** - Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.
- 3. Hybrid Opt-In Election** - VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

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

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

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

- 4. Retirement Contributions** - Same as VRS Plan 1—Refer to Section 4.
- 5. Creditable Service** - Same as VRS Plan 1— Refer to Section 5.



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### A. Plan Description (Continued)

<b>VRS – PLAN 2 (CONTINUED)</b>
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6. **Vesting** - Same as VRS Plan 1—Refer to Section 6.
7. **Calculating the Benefit** - Same as VRS Plan 1—Refer to Section 7.
8. **Average Final Compensation** - A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.
9. **Service Retirement Multiplier** - Same as 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.
10. **Normal Retirement Age** - Normal Social Security retirement age.
11. **Earliest Unreduced Retirement Eligibility** - Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.  
  
Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.
12. **Earliest Reduced Retirement Eligibility** - Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.
13. **Cost-of-Living Adjustment (COLA) in Retirement** - The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.
14. **Eligibility** - Same as VRS Plan 1—Refer to Section 14.
15. **Exceptions to COLA Effective Dates** - Same as VRS Plan 1—Refer to Section 15.
16. **Disability Coverage** - Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.  
  
Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.  
  
VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.
17. **Purchase of Prior Service** - Same as VRS Plan 1—Refer to Section 17.

**Note 11—Pension Plan: (Continued)**

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**A. Plan Description (Continued)**

<b>HYBRID RETIREMENT PLAN</b>
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1. **Plan Overview** - The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See “Eligible Members”)
  - The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.
  - The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
  - In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
2. **Eligible Members** - Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:
  - State employees\*
  - School division employees
  - Political subdivision employees\*
  - Judges appointed or elected to an original term on or after January 1, 2014
  - Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014
3. **\*Non-Eligible Members** - Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:
  - Members of the State Police Officers’ Retirement System (SPORS)
  - Members of the Virginia Law Officers’ Retirement System (VaLORS)
  - Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

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

**Note 11—Pension Plan: (Continued)**

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**A. Plan Description (Continued)**

**HYBRID RETIREMENT PLAN: (CONTINUED)**

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

5. **Creditable Service**

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

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

6. **Vesting**

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

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

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

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

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

**Note 11—Pension Plan: (Continued)**

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**A. Plan Description (Continued)**

<b>HYBRID RETIREMENT PLAN: (CONTINUED)</b>
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**6. Vesting: (Continued)**

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

Distribution is not required by law until age 70½.

**7. Calculating the Benefit**

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

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

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

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

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

**10. Normal Retirement Age**

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

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

**11. Earliest Unreduced Retirement Eligibility**

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

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

**12. Earliest Reduced Retirement Eligibility**

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### A. Plan Description (Continued)

##### HYBRID RETIREMENT PLAN: (CONTINUED)

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

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

Defined Contribution Component - Not Applicable.

#### 14. Eligibility - Same as VRS Plan 1 and VRS Plan 2—Refer to Section 14.

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

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

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

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

#### 17. Purchase of Prior Service

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

Defined Contribution Component - Not Applicable.

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

#### B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and its component units are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board non-professional employee contribution rates for the fiscal year ended 2014 were 12.97% and 8.55%, respectively, of annual covered payroll.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

### Note 11—Pension Plan: (Continued)

#### C. Annual Pension Cost

For fiscal year 2014, the County's annual pension cost of \$502,570 was equal to the County's required and actual contributions.

For fiscal year 2014, the School Board's annual pension cost for the Board's non-professional employees was \$68,331 which was equal to the Board's required and actual contributions.

Three-Year Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC) <sup>1</sup>	Percentage of APC Contributed	Net Pension Obligation
County:			
June 30, 2014	\$ 502,570	100%	\$ -
June 30, 2013	486,908	100%	-
June 30, 2012	361,872	100%	-
School Board Non-Professional:			
June 30, 2014	\$ 68,331	100%	\$ -
June 30, 2013	60,587	100%	-
June 30, 2012	51,382	100%	-

<sup>1</sup> Employer Portion Only

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

#### D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County's plan was 76.85% funded. The actuarial accrued liability for benefits was \$15,003,773, and the actuarial value of assets was \$11,531,086, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,472,687. The covered payroll (annual payroll of active employees covered by the plan) was \$3,754,628, and ratio of the UAAL to the covered payroll was 92.49%.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### D. Funded Status and Funding Progress (Continued)

As of June 30, 2013, the most recent actuarial valuation date, the School Board's plan was 87.54% funded. The actuarial accrued liability for benefits was \$2,912,211, and the actuarial value of assets was \$2,549,395, resulting in an unfunded actuarial accrued liability (UAAL) of \$362,816. The covered payroll (annual payroll of active employees covered by the plan) was \$782,040, and ratio of the UAAL to the covered payroll was 46.39%.

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

#### E. Discretely Presented Component Unit School Board

##### PROFESSIONAL EMPLOYEES:

##### Plan Description

The Buckingham County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/publications/2012-annual-report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

##### Funding Policy

Plan members are required to contribute 5.00% of their compensation toward the retirement and Buckingham County School Board is required to contribute at an actuarially determined rate. The rates for fiscal years 2014, 2013, and 2012 were 11.66%, 11.66%, and 6.33%, respectively, of annual covered payroll. The contribution requirements of plan members and Buckingham County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2014, 2013, and 2012 were \$1,197,347, \$1,101,172, and \$645,888, respectively, and equaled the required contributions for each year.

### Note 12—Commitments and Contingencies:

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



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

### Note 12—Commitments and Contingencies: (Continued)

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. Engineering work on the new sewer plant began in fiscal year 2011.

At June 30, 2014, 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	\$ 632,980	\$ 291,796	\$ 341,184
Water treatment plant construction	10,643,629	10,377,538	266,091
Ballfield and parking lot - ball complex	476,660	272,201	204,459
Sidewalk improvements	79,064	77,757	1,307

### 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 L. Allen, Commissioner of the Revenue	3,000
William G. Kidd, Jr., Sheriff	30,000
The above constitutional officers' employees-blanket bond	50,000
Virginia Association of Counties Group Self-Insurance Risk Pool:	
County Employees - blanket bond	250,000
United States Fidelity and Guaranty Company - Surety (2013-2014 Policy Term)	
Dr. Cecil Snead, II, Superintendent	10,000
Wendy Oliver, Clerk of the School Board	10,000
Charlotte Patterson, Deputy Clerk of the School Board	10,000
Wendy Oliver, Accounts Payable	10,000
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, 2014 (Continued)

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### **Note 14—Landfill Closure and Postclosure Care Cost:**

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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.

### **Note 15—Risk Management:**

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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:**

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At June 30, 2014, 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. Although litigation has been threatened against the County related to the County Administration building projects, a formal suit has not yet been filed.

### **Note 17—Expenditures and Appropriations:**

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Expenditures exceeded appropriations in all functions except for general government administration, health and welfare, and education in the General Fund and in the Virginia Public Assistance, County Capital Improvements Fund, and Debt Financed School Capital Projects Funds at June 30, 2014; however, all disbursements were approved in accordance with operating policies.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

### Note 18—Interfund Transfers:

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

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
Governmental Activities:			
General Fund	\$ -	\$ 4,974,236	\$ (4,974,236)
VPA Fund	573,345	-	573,345
Debt Service Fund	4,286,712	-	4,286,712
County Capital Improvements Fund	114,179	-	114,179
Total interfund transfers	\$ <u>4,974,236</u>	\$ <u>4,974,236</u>	\$ <u>-</u>

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

### Note 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, 2014, 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, 2014 is not believed to be material to the financial statements. The School Board has two participants on its plan and the benefit is no longer offered so there is minimal impact to the financial statements.

### 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.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2014 (Continued)

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### Note 20—Other Postemployment Benefits—VRS Health Insurance Credit: (Continued)

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#### A. Plan Description (Continued)

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 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2014, 2013, and 2012 were \$113,984, 104,922, and \$61,222, respectively and equaled the required contributions for each year.

### Note 21—Operating Lease:

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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>
2015	\$ 50,000	\$ 29,052
2016	50,000	29,052
2017	50,000	29,052
2018	50,000	29,052
2019	50,000	29,052
2020-2024	250,000	24,210
2025-2028	191,666	-
Total	<u>\$ 691,666</u>	<u>\$ 169,470</u>

### Note 22—Subsequent Events:

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On October 14, 2014, the Board of Supervisors approved a contract with Southwood Building Systems, Inc. at a price of \$6,828,200 for expansion of the Waste Water Facility Expansion. This project is supported by Rural Development with an initial grant of \$4,334,000 and a loan of \$4,718,000 at a 2.125% interest rate. However, since the total project may be less than projected, it is possible the grant will be less as loan proceeds must be spent first.

On October 22, 2014, the County issued sewer revenue bonds in an amount not to exceed \$4,718,000 for improvements and expansion of the sewer system. The bonds carry an interest rate of 2.125% and were issued through Rural Development. The County has also entered into an agreement with Buckingham Industrial Development Authority (IDA) to fund debt service through the collection of an availability fee from the IDA.

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### **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

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

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## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>REVENUES</b>				
General property taxes	\$ 12,381,700	\$ 12,381,700	\$ 13,147,771	\$ 766,071
Other local taxes	1,418,500	1,418,500	1,604,503	186,003
Permits, privilege fees, and regulatory licenses	68,000	68,000	60,746	(7,254)
Fines and forfeitures	68,100	68,100	54,451	(13,649)
Revenue from the use of money and property	116,600	116,600	83,440	(33,160)
Charges for services	63,216	63,216	91,848	28,632
Miscellaneous	13,100	23,434	71,947	48,513
Intergovernmental:				
Commonwealth	3,139,144	3,179,896	3,266,441	86,545
Federal	-	330,726	312,204	(18,522)
Total revenues	<u>\$ 17,268,360</u>	<u>\$ 17,650,172</u>	<u>\$ 18,693,351</u>	<u>\$ 1,043,179</u>
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 1,345,924	\$ 1,625,636	\$ 1,521,630	\$ 104,006
Judicial administration	755,797	796,549	802,694	(6,145)
Public safety	2,788,176	3,240,495	3,528,585	(288,090)
Public works	1,301,980	1,301,023	1,409,089	(108,066)
Health and welfare	211,373	211,373	206,461	4,912
Education	5,475,702	6,659,365	6,069,838	589,527
Parks, recreation, and cultural	332,978	365,056	402,645	(37,589)
Community development	189,775	195,411	196,905	(1,494)
Nondepartmental	150,000	150,000	172,235	(22,235)
Capital projects	-	1,243,266	1,247,754	(4,488)
Total expenditures	<u>\$ 12,551,705</u>	<u>\$ 15,788,174</u>	<u>\$ 15,557,836</u>	<u>\$ 230,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,716,655</u>	<u>\$ 1,861,998</u>	<u>\$ 3,135,515</u>	<u>\$ 1,273,517</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (3,673,775)	\$ (3,727,025)	\$ (4,974,236)	\$ (1,247,211)
USDA vehicle loan	-	-	27,000	27,000
Total other financing sources (uses)	<u>\$ (3,673,775)</u>	<u>\$ (3,727,025)</u>	<u>\$ (4,947,236)</u>	<u>\$ (1,220,211)</u>
Net change in fund balance	\$ 1,042,880	\$ (1,865,027)	\$ (1,811,721)	\$ 53,306
Fund balance - beginning	(1,059,517)	2,990,764	8,185,461	5,194,697
Fund balance - ending	<u>\$ (16,637)</u>	<u>\$ 1,125,737</u>	<u>\$ 6,373,740</u>	<u>\$ 5,248,003</u>

## Virginia Public Assistance Fund

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

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 15,757	\$ (4,243)
Intergovernmental:				
Commonwealth	1,403,961	1,403,961	1,607,974	204,013
Federal	879,930	879,930	833,829	(46,101)
Total revenues	<u>\$ 2,303,891</u>	<u>\$ 2,303,891</u>	<u>\$ 2,457,560</u>	<u>\$ 153,669</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 2,860,727	\$ 2,913,977	\$ 3,030,905	\$ (116,928)
Total expenditures	<u>\$ 2,860,727</u>	<u>\$ 2,913,977</u>	<u>\$ 3,030,905</u>	<u>\$ (116,928)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (556,836)</u>	<u>\$ (610,086)</u>	<u>\$ (573,345)</u>	<u>\$ 36,741</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 556,836	\$ 610,086	\$ 573,345	\$ (36,741)
Total other financing sources (uses)	<u>\$ 556,836</u>	<u>\$ 610,086</u>	<u>\$ 573,345</u>	<u>\$ (36,741)</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Virginia Retirement System  
Schedule of Pension Funding Progress

## County:

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)	Funded Ratio (a/b) (d)	Annual Covered Payroll (e)	UAAL as % of Covered Payroll (c/e) (f)
June 30, 2009	\$ 10,201,639	\$ 11,844,058	\$ 1,642,419	86.13%	\$ 3,259,520	50.39%
June 30, 2010	10,307,316	12,914,504	2,607,188	79.81%	3,203,481	81.39%
June 30, 2011	10,612,123	13,795,446	3,183,323	76.92%	3,407,805	93.41%
June 30, 2012	10,821,683	14,462,964	3,641,281	74.82%	3,450,459	105.53%
June 30, 2013	11,531,086	15,003,773	3,472,687	76.85%	3,754,628	92.49%

## School Board Non-Professional:

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)	Funded Ratio (a/b) (d)	Annual Covered Payroll (e)	UAAL as % of Covered Payroll (c/e) (f)
June 30, 2009	\$ 2,424,856	\$ 2,691,998	\$ 267,142	90.08%	\$ 945,058	28.27%
June 30, 2010	2,449,614	2,986,997	537,383	82.01%	903,040	59.51%
June 30, 2011	2,500,275	3,083,569	583,294	81.08%	831,998	70.11%
June 30, 2012	2,489,115	3,030,518	541,403	82.13%	831,022	65.15%
June 30, 2013	2,549,395	2,912,211	362,816	87.54%	782,040	46.39%

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**OTHER SUPPLEMENTARY INFORMATION**

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## **Combining and Individual Fund Statements and Schedules**

## Debt Service Fund

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

For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
Federal	\$ 450,000	\$ 450,000	\$ 417,600	\$ (32,400)
Total revenues	\$ 450,000	\$ 450,000	\$ 417,600	\$ (32,400)
EXPENDITURES				
Debt service:				
Principal retirement	\$ 1,860,808	\$ 2,920,808	\$ 2,920,808	\$ -
Interest and other fiscal charges	1,706,131	1,788,505	1,788,004	501
Total expenditures	\$ 3,566,939	\$ 4,709,313	\$ 4,708,812	\$ 501
Excess (deficiency) of revenues over (under) expenditures	\$ (3,116,939)	\$ (4,259,313)	\$ (4,291,212)	\$ (31,899)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,116,939	\$ 3,116,939	\$ 4,286,712	\$ 1,169,773
Total other financing sources (uses)	\$ 3,116,939	\$ 3,116,939	\$ 4,286,712	\$ 1,169,773
Net change in fund balance	\$ -	\$ (1,142,374)	\$ (4,500)	\$ 1,137,874
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ (1,142,374)	\$ (4,500)	\$ 1,137,874

## County Capital Improvements Fund

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

For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>EXPENDITURES</b>				
Capital projects	\$ -	\$ -	\$ 173,979	\$ (173,979)
Total expenditures	\$ -	\$ -	\$ 173,979	\$ (173,979)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (173,979)	\$ (173,979)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 114,179	\$ 114,179
Total other financing sources (uses)	\$ -	\$ -	\$ 114,179	\$ 114,179
Net change in fund balance	\$ -	\$ -	\$ (59,800)	\$ (59,800)
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ (59,800)	\$ (59,800)

## Debt Financed School Capital Projects Fund

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

For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,637	\$ 1,637
Total revenues	\$ -	\$ -	\$ 1,637	\$ 1,637
EXPENDITURES				
Capital projects	\$ -	\$ -	\$ 663,362	\$ (663,362)
Total expenditures	\$ -	\$ -	\$ 663,362	\$ (663,362)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (661,725)	\$ (661,725)
Net change in fund balance	\$ -	\$ -	\$ (661,725)	\$ (661,725)
Fund balance - beginning	-	-	764,023	764,023
Fund balance - ending	\$ -	\$ -	\$ 102,298	\$ 102,298



## Statement of Changes in Assets and Liabilities

## Agency Funds

For the Year Ended June 30, 2014

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Special Welfare Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 31,393	\$ 9,878	\$ 1,717	\$ 39,554
Total assets	<u>\$ 31,393</u>	<u>\$ 9,878</u>	<u>\$ 1,717</u>	<u>\$ 39,554</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 65	\$ -	\$ 65
Amounts held for social services clients	31,393	9,813	1,717	39,489
Total liabilities	<u>\$ 31,393</u>	<u>\$ 9,878</u>	<u>\$ 1,717</u>	<u>\$ 39,554</u>

Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2014

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,557,756	\$ 204,145	\$ -	\$ 1,761,901
Cash in custody of others	-	-	-	-
Receivables (net of allowance for uncollectibles):				
Accounts receivable	56,592	-	-	56,592
Due from other governmental units	1,086,526	7,395	-	1,093,921
Total assets	<u>\$ 2,700,874</u>	<u>\$ 211,540</u>	<u>\$ -</u>	<u>\$ 2,912,414</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 248,483	\$ -	\$ -	\$ 248,483
Accrued liabilities	1,557,756	76,148	-	1,633,904
Due to primary government	894,635	-	-	894,635
Total liabilities	<u>\$ 2,700,874</u>	<u>\$ 76,148</u>	<u>\$ -</u>	<u>\$ 2,777,022</u>
Fund balances:				
Committed:				
Cafeteria operations	\$ -	\$ 135,392	\$ -	\$ 135,392
Total fund balances	<u>\$ -</u>	<u>\$ 135,392</u>	<u>\$ -</u>	<u>\$ 135,392</u>
Total liabilities and fund balances	<u>\$ 2,700,874</u>	<u>\$ 211,540</u>	<u>\$ -</u>	<u>\$ 2,912,414</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:				
Total fund balances per above			\$	135,392
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				
Land			\$	232,313
Buildings and improvements				7,052,493
Improvements other than buildings				193,250
Machinery, equipment, and vehicles				3,262,883
Jointly owned assets				<u>5,473,854</u>
				16,214,793
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			\$	(1,537,832)
Compensated absences				(577,410)
Accrued interest payable				<u>(42,290)</u>
				(2,157,532)
Net position of governmental activities			\$	<u>14,192,653</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, 2014

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 700	\$ -	\$ -	\$ 700
Charges for services	10,600	225,811	-	236,411
Miscellaneous	764,857	-	-	764,857
Intergovernmental:				
Local government	6,050,697	-	-	6,050,697
Commonwealth	12,899,113	20,614	-	12,919,727
Federal	1,976,354	883,317	-	2,859,671
Total revenues	<u>\$ 21,702,321</u>	<u>\$ 1,129,742</u>	<u>\$ -</u>	<u>\$ 22,832,063</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 21,599,830	\$ 1,186,484	\$ -	\$ 22,786,314
Capital projects	-	-	57,346	57,346
Debt service:				
Principal retirement	58,589	-	-	58,589
Interest and other fiscal charges	43,902	-	-	43,902
Total expenditures	<u>\$ 21,702,321</u>	<u>\$ 1,186,484</u>	<u>\$ 57,346</u>	<u>\$ 22,946,151</u>
Net change in fund balances	\$ -	\$ (56,742)	\$ (57,346)	\$ (114,088)
Fund balances - beginning	-	192,134	57,346	249,480
Fund balances - ending	<u>\$ -</u>	<u>\$ 135,392</u>	<u>\$ -</u>	<u>\$ 135,392</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 \$ (114,088)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded (did not exceed) depreciation in the current period.

Capital asset additions	\$ 681,686	
Depreciation in current year	(865,938)	
Adjustment for jointly owned assets	1,314,820	1,130,568

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (347,834)

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. 58,589

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 this change are below.

Compensated absences	\$ (63,056)	
Accrued interest payable	(7,535)	(70,591)

Change in net position of governmental activities \$ 656,644

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, 2014

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 500	\$ 700	\$ 700	\$ -
Charges for services	10,500	11,500	10,600	(900)
Miscellaneous	800,899	760,899	764,857	3,958
Intergovernmental:				
Local government	6,047,678	6,640,224	6,050,697	(589,527)
Commonwealth	12,802,881	12,924,308	12,899,113	(25,195)
Federal	1,743,031	2,310,347	1,976,354	(333,993)
Total revenues	<u>\$ 21,405,489</u>	<u>\$ 22,647,978</u>	<u>\$ 21,702,321</u>	<u>\$ (945,657)</u>
EXPENDITURES				
Current:				
Education	\$ 21,405,489	\$ 22,442,996	\$ 21,599,830	\$ 843,166
Capital projects	-	-	-	-
Debt service:				
Principal retirement	-	117,178	58,589	58,589
Interest and other fiscal charges	-	87,804	43,902	43,902
Total expenditures	<u>\$ 21,405,489</u>	<u>\$ 22,647,978</u>	<u>\$ 21,702,321</u>	<u>\$ 945,657</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Cafeteria Fund				School Capital Projects Fund			
Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual		Original	Final	Actual	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
468,698	276,564	225,811	(50,753)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18,812	20,602	20,614	12	-	-	-	-
708,587	710,850	883,317	172,467	-	-	-	-
\$ 1,196,097	\$ 1,008,016	\$ 1,129,742	\$ 121,726	\$ -	\$ -	\$ -	\$ -
\$ 1,196,097	\$ 1,200,150	\$ 1,186,484	\$ 13,666	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	7,390	57,346	(49,956)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 1,196,097	\$ 1,200,150	\$ 1,186,484	\$ 13,666	\$ -	\$ 7,390	\$ 57,346	\$ (49,956)
\$ -	\$ (192,134)	\$ (56,742)	\$ 135,392	\$ -	\$ (7,390)	\$ (57,346)	\$ (49,956)
-	192,134	192,134	-	-	7,390	57,346	49,956
\$ -	\$ -	\$ 135,392	\$ 135,392	\$ -	\$ -	\$ -	\$ -

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## **Supporting Schedules**

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,461,000	\$ 6,461,000	\$ 6,912,074	\$ 451,074
Real and personal public service corporation taxes	2,820,000	2,820,000	2,847,601	27,601
Personal property taxes	2,335,000	2,335,000	2,536,173	201,173
Mobile home taxes	65,000	65,000	70,390	5,390
Machinery and tools taxes	250,000	250,000	210,514	(39,486)
Merchants' capital taxes	150,000	150,000	172,948	22,948
Aircraft taxes	700	700	744	44
Penalties	150,000	150,000	192,818	42,818
Interest	150,000	150,000	204,509	54,509
Total general property taxes	<u>\$ 12,381,700</u>	<u>\$ 12,381,700</u>	<u>\$ 13,147,771</u>	<u>\$ 766,071</u>
Other local taxes:				
Local sales and use taxes	\$ 617,000	\$ 617,000	\$ 681,796	\$ 64,796
Consumers' utility taxes	330,000	330,000	348,178	18,178
Franchise license taxes	60,000	60,000	66,656	6,656
Transient occupancy taxes	4,000	4,000	4,387	387
Motor vehicle licenses	320,000	320,000	333,196	13,196
Bank stock taxes	30,000	30,000	30,759	759
Taxes on recordation and wills	57,500	57,500	139,531	82,031
Total other local taxes	<u>\$ 1,418,500</u>	<u>\$ 1,418,500</u>	<u>\$ 1,604,503</u>	<u>\$ 186,003</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 4,000	\$ 4,000	\$ 4,082	\$ 82
Permits and other licenses	64,000	64,000	56,664	(7,336)
Total permits, privilege fees, and regulatory licenses	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 60,746</u>	<u>\$ (7,254)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 65,000	\$ 65,000	\$ 44,884	\$ (20,116)
Other fines and forfeitures	3,100	3,100	9,567	6,467
Total fines and forfeitures	<u>\$ 68,100</u>	<u>\$ 68,100</u>	<u>\$ 54,451</u>	<u>\$ (13,649)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 6,600	\$ 6,600	\$ 4,216	\$ (2,384)
Revenue from use of property	110,000	110,000	79,224	(30,776)
Total revenue from use of money and property	<u>\$ 116,600</u>	<u>\$ 116,600</u>	<u>\$ 83,440</u>	<u>\$ (33,160)</u>
Charges for services:				
Sheriff's fees	\$ 1,416	\$ 1,416	\$ 1,031	\$ (385)
Charges for law library	2,000	2,000	2,266	266
Excess fees of clerk	5,000	5,000	4,353	(647)
Charges for courthouse maintenance	6,500	6,500	6,847	347
Charges for parks and recreation	-	-	22,118	22,118
Miscellaneous jail and inmate fees	1,000	1,000	877	(123)
Courthouse security fees	27,000	27,000	30,697	3,697
Charges for Commonwealth's Attorney	500	500	1,068	568
Charges for local court appointed attorney	800	800	2,144	1,344
Charges for sanitation and waste removal	19,000	19,000	20,447	1,447
Total charges for services	<u>\$ 63,216</u>	<u>\$ 63,216</u>	<u>\$ 91,848</u>	<u>\$ 28,632</u>

## Schedule of Revenues - Budget and Actual

## Governmental Funds

For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 5,100	\$ 15,434	\$ 48,921	\$ 33,487
Service charge on tax exempt properties	8,000	8,000	10,031	2,031
Sale of salvage and surplus	-	-	6,979	6,979
Donations, etc (Sheriff)	-	-	6,016	6,016
Total miscellaneous revenue	<u>\$ 13,100</u>	<u>\$ 23,434</u>	<u>\$ 71,947</u>	<u>\$ 48,513</u>
Total revenue from local sources	<u>\$ 14,129,216</u>	<u>\$ 14,139,550</u>	<u>\$ 15,114,706</u>	<u>\$ 975,156</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications taxes	\$ 430,000	\$ 430,000	\$ 425,959	\$ (4,041)
Motor vehicle carriers' tax	10,000	10,000	11,734	1,734
Animal friendly plates - DMV	110	110	167	57
Mobile home titling tax	30,000	30,000	40,183	10,183
Grantor's tax on deeds	10,000	10,000	57,140	47,140
Auto rental tax	500	500	1,645	1,145
Personal property tax relief funds	1,136,914	1,136,914	1,136,914	-
Total noncategorical aid	<u>\$ 1,617,524</u>	<u>\$ 1,617,524</u>	<u>\$ 1,673,742</u>	<u>\$ 56,218</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 197,758	\$ 197,758	\$ 196,668	\$ (1,090)
Sheriff	797,530	797,530	799,442	1,912
Commissioner of revenue	75,600	75,600	75,941	341
Treasurer	81,144	81,144	80,669	(475)
Registrar/electoral board	46,583	46,583	36,689	(9,894)
Clerk of the Circuit Court	189,884	189,884	171,841	(18,043)
Total shared expenses	<u>\$ 1,388,499</u>	<u>\$ 1,388,499</u>	<u>\$ 1,361,250</u>	<u>\$ (27,249)</u>
Other categorical aid:				
Recordation tax	\$ 15,000	\$ 15,000	\$ 56,143	\$ 41,143
Fire program funds	40,000	40,000	50,152	10,152
Forest products sales	20,000	20,000	15,865	(4,135)
Arts grant	5,000	5,000	-	(5,000)

## Schedule of Revenues - Budget and Actual

## Governmental Funds

For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
4 for life	\$ -	\$ -	\$ 14,941	\$ 14,941
E-911 grants	40,000	40,000	42,717	2,717
Litter control grant	8,121	8,121	6,867	(1,254)
Miscellaneous grants	5,000	5,000	-	(5,000)
Item conservation grant	-	15,408	16,601	1,193
Technology funds	-	25,344	25,574	230
Asset forfeiture DCJS	-	-	2,589	2,589
Total other categorical aid	<u>\$ 133,121</u>	<u>\$ 173,873</u>	<u>\$ 231,449</u>	<u>\$ 57,576</u>
Total categorical aid	<u>\$ 1,521,620</u>	<u>\$ 1,562,372</u>	<u>\$ 1,592,699</u>	<u>\$ 30,327</u>
Total revenue from the Commonwealth	<u>\$ 3,139,144</u>	<u>\$ 3,179,896</u>	<u>\$ 3,266,441</u>	<u>\$ 86,545</u>
Revenue from the federal government:				
Categorical aid:				
State and community highway safety	\$ -	\$ -	\$ 39,784	\$ 39,784
VDOT transportation enhancement	-	28,575	31,192	2,617
Local law enforcement block grant	-	2,390	2,390	-
Asset forfeiture funds	-	299,761	238,838	(60,923)
Total categorical aid	<u>\$ -</u>	<u>\$ 330,726</u>	<u>\$ 312,204</u>	<u>\$ (18,522)</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 330,726</u>	<u>\$ 312,204</u>	<u>\$ (18,522)</u>
Total General Fund	<u><u>\$ 17,268,360</u></u>	<u><u>\$ 17,650,172</u></u>	<u><u>\$ 18,693,351</u></u>	<u><u>\$ 1,043,179</u></u>
<b>Special Revenue Fund:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ 20,000	\$ 20,000	\$ 15,757	\$ (4,243)
Total revenue from local sources	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 15,757</u>	<u>\$ (4,243)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 448,000	\$ 448,000	\$ 455,366	\$ 7,366
Comprehensive Services Act program	955,961	955,961	1,152,608	196,647
Total categorical aid	<u>\$ 1,403,961</u>	<u>\$ 1,403,961</u>	<u>\$ 1,607,974</u>	<u>\$ 204,013</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 879,930	\$ 879,930	\$ 833,829	\$ (46,101)
Total categorical aid	<u>\$ 879,930</u>	<u>\$ 879,930</u>	<u>\$ 833,829</u>	<u>\$ (46,101)</u>
Total Virginia Public Assistance Fund	<u><u>\$ 2,303,891</u></u>	<u><u>\$ 2,303,891</u></u>	<u><u>\$ 2,457,560</u></u>	<u><u>\$ 153,669</u></u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Federal tax credit	\$ 450,000	\$ 450,000	\$ 417,600	\$ (32,400)
Total revenue from the federal government	\$ 450,000	\$ 450,000	\$ 417,600	\$ (32,400)
Total Debt Service Fund	\$ 450,000	\$ 450,000	\$ 417,600	\$ (32,400)
<b>Debt Financed School Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,637	\$ 1,637
Total revenue from local sources	\$ -	\$ -	\$ 1,637	\$ 1,637
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 1,637	\$ 1,637
Total Primary Government	\$ 20,022,251	\$ 20,404,063	\$ 21,570,148	\$ 1,166,085
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 500	\$ 700	\$ 700	\$ -
Charges for services:				
Tuition and other payments	\$ 10,500	\$ 11,500	\$ 10,600	\$ (900)
Miscellaneous revenue:				
Other miscellaneous	\$ 800,899	\$ 760,899	\$ 764,857	\$ 3,958
Total revenue from local sources	\$ 811,899	\$ 773,099	\$ 776,157	\$ 3,058

## Schedule of Revenues - Budget and Actual

## Governmental Funds

For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ 6,047,678	\$ 6,640,224	\$ 6,050,697	\$ (589,527)
Total revenues from local governments	\$ 6,047,678	\$ 6,640,224	\$ 6,050,697	\$ (589,527)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,254,796	\$ 2,187,017	\$ 2,172,184	\$ (14,833)
Basic school aid	6,231,901	6,216,712	6,216,462	(250)
Remedial summer education	63,605	64,910	64,910	-
Regular foster care	16,408	14,174	14,174	-
Adult secondary education	2,754	2,754	-	(2,754)
Gifted and talented	62,775	62,297	62,297	-
Remedial education	262,017	268,317	260,024	(8,293)
Special education- SOQ	911,600	904,667	904,667	-
Vocational standards of quality payments	255,193	253,253	253,253	-
Social security fringe benefits	402,578	399,516	399,516	-
Retirement fringe benefits	672,782	667,666	667,666	-
Group life fringe benefits	25,929	25,732	25,732	-
Early reading intervention	38,754	38,754	38,754	-
ISAEF	7,859	7,859	7,859	-
Homebound education	13,826	6,533	6,533	-
Mentor teaching	981	981	1,136	155
Vocational education - equipment	-	-	6,204	6,204
Vocational occupational preparedness	26,286	29,480	23,812	(5,668)
At risk payments	358,714	355,806	355,806	-
Textbooks	122,452	121,521	113,091	(8,430)
Primary class size/K-3 initiative	289,660	383,459	383,459	-
Virginia Preschool Initiative	289,632	289,632	289,632	-
Standards of Learning algebra readiness	30,962	30,859	30,859	-
Additional assist ret inflation preschool	120,167	111,874	120,167	8,293
Compensation supplement	127,338	155,395	155,395	-
VPSA technology funds	154,000	248,961	248,961	-
Other state funds	59,912	76,179	76,560	381
Total categorical aid	\$ 12,802,881	\$ 12,924,308	\$ 12,899,113	\$ (25,195)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 676,007	\$ 1,094,282	\$ 1,007,245	\$ (87,037)
Title VI-B, special education flow-through	507,484	509,092	509,200	108
Vocational education	44,750	43,029	43,029	-
Title VI-B, special education pre-school	20,208	10,363	10,363	-
Title II, Part A	177,822	188,656	92,975	(95,681)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid: (Continued)				
ROTC	\$ 59,175	\$ 59,175	\$ 59,854	\$ 679
Rural and low-income schools	68,679	71,899	55,356	(16,543)
Twenty-first century community learning centers	188,906	298,751	163,236	(135,515)
Other federal funds	-	35,100	35,096	(4)
Total categorical aid	<u>\$ 1,743,031</u>	<u>\$ 2,310,347</u>	<u>\$ 1,976,354</u>	<u>\$ (333,993)</u>
Total School Operating Fund	<u>\$ 21,405,489</u>	<u>\$ 22,647,978</u>	<u>\$ 21,702,321</u>	<u>\$ (945,657)</u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 468,698	\$ 276,564	\$ 225,811	\$ (50,753)
Total revenue from local sources	<u>\$ 468,698</u>	<u>\$ 276,564</u>	<u>\$ 225,811</u>	<u>\$ (50,753)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,184	\$ 11,544	\$ 11,556	\$ 12
School breakfast program	7,628	9,058	9,058	-
Total revenue from the Commonwealth	<u>\$ 18,812</u>	<u>\$ 20,602</u>	<u>\$ 20,614</u>	<u>\$ 12</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 628,587	\$ 628,587	\$ 727,032	\$ 98,445
Fresh fruit and vegetables - FFV	25,000	25,000	57,854	32,854
Summer feeding program	20,000	22,263	22,263	-
USDA	35,000	35,000	5,155	(29,845)
Commodities	-	-	71,013	71,013
Total revenue from the federal government	<u>\$ 708,587</u>	<u>\$ 710,850</u>	<u>\$ 883,317</u>	<u>\$ 172,467</u>
Total School Cafeteria Fund	<u>\$ 1,196,097</u>	<u>\$ 1,008,016</u>	<u>\$ 1,129,742</u>	<u>\$ 121,726</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 22,601,586</u>	<u>\$ 23,655,994</u>	<u>\$ 22,832,063</u>	<u>\$ (823,931)</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 70,460	\$ 205,223	\$ 126,324	\$ 78,899
General and financial administration:				
County administrator	\$ 204,739	\$ 295,965	\$ 299,257	\$ (3,292)
Accounting and Auditing Services	35,000	43,313	55,313	(12,000)
Cost allocation plan	3,800	3,800	3,500	300
Commissioner of revenue	227,336	227,336	225,643	1,693
Assessor	100,000	100,000	83,205	16,795
Treasurer	265,947	275,947	277,626	(1,679)
Finance/Human Resource	197,018	232,428	225,267	7,161
Information Technology	101,357	101,357	107,860	(6,503)
Total general and financial administration	\$ 1,135,197	\$ 1,280,146	\$ 1,277,671	\$ 2,475
Board of elections:				
Electoral board and officials	\$ 49,968	\$ 49,968	\$ 29,971	\$ 19,997
Registrar	90,299	90,299	87,664	2,635
Total board of elections	\$ 140,267	\$ 140,267	\$ 117,635	\$ 22,632
Total general government administration	\$ 1,345,924	\$ 1,625,636	\$ 1,521,630	\$ 104,006
Judicial administration:				
Courts:				
Circuit court	\$ 13,280	\$ 13,280	\$ 12,890	\$ 390
General district court	7,370	7,370	11,692	(4,322)
Court appointed attorney	-	-	3,481	(3,481)
Special magistrates	3,000	3,000	741	2,259
Clerk of the circuit court	338,464	379,216	376,601	2,615
Total courts	\$ 362,114	\$ 402,866	\$ 405,405	\$ (2,539)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 393,683	\$ 393,683	\$ 397,289	\$ (3,606)
Total commonwealth's attorney	\$ 393,683	\$ 393,683	\$ 397,289	\$ (3,606)
Total judicial administration	\$ 755,797	\$ 796,549	\$ 802,694	\$ (6,145)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,811,110	\$ 2,263,120	\$ 2,250,295	\$ 12,825
Selective enforcement	-	-	42,229	(42,229)
Sheriff's fund	-	-	15,082	(15,082)
Triad	2,500	2,500	2,500	-
Total law enforcement and traffic control	\$ 1,813,610	\$ 2,265,620	\$ 2,310,106	\$ (44,486)

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 254,067	\$ 254,067	\$ 262,891	\$ (8,824)
Ambulance and rescue services	1,250	1,250	-	1,250
Forest fire prevention	26,859	26,859	26,178	681
Emergency services	220,078	220,078	179,695	40,383
Total fire and rescue services	<u>\$ 502,254</u>	<u>\$ 502,254</u>	<u>\$ 468,764</u>	<u>\$ 33,490</u>
Correction and detention:				
Piedmont Regional Jail	\$ 200,000	\$ 200,000	\$ 441,543	\$ (241,543)
Regional Regional Juvenile Detention Center	25,000	25,000	36,267	(11,267)
Total correction and detention	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 477,810</u>	<u>\$ (252,810)</u>
Inspections:				
Building	\$ 114,190	\$ 114,190	\$ 117,182	\$ (2,992)
Total inspections	<u>\$ 114,190</u>	<u>\$ 114,190</u>	<u>\$ 117,182</u>	<u>\$ (2,992)</u>
Other protection:				
Animal control	\$ 127,922	\$ 128,231	\$ 149,603	\$ (21,372)
Medical Examiner	200	200	120	80
Southside Center for Violence Prevention	5,000	5,000	5,000	-
Total other protection	<u>\$ 133,122</u>	<u>\$ 133,431</u>	<u>\$ 154,723</u>	<u>\$ (21,292)</u>
Total public safety	<u>\$ 2,788,176</u>	<u>\$ 3,240,495</u>	<u>\$ 3,528,585</u>	<u>\$ (288,090)</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,100	\$ 4,100	\$ 4,960	\$ (860)
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 4,100</u>	<u>\$ 4,100</u>	<u>\$ 4,960</u>	<u>\$ (860)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 797,569	\$ 797,746	\$ 823,212	\$ (25,466)
Anti-Litter	8,121	6,867	6,934	(67)
Total sanitation and waste removal	<u>\$ 805,690</u>	<u>\$ 804,613</u>	<u>\$ 830,146</u>	<u>\$ (25,533)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 492,190	\$ 492,310	\$ 573,983	\$ (81,673)
Total maintenance of general buildings and grounds	<u>\$ 492,190</u>	<u>\$ 492,310</u>	<u>\$ 573,983</u>	<u>\$ (81,673)</u>
Total public works	<u>\$ 1,301,980</u>	<u>\$ 1,301,023</u>	<u>\$ 1,409,089</u>	<u>\$ (108,066)</u>
Health and welfare:				
Health:				
Health Department	\$ 110,763	\$ 110,763	\$ 103,482	\$ 7,281
Central Virginia Health Services	8,850	8,850	8,850	-
Total health	<u>\$ 119,613</u>	<u>\$ 119,613</u>	<u>\$ 112,332</u>	<u>\$ 7,281</u>
Mental health and mental retardation:				
Crossroads Board	\$ 36,000	\$ 36,000	\$ 36,000	\$ -
Total mental health and mental retardation	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ -</u>



Schedule of Expenditures - Budget and Actual  
Governmental Funds

For the Year Ended June 30, 2014 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Welfare:				
Buckingham County active seniors	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Tax Relief for the Elderly	-	-	12,369	(12,369)
Jaunt Inc transportation service	22,948	22,948	22,948	-
Piedmont area transit	10,000	10,000	10,000	-
VA legal aid	4,812	4,812	4,812	-
Meals on Wheels of Buckingham	8,000	8,000	8,000	-
Total welfare	<u>\$ 55,760</u>	<u>\$ 55,760</u>	<u>\$ 58,129</u>	<u>\$ (2,369)</u>
Total health and welfare	<u>\$ 211,373</u>	<u>\$ 211,373</u>	<u>\$ 206,461</u>	<u>\$ 4,912</u>
Education:				
Other instructional costs:				
Contributions to colleges and agencies	\$ 19,141	\$ 19,141	\$ 19,141	\$ -
Contribution to Buckingham County School Board	5,456,561	6,640,224	6,050,697	589,527
Total education	<u>\$ 5,475,702</u>	<u>\$ 6,659,365</u>	<u>\$ 6,069,838</u>	<u>\$ 589,527</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 157,615	\$ 189,693	\$ 199,911	\$ (10,218)
Programs	-	-	32,371	(32,371)
Ellis Acres Memorial Park	5,000	5,000	5,000	-
Total parks and recreation	<u>\$ 162,615</u>	<u>\$ 194,693</u>	<u>\$ 237,282</u>	<u>\$ (42,589)</u>
Cultural enrichment:				
Arts Council	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000
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>\$ 12,563</u>	<u>\$ 5,000</u>
Library:				
Regional library	\$ 152,800	\$ 152,800	\$ 152,800	\$ -
Total library	<u>\$ 152,800</u>	<u>\$ 152,800</u>	<u>\$ 152,800</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 332,978</u>	<u>\$ 365,056</u>	<u>\$ 402,645</u>	<u>\$ (37,589)</u>
Community development:				
Planning and community development:				
Planning	\$ 90,680	\$ 90,680	\$ 90,260	\$ 420
Planning District Commission	15,700	15,700	15,700	-
Economic Development	-	-	1,530	(1,530)
Longwood Small Business Development Center	5,849	5,849	5,849	-
Southeast RCAP	1,000	1,000	1,000	-
Total planning and community development	<u>\$ 113,229</u>	<u>\$ 113,229</u>	<u>\$ 114,339</u>	<u>\$ (1,110)</u>
Environmental management:				
Peter Francisco Soil and Water Conservation	\$ 9,500	\$ 9,500	\$ 9,500	\$ -
RC&D	1,543	1,543	1,543	-
Total environmental management	<u>\$ 11,043</u>	<u>\$ 11,043</u>	<u>\$ 11,043</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2014 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Community development: (Continued)				
Cooperative extension program:				
Cooperative extension office	\$ 65,503	\$ 71,139	\$ 71,523	\$ (384)
Total cooperative extension program	\$ 65,503	\$ 71,139	\$ 71,523	\$ (384)
Total community development	\$ 189,775	\$ 195,411	\$ 196,905	\$ (1,494)
Nondepartmental:				
Bank Charges - Bank of America	\$ 30,000	\$ 30,000	\$ 31,259	\$ (1,259)
Unemployment insurance	5,000	5,000	5,798	(798)
Worker's compensation	50,000	50,000	43,620	6,380
School sewer contract	65,000	65,000	91,558	(26,558)
Total nondepartmental	\$ 150,000	\$ 150,000	\$ 172,235	\$ (22,235)
Capital projects:				
Sidewalk	\$ -	\$ 28,575	\$ 33,063	\$ (4,488)
Security system	-	181,589	181,589	-
Radio system upgrade	-	740,054	740,054	-
Gene Dixon Park	-	293,048	293,048	-
Total capital projects	\$ -	\$ 1,243,266	\$ 1,247,754	\$ (4,488)
Total General Fund	\$ 12,551,705	\$ 15,788,174	\$ 15,557,836	\$ 230,338
<b>Special Revenue Fund:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,302,395	\$ 1,302,395	\$ 1,258,051	\$ 44,344
Public assistance	372,371	372,371	334,753	37,618
Comprehensive services	1,185,961	1,239,211	1,438,101	(198,890)
Total welfare and social services	\$ 2,860,727	\$ 2,913,977	\$ 3,030,905	\$ (116,928)
Total Virginia Public Assistance Fund	\$ 2,860,727	\$ 2,913,977	\$ 3,030,905	\$ (116,928)
<b>Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 1,860,808	\$ 2,920,808	\$ 2,920,808	\$ -
Interest and other fiscal charges	1,706,131	1,788,505	1,788,004	501
Total Debt Service Fund	\$ 3,566,939	\$ 4,709,313	\$ 4,708,812	\$ 501
<b>Capital Projects Funds:</b>				
<b>County Capital Improvements Fund:</b>				
Capital projects expenditures:				
County admin project	\$ -	\$ -	\$ 69,682	\$ (69,682)
County ss/health dept renovation project	-	-	104,297	(104,297)
Total capital projects	\$ -	\$ -	\$ 173,979	\$ (173,979)
Total County Capital Improvements Fund	\$ -	\$ -	\$ 173,979	\$ (173,979)

Schedule of Expenditures - Budget and Actual  
Governmental Funds

For the Year Ended June 30, 2014 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Capital Projects Funds: (Continued)</b>				
<b>Debt Financed School Capital Projects Fund:</b>				
Capital projects expenditures:				
Elementary school renovation	\$ -	\$ -	\$ 663,362	\$ (663,362)
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 663,362	\$ (663,362)
Total Primary Government	\$ 18,979,371	\$ 23,411,464	\$ 24,134,894	\$ (723,430)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration, attendance and health	\$ 1,151,581	\$ 1,151,581	\$ 1,075,619	\$ 75,962
Instruction	15,191,384	16,011,011	15,415,411	595,600
Operation and maintenance services	2,056,378	2,223,402	2,208,924	14,478
Pupil transportation	1,979,055	1,979,055	1,900,932	78,123
Total administration of schools	\$ 20,378,398	\$ 21,365,049	\$ 20,600,886	\$ 764,163
Capital Projects:				
Technology	\$ 1,027,091	\$ 1,077,947	\$ 998,944	\$ 79,003
Total Capital Projects	\$ 1,027,091	\$ 1,077,947	\$ 998,944	\$ 79,003
Total education	\$ 21,405,489	\$ 22,442,996	\$ 21,599,830	\$ 843,166
Debt service:				
Principal retirement	\$ -	\$ 117,178	\$ 58,589	\$ 58,589
Interest and other fiscal charges	-	87,804	43,902	43,902
Total debt service	\$ -	\$ 204,982	\$ 102,491	\$ 102,491
Total School Operating Fund	\$ 21,405,489	\$ 22,647,978	\$ 21,702,321	\$ 945,657
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,196,097	\$ 1,200,150	\$ 1,115,471	\$ 84,679
Commodities	-	-	71,013	(71,013)
Total school food services	\$ 1,196,097	\$ 1,200,150	\$ 1,186,484	\$ 13,666
Total education	\$ 1,196,097	\$ 1,200,150	\$ 1,186,484	\$ 13,666
Total School Cafeteria Fund	\$ 1,196,097	\$ 1,200,150	\$ 1,186,484	\$ 13,666
<b>School Capital Projects Fund:</b>				
Capital projects expenditures:				
School repairs	\$ -	\$ 7,390	\$ 7,390	\$ -
Energy improvements	-	-	49,956	(49,956)
Total capital projects	\$ -	\$ 7,390	\$ 57,346	\$ (49,956)
Total School Capital Projects Fund	\$ -	\$ 7,390	\$ 57,346	\$ (49,956)
Total Discretely Presented Component Unit - School Board	\$ 22,601,586	\$ 23,855,518	\$ 22,946,151	\$ 909,367

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## 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		Judicial Administration		Public Safety		Public Works		Health and Welfare		Parks, Recreation, and Cultural		Community Development		Interest on Long-Term Debt		Water and Sewer Fund				
	Administration	Administration	Administration	Administration	Public Safety	Public Safety	Public Works	Public Works	Health and Welfare	Health and Welfare	Education	Recreation, and Cultural	Community Development	Community Development	Interest on Long-Term Debt	Interest on Long-Term Debt	Water and Sewer Fund	Water and Sewer Fund			
2004-05 \$	1,192,976	\$	1,150,436	\$	1,936,376	\$	900,361	\$	2,302,910	\$	5,079,625	\$	201,653	\$	130,155	\$	470,130	\$	998,706	\$	14,363,328
2005-06	1,201,386		824,131		2,713,172		1,214,832		2,444,849		5,451,424		220,718		156,233		971,104		1,136,364		16,334,213
2006-07	1,264,777		743,234		2,414,710		1,415,181		2,443,364		4,538,970		257,120		170,984		917,298		1,072,142		15,237,780
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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES					
	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
2004-05	\$ 1,283,376	\$ 3,036,434	\$ 179,315	\$ 6,483,767	\$ 1,842,990	\$ 259,600	\$ 74,058	\$ 1,213,031	\$ -	\$ 14,372,571
2005-06	1,329,047	4,838,410	58,060	6,604,700	1,870,553	366,690	64,055	1,270,508	-	16,402,023
2006-07	1,450,044	3,505,405	1,266	6,679,291	1,869,757	431,411	177,598	1,300,462	-	15,415,234
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

- (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		Judicial Administration	Public Safety		Public Works	Health and Welfare		Education (2)	Parks, Recreation, and Cultural		Community Development	Non-departmental	Debt Service (3)		Total
	Government Administration															
2004-05	\$ 792,339	\$ 344,726	\$ 1,962,848	\$ 991,456	\$ 2,262,954	\$ 19,576,309	\$ 195,647	\$ 119,916	\$ 312,203	\$ 1,051,617	\$ 27,610,015					
2005-06	1,012,110	481,403	2,637,375	1,092,758	2,434,159	19,210,783	208,743	145,759	132,266	1,374,382	28,729,738					
2006-07	1,134,174	478,940	2,446,075	1,297,576	2,440,479	21,053,222	250,021	168,603	117,448	1,980,474	31,367,012					
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					

(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
2004-05 \$	6,286,375	\$ 1,842,990	\$ 58,830	\$ 9,297	\$ 174,274	\$ 395,909	\$ 407,738	\$ -	\$ 19,005,727	\$ 28,181,140
2005-06	6,661,461	1,870,553	105,963	29,580	326,564	402,581	389,918	-	20,824,727	30,611,347
2006-07	7,166,185	1,869,757	79,173	33,535	363,992	419,510	582,653	45,262	20,908,339	31,468,406
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

- (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	Total		Current		Percent		Delinquent		Total Tax		Outstanding		Percent of	
	Tax Levy (1)	Tax Collections (1)	Tax Collections (1)	of Levy Collected	Tax Collections (1)	Tax Collections (1)	Total Tax Collections	Delinquent Taxes (1,2)	to Tax Levy	Delinquent Taxes to Tax Levy				
2004-05	\$ 7,247,208	\$ 6,842,466	\$ 94.42%	\$ 299,643	\$ 7,142,109	98.55%	\$ 1,347,240	18.59%						
2005-06	7,627,643	7,178,830	94.12%	414,961	7,593,791	99.56%	1,349,168	17.69%						
2006-07	7,978,350	7,598,725	95.24%	441,133	8,039,858	100.77%	1,590,644	19.94%						
2007-08	9,261,316	8,944,524	96.58%	325,943	9,270,467	100.10%	1,725,865	18.64%						
2008-09	10,777,878	9,787,442	90.81%	542,113	10,329,555	95.84%	2,080,149	19.30%						
2009-10	10,589,590	9,923,038	93.71%	619,631	10,542,669	99.56%	1,715,573	16.20%						
2010-11	11,439,032	10,550,992	92.24%	851,970	11,402,962	99.68%	1,670,822	14.61%						
2011-12	12,433,137	11,649,756	93.70%	654,278	12,304,034	98.96%	2,229,361	17.93%						
2012-13	13,446,472	12,776,284	95.02%	485,934	13,262,218	98.63%	2,411,202	17.93%						
2013-14	13,805,588	13,240,204	95.90%	647,154	13,887,358	100.59%	2,383,197	17.26%						

(1) Exclusive of penalties and interest.

(2) Includes all delinquent taxes.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property		Machinery and Tools	Merchants' Capital	Public		Aircraft (3)	Total
		Homes (1)	and Mobile			Service (2,4)			
2004-05	\$ 680,556,060	\$ 80,439,925	\$	5,017,520	\$ 6,334,645	\$ 59,084,431	\$	-	\$ 831,432,581
2005-06	694,368,050	87,771,138		6,034,540	6,485,942	57,064,341		-	851,724,011
2006-07	715,188,609	93,701,415		6,565,610	7,274,988	54,286,338		-	877,016,960
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

(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.

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					
2004-05	\$ 0.58	\$ 0.58	\$ 0.58	4.05	\$ 2.90	1.00	-
2005-06	0.58	0.58	0.58	4.05	2.90	1.00	-
2006-07	0.58	0.58	0.58	4.05	2.90	1.00	-
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

(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)	Gross Bonded Debt (3)	Less:		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Net Bonded Debt		
2004-05	16,100	\$ 831,433	\$ 24,399,791	-	\$ 24,399,791	2.93%	\$ 1,516
2005-06	15,977	851,724	22,537,793	-	22,537,793	2.65%	1,411
2006-07	16,341	877,017	21,539,200	-	21,539,200	2.46%	1,318
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

(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
2004-05	\$ 518,350	\$ 533,267	\$ 1,051,617	\$ 27,610,015	3.81%
2005-06	527,049	847,333	1,374,382	28,729,738	4.78%
2006-07	952,629	1,027,845	1,980,474	31,367,012	6.31%
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%

(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

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

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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, 2014, 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 February 3, 2015.

### 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

*Robinson, Turner, Co. Associates*  
Charlottesville, Virginia

February 3, 2015

# 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 OMB Circular A-133

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 Circular A-133 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, 2014. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of County of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of 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, 2014.


## 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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Charlottesville, Virginia  
February 3, 2015

COUNTY OF BUCKINGHAM, VIRGINIA

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

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	0950113	\$ 7,325
Temporary Assistance for Needy Families (TANF)	93.558	0400113/0400114	169,949
Refugee and Entrant Assistance - State Administered Programs	93.566	0500113/0500114	1,080
Low-Income Home Energy Assistance	93.568	0600412/0600413	17,263
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760113/0760114	26,438
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900113/0900114	1,205
Foster Care - Title IV-E	93.658	1100113/1100114	72,900
Adoption Assistance	93.659	1120113/1120114	54,753
Social Services Block Grant	93.667	1000113/1000114	134,801
Chafee Foster Care Independence Program	93.674	9150113/9150114	1,183
Children's Health Insurance Program (CHIP)	93.767	0540113/0540114	5,265
Medical Assistance Program	93.778	1200113/1200114	158,996
Total Department of Health and Human Services			\$ 651,158
Department of Agriculture:			
Direct Payments:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 274,954
Community Facilities Loan	10.766	N/A	27,000
Total Department of Agriculture - direct payments			\$ 301,954
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - School Nutrition Program	10.555	406230	\$ 70,220
Virginia Department of Education:			
National School Lunch Program	10.555	406230	541,089 \$ 611,309
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - Summer Food Service Program for Children	10.559	Unknown	\$ 793
Virginia Department of Health:			
Summer Food Service Program for Children	10.559	58857	22,263 \$ 23,056
Virginia Department of Education:			
School Breakfast Program	10.553	405910	185,943
Virginia Department of Education:			
Fresh Fruit and Vegetable Program	10.582	405990	57,854
Virginia Department of Health:			
Child and Adult Care Food Program	10.558	59099	5,155
Virginia Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010113/0010114/ 0040113/0040114/501114	182,671
Total Department of Agriculture - pass-through payments			\$ 1,065,988
Total Department of Agriculture			\$ 1,367,942

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2014

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	12.000	N/A	\$ 59,854
Department of Justice: Pass Through Payments: Department of Criminal Justice Services: Local Law Enforcement Block Grant	16.738	13-01127L012	\$ 2,390
Department of Education: Project Ease VA Educational Alternatives to Suspension	16.738	871560	6,496
Total Department of Justice			\$ 8,886
Department of Transportation: Pass Through Payments: Virginia Department of Transportation: Highway Planning and Construction	20.205	EN05-014-110, P101	\$ 31,192
Department of Motor Vehicles: Highway Safety Cluster:  State and Community Highway Safety	20.600	SC-2013-53393-5108/ SC-2014/54410/5658	19,419
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	K8-2013-53389-5104/ K8-2014-54405-5653	20,365
Total Department of Transportation			\$ 70,976
Department of Treasury: Pass Through Payments: Office of Attorney General: Asset Forfeiture	21.000	N/A	\$ 238,838
Department of Education: Pass Through Payments: Virginia Department of Education: Title I - Grants to Local Educational Agencies	84.010	429010/428920	\$ 1,007,245
Special Education Cluster: Special Education - Grants to States (IDEA, Part B)	84.027	430710	509,200
Special Education - Preschool Grants (IDEA Preschool)	84.173	625210	10,363
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	610950	43,029
Twenty-first Century Community Learning Centers	84.287	605650	163,236
Rural Education	84.358	434810	55,356
Improving Teacher Quality State Grants	84.367	614800	92,975
ARRA-Statewide Data Systems	84.384	479440	28,600
Total Department of Education			\$ 1,910,004
Total Expenditures of Federal Awards			\$ 4,307,658

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, 2014

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#### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of County of Buckingham, Virginia under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of 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 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 - 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	\$ 339,204
Special Revenue Fund:	
Virginia Public Assistance Fund	833,829
Debt Service Fund	417,600
Proprietary Funds:	
Water and Sewer Funds (including loan proceeds)	274,954
Total primary government	<u>\$ 1,865,587</u>

##### Component Unit School Board:

School Operating Fund	\$ 1,976,354
School Cafeteria Fund	883,317
Total component unit school board	<u>\$ 2,859,671</u>
Total federal expenditures per basic financial statements	<u>\$ 4,725,258</u>

BABs interest subsidy	<u>\$ (417,600)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 4,307,658</u></u>
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COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

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**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 Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.760	Water and Waste Disposal Systems for Rural Communities
84.027/84.173	Special Education Cluster
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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, 2014

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There were no findings reported for the year ended June 30, 2013.

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