

# COUNTY OF BUCKINGHAM, VIRGINIA



FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2016



County of Buckingham, Virginia

Financial Report

For the Year Ended June 30, 2016

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COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report  
For the Year Ended June 30, 2016

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#### BOARD OF SUPERVISORS

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

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#### BOARD OF SOCIAL SERVICES

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

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#### COUNTY SCHOOL BOARD

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

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#### OTHER OFFICIALS

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



# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of County of Buckingham, Virginia, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise County of Buckingham, Virginia's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of County of Buckingham, Virginia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Change in Accounting Principle*

As described in Note 22 to the financial statements, in 2015, the County adopted new accounting guidance, GASB Statement Nos. 79 *Certain External Investment Pools and Pool Participants* and 82 *Pension Issues - an amendment of GASB Statements No. 67, No. 68*. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension funding on pages 4-9, 77-78, and 79-83, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

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

*Other Matters: (Continued)*

*Other Information: (Continued)*

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2017, on our consideration of County of Buckingham, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Buckingham, Virginia's internal control over financial reporting and compliance.

*Robinson, Fawcett, Cox Associates*

Charlottesville, Virginia

January 27, 2017

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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, 2016.

**Financial Highlights**

**Government-wide Financial Statements**

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,059,922 (net position). For business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,308,844.

**Fund Financial Statements**

In the Governmental Funds, on a current financial resource basis, revenues exceeded expenditures and other financing sources by \$2,275,586 (Exhibit 5) after making contributions totaling \$6,893,232 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$8,335,998, an increase of \$2,275,586 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,328,472 or 38% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$1,341,993 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported revenues and other financing sources in excess of expenses by \$1,680,672.

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$17,308,844, an increase of \$1,680,672.
- Combined long-term obligations in the proprietary funds increased \$3,219,774 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 schedules of pension funding for the Virginia Retirement System. Other supplementary information presented includes various combining financial statements for the County's non-major funds, budgetary comparison schedules, and the discretely presented component unit - School Board 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,059,922 at the close of the most recent fiscal year.

#### Summary Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets:						
Current and other assets	\$ 16,295,005	\$ 12,031,448	\$ 4,533,537	\$ 4,146,807	\$ 20,828,542	\$ 16,178,255
Capital assets	<u>38,836,912</u>	<u>41,129,537</u>	<u>26,330,065</u>	<u>21,558,267</u>	<u>65,166,977</u>	<u>62,687,804</u>
Total assets	<u>\$ 55,131,917</u>	<u>\$ 53,160,985</u>	<u>\$ 30,863,602</u>	<u>\$ 25,705,074</u>	<u>\$ 85,995,519</u>	<u>\$ 78,866,059</u>
Deferred outflows of resources:						
Pension related items	<u>\$ 458,039</u>	<u>\$ 410,039</u>	<u>\$ 50,910</u>	<u>\$ 45,884</u>	<u>\$ 508,949</u>	<u>\$ 455,923</u>
Liabilities:						
Long-term liabilities	\$ 35,843,868	\$ 37,185,861	\$ 12,376,225	\$ 9,156,451	\$ 48,220,093	\$ 46,342,312
Current liabilities	<u>713,942</u>	<u>974,461</u>	<u>1,170,281</u>	<u>863,255</u>	<u>1,884,223</u>	<u>1,837,716</u>
Total liabilities	<u>\$ 36,557,810</u>	<u>\$ 38,160,322</u>	<u>\$ 13,546,506</u>	<u>\$ 10,019,706</u>	<u>\$ 50,104,316</u>	<u>\$ 48,180,028</u>
Deferred inflows of resources:						
Deferred revenue	\$ 5,648,852	\$ 3,513,650	\$ -	\$ -	\$ 5,648,852	\$ 3,513,650
Pension related items	<u>323,372</u>	<u>764,105</u>	<u>59,162</u>	<u>103,080</u>	<u>382,534</u>	<u>867,185</u>
Total deferred inflows of resources	<u>\$ 5,972,224</u>	<u>\$ 4,277,755</u>	<u>\$ 59,162</u>	<u>\$ 103,080</u>	<u>\$ 6,031,386</u>	<u>\$ 4,380,835</u>
Net position:						
Net investment in capital assets	\$ 5,543,486	\$ 6,161,166	\$ 14,211,052	\$ 12,646,774	\$ 19,754,538	\$ 18,807,940
Restricted	<u>24,966</u>	<u>36,936</u>	<u>1,191,491</u>	<u>1,139,435</u>	<u>1,216,457</u>	<u>1,176,371</u>
Unrestricted	<u>7,491,470</u>	<u>4,934,845</u>	<u>1,906,301</u>	<u>1,841,963</u>	<u>9,397,771</u>	<u>6,776,808</u>
Total net position	<u>\$ 13,059,922</u>	<u>\$ 11,132,947</u>	<u>\$ 17,308,844</u>	<u>\$ 15,628,172</u>	<u>\$ 30,368,766</u>	<u>\$ 26,761,119</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 \$19,754,538. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Government-wide Financial Analysis: (Continued)

The County's net capital assets increased \$2,479,173 during the current fiscal year. Depreciation outweighed capital acquisitions in governmental activities in addition to the transfer of debt financed assets to the school board. The sewer treatment plant construction project contributed to an increase in business-type activity capital assets.

Governmental Activities - Governmental activities increased the County's net position by \$1,926,975 during the fiscal year, and business-type activities increased the County's net position by \$1,680,672. This resulted in an increase of \$3,607,647. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 190,620	\$ 197,062	\$ 1,621,257	\$ 1,705,567	\$ 1,811,877	\$ 1,902,629
Operating grants and contributions	4,446,058	4,299,529	-	-	4,446,058	4,299,529
Capital grants and contributions	468,583	681,315	1,721,623	289,249	2,190,206	970,564
General revenues:						
General property taxes	15,796,716	13,631,179	-	-	15,796,716	13,631,179
Other local taxes	1,531,218	1,663,458	-	-	1,531,218	1,663,458
Grants and other contributions not restricted	1,604,344	1,626,021	-	-	1,604,344	1,626,021
Use of money and property	88,720	83,502	102	90	88,822	83,592
Miscellaneous	32,599	71,861	-	-	32,599	71,861
Total revenues	<u>\$ 24,158,858</u>	<u>\$ 22,253,927</u>	<u>\$ 3,342,982</u>	<u>\$ 1,994,906</u>	<u>\$ 27,501,840</u>	<u>\$ 24,248,833</u>
Expenses:						
General government administration	\$ 1,700,580	\$ 1,565,410	\$ -	\$ -	\$ 1,700,580	\$ 1,565,410
Judicial administration	987,071	1,002,077	-	-	987,071	1,002,077
Public safety	3,653,291	4,017,264	-	-	3,653,291	4,017,264
Public works	1,653,036	1,646,492	-	-	1,653,036	1,646,492
Health and welfare	3,555,122	3,523,182	-	-	3,555,122	3,523,182
Education	8,666,368	8,427,308	-	-	8,666,368	8,427,308
Parks, recreation, and cultural	413,473	432,069	-	-	413,473	432,069
Community development	220,325	218,033	-	-	220,325	218,033
Interest on long-term debt	1,382,617	1,436,287	-	-	1,382,617	1,436,287
Water and Sewer	-	-	1,662,310	1,615,778	1,662,310	1,615,778
Total expenses	<u>\$ 22,231,883</u>	<u>\$ 22,268,122</u>	<u>\$ 1,662,310</u>	<u>\$ 1,615,778</u>	<u>\$ 23,894,193</u>	<u>\$ 23,883,900</u>
Increase (decrease) in net position	\$ 1,926,975	\$ (14,195)	\$ 1,680,672	\$ 379,128	\$ 3,607,647	\$ 364,933
Net position, July 1	11,132,947	13,379,814	15,628,172	15,515,224	26,761,119	28,895,038
Restatement	-	(2,232,672)	-	(266,180)	-	(2,498,852)
Net position, June 30	<u>\$ 13,059,922</u>	<u>\$ 11,132,947</u>	<u>\$ 17,308,844</u>	<u>\$ 15,628,172</u>	<u>\$ 30,368,766</u>	<u>\$ 26,761,119</u>

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

Revenues increased by \$3,253,007 in fiscal year 2016 compared to an increase of \$873,633 in fiscal year 2015. This increase was attributable to an increase of \$2,165,537 in property taxes and \$1,432,374 in capital contributions in business-type activities. Taxes were higher due to the collection of public service corporation taxes on an installment basis for the first time in fiscal year 2016. This resulted in one and a half year's taxes being collected during the period. In business-type activities, the balance of loan proceeds was drawn and grant funds were received for the remaining project expenses. Expenses closely paralleled the growth in demand and inflation and showed an increase of \$10,293. The \$239,060 increase in education costs and \$135,170 increase in general government administration were offset with a decrease of \$363,973 in public safety expenses.

## **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 \$8,335,998, an increase of \$2,275,586 in comparison with the prior year. Approximately 54% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reflected as nonspendable, restricted, committed, or assigned as appropriate to indicate that it is not available for new spending.

## **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was an increase of \$627,288 in expenditures and can be briefly summarized as follows:

- \$169,703 in increases for general government administration
- \$137,457 in increases for public safety
- \$378,864 in increases for education
- \$58,736 in net decreases

A portion of this increase (\$44,137) was due to a change in anticipated funding from miscellaneous and intergovernmental state and federal revenues. The remainder was to be budgeted from available fund balance. During the year, revenues exceeded budgetary estimates by \$2,965,001 and expenditures exceeded budgetary estimates by \$1,106,808 eliminating the need to draw on existing fund balance. In addition, commitments of \$1,433,322 were unspent resulting in unspent items totaling \$137,561.

## **Capital Asset and Debt Administration**

**Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2016 amounts to \$38,836,912 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The County's net capital assets for governmental activities decreased \$2,292,625. Although vehicles were acquired in the current year, there was an offsetting increase of \$1,044,531 in accumulated depreciation. 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 \$26,330,065 (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 \$4,771,798 during the current fiscal year, including an increase of \$610,665 in accumulated depreciation. Most additions during fiscal year 2016 were related to construction in progress, including construction for the new sewer plant and the initial phase of the sewer line expansion project.

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

Long-term debt - At the end of the current fiscal year, the County had total long-term debt outstanding of \$35,843,868 for its governmental operations. Of this amount \$28,712,141 comprises debt backed by the full faith and credit of the County, including compensated absences of \$619,848 and net pension liability of \$1,828,296. The remainder of the County's debt for governmental operations (\$6,560,000) represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds) and the related premium (\$571,727). Business-type debt of \$12,376,225 is comprised of \$962,588 bonds secured solely by water and sewer revenues, loans totaling \$11,156,425 from the Virginia Resources Authority, compensated absences of \$52,623 and net pension liability of \$204,589.

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 5.5 percent, which the same as a rate of 5.5 percent a year ago. This is higher than the state's average unemployment rate of 4.0 percent and the national average rate of 4.6 percent.
- Inflationary trends in the region compare favorably to national indices.

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

The fiscal year 2017 budget amounted to \$22,693,057 (does not include School Funds). The budget includes capital improvements.

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Buckingham, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 252, Buckingham, VA 23921.

## **BASIC FINANCIAL STATEMENTS**

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## Government-wide Financial Statements

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## Statement of Net Position

June 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,898,409	\$ 3,508,840	\$ 10,407,249	\$ 882,858
Investments in custody of others	104,533	-	104,533	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	7,388,894	-	7,388,894	-
Accounts receivable	64,015	236,622	300,637	22,657
Due from component unit	626,286	-	626,286	-
Due from other governmental units	1,047,061	308,506	1,355,567	760,611
Inventories	159,433	-	159,433	-
Prepaid items	6,374	-	6,374	-
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	-	479,569	479,569	-
Other assets:				
Net pension asset	-	-	-	24,733
Capital assets (net of accumulated depreciation):				
Land	571,884	170,974	742,858	257,165
Intangibles	-	712,100	712,100	-
Buildings, improvements, and systems	35,638,305	17,882,617	53,520,922	13,530,754
Improvements other than buildings	-	7,999	7,999	156,205
Machinery, equipment, and vehicles	1,337,370	254,117	1,591,487	2,907,430
Construction in progress	1,289,353	7,302,258	8,591,611	-
Total assets	\$ 55,131,917	\$ 30,863,602	\$ 85,995,519	\$ 18,542,413
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension contributions subsequent to measurement date	\$ 421,718	\$ 47,588	\$ 469,306	\$ 1,555,275
Items related to measurement of net pension liability (asset)	36,321	3,322	39,643	696,000
Total deferred outflows of resources	\$ 458,039	\$ 50,910	\$ 508,949	\$ 2,251,275
<b>LIABILITIES</b>				
Accounts payable	\$ 230,412	\$ 10,433	\$ 240,845	\$ 110,292
Accrued liabilities	-	-	-	837,941
Contracts payable	-	643,078	643,078	-
Retainage payable	-	457,971	457,971	-
Customers' deposits payable from restricted assets	-	4,078	4,078	-
Accrued interest payable	478,117	54,721	532,838	30,570
Due to primary government	-	-	-	626,286
Unearned revenue	5,413	-	5,413	-
Long-term liabilities:				
Due within one year	2,184,841	209,487	2,394,328	131,964
Due in more than one year	33,659,027	12,166,738	45,825,765	19,178,097
Total liabilities	\$ 36,557,810	\$ 13,546,506	\$ 50,104,316	\$ 20,915,150
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 5,648,852	\$ -	\$ 5,648,852	\$ -
Items related to measurement of net pension liability (asset)	323,372	59,162	382,534	1,941,270
Total deferred inflows of resources	\$ 5,972,224	\$ 59,162	\$ 6,031,386	\$ 1,941,270
<b>NET POSITION</b>				
Net investment in capital assets	\$ 5,543,486	\$ 14,211,052	\$ 19,754,538	\$ 15,447,397
Restricted:				
Sheriff's fund - DCJS	13,198	-	13,198	-
Courthouse security	11,768	-	11,768	-
Debt service and bond covenants	-	475,491	475,491	-
Water plant capital improvements	-	716,000	716,000	-
Unrestricted (deficit)	7,491,470	1,906,301	9,397,771	(17,510,129)
Total net position	\$ 13,059,922	\$ 17,308,844	\$ 30,368,766	\$ (2,062,732)

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, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,700,580	\$ 58,697	\$ 260,659	\$ -
Judicial administration	987,071	54,272	394,816	-
Public safety	3,653,291	35,381	1,201,096	-
Public works	1,653,036	17,972	7,234	-
Health and welfare	3,555,122	-	2,563,786	-
Education	8,666,368	-	-	419,400
Parks, recreation, and cultural	413,473	24,298	18,467	-
Community development	220,325	-	-	49,183
Interest on long-term debt	1,382,617	-	-	-
Total governmental activities	<u>\$ 22,231,883</u>	<u>\$ 190,620</u>	<u>\$ 4,446,058</u>	<u>\$ 468,583</u>
Business-type activities:				
Water and Sewer Funds	\$ 1,662,310	\$ 1,621,257	\$ -	\$ 1,721,623
Total business-type activities	<u>\$ 1,662,310</u>	<u>\$ 1,621,257</u>	<u>\$ -</u>	<u>\$ 1,721,623</u>
Total primary government	<u><u>\$ 23,894,193</u></u>	<u><u>\$ 1,811,877</u></u>	<u><u>\$ 4,446,058</u></u>	<u><u>\$ 2,190,206</u></u>
COMPONENT UNIT:				
School Board	\$ 25,665,439	\$ 213,784	\$ 16,972,260	\$ -
Total component unit	<u>\$ 25,665,439</u>	<u>\$ 213,784</u>	<u>\$ 16,972,260</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
\$ (1,381,224)	\$ -	\$ (1,381,224)	
(537,983)	-	(537,983)	
(2,416,814)	-	(2,416,814)	
(1,627,830)	-	(1,627,830)	
(991,336)	-	(991,336)	
(8,246,968)	-	(8,246,968)	
(370,708)	-	(370,708)	
(171,142)	-	(171,142)	
(1,382,617)	-	(1,382,617)	
<u>\$ (17,126,622)</u>	<u>\$ -</u>	<u>\$ (17,126,622)</u>	
\$ -	\$ 1,680,570	\$ 1,680,570	
\$ -	\$ 1,680,570	\$ 1,680,570	
<u>\$ (17,126,622)</u>	<u>\$ 1,680,570</u>	<u>\$ (15,446,052)</u>	
			\$ (8,479,395)
			<u>\$ (8,479,395)</u>
\$ 15,796,716	\$ -	\$ 15,796,716	\$ -
683,326	-	683,326	-
348,612	-	348,612	-
332,466	-	332,466	-
166,814	-	166,814	-
-	-	-	8,624,811
88,720	102	88,822	6,392
32,599	-	32,599	479,268
1,604,344	-	1,604,344	-
<u>\$ 19,053,597</u>	<u>\$ 102</u>	<u>\$ 19,053,699</u>	<u>\$ 9,110,471</u>
\$ 1,926,975	\$ 1,680,672	\$ 3,607,647	\$ 631,076
11,132,947	15,628,172	26,761,119	(2,693,808)
<u>\$ 13,059,922</u>	<u>\$ 17,308,844</u>	<u>\$ 30,368,766</u>	<u>\$ (2,062,732)</u>

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## Fund Financial Statements

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Balance Sheet  
Governmental Funds  
June 30, 2016

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 6,634,418	\$ 221,963	\$ -	\$ 42,028	\$ -	\$ 6,898,409
Investments in custody of others	-	-	-	-	104,533	104,533
Receivables (net of allowance for uncollectibles):						
Taxes receivable	7,388,894	-	-	-	-	7,388,894
Accounts receivable	63,988	27	-	-	-	64,015
Due from other funds	332,820	-	-	-	-	332,820
Due from component unit	626,286	-	-	-	-	626,286
Due from other governmental units	936,231	110,830	-	-	-	1,047,061
Prepaid items	6,374	-	-	-	-	6,374
Total assets	<u>\$ 15,989,011</u>	<u>\$ 332,820</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 104,533</u>	<u>\$ 16,468,392</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 230,412	\$ -	\$ -	\$ -	\$ -	\$ 230,412
Due to other funds	-	332,820	-	-	-	332,820
Unearned revenue	5,413	-	-	-	-	5,413
Total liabilities	<u>\$ 235,825</u>	<u>\$ 332,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 568,645</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	\$ 7,563,749	\$ -	\$ -	\$ -	\$ -	\$ 7,563,749
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	\$ 6,374	\$ -	\$ -	\$ -	\$ -	\$ 6,374
Restricted:						
Sheriff's fund - DCJS	13,198	-	-	-	-	13,198
Courthouse security	11,768	-	-	-	-	11,768
Committed:						
Upper and Lower Elementary renovation	-	-	-	-	104,533	104,533
Economic Development	681,385	-	-	-	-	681,385
Industrial Development Authority (debt)	200,000	-	-	-	-	200,000
Library construction	250,000	-	-	-	-	250,000
Gene Dixon park expansion	294,914	-	-	42,028	-	336,942
Solid waste vehicle	100,000	-	-	-	-	100,000
Fire/rescue training	40,000	-	-	-	-	40,000
Sheriff's fund - non-DCJS	13,326	-	-	-	-	13,326
Assigned:						
Reassessment	100,000	-	-	-	-	100,000
Ind Dev Authority - grant match	150,000	-	-	-	-	150,000
Renovation projects	-	-	-	1,800,000	-	1,800,000
Unassigned	6,328,472			(1,800,000)		4,528,472
Total fund balances	<u>\$ 8,189,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 104,533</u>	<u>\$ 8,335,998</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,989,011</u>	<u>\$ 332,820</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 104,533</u>	<u>\$ 16,468,392</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, 2016

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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	\$	8,335,998
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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		35,638,305	
Machinery, equipment and vehicles		1,337,370	
Construction in progress		<u>1,289,353</u>	38,836,912

Inventory held for sale is not a financial resource and, therefore, is not reported in the funds. This represents the book value of Gold Hill Elementary School assets transferred from the Component Unit School Board.	159,433
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	1,914,897
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Pension contributions subsequent to the measurement date will be a reduction to the net pension liability in the next fiscal year, and therefore, are not reported in the funds.	421,718
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Items related to measurement of the net pension liability are considered deferred outflows or deferred inflows and will be amortized and recognized in pension expense over future years.

Deferred outflows	\$	36,321	
Deferred inflows		<u>(323,372)</u>	(287,051)

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	\$	(6,560,000)	
Plus: Issuance premium (to be amortized against interest expense)		(571,727)	
General obligation bonds		(25,293,527)	
Plus: Issuance premium (to be amortized against interest expense)		(970,470)	
Net pension liability		(1,828,296)	
Compensated absences		<u>(619,848)</u>	<u>(35,843,868)</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>(478,117)</u>
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Net position of governmental activities	\$	<u><u>13,059,922</u></u>
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The notes to the financial statements are an integral part of this statement.



Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2016

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
<b>REVENUES</b>						
General property taxes	\$ 15,710,523	\$ -	\$ -	\$ -	\$ -	\$ 15,710,523
Other local taxes	1,531,218	-	-	-	-	1,531,218
Permits, privilege fees, and regulatory licenses	63,097	-	-	-	-	63,097
Fines and forfeitures	37,720	-	-	-	-	37,720
Revenue from the use of money and property	88,332	-	-	-	388	88,720
Charges for services	89,803	-	-	-	-	89,803
Miscellaneous	26,151	6,448	-	-	-	32,599
Intergovernmental:						
Commonwealth	4,158,022	898,628	-	-	-	5,056,650
Federal	161,913	881,022	419,400	-	-	1,462,335
Total revenues	<u>\$ 21,866,779</u>	<u>\$ 1,786,098</u>	<u>\$ 419,400</u>	<u>\$ -</u>	<u>\$ 388</u>	<u>\$ 24,072,665</u>
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 1,456,920	\$ -	\$ -	\$ -	\$ -	\$ 1,456,920
Judicial administration	780,627	-	-	-	-	780,627
Public safety	3,616,697	-	-	-	-	3,616,697
Public works	1,537,630	-	-	-	-	1,537,630
Health and welfare	1,393,331	2,191,045	-	-	-	3,584,376
Education	6,934,789	-	-	-	-	6,934,789
Parks, recreation, and cultural	398,855	-	-	-	-	398,855
Community development	212,814	-	-	-	-	212,814
Nondepartmental	169,951	-	-	-	-	169,951
Capital projects	10,761	-	-	9,002	-	19,763
Debt service:						
Principal retirement	-	-	1,492,368	-	-	1,492,368
Interest and other fiscal charges	-	-	1,592,289	-	-	1,592,289
Total expenditures	<u>\$ 16,512,375</u>	<u>\$ 2,191,045</u>	<u>\$ 3,084,657</u>	<u>\$ 9,002</u>	<u>\$ -</u>	<u>\$ 21,797,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 5,354,404</u>	<u>\$ (404,947)</u>	<u>\$ (2,665,257)</u>	<u>\$ (9,002)</u>	<u>\$ 388</u>	<u>\$ 2,275,586</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ 404,947	\$ 2,665,257	\$ 9,002	\$ 1,697	\$ 3,080,903
Transfers out	(3,080,903)	-	-	-	-	(3,080,903)
Total other financing sources (uses)	<u>\$ (3,080,903)</u>	<u>\$ 404,947</u>	<u>\$ 2,665,257</u>	<u>\$ 9,002</u>	<u>\$ 1,697</u>	<u>\$ -</u>
Net change in fund balances	\$ 2,273,501	\$ -	\$ -	\$ -	\$ 2,085	\$ 2,275,586
Fund balances - beginning	5,915,936	-	-	42,028	102,448	6,060,412
Fund balances - ending	<u>\$ 8,189,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 104,533</u>	<u>\$ 8,335,998</u>

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, 2016

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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	\$ 2,275,586
--	--------------

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	\$ 192,252	
Depreciation expense	(1,409,601)	
Adjustment for jointly owned assets	<u>(1,075,276)</u>	(2,292,625)

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.

86,193

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

477,056

The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Payment of principal	\$ 1,492,368	
Amortization of premium	<u>182,577</u>	1,674,945

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	\$ (48,787)	
Net pension liability	(284,165)	
Deferred outflows - pension contributions subsequent to measurement date	11,679	
Accrued interest payable	<u>27,093</u>	<u>(294,180)</u>

Change in net position of governmental activities	\$ <u>1,926,975</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, 2016

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,288,128	\$ 220,712	\$ 3,508,840
Accounts receivable	204,539	32,083	236,622
Due from other governmental units	-	308,506	308,506
Total current assets	\$ 3,492,667	\$ 561,301	\$ 4,053,968
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 410,229	\$ 69,340	\$ 479,569
Capital assets:			
Land	\$ 135,757	\$ 35,217	\$ 170,974
Intangibles	712,100	-	712,100
Construction in progress	-	7,302,258	7,302,258
Utility plant in service	19,044,280	4,262,485	23,306,765
Land improvements	8,570	-	8,570
Machinery, equipment, and vehicles	635,102	181,509	816,611
Less accumulated depreciation	(4,517,314)	(1,469,899)	(5,987,213)
Total capital assets	\$ 16,018,495	\$ 10,311,570	\$ 26,330,065
Total noncurrent assets	\$ 16,428,724	\$ 10,380,910	\$ 26,809,634
Total assets	\$ 19,921,391	\$ 10,942,211	\$ 30,863,602
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension contributions subsequent to measurement date	\$ 42,872	\$ 4,716	\$ 47,588
Items related to measurement of net pension liability	2,990	332	3,322
Total deferred outflows of resources	\$ 45,862	\$ 5,048	\$ 50,910
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 8,242	\$ 2,191	\$ 10,433
Contracts payable	-	643,078	643,078
Retainage payable	162,500	295,471	457,971
Customers' deposits payable from restricted assets	2,809	1,269	4,078
Accrued interest payable	5,481	49,240	54,721
Compensated absences - current portion	3,571	1,691	5,262
Bonds payable - current portion	27,102	-	27,102
Loans payable - current portion	123,189	53,934	177,123
Total current liabilities	\$ 332,894	\$ 1,046,874	\$ 1,379,768
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 935,486	\$ -	\$ 935,486
Loans payable - net of current portion	5,311,931	5,667,371	10,979,302
Compensated absences - net of current portion	32,143	15,218	47,361
Net pension liability	184,172	20,417	204,589
Total noncurrent liabilities	\$ 6,463,732	\$ 5,703,006	\$ 12,166,738
Total liabilities	\$ 6,796,626	\$ 6,749,880	\$ 13,546,506
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Items related to measurement of net pension liability	\$ 27,941	\$ 31,221	\$ 59,162
<b>NET POSITION</b>			
Net investment in capital assets	\$ 9,620,787	\$ 4,590,265	\$ 14,211,052
Restricted:			
Debt service and bond covenants	407,420	68,071	475,491
Water plant capital improvements	716,000	-	716,000
Unrestricted (deficit)	2,398,479	(492,178)	1,906,301
Total net position	\$ 13,142,686	\$ 4,166,158	\$ 17,308,844

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, 2016

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>OPERATING REVENUES</b>			
Charges for services:			
Water revenues	\$ 1,323,976	\$ -	\$ 1,323,976
Sewer revenues	-	275,476	275,476
Tap fees	4,625	-	4,625
Other revenues	17,180	-	17,180
Total operating revenues	<u>\$ 1,345,781</u>	<u>\$ 275,476</u>	<u>\$ 1,621,257</u>
<b>OPERATING EXPENSES</b>			
Water	\$ 702,411	\$ -	\$ 702,411
Sewer	-	142,430	142,430
Depreciation	492,249	118,416	610,665
Total operating expenses	<u>\$ 1,194,660</u>	<u>\$ 260,846</u>	<u>\$ 1,455,506</u>
Operating income (loss)	<u>\$ 151,121</u>	<u>\$ 14,630</u>	<u>\$ 165,751</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	\$ 85	\$ 17	\$ 102
Interest expense	(164,852)	(41,952)	(206,804)
Total nonoperating revenues (expenses)	<u>\$ (164,767)</u>	<u>\$ (41,935)</u>	<u>\$ (206,702)</u>
Income (loss) before contributions	<u>\$ (13,646)</u>	<u>\$ (27,305)</u>	<u>\$ (40,951)</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Capital contributions and construction grants	<u>\$ -</u>	<u>\$ 1,721,623</u>	<u>\$ 1,721,623</u>
Change in net position	<u>\$ (13,646)</u>	<u>\$ 1,694,318</u>	<u>\$ 1,680,672</u>
Total net position - beginning	13,156,332	2,471,840	15,628,172
Total net position - ending	<u>\$ 13,142,686</u>	<u>\$ 4,166,158</u>	<u>\$ 17,308,844</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, 2016

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,398,164	\$ 275,884	\$ 1,674,048
Payments to suppliers	(206,228)	(174,431)	(380,659)
Payments to and for employees	(517,125)	(57,071)	(574,196)
Net cash provided by (used for) operating activities	\$ 674,811	\$ 44,382	\$ 719,193
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Additions to utility plant	\$ (19,070)	\$ (5,077,519)	\$ (5,096,589)
Principal payments on bonds	(25,912)	-	(25,912)
Principal payments on loans	(120,770)	(19,175)	(139,945)
Contributions in aid of construction	-	1,413,117	1,413,117
Proceeds from indebtedness	-	3,908,764	3,908,764
Interest payments	(165,039)	(28,319)	(193,358)
Net cash provided by (used for) capital and related financing activities	\$ (330,791)	\$ 196,868	\$ (133,923)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	\$ 85	\$ 17	\$ 102
Net increase (decrease) in cash and cash equivalents	\$ 344,105	\$ 241,267	\$ 585,372
Cash and cash equivalents - beginning - including restricted	3,354,252	48,785	3,403,037
Cash and cash equivalents - ending - including restricted	\$ 3,698,357	\$ 290,052	\$ 3,988,409
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 151,121	\$ 14,630	\$ 165,751
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	\$ 492,249	\$ 118,416	\$ 610,665
(Increase) decrease in accounts receivable	52,419	408	52,827
(Increase) decrease in prepaid items	3,885	-	3,885
(Increase) decrease in deferred outflows - pension related	(4,557)	(469)	(5,026)
Increase (decrease) in overdraft	-	(84,951)	(84,951)
Increase (decrease) in compensated absences	(5,851)	(3,856)	(9,707)
Increase (decrease) in accounts payable	5,551	2,191	7,742
Increase (decrease) in customer deposits	(36)	-	(36)
Increase (decrease) in net pension liability	19,227	2,734	21,961
Increase (decrease) in deferred inflows - pension related	(39,197)	(4,721)	(43,918)
Total adjustments	\$ 523,690	\$ 29,752	\$ 553,442
Net cash provided by (used for) operating activities	\$ 674,811	\$ 44,382	\$ 719,193
<b>Schedule of noncash capital and related financing activities:</b>			
Acquisition of assets on account (change in accts payable)	\$ -	\$ 360,586	\$ 360,586

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

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>40,279</u>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ <u>40,279</u>
Total liabilities	\$ <u>40,279</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, 2016

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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, 2016 (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, 2016.

##### *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, 2016 (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 \$157,800 to the regional library, \$440,493 to Piedmont Regional Jail, \$46,851 to Piedmont Regional Juvenile Detention Center and \$37,000 to the Crossroads Community Services Board.

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

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

The accompanying financial statements are prepared in accordance with pronouncements issued by the Governmental Accounting Standards Board. The principles prescribed by GASB represent generally accepted accounting principles applicable to governmental units.

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.

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.

**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 had no activity in fiscal year 2016.

**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.

**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. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**G. Cash and Cash Equivalents**

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

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

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

**H. Investments**

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs)) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

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

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**I. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$292,000 at June 30, 2016 and is comprised solely of property taxes.

**J. Inventory and Prepaid Items**

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

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

**K. Capital Assets**

Capital assets, which include property, plant and equipment, and intangibles are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the County and Component Unit School Board as land, buildings, utility plant, road registered vehicles, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest in the amount of \$278,232 was incurred during fiscal year 2016, of which \$71,427 was capitalized.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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

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#### K. Capital Assets: (Continued)

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

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

#### L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension asset and liabilities. These include differences between expected and actual experience, change in assumptions, the net difference between projected and actual earnings on pension plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, and contributions to the pension plan made during the current year and subsequent to the net pension asset or liability measurement date, which will be recognized as an increase to or a reduction of the net pension asset or liability next fiscal year. For more detailed information on this item, reference the pension note.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 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. In addition, certain items related to the measurement of the net pension asset and liabilities are reported as deferred inflows of resources. These include differences between expected and actual experience, change in assumptions, and the net difference between projected and actual earnings on pension plan investments. For more detailed information on the pension item, reference the pension note.



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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

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#### M. Pensions

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

#### N. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

#### O. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the statement of net position. In accordance with the provisions of Governmental Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

#### P. Net Position

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



**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. Fund Equity**

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

When fund balance resources are available for a specific purpose in more than one classification, it is generally the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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

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#### R. Fund Equity: (Continued)

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.

### 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, 2016 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, 2016 (Continued)

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

#### Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2016 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

Rated Debt Investments' Values	
Rated Debt Investments	Ratings
	AAAm
Local Government Investment Pool	\$ 2,310,539
Virginia State Non-Arbitrage Pool	104,533
Total	\$ 2,415,072

#### Interest Rate Risk

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

Investment Maturities (in years)		
Investment Type	Value	Less Than 1 Year
Local Government Investment Pool	\$ 2,310,539	\$ 2,310,539
Virginia State Non-Arbitrage Pool	104,533	104,533
Total	\$ 2,415,072	\$ 2,415,072

#### External Investment Pools

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

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

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

## Note 3—Property Taxes:

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

Real estate and public service corporation taxes are due on June 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.

Property taxes for calendar year 2015 were levied by the County Board of Supervisors on April 20, 2015, on the assessed values listed as of January 1, 2015. The second half of 2015 real estate taxes was due on December 5, 2015. The first half of 2016 real estate and public service corporation taxes was due on June 5, 2016. The 2016 taxes were levied by the County Board of Supervisors on April 25, 2016 on the assessed value listed as of January 1, 2016.

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, 2016:

	Primary Government				Component Unit
	General	Special Revenue	Governmental Activities	Business-type Activities	School Board
Property taxes	\$ 7,680,894	\$ -	\$ 7,680,894	\$ -	\$ -
Allowance for uncollectibles	(292,000)	-	(292,000)	-	-
Net taxes receivable	<u>\$ 7,388,894</u>	<u>\$ -</u>	<u>\$ 7,388,894</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:					
Utility taxes	\$ 28,462	\$ -	\$ 28,462	\$ -	\$ -
Grantee tax	4,678	-	4,678	-	-
Solid waste	9,251	-	9,251	-	-
Other	21,597	-	21,597	-	2,600
Water and Sewer	-	-	-	236,622	-
Rebates and Refunds	-	27	27	-	20,057
Total accounts receivable	<u>\$ 63,988</u>	<u>\$ 27</u>	<u>\$ 64,015</u>	<u>\$ 236,622</u>	<u>\$ 22,657</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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

Amounts due from other governments are detailed as follows:

	Governmental Activities			Business- Type Activities	Component Unit School Board
	General	Special Revenue	Total		
<b>Commonwealth of Virginia:</b>					
Local sales taxes	\$ 112,481	\$ -	\$ 112,481	\$ -	\$ -
State sales taxes	-	-	-	-	407,095
Communication taxes	66,927	-	66,927	-	-
Public assistance	-	41,331	41,331	-	-
Comprehensive services	516,838	-	516,838	-	-
Shared expenses and grants	114,092	-	114,092	-	-
Forest product sales	32,422	-	32,422	-	-
Motor vehicle carrier tax	10,487	-	10,487	-	-
Other	24,076	-	24,076	-	-
<b>Federal government:</b>					
VDOT grant	49,183	-	49,183	-	-
Sheriff's grants	9,725	-	9,725	-	-
Public assistance	-	69,499	69,499	-	-
Rural Development	-	-	-	308,506	-
Title I	-	-	-	-	277,460
Vocational Education	-	-	-	-	22,037
Title II Part A	-	-	-	-	719
School Food - USDA	-	-	-	-	28,414
Other school funds	-	-	-	-	24,886
<b>Total</b>	<b>\$ 936,231</b>	<b>\$ 110,830</b>	<b>\$ 1,047,061</b>	<b>\$ 308,506</b>	<b>\$ 760,611</b>

**Note 6—Interfund Obligations:**

Details of interfund receivables and payables as of June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 332,820	\$ -
Virginia Public Assistance	-	332,820
<b>Total</b>	<b>\$ 332,820</b>	<b>\$ 332,820</b>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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

Details of obligations between the primary government and its component unit as of June 30, 2016 are as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government general fund	Component Unit - School Board	\$ <u>626,286</u>

**Note 7—Unavailable Revenue and Deferred Revenue:**

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

	<u>Government-wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
<b>Primary Government:</b>		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,914,897
2nd half assessments due in December 2016	5,251,559	5,251,559
Prepaid property taxes due in December 2016, but paid in advance by the taxpayers	<u>397,293</u>	<u>397,293</u>
Total deferred revenue/unavailable revenue	\$ <u>5,648,852</u>	\$ <u>7,563,749</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

**Note 8—Capital Assets:**

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

**Primary Government:**

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 571,884	\$ -	\$ -	\$ 571,884
Construction in progress	1,269,589	19,764	-	1,289,353
Total capital assets not being depreciated	\$ 1,841,473	\$ 19,764	\$ -	\$ 1,861,237
Other capital assets:				
Buildings and improvements	\$ 17,229,765	\$ 11,300	\$ -	\$ 17,241,065
Machinery, equipment and vehicles	4,380,533	161,188	43,656	4,498,065
Jointly owned assets	27,499,670	-	1,396,690	26,102,980
Total other capital assets	\$ 49,109,968	\$ 172,488	\$ 1,440,346	\$ 47,842,110
Accumulated depreciation:				
Buildings and improvements	\$ 4,488,714	\$ 431,217	\$ -	\$ 4,919,931
Machinery, equipment and vehicles	2,882,270	322,081	43,656	3,160,695
Jointly owned assets	2,450,920	656,303	321,414	2,785,809
Total accumulated depreciation	\$ 9,821,904	\$ 1,409,601	\$ 365,070	\$ 10,866,435
Other capital assets, net	\$ 39,288,064	\$ (1,237,113)	\$ 1,075,276	\$ 36,975,675
Net capital assets	\$ 41,129,537	\$ (1,217,349)	\$ 1,075,276	\$ 38,836,912
Depreciation is allocated to:				
General government administration		\$ 172,501		
Judicial administration		231,594		
Public safety		251,532		
Public works		32,250		
Health and welfare		37,159		
Education		656,303		
Parks and recreation		18,004		
Community Development		10,258		
Total		\$ 1,409,601		

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 8—Capital Assets: (Continued)

Business-type Activities:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 170,974	\$ -	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	<u>1,835,274</u>	<u>5,466,984</u>	<u>-</u>	<u>7,302,258</u>
Total capital assets not being depreciated	<u>\$ 2,718,348</u>	<u>\$ 5,466,984</u>	<u>\$ -</u>	<u>\$ 8,185,332</u>
Other capital assets:				
Buildings and systems	\$ 23,410,356	\$ -	\$ 103,591	\$ 23,306,765
Land improvements	-	8,570	-	8,570
Machinery, equipment and vehicles	<u>806,111</u>	<u>10,500</u>	<u>-</u>	<u>816,611</u>
Total other capital assets	<u>\$ 24,216,467</u>	<u>\$ 19,070</u>	<u>\$ 103,591</u>	<u>\$ 24,131,946</u>
Accumulated depreciation:				
Buildings and systems	\$ 4,854,519	\$ 569,629	\$ -	\$ 5,424,148
Land improvements	-	571	-	571
Machinery, equipment and vehicles	<u>522,029</u>	<u>40,465</u>	<u>-</u>	<u>562,494</u>
Total accumulated depreciation	<u>\$ 5,376,548</u>	<u>\$ 610,665</u>	<u>\$ -</u>	<u>\$ 5,987,213</u>
Other capital assets, net	<u>\$ 18,839,919</u>	<u>\$ (591,595)</u>	<u>\$ 103,591</u>	<u>\$ 18,144,733</u>
Net capital assets	<u>\$ 21,558,267</u>	<u>\$ 4,875,389</u>	<u>\$ 103,591</u>	<u>\$ 26,330,065</u>
Depreciation is allocated to:				
Water operations		\$ 492,249		
Sewer operations		<u>118,416</u>		
		<u>\$ 610,665</u>		



# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

## Note 8—Capital Assets: (Continued)

### Component Unit-School Board:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 216,387	\$ 40,778	\$ -	\$ 257,165
Total capital assets not being depreciated	\$ 216,387	\$ 40,778	\$ -	\$ 257,165
Other capital assets:				
Buildings and improvements	\$ 16,767,566	\$ 18,400	\$ -	\$ 16,785,966
Improvements other than buildings	516,983	-	-	516,983
Machinery, equipment and vehicles	6,778,342	141,414	25,272	6,894,484
Jointly owned assets	9,230,651	1,396,690	-	10,627,341
Total other capital assets	\$ 33,293,542	\$ 1,556,504	\$ 25,272	\$ 34,824,774
Accumulated depreciation:				
Buildings and improvements	\$ 10,007,796	\$ 349,804	\$ -	\$ 10,357,600
Improvements other than buildings	335,185	25,593	-	360,778
Machinery, equipment and vehicles	3,362,049	649,493	24,488	3,987,054
Jointly owned assets	2,937,855	587,098	-	3,524,953
Total accumulated depreciation	\$ 16,642,885	\$ 1,611,988	\$ 24,488	\$ 18,230,385
Other capital assets, net	\$ 16,650,657	\$ (55,484)	\$ 784	\$ 16,594,389
Net capital assets	\$ 16,867,044	\$ (14,706)	\$ 784	\$ 16,851,554
Depreciation is allocated to education		\$ 1,611,988		

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, 2016, is that school financed assets in the amount of \$23,317,171 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, 2016 (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, 2016:

	Balance July 1, 2015	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2016
Primary Government:				
Governmental activities:				
Lease revenue bonds	\$ 6,780,000	\$ -	\$ 220,000	\$ 6,560,000
Premium on issuance	629,983	-	58,256	571,727
General obligation school bonds	26,565,895	-	1,272,368	25,293,527
Premium on issuance	1,094,791	-	124,321	970,470
Net pension liability	1,544,131	1,465,900	1,181,735	1,828,296
Compensated absences	571,061	48,787	-	619,848
Total obligations from governmental activities	<u>\$ 37,185,861</u>	<u>\$ 1,514,687</u>	<u>\$ 2,856,680</u>	<u>\$ 35,843,868</u>
Business-type activities:				
Revenue bonds	\$ 988,500	\$ -	\$ 25,912	\$ 962,588
Revolving loans	7,922,993	3,373,377	139,945	11,156,425
Net pension liability	182,628	163,047	141,086	204,589
Compensated absences	62,330	-	9,707	52,623
Total obligations from business-type activities	<u>\$ 9,156,451</u>	<u>\$ 3,536,424</u>	<u>\$ 316,650</u>	<u>\$ 12,376,225</u>
Long-term obligations from component unit activities:				
School Board:				
Compensated absences	\$ 572,317	\$ -	\$ 9,413	\$ 562,904
Net pension liability	17,202,000	4,597,000	4,456,000	17,343,000
Energy improvement lease	1,473,840	-	69,683	1,404,157
Total obligations from component unit activities	<u>\$ 19,248,157</u>	<u>\$ 4,597,000</u>	<u>\$ 4,535,096</u>	<u>\$ 19,310,061</u>
Total long-term obligations	<u>\$ 65,590,469</u>	<u>\$ 9,648,111</u>	<u>\$ 7,708,426</u>	<u>\$ 67,530,154</u>
Reconciliation to Exhibit 1:				
	Governmental Activities	Business- Type Activities	Component Unit	Total
Long-term liabilities:				
Due within one year	\$ 2,184,841	\$ 209,487	\$ 131,964	\$ 2,526,292
Due in more than one year	33,659,027	12,166,738	19,178,097	65,003,862
Total long-term obligations	<u>\$ 35,843,868</u>	<u>\$ 12,376,225</u>	<u>\$ 19,310,061</u>	<u>\$ 67,530,154</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (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
2017	\$ 2,327,081	\$ 1,860,818	\$ 75,674	\$ 38,614
2018	2,452,676	1,755,591	81,979	36,533
2019	2,537,439	1,678,779	88,612	34,279
2020	2,624,253	1,599,174	95,588	31,842
2021	2,706,460	1,517,171	102,922	29,213
2022-2026	13,503,298	6,337,034	638,297	99,208
2027-2031	9,179,435	2,809,747	321,085	13,387
2032-2036	4,396,309	964,366	-	-
2037-2041	1,743,111	578,304	-	-
2042-2046	1,698,837	359,510	-	-
2047-2051	1,727,260	165,925	-	-
2052-2055	618,578	24,144	-	-
Total	\$ 45,514,737	\$ 19,650,563	\$ 1,404,157	\$ 283,076

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%	\$ 6,560,000	\$ 230,000
Plus: Premium on issuance	571,727	54,879
Total Lease Revenue Bonds	\$ 7,131,727	\$ 284,879

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities: (Continued)</u>		
<u>General Obligation School Bonds:</u>		
\$5,930,000 School Bonds, 2002, issued November 7, 2002, maturing in various annual installments of \$295,000 to \$300,000 through July 15, 2022, interest payable semi-annually at 2.35%-5.10%	\$ 2,065,000	\$ 295,000
Plus: Premium on issuance	94,968	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%	3,287,527	290,502
Plus: Premium on issuance	84,364	15,690
\$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.	8,291,000	639,000
\$13,325,000 School Bonds, 2011B, issued November 9, 2011, maturing in various annual installments of \$320,000 to \$985,000, due on July 15, 2012 through July 15, 2031, interest payable semi-annually at 2.05%-5.05%	11,650,000	495,000
Plus: Premium on issuance	791,138	90,914
Total General Obligation School Bonds	\$ 26,263,997	\$ 1,837,977
<u>Net pension liability (payable from general fund)</u>	\$ 1,828,296	\$ -
<u>Compensated absences (payable from general fund)</u>	\$ 619,848	\$ 61,985
Total long-term obligations from governmental activities	\$ 35,843,868	\$ 2,184,841

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (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>		
<u>Revenue bonds:</u>		
\$1,268,000 Water System Revenue Bonds authorized April 16, 1998, due in monthly installments of \$5,822 including interest at 4.5%, beginning March 31, 2000 through 2038	\$ 962,588	\$ 27,102
Total Revenue Bonds	\$ 962,588	\$ 27,102
<u>Revolving loans:</u>		
\$1,056,863 VRA revolving fund loan originated October 30, 2004. The loan is due in semi-annual installments of \$20,729 including interest at 1%, beginning March 1, 2005 through 2034	\$ 681,391	\$ 34,731
\$1,171,700 Rural Development loan originated in 2007, due in monthly installments of \$5,097 including interest at 4.125%, beginning October 13, 2007 through 2044	1,003,305	20,098
\$5,000,000 Rural Development loan originated July 25, 2011, due in monthly installments of \$16,700 including interest at 2.375%, beginning August 25, 2013 through 2051. Interest only payments due July 25, 2012 and July 25, 2013. The interest only payments included principal components.	4,753,729	88,458
\$4,718,000 Rural Development loan originated January 6, 2015, due in monthly installments of \$15,098 including interest at 2.125%, beginning February 6, 2017. Interest only payments are due January 6, 2016 and January 6, 2017. The IDA has pledged availability fees of up to \$256,068 annually or \$21,339 monthly as security for the loan.	4,718,000	33,836
Total Revolving Loans	\$ 11,156,425	\$ 177,123
<u>Net pension liability</u>	\$ 204,589	\$ -
<u>Compensated absences</u>	\$ 52,623	\$ 5,262
Total long-term obligations from business-type activities	\$ 12,376,225	\$ 209,487

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (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>Component Unit Activities:</u></b>		
<u>Energy improvement lease:</u>		
\$1,596,421 equipment lease/purchase agreement for energy improvements dated September 5, 2012. The lease is to be repaid in annual installments ranging from \$102,491 on September 5, 2013 to \$170,261 on September 5, 2027. Interest is charged at a rate of 2.75%	\$ 1,404,157	\$ 75,674
<u>Net pension liability</u>	\$ 17,343,000	\$ -
<u>Compensated absences (payable from school operating fund)</u>	\$ 562,904	\$ 56,290
Total long-term obligations from component unit activities	\$ 19,310,061	\$ 131,964
Total long-term obligations	<u>\$ 67,530,154</u>	<u>\$ 2,526,292</u>

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

The County entered into an agreement with the Buckingham Industrial Development Authority (IDA) in 2013 pledged as security for the USDA Rural Development loan for construction of the new sewer plant. The IDA has agreed to pay an availability fee up to \$256,068 annually or \$21,339 per month to help fund loan payments. The first payment will be due when the 1<sup>st</sup> installment is made on the loan or the new sewer plant becomes operational, whichever occurs first.

## Note 11—Pension Plan:

### *Plan Description*

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

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

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>About Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p><b>About Plan 2</b> Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (see "Eligible Members")</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.</li> <li>• 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.</li> </ul>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 (Cont.)</p>	<p>About Plan 2 (Cont.)</p>	<p>About the Hybrid Retirement Plan (Cont.)</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• School division employees</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.</li> </ul> <p><b>*Non-Eligible Members</b> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul>



Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Hybrid Opt-In Election (Cont.)</b> Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Hybrid Opt-In Election (Cont.)</b> Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>*Non-Eligible Members (Cont.)</b> Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees 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.</p>	<p><b>Retirement Contributions</b> Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions and school divisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016.</p>	<p><b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

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

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <u><b>Defined Benefit Component:</b></u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u><b>Defined Contributions Component:</b></u> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Vesting (Cont.)	Vesting (Cont.)	<p>Vesting (Cont.)  <u>Defined Contributions Component:</u> (Cont.)  Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<p><b>Calculating the Benefit</b>  The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p>	<p><b>Calculating the Benefit</b>  See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b>  <u>Defined Benefit Component:</u>  See definition under Plan 1</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Calculating the Benefit (Cont.)</b> An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p><b>Calculating the Benefit (Cont.)</b></p>	<p><b>Calculating the Benefit (Cont.)</b> <u><b>Defined Contribution Component:</b></u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b> A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b> <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier</b> <b>VRS:</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b> <u><b>Defined Benefit Component:</b></u> <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><b>Defined Contribution Component:</b> Not applicable.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: 50 with at least five years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility (Cont.)</b></p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u><b>Defined Contribution Component:</b></u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u><b>Eligibility:</b></u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u><b>Eligibility:</b></u> Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> <u><b>Defined Benefit Component:</b></u> Same as Plan 2.</p> <p><u><b>Defined Contribution Component:</b></u> Not applicable.</p> <p><u><b>Eligibility:</b></u> Same as Plan 1 and Plan 2.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• 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.</li> <li>• 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.</li> </ul>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>



COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Plan Description (Continued)*

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>	<p><b>Disability Coverage</b> Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p><b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b> Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b> <u><b>Defined Benefit Component:</b></u> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> <li>• The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.</li> <li>• Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-year period, the rate for most categories of service will change to actuarial cost.</li> </ul> <p><u><b>Defined Contribution Component:</b></u> Not applicable.</p>

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

### Note 11—Pension Plan: (Continued)

#### *Plan Description (Continued)*

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/2015-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### *Employees Covered by Benefit Terms*

As of the June 30, 2014 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	49	44
Inactive members:		
Vested inactive members	8	10
Non-vested inactive members	18	23
Inactive members active elsewhere in VRS	38	26
Total inactive members	64	59
Active members	92	53
Total covered employees	205	156

#### *Contributions*

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

The County's contractually required contribution rate for the year ended June 30, 2016 was 11.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### *Contributions (Continued)*

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$469,306 and \$455,923 for the years ended June 30, 2016 and June 30, 2015, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2016 was 8.24% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$69,623 and \$67,100 for the years ended June 30, 2016 and June 30, 2015, respectively.

#### *Net Pension Liability (Asset)*

The County's and Component Unit School Board's (nonprofessional) net pension liability (asset) were measured as of June 30, 2015. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2014, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

#### *Actuarial Assumptions - General Employees*

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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**Note 11—Pension Plan: (Continued)**

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*Actuarial Assumptions - General Employees (Continued)*

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

Largest 10 - Non-LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-LEOS:

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

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### *Actuarial Assumptions - Public Safety Employees*

The total pension liability for Public Safety employees in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

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

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

Mortality rates: 60% of deaths are assumed to be service related

Largest 10 - Non-LEOS:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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Note 11—Pension Plan: (Continued)

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*Actuarial Assumptions - Public Safety Employees: (Continued)*

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

All Others (Non 10 Largest) - LEOS:

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Long-Term Expected Rate of Return*

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the County and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability (Asset)*

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2014	\$ 16,013,213	\$ 14,286,454	\$ 1,726,759
Changes for the year:			
Service cost	\$ 464,384	\$ -	\$ 464,384
Interest	1,102,964	-	1,102,964
Differences between expected and actual experience	43,830	-	43,830
Contributions - employer	-	455,429	(455,429)
Contributions - employee	-	197,041	(197,041)
Net investment income	-	661,502	(661,502)
Benefit payments, including refunds of employee contributions	(513,164)	(513,164)	-
Administrative expenses	-	(8,779)	8,779
Other changes	-	(141)	141
Net changes	\$ 1,098,014	\$ 791,888	\$ 306,126
Balances at June 30, 2015	\$ 17,111,227	\$ 15,078,342	\$ 2,032,885



COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

*Changes in Net Pension Liability (Asset) (Continued)*

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2014	\$ 3,040,987	\$ 3,046,860	\$ (5,873)
Changes for the year:			
Service cost	\$ 88,072	\$ -	\$ 88,072
Interest	207,919	-	207,919
Differences between expected and actual experience	(70,545)	-	(70,545)
Contributions - employer	-	66,646	(66,646)
Contributions - employee	-	40,260	(40,260)
Net investment income	-	139,344	(139,344)
Benefit payments, including refunds of employee contributions	(141,428)	(141,428)	-
Administrative expenses	-	(1,915)	1,915
Other changes	-	(29)	29
Net changes	\$ 84,018	\$ 102,878	\$ (18,860)
Balances at June 30, 2015	\$ 3,125,005	\$ 3,149,738	\$ (24,733)

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

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
County's Net Pension Liability (Asset)	\$ 4,260,565	\$ 2,032,885	\$ 188,768
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 353,010	\$ (24,733)	\$ (340,263)

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

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

For the year ended June 30, 2016, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$237,260 and (\$15,140), respectively. At June 30, 2016, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,008	\$ -	\$ -	\$ 41,751
Change in assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	375,899	-	81,519
Change in proportionate share	6,635	6,635		
Employer contributions subsequent to the measurement date	469,306	-	69,623	-
Total	\$ 508,949	\$ 382,534	\$ 69,623	\$ 123,270

\$469,306 and \$69,623 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability or addition to the Net Pension Asset in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2016	\$ (137,351)	\$ (60,811)
2017	(137,351)	(44,974)
2018	(137,352)	(32,017)
2019	69,164	14,532
Thereafter	-	-

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### Component Unit School Board (professional)

##### *Plan Description*

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

##### *Contributions*

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

Each School Division's contractually required contribution rate for the year ended June 30, 2016 was 14.06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013 adjusted for the transfer in June 2016 of \$192,884,000 an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarial rate for the Teacher Retirement Plan was 18.20%, however, it was reduced to 17.64% as a result of the transfer. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of §51.1-145 of the Code of Virginia, as amended the contributions were funded at 79.69% of the actuarial rate for the year ended June 30, 2016. Contributions to the pension plan from the School Board were \$1,485,652 and \$1,448,771 for the years ended June 30, 2016 and June 30, 2015, respectively.

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

At June 30, 2016, the school division reported a liability of \$17,343,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2015 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2015 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2015, the school division's proportion was 13.779% as compared to 14.235% at June 30, 2014.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2016, the school division recognized pension expense of \$1,348,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2016, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 239,000
Net difference between projected and actual earnings on pension plan investments	-	1,062,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	696,000	517,000
Employer contributions subsequent to the measurement date	<u>1,485,652</u>	<u>-</u>
Total	<u>\$ 2,181,652</u>	<u>\$ 1,818,000</u>

\$1,485,652 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2016	\$ (392,000)
2017	(392,000)
2018	(392,000)
2019	133,000
Thereafter	(79,000)

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### Component Unit School Board (professional) (Continued)

##### *Actuarial Assumptions*

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

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

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

##### Mortality rates:

###### Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set back 3 years and females set back 5 years

###### Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set back 2 years and females set back 3 years

###### Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 1 year and no provision for future mortality improvement

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

*Long-Term Expected Rate of Return*

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

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### Note 11—Pension Plan: (Continued)

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#### Component Unit School Board (professional) (Continued)

##### *Discount Rate*

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, school divisions are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability (Asset)	\$ 25,379,000	\$ 17,343,000	\$ 10,727,000

##### *Pension Plan Fiduciary Net Position*

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2015 Comprehensive Annual Financial Report (CAFR). A copy of the 2015 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2015-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF BUCKINGHAM, VIRGINIA

### Notes to Financial Statements As of June 30, 2016 (Continued)

#### Note 12—Commitments and Contingencies:

Federal programs in which the County and its component unit participate were audited in accordance with the provisions of Uniform Guidance. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, future disallowances of current grant program expenditures, if any, would be immaterial.

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

At June 30, 2016, the County had several major projects underway, which are presented in the financial statements as construction in progress. Presented is a list of major projects, contract amounts, expenditures to date, and balances of contracts remaining:

Project	Contract Amount	Expenditures to Date	Balance of Contract
Various water and sewer engineering and design work	\$ 1,037,507	\$ 841,640	\$ 195,867
Wastewater treatment plant expansion	7,290,947	5,613,953	1,676,994
Sidewalk improvements - engineering/design	124,840	122,824	2,016
Courthouse Village - VDOT Enhancement - phase IV	* 187,400	-	187,400

\* Contract dated 7/25/16, including change order dated 8/18/16



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### Note 13—Surety Bonds:

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	<u>Amount</u>
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 Love, 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
School Employees - blanket bond	250,000
Commonwealth of Va Division of Risk Management (VaRISK 2)	
Social Services Employees - blanket bond	1,000,000
Western Surety Company - Surety:	
Social Services Employees - blanket bond	100,000
Western Surety Company - Surety:	
Christy L. Christian, Treasurer	20,000

### 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.

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### **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, 2016, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable. However, as mentioned in Note 14, there is a demand from the EPA for \$5,000,000.

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

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Expenditures exceeded appropriations in the following functions of the General Fund: Public Safety (\$82,234), Public Works (\$106,467), Health and Welfare (\$1,189,601), Parks, Recreation, and Cultural (\$26,084), and Capital Projects (\$10,761). The Health and Welfare function is overspent in the general fund because CSA operations were taken over from the Department of Social Services during the year. The VPA fund reflects unspent appropriations of \$1,111,461. The County Capital Improvements Fund had expenditures of \$9,002 exceeding appropriations. However, all disbursements were approved in accordance with operating policies. In addition, expenditures exceeded appropriations in the school cafeteria fund. In the Component Unit School Board, the School Cafeteria fund had expenditures of \$61,434 exceeding appropriations because of commodities of \$66,069, which are not actual cash disbursements.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

### Note 18—Interfund Transfers:

Interfund transfers for the year ended June 30, 2016 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
Governmental Activities:			
General Fund	\$ -	\$ 3,080,903	\$ (3,080,903)
VPA Fund	404,947	-	404,947
Debt Service Fund	2,665,257	-	2,665,257
County Capital Improvements Fund	9,002	-	9,002
Debt Financed School Capital Projects Fund	1,697	-	1,697
Total interfund transfers	<u>\$ 3,080,903</u>	<u>\$ 3,080,903</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, 2016, 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, 2016 is not believed to be material to the financial statements. The School Board has one participant 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.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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

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#### A. Plan Description: (Continued)

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

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

#### B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.07% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2016, 2015, and 2014 were \$113,455, \$108,651, and \$113,984, respectively and equaled the required contributions for each year.

### Note 21—Operating Leases:

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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>
2017	\$ 50,000	\$ 29,052
2018	50,000	29,052
2019	50,000	29,052
2020	50,000	24,210
2021	50,000	-
2022-2026	250,000	-
2027-2028	91,666	-
Total	<u>\$ 591,666</u>	<u>\$ 111,366</u>

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2016 (Continued)

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### Note 21—Operating Leases: (Continued)

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

<u>Year Ending June 30,</u>	<u>Land</u>
2017	\$ 7,200
2018	7,200
2019	7,200
2020	7,200
2021	7,200
2022-2026	36,828
2027-2031	37,080
2032-2033	8,652
Total	<u>\$ 118,560</u>

### Note 22—Adoption of Accounting Principles:

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#### **Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants***

The County implemented the provisions of the above Statement during the fiscal year ended June 30, 2016. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. There was no material impact on the County's financial statement as a result of the implementation of Statement No. 79. All required disclosures are located in Note 2.

#### **Governmental Accounting Standards Board Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73***

The County early implemented provisions of the above Statement during the fiscal year ended June 30, 2016. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. No restatement was required as a result of this implementation.

**Note 23—Upcoming Pronouncements:**

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Statement No. 77, *Tax Abatement Disclosures*, will increase the disclosure of tax abatement agreements to disclose information about the agreements. The requirements of this Statement improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, improves financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016.

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

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

### **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

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

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## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget -
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
General property taxes	\$ 13,890,066	\$ 13,890,066	\$ 15,710,523	\$ 1,820,457
Other local taxes	1,431,500	1,431,500	1,531,218	99,718
Permits, privilege fees, and regulatory licenses	66,100	66,100	63,097	(3,003)
Fines and forfeitures	67,300	67,300	37,720	(29,580)
Revenue from the use of money and property	134,000	134,000	88,332	(45,668)
Charges for services	68,016	68,016	89,803	21,787
Miscellaneous	15,000	15,611	26,151	10,540
Intergovernmental:				
Commonwealth	3,185,659	3,226,840	4,158,022	931,182
Federal	-	2,345	161,913	159,568
Total revenues	<u>\$ 18,857,641</u>	<u>\$ 18,901,778</u>	<u>\$ 21,866,779</u>	<u>\$ 2,965,001</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,288,267	\$ 1,457,970	\$ 1,456,920	\$ 1,050
Judicial administration	769,756	801,116	780,627	20,489
Public safety	3,397,006	3,534,463	3,616,697	(82,234)
Public works	1,422,568	1,431,163	1,537,630	(106,467)
Health and welfare	203,730	203,730	1,393,331	(1,189,601)
Education	6,737,765	7,116,629	6,934,789	181,840
Parks, recreation, and cultural	343,707	372,771	398,855	(26,084)
Community development	220,980	222,725	212,814	9,911
Nondepartmental	394,500	265,000	169,951	95,049
Capital projects	-	-	10,761	(10,761)
Total expenditures	<u>\$ 14,778,279</u>	<u>\$ 15,405,567</u>	<u>\$ 16,512,375</u>	<u>\$ (1,106,808)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,079,362</u>	<u>\$ 3,496,211</u>	<u>\$ 5,354,404</u>	<u>\$ 1,858,193</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>\$ (3,332,805)</u>	<u>\$ (3,353,562)</u>	<u>\$ (3,080,903)</u>	<u>\$ 272,659</u>
Total other financing sources (uses)	<u>\$ (3,332,805)</u>	<u>\$ (3,353,562)</u>	<u>\$ (3,080,903)</u>	<u>\$ 272,659</u>
Net change in fund balance	\$ 746,557	\$ 142,649	\$ 2,273,501	\$ 2,130,852
Fund balance - beginning	(763,194)	(159,286)	5,915,936	6,075,222
Fund balance - ending	<u>\$ (16,637)</u>	<u>\$ (16,637)</u>	<u>\$ 8,189,437</u>	<u>\$ 8,206,074</u>

## Virginia Public Assistance Fund

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

For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 6,448	\$ (23,552)
Intergovernmental:				
Commonwealth	1,759,586	1,759,586	898,628	(860,958)
Federal	824,015	824,015	881,022	57,007
Total revenues	<u>\$ 2,613,601</u>	<u>\$ 2,613,601</u>	<u>\$ 1,786,098</u>	<u>\$ (827,503)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 3,281,749	\$ 3,302,506	\$ 2,191,045	\$ 1,111,461
Total expenditures	<u>\$ 3,281,749</u>	<u>\$ 3,302,506</u>	<u>\$ 2,191,045</u>	<u>\$ 1,111,461</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (668,148)</u>	<u>\$ (688,905)</u>	<u>\$ (404,947)</u>	<u>\$ 283,958</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 668,148	\$ 688,905	\$ 404,947	\$ (283,958)
Total other financing sources (uses)	<u>\$ 668,148</u>	<u>\$ 688,905</u>	<u>\$ 404,947</u>	<u>\$ (283,958)</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Components of and Changes in Net Pension Liability and Related Ratios  
Primary Government  
For the Year Ended June 30, 2016

	2015	2014
<b>Total pension liability</b>		
Service cost	\$ 464,384	\$ 460,562
Interest	1,102,964	1,033,309
Differences between expected and actual experience	43,830	-
Benefit payments, including refunds of employee contributions	(513,164)	(484,431)
<b>Net change in total pension liability</b>	<b>\$ 1,098,014</b>	<b>\$ 1,009,440</b>
<b>Total pension liability - beginning</b>	<b>16,013,213</b>	<b>15,003,773</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 17,111,227</b>	<b>\$ 16,013,213</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 455,429	\$ 502,256
Contributions - employee	197,041	210,098
Net investment income	661,502	1,940,568
Benefit payments, including refunds of employee contributions	(513,164)	(484,431)
Administrative expense	(8,779)	(10,150)
Other	(141)	102
<b>Net change in plan fiduciary net position</b>	<b>\$ 791,888</b>	<b>\$ 2,158,443</b>
<b>Plan fiduciary net position - beginning</b>	<b>14,286,454</b>	<b>12,128,011</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 15,078,342</b>	<b>\$ 14,286,454</b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 2,032,885</b>	<b>\$ 1,726,759</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>88.12%</b>	<b>89.22%</b>
<b>Covered payroll</b>	<b>\$ 3,950,804</b>	<b>\$ 3,874,861</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>51.45%</b>	<b>44.56%</b>

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

Schedule of Components of and Changes in Net Pension Liability (Asset) and Related Ratios  
 Component Unit School Board (nonprofessional)  
 For the Year Ended June 30, 2016

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

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

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
For the Year Ended June 30, 2016

	<u>2015</u>	<u>2014</u>
Employer's Proportion of the Net Pension Liability (Asset)	13.779%	14.235%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,343,000	\$ 17,202,000
Employer's Covered Payroll	10,294,522	10,268,842
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	168.47%	167.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.88%

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

Schedule of Employer Contributions  
For the Year Ended June 30, 2016

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2016	\$ 469,307	\$ 469,307	\$ -	\$ 4,066,784	11.54%
2015	455,923	455,923	-	3,950,804	11.54%
2014	502,569	502,569	-	3,874,861	12.97%
2013	486,908	486,908	-	3,754,106	12.97%
2012	361,872	361,872	-	3,423,572	10.57%
2011	349,819	349,819	-	3,309,545	10.57%
2010	270,535	270,535	-	3,243,826	8.34%
2009	276,827	276,827	-	3,319,265	8.34%
2008	205,399	205,399	-	3,150,292	6.52%
2007	194,644	194,644	-	2,985,334	6.52%
<b>Component Unit School Board (nonprofessional)</b>					
2016	\$ 69,623	\$ 69,623	\$ -	\$ 844,944	8.24%
2015	67,100	67,100	-	814,326	8.24%
2014	68,331	68,331	-	799,196	8.55%
2013	64,905	64,905	-	759,122	8.55%
2012	48,989	48,989	-	796,563	6.15%
2011	53,330	53,330	-	867,158	6.15%
2010	57,957	57,957	-	911,266	6.36%
2009	59,239	59,239	-	931,430	6.36%
2008	46,216	46,216	-	913,368	5.06%
2007	44,203	44,203	-	873,574	5.06%
<b>Component Unit School Board (professional)</b>					
2016	\$ 1,485,652	\$ 1,485,652	\$ -	\$ 10,559,005	14.07%
2015	1,448,771	1,448,771	-	10,294,522	14.07%
2014	1,197,347	1,197,347	-	10,268,842	11.66%
2013	1,101,172	1,101,172	-	9,444,014	11.66%
2012	645,888	645,888	-	10,203,602	6.33%
2011	413,912	413,912	-	10,532,112	3.93%
2010	722,889	722,889	-	10,913,067	6.62%
2009	961,488	961,488	-	10,913,598	8.81%
2008	1,091,967	1,091,967	-	10,601,621	10.30%
2007	913,503	913,503	-	9,929,384	9.20%

Notes to Required Supplementary Information  
For the Year Ended June 30, 2016

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In 2015, Covered Employee Payroll (as defined by GASB 68) included the total payroll for employees covered under the pension plan whether that payroll is subject to pension coverage or not. This definition was modified in GASB Statement No. 82 and now is the payroll on which contributions to a pension plan are based. The ratios presented use the same measure.

**Changes of benefit terms** - There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2015 is not material.

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

Largest 10 - Non-LEOS:

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

Largest 10 - LEOS:

- Update mortality table
- Decrease in male rates of disability

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

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

All Others (Non 10 Largest) - LEOS:

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

Component Unit School Board - Professional Employees

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

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*OTHER SUPPLEMENTARY INFORMATION*

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## Combining and Individual Fund Financial Statements and Schedules

## Debt Service Fund

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

For the Year Ended June 30, 2016

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
Federal	\$ 420,000	\$ 420,000	\$ 419,400	\$ (600)
Total revenues	\$ 420,000	\$ 420,000	\$ 419,400	\$ (600)
EXPENDITURES				
Debt service:				
Principal retirement	\$ 1,492,368	\$ 1,492,368	\$ 1,492,368	\$ -
Interest and other fiscal charges	1,592,289	1,592,289	1,592,289	-
Total expenditures	\$ 3,084,657	\$ 3,084,657	\$ 3,084,657	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ (2,664,657)	\$ (2,664,657)	\$ (2,665,257)	\$ (600)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,664,657	\$ 2,664,657	\$ 2,665,257	\$ 600
Total other financing sources (uses)	\$ 2,664,657	\$ 2,664,657	\$ 2,665,257	\$ 600
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

## County Capital Improvements Fund

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Capital projects	\$ -	\$ -	\$ 9,002	\$ (9,002)
Total expenditures	\$ -	\$ -	\$ 9,002	\$ (9,002)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (9,002)	\$ (9,002)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 9,002	\$ 9,002
Total other financing sources (uses)	\$ -	\$ -	\$ 9,002	\$ 9,002
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	42,028	42,028
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 42,028</u>

Debt Financed School Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 388	\$ 388
Total revenues	\$ -	\$ -	\$ 388	\$ 388
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 1,697	\$ 1,697
Total other financing sources (uses)	\$ -	\$ -	\$ 1,697	\$ 1,697
Net change in fund balance	\$ -	\$ -	\$ 2,085	\$ 2,085
Fund balance - beginning	-	-	102,448	102,448
Fund balance - ending	\$ -	\$ -	\$ 104,533	\$ 104,533

Statement of Changes in Assets and Liabilities  
 Agency Funds  
 For the Year Ended June 30, 2016

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special Welfare Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 40,257	\$ 1,266	\$ 1,244	\$ 40,279
Total assets	<u>\$ 40,257</u>	<u>\$ 1,266</u>	<u>\$ 1,244</u>	<u>\$ 40,279</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 40,257	\$ 1,266	\$ 1,244	\$ 40,279
Total liabilities	<u>\$ 40,257</u>	<u>\$ 1,266</u>	<u>\$ 1,244</u>	<u>\$ 40,279</u>
<b>Surety Bond Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 18,656	\$ -	\$ 18,656	\$ -
Total assets	<u>\$ 18,656</u>	<u>\$ -</u>	<u>\$ 18,656</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Amounts held for others	\$ 18,656	\$ -	\$ 18,656	\$ -
Total liabilities	<u>\$ 18,656</u>	<u>\$ -</u>	<u>\$ 18,656</u>	<u>\$ -</u>
<b>Totals - All Agency Funds:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 58,913	\$ 1,266	\$ 19,900	\$ 40,279
Total assets	<u>\$ 58,913</u>	<u>\$ 1,266</u>	<u>\$ 19,900</u>	<u>\$ 40,279</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 40,257	\$ 1,266	\$ 1,244	\$ 40,279
Amounts held for others	18,656	-	18,656	-
Total liabilities	<u>\$ 58,913</u>	<u>\$ 1,266</u>	<u>\$ 19,900</u>	<u>\$ 40,279</u>

## Combining Balance Sheet

Discretely Presented Component Unit - School Board

June 30, 2016

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 798,598	\$ 84,260	\$ 882,858
Receivables (net of allowance for uncollectibles):			
Accounts receivable	22,657	-	22,657
Due from other governmental units	712,772	47,839	760,611
Total assets	<u>\$ 1,534,027</u>	<u>\$ 132,099</u>	<u>\$ 1,666,126</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 109,143	\$ 1,149	\$ 110,292
Accrued liabilities	798,598	39,343	837,941
Due to primary government	626,286	-	626,286
Total liabilities	<u>\$ 1,534,027</u>	<u>\$ 40,492</u>	<u>\$ 1,574,519</u>
Fund balances:			
Committed:			
Cafeteria operations	\$ -	\$ 91,607	\$ 91,607
Total fund balances	<u>\$ -</u>	<u>\$ 91,607</u>	<u>\$ 91,607</u>
Total liabilities and fund balances	<u>\$ 1,534,027</u>	<u>\$ 132,099</u>	<u>\$ 1,666,126</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above			\$ 91,607
The net pension asset is not an available resource and, therefore, is not reported in the funds.			24,733
Pension contributions subsequent to the measurement date will be a reduction to or increase in net pension liability or asset in the next fiscal year, and therefore, are not reported in the funds. Deferred outflows also include the change in proportion.			1,555,275
Items related to measurement of the net pension liability (asset) are considered deferred inflows and will be amortized and recognized in pension expense over future years.			(1,245,270)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land		\$ 257,165	
Buildings and improvements		6,428,366	
Improvements other than buildings		156,205	
Machinery, equipment, and vehicles		2,907,430	
Jointly owned assets		<u>7,102,388</u>	16,851,554
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		\$ (1,404,157)	
Compensated absences		(562,904)	
Net pension liability (asset)		(17,343,000)	
Accrued interest payable		<u>(30,570)</u>	(19,340,631)
Net position of governmental activities			<u>\$ (2,062,732)</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, 2016

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 6,392	\$ -	\$ 6,392
Charges for services	12,520	201,264	213,784
Miscellaneous	479,268	-	479,268
Intergovernmental:			
Local government	6,803,232	90,000	6,893,232
Commonwealth	12,744,648	31,907	12,776,555
Federal	2,893,236	1,036,469	3,929,705
Total revenues	<u>\$ 22,939,296</u>	<u>\$ 1,359,640</u>	<u>\$ 24,298,936</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 22,829,082	\$ 1,311,877	\$ 24,140,959
Debt service:			
Principal retirement	69,683	-	69,683
Interest and other fiscal charges	40,531	-	40,531
Total expenditures	<u>\$ 22,939,296</u>	<u>\$ 1,311,877</u>	<u>\$ 24,251,173</u>
Net change in fund balances	\$ -	\$ 47,763	\$ 47,763
Fund balances - beginning	-	43,844	43,844
Fund balances - ending	<u>\$ -</u>	<u>\$ 91,607</u>	<u>\$ 91,607</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 \$ 47,763

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	\$ 200,592	
Depreciation in current year	(1,024,890)	
Adjustment for jointly owned assets	809,592	(14,706)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (784)

The change in deferred inflows related to the measurement of the net pension liability (asset) is not reported in governmental funds. 531,926

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in governmental funds. 266,000

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. 69,683

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The details of changes in the following items which comprise this adjustment are:

Compensated absences	\$ 9,413	
Net pension asset	18,860	
Net pension liability	(141,000)	
Deferred outflows - pension related items	(157,596)	
Accrued interest payable	1,517	(268,806)

Change in net position of governmental activities \$ 631,076

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, 2016

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 3,500	\$ 3,500	\$ 6,392	\$ 2,892
Charges for services	15,000	15,000	12,520	(2,480)
Miscellaneous	780,000	790,993	479,268	(311,725)
Intergovernmental:				
Local government	6,695,208	7,073,072	6,803,232	(269,840)
Commonwealth	13,033,551	12,800,934	12,744,648	(56,286)
Federal	2,426,244	3,517,700	2,893,236	(624,464)
Total revenues	<u>\$ 22,953,503</u>	<u>\$ 24,201,199</u>	<u>\$ 22,939,296</u>	<u>\$ (1,261,903)</u>
EXPENDITURES				
Current:				
Education	\$ 22,843,289	\$ 24,090,985	\$ 22,829,082	\$ 1,261,903
Debt service:				
Principal retirement	69,683	69,683	69,683	-
Interest and other fiscal charges	40,531	40,531	40,531	-
Total expenditures	<u>\$ 22,953,503</u>	<u>\$ 24,201,199</u>	<u>\$ 22,939,296</u>	<u>\$ 1,261,903</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 24

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
296,564	296,564	201,264	(95,300)
-	-	-	-
-	-	90,000	90,000
23,327	27,196	31,907	4,711
708,587	792,839	1,036,469	243,630
<u>\$ 1,028,478</u>	<u>\$ 1,116,599</u>	<u>\$ 1,359,640</u>	<u>\$ 243,041</u>
\$ 1,148,478	\$ 1,250,443	\$ 1,311,877	\$ (61,434)
-	-	-	-
-	-	-	-
<u>\$ 1,148,478</u>	<u>\$ 1,250,443</u>	<u>\$ 1,311,877</u>	<u>\$ (61,434)</u>
\$ (120,000)	\$ (133,844)	\$ 47,763	\$ 181,607
120,000	133,844	43,844	(90,000)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,607</u>	<u>\$ 91,607</u>

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## Supporting Schedules

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Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016

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	\$ 7,270,000	\$ 7,270,000	\$ 7,322,557	\$ 52,557
Real and personal public service corporation taxes	3,207,066	3,207,066	4,969,084	1,762,018
Personal property taxes	2,600,000	2,600,000	2,653,202	53,202
Mobile home taxes	70,000	70,000	45,825	(24,175)
Machinery and tools taxes	230,000	230,000	210,752	(19,248)
Merchants' capital taxes	165,000	165,000	184,592	19,592
Aircraft taxes	3,000	3,000	717	(2,283)
Penalties	170,000	170,000	172,455	2,455
Interest	175,000	175,000	151,339	(23,661)
Total general property taxes	<u>\$ 13,890,066</u>	<u>\$ 13,890,066</u>	<u>\$ 15,710,523</u>	<u>\$ 1,820,457</u>
Other local taxes:				
Local sales and use taxes	\$ 610,000	\$ 610,000	\$ 683,326	\$ 73,326
Consumers' utility taxes	330,000	330,000	348,612	18,612
Franchise license taxes	75,000	75,000	62,739	(12,261)
Transient occupancy taxes	4,000	4,000	4,018	18
Motor vehicle licenses	320,000	320,000	332,466	12,466
Bank stock taxes	30,000	30,000	40,344	10,344
Taxes on recordation and wills	62,500	62,500	59,713	(2,787)
Total other local taxes	<u>\$ 1,431,500</u>	<u>\$ 1,431,500</u>	<u>\$ 1,531,218</u>	<u>\$ 99,718</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 4,000	\$ 4,000	\$ 4,400	\$ 400
Permits and other licenses	62,100	62,100	58,697	(3,403)
Total permits, privilege fees, and regulatory licenses	<u>\$ 66,100</u>	<u>\$ 66,100</u>	<u>\$ 63,097</u>	<u>\$ (3,003)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 61,000	\$ 61,000	\$ 25,229	\$ (35,771)
Other fines and forfeitures	6,300	6,300	12,491	6,191
Total fines and forfeitures	<u>\$ 67,300</u>	<u>\$ 67,300</u>	<u>\$ 37,720</u>	<u>\$ (29,580)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 4,000	\$ 4,000	\$ 5,628	\$ 1,628
Revenue from use of property	130,000	130,000	82,704	(47,296)
Total revenue from use of money and property	<u>\$ 134,000</u>	<u>\$ 134,000</u>	<u>\$ 88,332</u>	<u>\$ (45,668)</u>
Charges for services:				
Sheriff's fees	\$ 1,416	\$ 1,416	\$ 1,246	\$ (170)
Charges for law library	2,400	2,400	2,396	(4)
Excess fees of clerk	4,700	4,700	3,161	(1,539)
Charges for courthouse maintenance	6,500	6,500	6,677	177
Charges for parks and recreation	-	-	24,298	24,298
Miscellaneous jail and inmate fees	1,000	1,000	1,164	164
Courthouse security fees	30,000	30,000	28,571	(1,429)
Charges for Commonwealth's Attorney	1,000	1,000	2,482	1,482
Charges for local court appointed attorney	2,000	2,000	1,836	(164)
Charges for sanitation and waste removal	19,000	19,000	17,972	(1,028)
Total charges for services	<u>\$ 68,016</u>	<u>\$ 68,016</u>	<u>\$ 89,803</u>	<u>\$ 21,787</u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (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:				
Miscellaneous	\$ 5,000	\$ 5,488	\$ 12,730	\$ 7,242
Service charge on tax exempt properties	10,000	10,000	11,868	1,868
Sale of salvage and surplus	-	123	123	-
Donations, etc (Sheriff)	-	-	1,430	1,430
Total miscellaneous	<u>\$ 15,000</u>	<u>\$ 15,611</u>	<u>\$ 26,151</u>	<u>\$ 10,540</u>
Total revenue from local sources	<u>\$ 15,671,982</u>	<u>\$ 15,672,593</u>	<u>\$ 17,546,844</u>	<u>\$ 1,874,251</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications taxes	\$ 430,000	\$ 430,000	\$ 409,738	\$ (20,262)
Motor vehicle carriers' tax	15,000	15,000	10,487	(4,513)
Animal friendly plates - DMV	100	100	10	(90)
Mobile home titling tax	30,000	30,000	25,856	(4,144)
Grantor's tax on deeds	20,000	20,000	19,334	(666)
Auto rental tax	1,000	1,000	2,005	1,005
Personal property tax relief funds	1,136,914	1,136,914	1,136,914	-
Total noncategorical aid	<u>\$ 1,633,014</u>	<u>\$ 1,633,014</u>	<u>\$ 1,604,344</u>	<u>\$ (28,670)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 200,409	\$ 200,409	\$ 202,427	\$ 2,018
Sheriff	803,191	803,191	816,126	12,935
Commissioner of revenue	76,195	76,195	77,613	1,418
Treasurer	81,135	81,135	82,213	1,078
Registrar/electoral board	46,583	46,583	47,914	1,331
Clerk of the Circuit Court	206,977	206,977	192,389	(14,588)
Total shared expenses	<u>\$ 1,414,490</u>	<u>\$ 1,414,490</u>	<u>\$ 1,418,682</u>	<u>\$ 4,192</u>
Other categorical aid:				
Recordation tax	\$ 16,000	\$ 16,000	\$ 16,997	\$ 997
Fire program funds	45,000	57,219	58,219	1,000
Forest products sales	20,000	20,000	32,422	12,422
Arts grant	5,000	5,000	5,000	-



## Schedule of Revenues - Budget and Actual

## Governmental Funds

For the Year Ended June 30, 2016 (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	\$ -	\$ 15,416	\$ 15,416	\$ -
E-911 grants	40,000	40,000	44,840	4,840
Litter control grant	7,155	7,234	7,234	-
Miscellaneous grants	5,000	5,000	-	(5,000)
Comprehensive Services Act program	-	-	784,136	784,136
Item conservation grant	-	13,467	13,467	-
Technology funds	-	-	150,000	150,000
Asset forfeiture DCJS	-	-	7,265	7,265
Total other categorical aid	\$ 138,155	\$ 179,336	\$ 1,134,996	\$ 955,660
Total categorical aid	\$ 1,552,645	\$ 1,593,826	\$ 2,553,678	\$ 959,852
Total revenue from the Commonwealth	\$ 3,185,659	\$ 3,226,840	\$ 4,158,022	\$ 931,182
Revenue from the federal government:				
Categorical aid:				
State and community highway safety	\$ -	\$ -	\$ 38,102	\$ 38,102
VDOT transportation enhancement	-	-	49,183	49,183
Local law enforcement block grant	-	2,345	2,345	-
Emergency management grants	-	-	7,500	7,500
Asset forfeiture funds	-	-	60,923	60,923
Other grants	-	-	3,860	3,860
Total categorical aid	\$ -	\$ 2,345	\$ 161,913	\$ 159,568
Total revenue from the federal government	\$ -	\$ 2,345	\$ 161,913	\$ 159,568
Total General Fund	\$ 18,857,641	\$ 18,901,778	\$ 21,866,779	\$ 2,965,001
<b>Special Revenue Fund:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ 30,000	\$ 30,000	\$ 6,448	\$ (23,552)
Total revenue from local sources	\$ 30,000	\$ 30,000	\$ 6,448	\$ (23,552)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 505,042	\$ 505,042	\$ 446,113	\$ (58,929)
Comprehensive Services Act program	1,254,544	1,254,544	452,515	(802,029)
Total categorical aid	\$ 1,759,586	\$ 1,759,586	\$ 898,628	\$ (860,958)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 824,015	\$ 824,015	\$ 881,022	\$ 57,007
Total categorical aid	\$ 824,015	\$ 824,015	\$ 881,022	\$ 57,007
Total Virginia Public Assistance Fund	\$ 2,613,601	\$ 2,613,601	\$ 1,786,098	\$ (827,503)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (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	\$ 420,000	\$ 420,000	\$ 419,400	\$ (600)
Total revenue from the federal government	\$ 420,000	\$ 420,000	\$ 419,400	\$ (600)
Total Debt Service Fund	\$ 420,000	\$ 420,000	\$ 419,400	\$ (600)
<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	\$ -	\$ -	\$ 388	\$ 388
Total revenue from local sources	\$ -	\$ -	\$ 388	\$ 388
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 388	\$ 388
Total Primary Government	\$ 21,891,242	\$ 21,935,379	\$ 24,072,665	\$ 2,137,286
<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	\$ 3,500	\$ 3,500	\$ 6,392	\$ 2,892
Charges for services:				
Tuition and other payments	\$ 15,000	\$ 15,000	\$ 12,520	\$ (2,480)
Miscellaneous:				
Other miscellaneous	\$ 780,000	\$ 790,993	\$ 479,268	\$ (311,725)
Total revenue from local sources	\$ 798,500	\$ 809,493	\$ 498,180	\$ (311,313)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (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	\$ 6,695,208	\$ 7,073,072	\$ 6,803,232	\$ (269,840)
Total revenues from local governments	\$ 6,695,208	\$ 7,073,072	\$ 6,803,232	\$ (269,840)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,331,735	\$ 2,322,212	\$ 2,332,486	\$ 10,274
Basic school aid	6,332,537	6,102,784	6,102,627	(157)
Remedial summer education	44,024	46,273	46,273	-
Regular foster care	5,512	5,521	10,151	4,630
Gifted and talented	61,409	59,570	59,570	-
Remedial education	309,657	300,384	300,384	-
Compensation Supplement	108,409	105,163	105,163	-
Special education- SOQ	813,993	789,617	789,617	-
Vocational standards of quality payments	211,664	205,326	205,326	-
Social security fringe benefits	377,599	366,291	366,291	-
Retirement fringe benefits	744,745	722,443	722,443	-
Group life fringe benefits	23,518	22,814	22,814	-
Early reading intervention	46,408	48,518	48,518	-
ISAEF	7,859	7,859	10,651	2,792
Homebound education	10,779	10,779	13,981	3,202
Mentor teaching	2,033	2,033	2,311	278
Vocational education - equipment	4,895	4,895	4,862	(33)
Vocational occupational preparedness	30,016	30,016	26,781	(3,235)
At risk payments	434,565	421,547	421,547	-
Textbooks	41,209	7,706	7,706	-
Primary class size/K-3 initiative	424,150	434,587	434,587	-
Virginia Preschool Initiative	315,352	315,352	315,352	-
Standards of Learning algebra readiness	32,384	36,815	36,815	-
VPSA technology funds	154,000	236,092	174,771	(61,321)
Other state funds	165,099	196,337	183,621	(12,716)
Total categorical aid	\$ 13,033,551	\$ 12,800,934	\$ 12,744,648	\$ (56,286)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,339,461	\$ 2,578,582	\$ 2,037,661	\$ (540,921)
Title VI-B, special education flow-through	522,665	523,447	516,262	(7,185)
Vocational education	-	-	48,056	48,056
Title VI-B, special education pre-school	9,571	9,571	9,571	-
Title II, Part A	200,000	194,428	143,303	(51,125)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (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	\$ 62,123	\$ 2,948
Rural and low-income schools	49,900	58,416	31,392	(27,024)
Twenty-first century community learning centers	198,848	47,457	44,868	(2,589)
Other federal funds	46,624	46,624	-	(46,624)
Total categorical aid	<u>\$ 2,426,244</u>	<u>\$ 3,517,700</u>	<u>\$ 2,893,236</u>	<u>\$ (624,464)</u>
Total School Operating Fund	<u>\$ 22,953,503</u>	<u>\$ 24,201,199</u>	<u>\$ 22,939,296</u>	<u>\$ (1,261,903)</u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 296,564	\$ 296,564	\$ 201,264	\$ (95,300)
Total revenue from local sources	<u>\$ 296,564</u>	<u>\$ 296,564</u>	<u>\$ 201,264</u>	<u>\$ (95,300)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ -	\$ -	\$ 90,000	\$ 90,000
Total revenues from local governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,556	\$ 11,556	\$ 11,347	\$ (209)
Breakfast After the Bell	1,645	1,922	6,842	4,920
School breakfast program	10,126	13,718	13,718	-
Total revenue from the Commonwealth	<u>\$ 23,327</u>	<u>\$ 27,196</u>	<u>\$ 31,907</u>	<u>\$ 4,711</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 628,587	\$ 628,587	\$ 833,166	\$ 204,579
Fresh fruit and vegetables - FFV	25,000	64,766	63,751	(1,015)
Summer feeding program	-	-	27,544	27,544
USDA	55,000	99,486	45,939	(53,547)
Commodities	-	-	66,069	66,069
Total revenue from the federal government	<u>\$ 708,587</u>	<u>\$ 792,839</u>	<u>\$ 1,036,469</u>	<u>\$ 243,630</u>
Total School Cafeteria Fund	<u>\$ 1,028,478</u>	<u>\$ 1,116,599</u>	<u>\$ 1,359,640</u>	<u>\$ 243,041</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 23,981,981</u>	<u>\$ 25,317,798</u>	<u>\$ 24,298,936</u>	<u>\$ (1,018,862)</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016

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	\$ 72,584	\$ 83,684	\$ 77,309	\$ 6,375
General and financial administration:				
County administrator	\$ 208,905	\$ 225,353	\$ 225,062	\$ 291
Accounting and Auditing Services	35,000	35,000	51,500	(16,500)
Cost allocation plan	3,500	3,500	3,800	(300)
Commissioner of revenue	225,941	231,172	243,471	(12,299)
Treasurer	265,905	276,774	272,260	4,514
Finance/Human Resource	215,373	219,723	203,538	16,185
Information Technology	112,123	114,072	115,804	(1,732)
Total general and financial administration	\$ 1,066,747	\$ 1,105,594	\$ 1,115,435	\$ (9,841)
Board of elections:				
Electoral board and officials	\$ 57,743	\$ 175,698	\$ 171,901	\$ 3,797
Registrar	91,193	92,994	92,275	719
Total board of elections	\$ 148,936	\$ 268,692	\$ 264,176	\$ 4,516
Total general government administration	\$ 1,288,267	\$ 1,457,970	\$ 1,456,920	\$ 1,050
Judicial administration:				
Courts:				
Circuit court	\$ 14,280	\$ 14,280	\$ 2,550	\$ 11,730
General district court	8,870	8,870	10,958	(2,088)
Court appointed attorney	-	-	1,210	(1,210)
Special magistrates	2,500	2,500	240	2,260
Clerk of the circuit court	350,324	372,507	366,960	5,547
Total courts	\$ 375,974	\$ 398,157	\$ 381,918	\$ 16,239
Commonwealth's attorney:				
Commonwealth's attorney	\$ 393,782	\$ 402,959	\$ 398,709	\$ 4,250
Total commonwealth's attorney	\$ 393,782	\$ 402,959	\$ 398,709	\$ 4,250
Total judicial administration	\$ 769,756	\$ 801,116	\$ 780,627	\$ 20,489
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,895,093	\$ 1,972,984	\$ 2,069,959	\$ (96,975)
Selective enforcement	-	-	41,513	(41,513)
Sheriff's fund	-	-	8,970	(8,970)
Triad	2,500	2,500	2,500	-
Total law enforcement and traffic control	\$ 1,897,593	\$ 1,975,484	\$ 2,122,942	\$ (147,458)

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (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	\$ 267,767	\$ 279,986	\$ 280,598	\$ (612)
Ambulance and rescue services	196,200	211,616	211,066	550
Forest fire prevention	27,000	27,000	26,178	822
Emergency services	218,327	219,882	174,276	45,606
Total fire and rescue services	<u>\$ 709,294</u>	<u>\$ 738,484</u>	<u>\$ 692,118</u>	<u>\$ 46,366</u>
Correction and detention:				
Piedmont Regional Jail	\$ 500,000	\$ 500,000	\$ 440,493	\$ 59,507
Piedmont Regional Juvenile Detention Center	40,000	40,000	46,851	(6,851)
Total correction and detention	<u>\$ 540,000</u>	<u>\$ 540,000</u>	<u>\$ 487,344</u>	<u>\$ 52,656</u>
Inspections:				
Building	\$ 115,779	\$ 118,600	\$ 121,222	\$ (2,622)
Total inspections	<u>\$ 115,779</u>	<u>\$ 118,600</u>	<u>\$ 121,222</u>	<u>\$ (2,622)</u>
Other protection:				
Animal control	\$ 129,140	\$ 156,695	\$ 187,831	\$ (31,136)
Medical Examiner	200	200	240	(40)
Southside Center for Violence Prevention	5,000	5,000	5,000	-
Total other protection	<u>\$ 134,340</u>	<u>\$ 161,895</u>	<u>\$ 193,071</u>	<u>\$ (31,176)</u>
Total public safety	<u>\$ 3,397,006</u>	<u>\$ 3,534,463</u>	<u>\$ 3,616,697</u>	<u>\$ (82,234)</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,200	\$ 4,200	\$ 4,940	\$ (740)
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 4,200</u>	<u>\$ 4,200</u>	<u>\$ 4,940</u>	<u>\$ (740)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 868,415	\$ 872,163	\$ 931,996	\$ (59,833)
Anti-Litter	7,155	7,234	615	6,619
Total sanitation and waste removal	<u>\$ 875,570</u>	<u>\$ 879,397</u>	<u>\$ 932,611</u>	<u>\$ (53,214)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 542,798	\$ 547,566	\$ 600,079	\$ (52,513)
Total maintenance of general buildings and grounds	<u>\$ 542,798</u>	<u>\$ 547,566</u>	<u>\$ 600,079</u>	<u>\$ (52,513)</u>
Total public works	<u>\$ 1,422,568</u>	<u>\$ 1,431,163</u>	<u>\$ 1,537,630</u>	<u>\$ (106,467)</u>
Health and welfare:				
Health:				
Health Department	\$ 114,085	\$ 114,085	\$ 113,540	\$ 545
Total health	<u>\$ 114,085</u>	<u>\$ 114,085</u>	<u>\$ 113,540</u>	<u>\$ 545</u>
Mental health and mental retardation:				
Crossroads Board	\$ 37,000	\$ 37,000	\$ 37,000	\$ -
Total mental health and mental retardation	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2016 (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:				
Piedmont Sr Resources Area on Aging	\$ 1,851	\$ 1,851	\$ -	\$ 1,851
Tax relief for the elderly	-	-	22,330	(22,330)
Jaunt Inc transportation service	24,982	24,982	24,982	-
Piedmont area transit	10,000	10,000	10,000	-
VA legal aid	4,812	4,812	4,812	-
Pregnancy Support Center	5,000	5,000	5,000	-
Meals on Wheels of Buckingham	6,000	6,000	-	6,000
Comprehensive services	-	-	1,175,667	(1,175,667)
Total welfare	\$ 52,645	\$ 52,645	\$ 1,242,791	\$ (1,190,146)
Total health and welfare	\$ 203,730	\$ 203,730	\$ 1,393,331	\$ (1,189,601)
Education:				
Other instructional costs:				
Contributions to colleges and agencies	\$ 42,557	\$ 43,557	\$ 41,557	\$ 2,000
Contribution to Buckingham County School Board	6,695,208	7,073,072	6,893,232	179,840
Total education	\$ 6,737,765	\$ 7,116,629	\$ 6,934,789	\$ 181,840
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 163,344	\$ 166,533	\$ 165,335	\$ 1,198
Programs	-	-	27,282	(27,282)
Ellis Acres Memorial Park	5,000	5,000	5,000	-
Total parks and recreation	\$ 168,344	\$ 171,533	\$ 197,617	\$ (26,084)
Cultural enrichment:				
Arts Council	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Longwood Center For the Visual Arts	1,063	1,063	1,063	-
Hatton ferry fund	2,000	12,875	12,875	-
VA Retreat	4,500	4,500	4,500	-
Veterans of Foreign Wars	-	14,000	14,000	-
4-H	-	1,000	1,000	-
Total cultural enrichment	\$ 17,563	\$ 43,438	\$ 43,438	\$ -
Library:				
Regional library	\$ 157,800	\$ 157,800	\$ 157,800	\$ -
Total library	\$ 157,800	\$ 157,800	\$ 157,800	\$ -
Total parks, recreation, and cultural	\$ 343,707	\$ 372,771	\$ 398,855	\$ (26,084)
Community development:				
Planning and community development:				
Planning	\$ 91,899	\$ 93,644	\$ 87,666	\$ 5,978
Planning District Commission	17,000	17,000	15,700	1,300
Economic Development	-	-	67	(67)
Longwood Small Business Development Center	5,849	5,849	5,849	-
Virginia's Growth Alliance	17,146	17,146	17,146	-
Total planning and community development	\$ 131,894	\$ 133,639	\$ 126,428	\$ 7,211
Environmental management:				
Peter Francisco Soil and Water Conservation	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total environmental management	\$ 10,000	\$ 10,000	\$ 10,000	\$ -

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2016 (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	\$ 79,086	\$ 79,086	\$ 76,386	\$ 2,700
Total cooperative extension program	\$ 79,086	\$ 79,086	\$ 76,386	\$ 2,700
Total community development	\$ 220,980	\$ 222,725	\$ 212,814	\$ 9,911
Nondepartmental:				
Bank Charges - Bank of America	\$ 30,000	\$ 30,000	\$ 26,907	\$ 3,093
Unemployment insurance	5,000	5,000	2,152	2,848
Worker's compensation	50,000	50,000	50,501	(501)
Unclaimed Property	-	-	391	(391)
School sewer contract	180,000	180,000	90,000	90,000
Other	129,500	-	-	-
Total nondepartmental	\$ 394,500	\$ 265,000	\$ 169,951	\$ 95,049
Capital projects:				
Sidewalk	\$ -	\$ -	\$ 10,761	\$ (10,761)
Total capital projects	\$ -	\$ -	\$ 10,761	\$ (10,761)
Total General Fund	\$ 14,778,279	\$ 15,405,567	\$ 16,512,375	\$ (1,106,808)
<b>Special Revenue Fund:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,337,738	\$ 1,358,495	\$ 1,287,567	\$ 70,928
Public assistance	351,550	351,550	322,192	29,358
Comprehensive services	1,592,461	1,592,461	581,286	1,011,175
Total welfare and social services	\$ 3,281,749	\$ 3,302,506	\$ 2,191,045	\$ 1,111,461
Total Virginia Public Assistance Fund	\$ 3,281,749	\$ 3,302,506	\$ 2,191,045	\$ 1,111,461
<b>Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 1,492,368	\$ 1,492,368	\$ 1,492,368	\$ -
Interest and other fiscal charges	1,592,289	1,592,289	1,592,289	-
Total Debt Service Fund	\$ 3,084,657	\$ 3,084,657	\$ 3,084,657	\$ -
<b>Capital Projects Fund:</b>				
<b>County Capital Improvements Fund:</b>				
Capital projects expenditures:				
Ball field complex	\$ -	\$ -	\$ 9,002	\$ (9,002)
Total capital projects	\$ -	\$ -	\$ 9,002	\$ (9,002)
Total County Capital Improvements Fund	\$ -	\$ -	\$ 9,002	\$ (9,002)
Total Primary Government	\$ 21,144,685	\$ 21,792,730	\$ 21,797,079	\$ (4,349)



Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2016 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration, attendance and health	\$ 1,120,714	\$ 1,120,714	\$ 1,123,586	\$ (2,872)
Instruction	16,498,099	17,672,653	16,760,508	912,145
Operation and maintenance services	2,128,922	2,170,489	2,136,811	33,678
Pupil transportation	2,039,777	1,981,966	1,828,174	153,792
Total administration of schools	<u>\$ 21,787,512</u>	<u>\$ 22,945,822</u>	<u>\$ 21,849,079</u>	<u>\$ 1,096,743</u>
Capital Projects:				
School capital outlay/capital projects	\$ -	\$ 143,300	\$ 183,300	\$ (40,000)
Technology	1,055,777	1,001,863	796,703	205,160
Total Capital Projects	<u>\$ 1,055,777</u>	<u>\$ 1,145,163</u>	<u>\$ 980,003</u>	<u>\$ 165,160</u>
Total education	<u>\$ 22,843,289</u>	<u>\$ 24,090,985</u>	<u>\$ 22,829,082</u>	<u>\$ 1,261,903</u>
Debt service:				
Principal retirement	\$ 69,683	\$ 69,683	\$ 69,683	\$ -
Interest and other fiscal charges	40,531	40,531	40,531	-
Total debt service	<u>\$ 110,214</u>	<u>\$ 110,214</u>	<u>\$ 110,214</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 22,953,503</u>	<u>\$ 24,201,199</u>	<u>\$ 22,939,296</u>	<u>\$ 1,261,903</u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,148,478	\$ 1,250,443	\$ 1,245,808	\$ 4,635
Commodities	-	-	66,069	(66,069)
Total school food services	<u>\$ 1,148,478</u>	<u>\$ 1,250,443</u>	<u>\$ 1,311,877</u>	<u>\$ (61,434)</u>
Total education	<u>\$ 1,148,478</u>	<u>\$ 1,250,443</u>	<u>\$ 1,311,877</u>	<u>\$ (61,434)</u>
Total School Cafeteria Fund	<u>\$ 1,148,478</u>	<u>\$ 1,250,443</u>	<u>\$ 1,311,877</u>	<u>\$ (61,434)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 24,101,981</u>	<u>\$ 25,451,642</u>	<u>\$ 24,251,173</u>	<u>\$ 1,200,469</u>

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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										Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Water and Sewer Funds	
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
2014-15	1,565,410	1,002,077	4,017,264	1,646,492	3,523,182	8,427,308	432,069	218,033	1,436,287	1,615,778	23,883,900
2015-16	1,700,580	987,071	3,653,291	1,653,036	3,555,122	8,666,368	413,473	220,325	1,382,617	1,662,310	23,894,193

COUNTY OF BUCKINGHAM, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years

PROGRAM REVENUES				GENERAL REVENUES						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes (1)	Other Local Taxes (2)(3)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs (2)	Gain on Disposal of Assets	Total
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
2014-15	1,902,629	4,299,529	970,564	13,631,179	1,663,458	83,592	71,861	1,626,021	-	24,248,833
2015-16	1,811,877	4,446,058	2,190,206	15,796,716	1,531,218	88,822	32,599	1,604,344	-	27,501,840

- (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			
	Administration																		
2006-07 \$	1,134,174	\$	478,940	\$	2,446,075	\$	1,297,576	\$	2,440,479	\$	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		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		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		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		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		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		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		402,645		196,905		172,235		4,811,303		38,887,907
2014-15	1,352,741		765,866		3,994,971		1,532,059		3,535,951		420,234		210,616		173,601		3,203,387		38,883,101
2015-16	1,456,920		780,627		3,616,697		1,537,630		3,584,376		398,855		212,814		169,951		3,194,871		39,135,257

(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
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
2014-15	13,495,901	1,663,458	57,211	48,488	86,870	310,933	815,594	-	22,662,073	39,140,528
2015-16	15,710,523	1,531,218	63,097	37,720	94,724	303,587	511,867	-	23,225,245	41,477,981

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

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

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



COUNTY OF BUCKINGHAM, VIRGINIA

Table 5

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Collected within the Fiscal										Percent of Delinquent Taxes to Tax Levy
	Total Tax Levy (1)	Year of the Levy			Delinquent		Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)		
		Amount Collected (1,3)	Percent of Levy Collected	Tax Collections (1)							
2006-07	\$ 7,978,350	\$ 7,598,725	95.24%	\$ 306,115	\$ 7,904,840	99.08%	\$ 73,510	0.92%			
2007-08	9,261,316	8,944,524	96.58%	230,284	9,174,808	99.07%	86,508	0.93%			
2008-09	10,777,878	9,787,442	90.81%	867,385	10,654,827	98.86%	123,051	1.14%			
2009-10	10,589,590	9,923,038	93.71%	536,921	10,459,959	98.78%	129,631	1.22%			
2010-11	11,439,032	10,550,992	92.24%	749,199	11,300,191	98.79%	138,841	1.21%			
2011-12	12,433,137	11,649,756	93.70%	603,212	12,252,968	98.55%	180,169	1.45%			
2012-13	13,446,472	12,776,284	95.02%	439,112	13,215,396	98.28%	231,076	1.72%			
2013-14	13,805,588	13,240,204	95.90%	264,789	13,504,993	97.82%	300,595	2.18%			
2014-15	14,467,711	13,743,751	95.00%	302,721	14,046,472	97.09%	421,239	2.91%			
2015-16	16,658,592	15,801,943	94.86%	-	15,801,943	94.86%	856,649	5.14%			

(1) Exclusive of penalties and interest.

(2) Includes all delinquent taxes.

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes (1)		Machinery and Tools	Merchants' Capital	Public Service (2,4,5)		Aircraft (3)	Total
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
2014-15	1,419,142,650		101,741,211	7,016,330	17,054,639		641,413,099	134,400	2,186,502,329
2015-16	1,412,731,450		103,671,456	7,255,010	18,854,949		962,370,653	130,400	2,505,013,918

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

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 7

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate		Mobile Homes	Personal Property (2)	Machinery and Tools (2)	Merchants' Capital	Aircraft (3)
	1st Half	2nd Half					
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
2014-15	0.50	0.50	0.50	4.05	2.90	1.00	0.55
2015-16	0.50	0.55	0.50	4.05	2.90	1.00	0.55

(1) Per \$100 of assessed value.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Less:		Gross Bonded Debt (3)	Ratio of		Net Bonded Debt per Capita
			Debt Service Monies Available	Net Bonded Debt		Net Bonded Debt to Assessed Value		
2006-07	16,341	\$ 877,017	\$ -	\$ -	21,539,200	2.46%	\$ 1,318	
2007-08	16,342	1,236,166	-	-	20,511,736	1.66%	1,255	
2008-09	16,547	1,632,911	-	-	19,463,062	1.19%	1,176	
2009-10	16,814	1,633,129	-	-	18,395,228	1.13%	1,094	
2010-11	17,182	1,840,660	-	-	42,076,504	2.29%	2,449	
2011-12	17,143	2,043,606	-	-	39,714,254	1.94%	2,317	
2012-13	17,296	2,243,254	-	-	37,684,292	1.68%	2,179	
2013-14	17,185	2,227,836	-	-	34,763,484	1.56%	2,023	
2014-15	17,152	2,186,502	-	-	33,345,895	1.53%	1,944	
2015-16	16,988	2,505,014	-	-	31,853,527	1.27%	1,875	

(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
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%
2014-15	1,508,581	1,694,806	3,203,387	38,883,101	8.24%
2015-16	1,562,051	1,632,820	3,194,871	39,135,257	8.16%

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

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## COMPLIANCE

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# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Buckingham, Virginia as of and for the year ended June 30, 2016, 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 January 27, 2017.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Buckingham, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Buckingham, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Buckingham, Virginia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Robinson, Farrer, Cox Associates*

Charlottesville, Virginia

January 27, 2017

# ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

### Report on Compliance for Each Major Federal Program

We have audited County of Buckingham, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Buckingham, Virginia's major federal programs for the year ended June 30, 2016. County of Buckingham, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditors' Responsibility*

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Buckingham, Virginia's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, County of Buckingham, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

### **Report on Internal Control over Compliance**

Management of County of Buckingham, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered County of Buckingham, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Buckingham, Virginia's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Fawcett, Cox Associates*

Charlottesville, Virginia

January 27, 2017

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2016

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	0950114/0950115	\$	7,779
Temporary Assistance for Needy Families (TANF)	93.558	0400115/0400116		172,115
Refugee and Entrant Assistance - State Administered Programs	93.566	0500115/0500116		159
Low-Income Home Energy Assistance	93.568	0600415/0600416		18,477
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant	93.575	770116	\$ (80)	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760115/0760116	26,520	26,440
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900115/0900116		930
Foster Care - Title IV-E	93.658	1100115/1100116		76,978
Adoption Assistance	93.659	1120115/1120116		51,416
Social Services Block Grant	93.667	1000115/1000116		112,083
Chafee Foster Care Independence Program	93.674	9150115/9150116		2,194
Children's Health Insurance Program (CHIP)	93.767	0540115/0540116		6,902
Medical Assistance Program	93.778	1200109/1200110		222,211
Total Department of Health and Human Services			\$	697,684
Department of Agriculture:				
Direct Payments:				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$	5,095,000
Total Department of Agriculture - direct payments			\$	5,095,000
Pass Through Payments:				
Child Nutrition Cluster:				
Virginia Department of Agriculture and Consumer Services:				
Food Distribution - School Nutrition Program	10.555	406230	\$ 65,562	
Virginia Department of Education:				
National School Lunch Program	10.555	406230	614,089 \$	679,651
Virginia Department of Agriculture and Consumer Services:				
Food Distribution - Summer Food Service Program for Children	10.559	Unknown	\$ 507	
Virginia Department of Health:				
Summer Food Service Program for Children	10.559	58857	27,544 \$	28,051
Virginia Department of Education:				
School Breakfast Program	10.553	405910	\$ 219,077 \$	926,779
Virginia Department of Education:				
Child Nutrition Discretionary Grants Limited Availability	10.579	2014N810341		45,939
Fresh Fruit and Vegetable Program	10.582	405990		63,751
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010115/ 0010116/0040115/0040116		183,338
Total Department of Agriculture - pass-through payments			\$	1,219,807
Total Department of Agriculture			\$	6,314,807

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2016

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	\$ 62,123
Total Department of Defense			\$ 62,123
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	52743	\$ 7,500
State Homeland Security Program (SHSP)	97.067	6835	360
Total Department of Homeland Security			\$ 7,860
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15-Q1127LO14	\$ 2,345
Total Department of Justice			\$ 2,345
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Transportation:			
Highway Planning and Construction	20.205	EN05-014-110, P101	\$ 49,183
Department of Motor Vehicles:			
State and Community Highway Safety	20.600	OP-2015-55315-6054 OP-2016-56244-6444 SC-2016-56287-6487	24,589
Alcohol Open Container Requirements	20.607	154AL-2015-55183-5922 154AL-2016-56257-6457	13,513
Total Department of Transportation			\$ 87,285
Department of Treasury:			
Pass Through Payments:			
Office of Attorney General:			
Asset Forfeiture	21.000	N/A	\$ 60,923
U.S. Election Assistance Commission:			
Pass Through Payments:			
Virginia State Board of Elections:			
Help America Vote Act Requirements Payments	90.401	40040	\$ 3,500
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	429010/428920	\$ 2,037,661
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	430710	\$ 516,262
Special Education - Preschool Grants (IDEA Preschool)	84.173	625210	9,571
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	610950	525,833
Twenty-first Century Community Learning Centers	84.287	605650	48,056
Rural Education	84.358	434810	44,868
Improving Teacher Quality State Grants	84.367	614800	31,392
Total Department of Education			143,303
Total Expenditures of Federal Awards			\$ 2,831,113
			\$ 10,067,640

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, 2016

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#### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Buckingham, Virginia under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County of Buckingham, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Buckingham, Virginia.

#### Note 2 - Summary of Significant Accounting Policies

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

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

#### Note 3 - Food Donation

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

#### Note 4 - Subrecipients

No awards were passed through to subrecipients.

#### Note 5 - 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	\$ 161,913
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Special Revenue Fund:

Virginia Public Assistance Fund	881,022
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Debt Service Fund	419,400
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Proprietary Funds:

Water and Sewer Funds (including loan proceeds)	5,095,000
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Total primary government	\$ 6,557,335
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Component Unit School Board:

School Operating Fund	\$ 2,893,236
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School Cafeteria Fund	1,036,469
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Total component unit school board	\$ 3,929,705
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Total federal expenditures per basic financial statements	\$ 10,487,040
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BABs interest subsidy	\$ (419,400)
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 10,067,640
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COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016

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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 2 CFR Section 200.516(a)?	No
Identification of major programs:	

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I - Grants to Local Educational Agencies
84.027/84.173	Special Education Cluster

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

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, 2016

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There were no findings reported for the year ended June 30, 2015.

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