

COUNTY OF BUCKINGHAM, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2018

COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report
For the Year Ended June 30, 2018

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BOARD OF SUPERVISORS

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

BOARD OF SOCIAL SERVICES

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

COUNTY SCHOOL BOARD

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

OTHER OFFICIALS

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

Donald C. Blessing
Malcolm A. Booker, Jr.
Robert G. Woodson, Jr.
E.M. Wright, Jr.
Stephanie D. Love
Christy L. Christian
William G. Kidd, Jr.
Dr. Cecil C. Snead, II
Stephanie M. Coleman
Rebecca S. Carter
Karl R. Carter

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of County of Buckingham, Virginia, as of and for the year ended June 30, 2018, 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.

Auditors' Responsibility: (Continued)

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

Change in Accounting Principles

As described in Note 24 to the financial statements, in 2018, County of Buckingham, Virginia adopted new accounting guidance, GASB Statement Nos. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and 85 *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 24 to the financial statements, in 2018, County of Buckingham, Virginia restated beginning balances to reflect the requirements of GASB Statement No. 75. In addition, beginning balances were restated to reclassify the blended component unit Industrial Development Authority from a discretely presented presentation. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 99-100, and 101-111 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Matters: (Continued)

Supplementary and 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Buckingham, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Buckingham, Virginia's internal control over financial reporting and compliance.

Robinson, Fawcett, Cox Associates

Charlottesville, Virginia

February 18, 2019

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

To the Citizens of County of Buckingham, Virginia

As management of the County of Buckingham, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2018.

Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,936,933 (net position). For business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,941,722.

Fund Financial Statements

In the Governmental Funds, on a current financial resource basis, revenues exceeded expenditures and other financing sources and uses by \$555,249 (Exhibit 5) after making contributions totaling \$7,257,420 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$10,478,092, an increase of \$555,249 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,432,772 or 46% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$3,580,407 during the current fiscal year. Of that amount, debt (bonds and related items) decreased by \$2,052,796.

The Proprietary Funds, on an accrual basis, reported revenues and other financing sources in excess of expenses by \$627,711.

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$19,941,722, an increase of \$627,711.
- Combined long-term obligations in the proprietary funds decreased \$437,567 during the current fiscal year, with \$257,395 of that decrease being directly related to bonds and loans.

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.

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.

Overview of the Financial Statements: (Continued)

The statement of net position presents information on all of the County's a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

The Government-wide financial statements include not only the County of Buckingham, Virginia itself (known as the primary government), but also a legally separate school district and an Industrial Development Authority (IDA) for which the County of Buckingham, Virginia is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Buckingham, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds - Governmental Funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, a reconciliation between the two methods is provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major funds are the General Fund, the Virginia Public Assistance Fund, the Debt Service Fund, the County Capital Improvements Fund, and the Debt Financed School Capital Projects Fund.

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

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 and OPEB funding related to the Virginia Retirement System benefits. 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. Other information includes statistical tables. The School Board and IDA do not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,936,933 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets:						
Current and other assets	\$ 18,703,140	\$ 18,147,280	\$ 4,373,578	\$ 4,249,596	\$ 23,076,718	\$ 22,396,876
Capital assets	<u>34,111,605</u>	<u>36,453,176</u>	<u>27,641,465</u>	<u>27,677,056</u>	<u>61,753,070</u>	<u>64,130,232</u>
Total assets	<u>\$ 52,814,745</u>	<u>\$ 54,600,456</u>	<u>\$ 32,015,043</u>	<u>\$ 31,926,652</u>	<u>\$ 84,829,788</u>	<u>\$ 86,527,108</u>
Deferred outflows of resources	<u>\$ 404,957</u>	<u>\$ 722,834</u>	<u>\$ 35,401</u>	<u>\$ 71,564</u>	<u>\$ 440,358</u>	<u>\$ 794,398</u>
Liabilities:						
Long-term liabilities	\$ 30,833,843	\$ 34,049,930	\$ 11,808,818	\$ 12,214,705	\$ 42,642,661	\$ 46,264,635
Current liabilities	<u>778,923</u>	<u>783,159</u>	<u>184,530</u>	<u>410,404</u>	<u>963,453</u>	<u>1,193,563</u>
Total liabilities	<u>\$ 31,612,766</u>	<u>\$ 34,833,089</u>	<u>\$ 11,993,348</u>	<u>\$ 12,625,109</u>	<u>\$ 43,606,114</u>	<u>\$ 47,458,198</u>
Deferred inflows of resources	<u>\$ 6,670,003</u>	<u>\$ 5,982,156</u>	<u>\$ 115,374</u>	<u>\$ 29,219</u>	<u>\$ 6,785,377</u>	<u>\$ 6,011,375</u>
Net position:						
Net investment in capital assets	\$ 5,003,894	\$ 5,282,604	\$ 15,827,794	\$ 15,381,525	\$ 20,831,688	\$ 20,664,129
Restricted	14,647	19,684	378,436	520,683	393,083	540,367
Unrestricted	<u>9,918,392</u>	<u>9,205,757</u>	<u>3,735,492</u>	<u>3,441,680</u>	<u>13,653,884</u>	<u>12,647,437</u>
Total net position	<u>\$ 14,936,933</u>	<u>\$ 14,508,045</u>	<u>\$ 19,941,722</u>	<u>\$ 19,343,888</u>	<u>\$ 34,878,655</u>	<u>\$ 33,851,933</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 \$20,831,688. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net capital assets decreased \$2,377,162 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 the change in business-type activity capital assets. However, the current year activity did not exceed depreciation expense.

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$773,626 during the fiscal year, and business-type activities increased the County's net position by \$627,711. This resulted in a total increase of \$1,401,337. Key elements of this increase are as follows:

Summary Statement of Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 341,766	\$ 197,949	\$ 1,629,882	\$ 1,607,912	\$ 1,971,648	\$ 1,805,861
Operating grants and contributions	4,436,609	4,517,168	-	-	4,436,609	4,517,168
Capital grants and contributions	421,431	628,286	506,475	2,023,807	927,906	2,652,093
General revenues:						
General property taxes	15,316,841	15,240,213	-	-	15,316,841	15,240,213
Other local taxes	1,667,879	1,544,266	-	-	1,667,879	1,544,266
Grants and other contributions not restricted	1,587,349	1,621,690	-	-	1,587,349	1,621,690
Use of money and property	114,514	97,862	95	111	114,609	97,973
Miscellaneous	39,657	41,055	3,696	-	43,353	41,055
Gain on disposal of capital assets	5,211	-	-	-	5,211	-
Total revenues	\$ 23,931,257	\$ 23,888,489	\$ 2,140,148	\$ 3,631,830	\$ 26,071,405	\$ 27,520,319
Expenses:						
General government administration	\$ 1,601,653	\$ 1,463,715	\$ -	\$ -	\$ 1,601,653	\$ 1,463,715
Judicial administration	1,001,768	1,061,769	-	-	1,001,768	1,061,769
Public safety	3,922,202	3,594,958	-	-	3,922,202	3,594,958
Public works	1,866,685	1,706,511	-	-	1,866,685	1,706,511
Health and welfare	3,427,967	3,512,614	-	-	3,427,967	3,512,614
Education	9,317,443	8,998,345	-	-	9,317,443	8,998,345
Parks, recreation, and cultural	437,508	438,922	-	-	437,508	438,922
Community development	282,258	411,948	-	-	282,258	411,948
Interest on long-term debt	1,269,360	1,326,584	-	-	1,269,360	1,326,584
Water and Sewer	-	-	1,543,224	1,521,786	1,543,224	1,521,786
Total expenses	\$ 23,126,844	\$ 22,515,366	\$ 1,543,224	\$ 1,521,786	\$ 24,670,068	\$ 24,037,152
Increase (decrease) in net position before transfers	\$ 804,413	\$ 1,373,123	\$ 596,924	\$ 2,110,044	\$ 1,401,337	\$ 3,483,167
Transfers	(30,787)	75,000	30,787	(75,000)	-	-
Increase (decrease) in net position	\$ 773,626	\$ 1,448,123	\$ 627,711	\$ 2,035,044	\$ 1,401,337	\$ 3,483,167
Net position, July 1	14,508,045	13,059,922	19,343,888	17,308,844	33,851,933	30,368,766
Restatement	(344,738)	-	(29,877)	-	(374,615)	-
Net position, June 30	\$ 14,936,933	\$ 14,508,045	\$ 19,941,722	\$ 19,343,888	\$ 34,878,655	\$ 33,851,933

Government-wide Financial Analysis: (Continued)

Revenues decreased by \$1,448,914 in fiscal year 2018 compared to an increase of \$18,479 in fiscal year 2017. The decrease is a result of the sewer treatment plant construction project nearing completion. The capital grant funding this project decreased by \$1,517,332 from the prior year. There was also a decrease in capital grants related to governmental activities due to completion of the sidewalk project. Expenses closely paralleled the growth in demand and inflation and showed an increase of \$632,916. The functions with the more significant changes were public safety and education costs showing increases of \$327,242 and \$319,098, respectively. Community development decreased due to the one-time agriculture and forestry industries grant funds of \$150,000 paid to Rock Wood Products of Dillwyn in fiscal year 2017.

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 \$10,478,092, an increase of \$555,249 in comparison with the prior year. Approximately 80% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reflected as nonspendable, restricted, committed, or assigned as appropriate to indicate that it is not available for new spending.

General Fund Budgetary Highlights

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

- \$285,028 in increases for public safety
- \$285,033 in increases for public works
- \$403,772 in increases for education
- \$188,328 in other net increases

A portion of this increase (\$88,788) was due to a change in anticipated funding from intergovernmental state revenues and \$15,875 increased due to recovered costs for insurance proceeds from a totaled vehicle. The remainder was to be budgeted from available fund balance. During the year, revenues exceeded budgetary estimates by \$318,920 and budgetary estimates exceeded expenditures by \$325,919 eliminating the need to draw on existing fund balance. In addition, commitments of \$1,249,385 were unspent resulting in unspent items totaling \$1,575,304.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2018 amounts to \$34,111,605 (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 \$2,377,162. Although land, new vehicles and other equipment were acquired in the current year, there was an offsetting increase of \$1,419,912 in accumulated depreciation. There are future plans to add concession stands and other improvements to Gene Dixon Park. In addition, fund balance is committed to the library/community center and solid waste sites. The preliminary phases of the library project were underway near the end of fiscal year 2018.

Capital Asset and Debt Administration: (Continued)

The County's investment in capital assets for its proprietary funds was \$27,641,465 (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 decreased by \$35,591 from the prior fiscal year, including an increase of \$623,875 in accumulated depreciation. The most significant additions during fiscal year 2018 were related to construction in progress, including the final phase of construction for the new sewer plant and the early stage 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 obligations - At the end of the current fiscal year, the County had total long-term obligations outstanding of \$30,833,842 for its governmental operations. Of this amount \$30,023,842 comprises debt backed by the full faith and credit of the County, including compensated absences of \$629,088, net pension liability of \$789,763, and net OPEB liabilities of \$307,280. The remainder of the County's debt for governmental operations (\$810,000) represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds). Business-type obligations of \$11,808,818 is comprised of \$907,231 bonds secured solely by water and sewer revenues, loans totaling \$10,749,854 from the Virginia Resources Authority, compensated absences of \$53,037, net pension liability of \$71,976, and net OPEB liabilities of \$26,720.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 4.2 percent, which is slightly lower than the rate of 4.5 percent a year ago. This is higher than the state's average unemployment rate of 3.1 percent and the national average rate of 3.7 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 2019.

The fiscal year 2019 budget amounted to \$25,008,735 (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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Cash and cash equivalents	\$ 9,756,332	\$ 3,611,218	\$ 13,367,550	\$ 1,081,337
Receivables (net of allowance for uncollectibles):				
Taxes receivable	7,426,940	-	7,426,940	-
Accounts receivable	62,565	226,664	289,229	23,029
Due from component unit	468,806	-	468,806	-
Due from other governmental units	828,658	152,487	981,145	639,637
Inventories	159,433	-	159,433	-
Prepaid items	406	-	406	-
Restricted assets:				
Cash and cash equivalents	-	383,209	383,209	-
Other assets:				
Net pension asset	-	-	-	119,913
Capital assets (net of accumulated depreciation):				
Land	616,382	170,974	787,356	257,165
Intangibles	-	712,100	712,100	-
Buildings, improvements, and systems	32,107,628	16,733,001	48,840,629	15,069,974
Improvements other than buildings	-	19,513	19,513	114,985
Machinery, equipment, and vehicles	1,363,842	222,835	1,586,677	2,531,295
Construction in progress	23,753	9,783,042	9,806,795	-
Total assets	<u>\$ 52,814,745</u>	<u>\$ 32,015,043</u>	<u>\$ 84,829,788</u>	<u>\$ 19,837,335</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 384,852	\$ 33,652	\$ 418,504	\$ 2,514,219
OPEB related items	20,105	1,749	21,854	191,208
Total deferred outflows of resources	<u>\$ 404,957</u>	<u>\$ 35,401</u>	<u>\$ 440,358</u>	<u>\$ 2,705,427</u>
LIABILITIES				
Accounts payable	\$ 363,393	\$ 9,799	\$ 373,192	\$ 180,490
Accrued liabilities	-	-	-	862,546
Contracts payable	-	131,586	131,586	-
Retainage payable	-	25,000	25,000	-
Customers' deposits payable from restricted assets	-	4,773	4,773	-
Accrued interest payable	415,530	13,372	428,902	27,137
Due to primary government	-	-	-	468,806
Long-term liabilities:				
Due within one year	2,374,035	269,172	2,643,207	146,103
Due in more than one year	28,459,808	11,539,646	39,999,454	21,035,311
Total liabilities	<u>\$ 31,612,766</u>	<u>\$ 11,993,348</u>	<u>\$ 43,606,114</u>	<u>\$ 22,720,393</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 5,733,760	\$ -	\$ 5,733,760	\$ -
Pension related items	895,763	111,854	1,007,617	2,653,828
OPEB related items	40,480	3,520	44,000	207,000
Total deferred inflows of resources	<u>\$ 6,670,003</u>	<u>\$ 115,374</u>	<u>\$ 6,785,377</u>	<u>\$ 2,860,828</u>
NET POSITION				
Net investment in capital assets	\$ 5,003,894	\$ 15,827,794	\$ 20,831,688	\$ 16,726,915
Restricted:				
Sheriff's fund - DCJS	8,079	-	8,079	-
Commonwealth's Attorney - DCJS	4,503	-	4,503	-
Courthouse security	2,065	-	2,065	-
Debt service and bond covenants	-	378,436	378,436	-
Unrestricted (deficit)	9,918,392	3,735,492	13,653,884	(19,765,374)
Total net position	<u>\$ 14,936,933</u>	<u>\$ 19,941,722</u>	<u>\$ 34,878,655</u>	<u>\$ (3,038,459)</u>

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

COUNTY OF BUCKINGHAM, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2018

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,601,653	\$ 216,089	\$ 234,426	\$ -
Judicial administration	1,001,768	49,974	403,312	-
Public safety	3,922,202	30,166	1,126,285	-
Public works	1,866,685	20,064	-	-
Health and welfare	3,427,967	-	2,668,086	-
Education	9,317,443	-	-	421,431
Parks, recreation, and cultural	437,508	25,473	4,500	-
Community development	282,258	-	-	-
Interest on long-term debt	1,269,360	-	-	-
Total governmental activities	\$ 23,126,844	\$ 341,766	\$ 4,436,609	\$ 421,431
Business-type activities:				
Water and Sewer Funds	\$ 1,543,224	\$ 1,629,882	\$ -	\$ 506,475
Industrial Development Authority	-	-	-	-
Total business-type activities	\$ 1,543,224	\$ 1,629,882	\$ -	\$ 506,475
Total primary government	\$ 24,670,068	\$ 1,971,648	\$ 4,436,609	\$ 927,906
COMPONENT UNIT:				
School Board	\$ 24,769,425	\$ 172,668	\$ 16,643,605	\$ -
Total component unit	\$ 24,769,425	\$ 172,668	\$ 16,643,605	\$ -

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

Gain on disposal of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit) - beginning, as restated

Net position (deficit) - 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	
\$ (1,151,138)	\$ -	\$ (1,151,138)		
(548,482)	-	(548,482)		
(2,765,751)	-	(2,765,751)		
(1,846,621)	-	(1,846,621)		
(759,881)	-	(759,881)		
(8,896,012)	-	(8,896,012)		
(407,535)	-	(407,535)		
(282,258)	-	(282,258)		
(1,269,360)	-	(1,269,360)		
<u>\$ (17,927,038)</u>	<u>\$ -</u>	<u>\$ (17,927,038)</u>		
\$ -	\$ 593,133	\$ 593,133		
-	-	-		
<u>\$ -</u>	<u>\$ 593,133</u>	<u>\$ 593,133</u>		
<u>\$ (17,927,038)</u>	<u>\$ 593,133</u>	<u>\$ (17,333,905)</u>		
			\$ (7,953,152)	
			<u>\$ (7,953,152)</u>	
\$ 15,316,841	\$ -	\$ 15,316,841	\$ -	
768,229	-	768,229	-	
357,010	-	357,010	-	
341,152	-	341,152	-	
201,488	-	201,488	-	
-	-	-	9,266,724	
114,514	95	114,609	1,981	
39,657	3,696	43,353	208,413	
1,587,349	-	1,587,349	-	
5,211	-	5,211	-	
(30,787)	30,787	-	-	
<u>\$ 18,700,664</u>	<u>\$ 34,578</u>	<u>\$ 18,735,242</u>	<u>\$ 9,477,118</u>	
<u>\$ 773,626</u>	<u>\$ 627,711</u>	<u>\$ 1,401,337</u>	<u>\$ 1,523,966</u>	
<u>14,163,307</u>	<u>19,314,011</u>	<u>33,477,318</u>	<u>(4,562,425)</u>	
<u>\$ 14,936,933</u>	<u>\$ 19,941,722</u>	<u>\$ 34,878,655</u>	<u>\$ (3,038,459)</u>	

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Fund Financial Statements

Balance Sheet
 Governmental Funds
 June 30, 2018

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
ASSETS						
Cash and cash equivalents	\$ 9,226,705	\$ 487,599	\$ -	\$ 42,028	\$ -	\$ 9,756,332
Receivables (net of allowance for uncollectibles):						
Taxes receivable	7,426,940	-	-	-	-	7,426,940
Accounts receivable	62,555	10	-	-	-	62,565
Due from other funds	596,922	-	-	-	-	596,922
Due from component unit	468,806	-	-	-	-	468,806
Due from other governmental units	719,345	109,313	-	-	-	828,658
Prepaid items	406	-	-	-	-	406
Total assets	<u>\$ 18,501,679</u>	<u>\$ 596,922</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ -</u>	<u>\$ 19,140,629</u>
LIABILITIES						
Accounts payable	\$ 363,393	\$ -	\$ -	\$ -	\$ -	\$ 363,393
Due to other funds	-	596,922	-	-	-	596,922
Total liabilities	<u>\$ 363,393</u>	<u>\$ 596,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 960,315</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 7,702,222	\$ -	\$ -	\$ -	\$ -	\$ 7,702,222
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 406	\$ -	\$ -	\$ -	\$ -	\$ 406
Restricted:						
Sheriff's fund - DCJS	8,079	-	-	-	-	8,079
Commonwealth's Attorney - DCJS	4,503	-	-	-	-	4,503
Courthouse security	2,065	-	-	-	-	2,065
Committed:						
Economic Development	676,385	-	-	-	-	676,385
Library construction	250,000	-	-	-	-	250,000
Gene Dixon park expansion	294,914	-	-	42,028	-	336,942
Fire/rescue training	20,000	-	-	-	-	20,000
Animal control facility	100,000	-	-	-	-	100,000
Solid waste plan	500,000	-	-	-	-	500,000
Sheriff's fund - non-DCJS	21,940	-	-	-	-	21,940
County vehicle	25,000	-	-	-	-	25,000
Assigned:						
Reassessment	100,000	-	-	-	-	100,000
Unassigned	8,432,772	-	-	-	-	8,432,772
Total fund balances	<u>\$ 10,436,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ -</u>	<u>\$ 10,478,092</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,501,679</u>	<u>\$ 596,922</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ -</u>	<u>\$ 19,140,629</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, 2018

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	10,478,092
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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	\$	616,382	
Buildings and improvements		32,107,628	
Machinery, equipment and vehicles		1,363,842	
Construction in progress		<u>23,753</u>	34,111,605

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.	1,968,462
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$	384,852	
OPEB related items		<u>20,105</u>	404,957

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	\$	(810,000)	
Refunding bonds		(4,890,000)	
Plus: Issuance premium (to be amortized against interest expense)		(884,062)	
General obligation bonds		(21,784,016)	
Plus: Issuance premium (to be amortized against interest expense)		(739,633)	
Net pension liability		(789,764)	
Net OPEB liability		(307,280)	
Compensated absences		<u>(629,088)</u>	(30,833,843)

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	(415,530)
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Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$	(895,763)	
OPEB related items		<u>(40,480)</u>	(936,243)

Net position of governmental activities	\$	<u><u>14,936,933</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, 2018

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects	Total
REVENUES						
General property taxes	\$ 15,324,281	\$ -	\$ -	\$ -	\$ -	\$ 15,324,281
Other local taxes	1,667,879	-	-	-	-	1,667,879
Permits, privilege fees, and regulatory licenses	219,657	-	-	-	-	219,657
Fines and forfeitures	34,513	-	-	-	-	34,513
Revenue from the use of money and property	114,381	-	-	-	133	114,514
Charges for services	87,596	-	-	-	-	87,596
Miscellaneous	33,074	6,583	-	-	-	39,657
Recovered costs	15,875	-	-	-	-	15,875
Intergovernmental:						
Commonwealth	4,443,578	482,675	-	-	-	4,926,253
Federal	160,125	937,580	421,431	-	-	1,519,136
Total revenues	\$ 22,100,959	\$ 1,426,838	\$ 421,431	\$ -	\$ 133	\$ 23,949,361
EXPENDITURES						
Current:						
General government administration	\$ 1,435,902	\$ -	\$ -	\$ -	\$ -	\$ 1,435,902
Judicial administration	823,038	-	-	-	-	823,038
Public safety	3,908,298	-	-	-	-	3,908,298
Public works	1,851,969	-	-	-	-	1,851,969
Health and welfare	1,850,469	1,690,435	-	-	-	3,540,904
Education	7,308,139	-	-	-	-	7,308,139
Parks, recreation, and cultural	391,698	-	-	-	-	391,698
Community development	236,136	-	-	-	-	236,136
Nondepartmental	283,133	-	-	-	-	283,133
Capital projects	114,736	-	-	-	-	114,736
Debt service:						
Principal retirement	-	-	2,030,009	-	-	2,030,009
Interest and other fiscal charges	-	-	1,439,728	-	-	1,439,728
Costs of issuance	-	-	72,090	-	-	72,090
Total expenditures	\$ 18,203,518	\$ 1,690,435	\$ 3,541,827	\$ -	\$ -	\$ 23,435,780
Excess (deficiency) of revenues over (under) expenditures	\$ 3,897,441	\$ (263,597)	\$ (3,120,396)	\$ -	\$ 133	\$ 513,581
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 278,439	\$ 263,597	\$ 3,070,577	\$ -	\$ -	\$ 3,612,613
Transfers out	(3,515,350)	-	(22,636)	-	(105,414)	(3,643,400)
Advance refunding of bonds	-	-	4,890,000	-	-	4,890,000
Premium on issuance of bonds	-	-	924,757	-	-	924,757
Payment to refunded bond escrow agent	-	-	(5,742,302)	-	-	(5,742,302)
Total other financing sources (uses)	\$ (3,236,911)	\$ 263,597	\$ 3,120,396	\$ -	\$ (105,414)	\$ 41,668
Net change in fund balances	\$ 660,530	\$ -	\$ -	\$ -	\$ (105,281)	\$ 555,249
Fund balances - beginning	9,775,534	-	-	42,028	105,281	9,922,843
Fund balances - ending	\$ 10,436,064	\$ -	\$ -	\$ 42,028	\$ -	\$ 10,478,092

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, 2018

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

Net change in fund balances - total governmental funds	\$	555,249
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$	535,515	
Depreciation expense		(1,419,912)	
Adjustment for jointly owned assets		<u>(1,446,510)</u>	(2,330,907)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(10,664)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds.	(7,440)
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Issuance of bonds	\$	(4,890,000)	
Plus: Issuance premium (to be amortized against interest expense)		(924,757)	
Payment of principal		2,030,009	
Payment to escrow agent for refunding		5,742,302	
Amortization of premium		<u>207,605</u>	2,165,159

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	\$	(9,991)	
Pension expense		360,283	
OPEB expense		17,083	
Accrued interest payable		<u>34,854</u>	402,229

Change in net position of governmental activities	\$	<u><u>773,626</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
 Proprietary Funds
 June 30, 2018

	Enterprise Funds			
	Water Fund	Sewer Fund	IDA	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,819,391	\$ -	\$ 100	\$ 3,819,491
Accounts receivable	195,118	31,546	-	226,664
Due from other governmental units	-	152,487	-	152,487
Total current assets	<u>\$ 4,014,509</u>	<u>\$ 184,033</u>	<u>\$ 100</u>	<u>\$ 4,198,642</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	\$ 290,360	\$ 92,849	\$ -	\$ 383,209
Capital assets:				
Land	\$ 135,757	\$ 35,217	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	-	9,783,042	-	9,783,042
Buildings and systems	19,044,281	4,262,484	-	23,306,765
Land improvements	22,634	-	-	22,634
Machinery, equipment, and vehicles	691,918	181,509	-	873,427
Less accumulated depreciation	(5,520,747)	(1,706,730)	-	(7,227,477)
Total capital assets	<u>\$ 15,085,943</u>	<u>\$ 12,555,522</u>	<u>\$ -</u>	<u>\$ 27,641,465</u>
Total noncurrent assets	<u>\$ 15,376,303</u>	<u>\$ 12,648,371</u>	<u>\$ -</u>	<u>\$ 28,024,674</u>
Total assets	<u>\$ 19,390,812</u>	<u>\$ 12,832,404</u>	<u>\$ 100</u>	<u>\$ 32,223,316</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 30,630	\$ 3,022	\$ -	\$ 33,652
OPEB related items	1,530	219	-	1,749
Total deferred outflows of resources	<u>\$ 32,160</u>	<u>\$ 3,241</u>	<u>\$ -</u>	<u>\$ 35,401</u>
LIABILITIES				
Current liabilities:				
Reconciled overdraft	\$ -	\$ 208,273	\$ -	\$ 208,273
Accounts payable	7,210	2,589	-	9,799
Contracts payable	-	131,586	-	131,586
Retainage payable	-	25,000	-	25,000
Customers' deposits payable from restricted assets	3,504	1,269	-	4,773
Accrued interest payable	5,094	8,278	-	13,372
Compensated absences - current portion	4,319	985	-	5,304
Bonds payable - current portion	29,649	-	-	29,649
Loans payable - current portion	128,187	106,032	-	234,219
Total current liabilities	<u>\$ 177,963</u>	<u>\$ 484,012</u>	<u>\$ -</u>	<u>\$ 661,975</u>
Noncurrent liabilities:				
Bonds payable - net of current portion	\$ 877,582	\$ -	\$ -	\$ 877,582
Loans payable - net of current portion	5,058,092	5,457,543	-	10,515,635
Compensated absences - net of current portion	38,865	8,868	-	47,733
Net pension liability	63,200	8,776	-	71,976
Net OPEB liability	23,380	3,340	-	26,720
Total noncurrent liabilities	<u>\$ 6,061,119</u>	<u>\$ 5,478,527</u>	<u>\$ -</u>	<u>\$ 11,539,646</u>
Total liabilities	<u>\$ 6,239,082</u>	<u>\$ 5,962,539</u>	<u>\$ -</u>	<u>\$ 12,201,621</u>
DEFERRED INFLOWS OF RESOURCES				
Pension related items	\$ 101,862	\$ 9,992	\$ -	\$ 111,854
OPEB related items	3,080	440	-	3,520
Total deferred inflows of resources	<u>\$ 104,942</u>	<u>\$ 10,432</u>	<u>\$ -</u>	<u>\$ 115,374</u>
NET POSITION				
Net investment in capital assets	\$ 8,992,433	\$ 6,835,361	\$ -	\$ 15,827,794
Restricted:				
Debt service and bond covenants	286,856	91,580	-	378,436
Unrestricted (deficit)	3,799,659	(64,267)	100	3,735,492
Total net position	<u>\$ 13,078,948</u>	<u>\$ 6,862,674</u>	<u>\$ 100</u>	<u>\$ 19,941,722</u>

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

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

	Enterprise Funds			
	Water Fund	Sewer Fund	IDA	Total
OPERATING REVENUES				
Charges for services:				
Water revenues	\$ 1,342,670	\$ -	\$ -	\$ 1,342,670
Sewer revenues	-	270,724	-	270,724
Tap fees	6,500	-	-	6,500
Other revenues	9,988	-	-	9,988
Total operating revenues	<u>\$ 1,359,158</u>	<u>\$ 270,724</u>	<u>\$ -</u>	<u>\$ 1,629,882</u>
OPERATING EXPENSES				
Water	\$ 601,713	\$ -	\$ -	\$ 601,713
Sewer	-	119,940	-	119,940
Depreciation	505,459	118,416	-	623,875
Total operating expenses	<u>\$ 1,107,172</u>	<u>\$ 238,356</u>	<u>\$ -</u>	<u>\$ 1,345,528</u>
Operating income (loss)	<u>\$ 251,986</u>	<u>\$ 32,368</u>	<u>\$ -</u>	<u>\$ 284,354</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	\$ 76	\$ 19	\$ -	\$ 95
Interest expense	(157,570)	(40,126)	-	(197,696)
Miscellaneous	3,696	-	-	3,696
Total nonoperating revenues (expenses)	<u>\$ (153,798)</u>	<u>\$ (40,107)</u>	<u>\$ -</u>	<u>\$ (193,905)</u>
Income (loss) before contributions and transfers	<u>\$ 98,188</u>	<u>\$ (7,739)</u>	<u>\$ -</u>	<u>\$ 90,449</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions and construction grants	\$ -	\$ 506,475	\$ -	\$ 506,475
Transfers in	-	181,176	181,176	362,352
Transfers out	<u>(150,389)</u>	<u>-</u>	<u>(181,176)</u>	<u>(331,565)</u>
Net capital contributions and transfers	<u>\$ (150,389)</u>	<u>\$ 687,651</u>	<u>\$ -</u>	<u>\$ 537,262</u>
Change in net position	<u>\$ (52,201)</u>	<u>\$ 679,912</u>	<u>\$ -</u>	<u>\$ 627,711</u>
Total net position - beginning, as restated	13,131,149	6,182,762	100	19,314,011
Total net position - ending	<u><u>\$ 13,078,948</u></u>	<u><u>\$ 6,862,674</u></u>	<u><u>\$ 100</u></u>	<u><u>\$ 19,941,722</u></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, 2018

	Enterprise Funds			
	Water Fund	Sewer Fund	IDA	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,367,261	\$ 271,271	\$ -	\$ 1,638,532
Payments to suppliers	(165,552)	74,139	-	(91,413)
Payments to and for employees	(479,417)	(48,077)	-	(527,494)
Net cash provided by (used for) operating activities	\$ 722,292	\$ 297,333	\$ -	\$ 1,019,625
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	\$ (150,389)	\$ -	\$ (181,176)	\$ (331,565)
Transfers from other funds	-	181,176	181,176	362,352
Net cash provided by (used for) noncapital financing activities	\$ (150,389)	\$ 181,176	\$ -	\$ 30,787
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Additions to utility plant	\$ (43,171)	\$ (670,959)	\$ -	\$ (714,130)
Principal payments on bonds	(28,300)	-	-	(28,300)
Principal payments on loans	(125,657)	(103,439)	-	(229,096)
Contributions in aid of construction	-	444,596	-	444,596
Interest payments	(157,764)	(138,902)	-	(296,666)
Net cash provided by (used for) capital and related financing activities	\$ (354,892)	\$ (468,704)	\$ -	\$ (823,596)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	\$ 76	\$ 19	\$ -	\$ 95
Net increase (decrease) in cash and cash equivalents	\$ 217,087	\$ 9,824	\$ -	\$ 226,911
Cash and cash equivalents - beginning - including restricted	3,892,664	83,025	100	3,975,789
Cash and cash equivalents - ending - including restricted	\$ 4,109,751	\$ 92,849	\$ 100	\$ 4,202,700
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 251,986	\$ 32,368	\$ -	\$ 284,354
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	\$ 505,459	\$ 118,416	\$ -	\$ 623,875
Sale of salvage and surplus	3,696	-	-	3,696
(Increase) decrease in accounts receivable	3,979	547	-	4,526
(Increase) decrease in deferred outflows - pension related	33,024	4,888	-	37,912
(Increase) decrease in deferred outflows - OPEB related	(40)	(6)	-	(46)
Increase (decrease) in overdraft	-	160,382	-	160,382
Increase (decrease) in compensated absences	3,423	(7,096)	-	(3,673)
Increase (decrease) in accounts payable	2,429	(3,914)	-	(1,485)
Increase (decrease) in customer deposits	428	-	-	428
Increase (decrease) in net pension liability	(156,182)	(15,357)	-	(171,539)
Increase (decrease) in net OPEB liability	(4,340)	(620)	-	(4,960)
Increase (decrease) in deferred inflows - pension related	75,350	7,285	-	82,635
Increase (decrease) in deferred inflows - OPEB related	3,080	440	-	3,520
Total adjustments	\$ 470,306	\$ 264,965	\$ -	\$ 735,271
Net cash provided by (used for) operating activities	\$ 722,292	\$ 297,333	\$ -	\$ 1,019,625
Schedule of noncash capital and related financing activities:				
Acquisition of assets on account (change in accts payable)	\$ -	\$ (224,465)	\$ -	\$ (224,465)

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

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 33,960
Receivables:	
Other receivables	750
Total assets	<u>\$ 34,710</u>
LIABILITIES	
Amounts held for social services clients	\$ 34,710
Total liabilities	<u>\$ 34,710</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, 2018

Note 1—Summary of Significant Accounting Policies:

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

The financial statements of the County of Buckingham, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board, and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The more significant of the government's accounting policies are described below.

Financial Statement Presentation

Management's Discussion and Analysis - GASB Statement No. 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities but also capital assets and long-term liabilities (such as buildings and general obligation debt).

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, effects of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Buckingham, Virginia (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations, and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit

Buckingham County Industrial Development Authority - The Buckingham County Industrial Development Authority (IDA) was created by the County to attract industry to the County and to provide financing for such industries. The Authority does have separate corporate powers that distinguish it as being legally separate from the County. The County is financially accountable for the Authority because it appoints a voting majority of the Authority's governing body and there exists a financial benefit or burden between the two entities. The IDA is reported as an enterprise fund and does not issue a separate financial report.

COUNTY OF BUCKINGHAM, VIRGINIA

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

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

B. Individual Component Unit Disclosures: (Continued)

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.

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 \$166,036 to the regional library, \$360,114 to Piedmont Regional Jail Authority, \$20,325 to Piedmont Regional Juvenile Detention Center and \$37,000 to the Crossroads Community Services Board.

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

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

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

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

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

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

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

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

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

The County's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

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

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

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

1. Governmental Funds

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

a. General Fund

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

b. Special Revenue Funds

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

c. Debt Service Fund

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

d. Capital Projects Funds

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

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

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

2. Proprietary Funds

Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. Enterprise Funds consist of the Water Fund, the Sewer Fund and the IDA.

3. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds, which consist of the Special Welfare Fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. These funds utilize the accrual basis of accounting.

4. Component Unit School Board

The Buckingham County School Board has the following funds:

Governmental Funds:

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

Special Revenue Funds: Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

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

4. Component Unit School Board: (Continued)

Capital Projects Fund: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital facilities. This fund had no activity in fiscal year 2018.

E. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, VPA Fund, and the Debt Service 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.

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

F. Use of Estimates

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

G. Cash and Cash Equivalents

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

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

H. Investments

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

I. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$282,000 at June 30, 2018 and is comprised solely of property taxes. In addition, water and sewer receivables are reported net of a \$55,931 reserve.

J. Inventory and Prepaid Items

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

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.

COUNTY OF BUCKINGHAM, VIRGINIA

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

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

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 \$296,316 was incurred during fiscal year 2018, of which \$98,620 was capitalized.

Property, plant and equipment of the primary government, as well as the component unit School Board, 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/liabilities and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.

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

L. Deferred Outflows/Inflows of Resources: (Continued)

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 multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liabilities and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

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. Other Postemployment Benefits (OPEB)

Group Life Insurance

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

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

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

Teacher Employee Health Insurance Credit Program

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

O. Long-term Obligations

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

P. 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.

Q. 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)

R. 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.

S. 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, 2018 (Continued)

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

S. 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:

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).

The County's investments at June 30, 2018 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, 2018 (Continued)

Note 2—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2018 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.

<u>Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Ratings</u>
	<u>AAAm</u>
Local Government Investment Pool	\$ <u>2,362,586</u>

Interest Rate Risk

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

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ <u>2,362,586</u>	\$ <u>2,362,586</u>

External Investment Pool

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

Note 3—Property Taxes:

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 3—Property Taxes: (Continued)

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 2017 were levied by the County Board of Supervisors on April 24, 2017, on the assessed values listed as of January 1, 2016. The second half of 2017 real estate taxes was due on December 5, 2017. The first half of 2018 real estate and public service corporation taxes was due on June 5, 2018. The 2018 taxes were levied by the County Board of Supervisors on April 23, 2018 on the assessed value listed as of January 1, 2018.

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, 2018:

	Primary Government				Component Unit
	General	Special Revenue	Governmental Activities	Business-type Activities	School Board
Property taxes	\$ 7,708,940	\$ -	\$ 7,708,940	\$ -	\$ -
Allowance for uncollectibles	(282,000)	-	(282,000)	-	-
Net taxes receivable	<u>\$ 7,426,940</u>	<u>\$ -</u>	<u>\$ 7,426,940</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:					
Utility taxes	\$ 29,071	\$ -	\$ 29,071	\$ -	\$ -
Grantee tax	7,344	-	7,344	-	-
Solid waste	9,968	-	9,968	-	-
Other	16,172	-	16,172	-	2,000
Water and Sewer	-	-	-	226,664	-
Rebates and Refunds	-	10	10	-	21,029
Total accounts receivable	<u>\$ 62,555</u>	<u>\$ 10</u>	<u>\$ 62,565</u>	<u>\$ 226,664</u>	<u>\$ 23,029</u>

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 5—Due From Other Governmental Units:

Amounts due from other governments are detailed as follows:

	Governmental Activities			Business- Type Activities	Component Unit School Board
	General	Special Revenue	Total		
Commonwealth of Virginia:					
Local sales taxes	\$ 136,354	\$ -	\$ 136,354	\$ -	\$ -
State sales taxes	-	-	-	-	295,031
Communication taxes	62,174	-	62,174	-	-
Public assistance	-	40,309	40,309	-	-
Comprehensive services	318,195	-	318,195	-	-
Shared expenses and grants	119,036	-	119,036	-	-
Forest product sales	18,338	-	18,338	-	-
Four for life	15,605	-	15,605	-	-
Other	26,416	-	26,416	-	14,632
Federal government:					
LLEBG	2,659	-	2,659	-	-
Selective enforcement	8,699	-	8,699	-	-
Victim witness	11,869	-	11,869	-	-
Public assistance	-	69,004	69,004	-	-
Rural Development	-	-	-	152,487	-
Title I	-	-	-	-	176,297
Vocational Education	-	-	-	-	34,133
Title II Part A	-	-	-	-	17,567
Special Education - Title IV-B	-	-	-	-	85,393
Other	-	-	-	-	16,584
Total	\$ 719,345	\$ 109,313	\$ 828,658	\$ 152,487	\$ 639,637

Note 6—Interfund Obligations:

Details of interfund receivables and payables as of June 30, 2018 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 596,922	\$ -
Virginia Public Assistance	-	596,922
Total	\$ 596,922	\$ 596,922

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 6—Interfund Obligations: (Continued)

Details of obligations between the primary government and component unit School Board as of June 30, 2018 are as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government general fund	Component Unit - School Board	\$ <u><u>468,806</u></u>

Note 7—Unavailable Revenue and Deferred Revenue:

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

	<u>Government-wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
Primary Government:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,968,462
2nd half assessments due in December 2018	5,123,962	5,123,962
Prepaid property taxes due in December 2018, but paid in advance by the taxpayers	<u>609,798</u>	<u>609,798</u>
Total deferred revenue/unavailable revenue	\$ <u><u>5,733,760</u></u>	\$ <u><u>7,702,222</u></u>

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 8—Capital Assets:

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

Primary Government:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 571,884	\$ 44,498	\$ -	\$ 616,382
Construction in progress	-	23,753	-	23,753
Total capital assets not being depreciated	\$ 571,884	\$ 68,251	\$ -	\$ 640,135
Other capital assets:				
Buildings and improvements	\$ 18,773,877	\$ -	\$ -	\$ 18,773,877
Machinery, equipment and vehicles	4,682,614	467,264	71,527	5,078,351
Jointly owned assets	24,265,004	-	1,902,373	22,362,631
Total other capital assets	\$ 47,721,495	\$ 467,264	\$ 1,973,900	\$ 46,214,859
Accumulated depreciation:				
Buildings and improvements	\$ 5,425,839	\$ 505,907	\$ -	\$ 5,931,746
Machinery, equipment and vehicles	3,424,161	351,211	60,863	3,714,509
Jointly owned assets	2,990,203	562,794	455,863	3,097,134
Total accumulated depreciation	\$ 11,840,203	\$ 1,419,912	\$ 516,726	\$ 12,743,389
Other capital assets, net	\$ 35,881,292	\$ (952,648)	\$ 1,457,174	\$ 33,471,470
Net capital assets	\$ 36,453,176	\$ (884,397)	\$ 1,457,174	\$ 34,111,605
Depreciation is allocated to:				
General government administration		\$ 177,402		
Judicial administration		230,015		
Public safety		250,030		
Public works		55,818		
Health and welfare		38,950		
Education		562,794		
Parks and recreation		53,400		
Community Development		51,503		
Total		\$ 1,419,912		

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 8—Capital Assets: (Continued)

Business-type Activities:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 170,974	\$ -	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	<u>9,237,929</u>	<u>545,113</u>	<u>-</u>	<u>9,783,042</u>
Total capital assets not being depreciated	<u>\$ 10,121,003</u>	<u>\$ 545,113</u>	<u>\$ -</u>	<u>\$ 10,666,116</u>
Other capital assets:				
Buildings and systems	\$ 23,306,765	\$ -	\$ -	\$ 23,306,765
Land improvements	22,634	-	-	22,634
Machinery, equipment and vehicles	<u>830,256</u>	<u>43,171</u>	<u>-</u>	<u>873,427</u>
Total other capital assets	<u>\$ 24,159,655</u>	<u>\$ 43,171</u>	<u>\$ -</u>	<u>\$ 24,202,826</u>
Accumulated depreciation:				
Buildings and systems	\$ 5,998,956	\$ 574,808	\$ -	\$ 6,573,764
Land improvements	1,846	1,275	-	3,121
Machinery, equipment and vehicles	<u>602,800</u>	<u>47,792</u>	<u>-</u>	<u>650,592</u>
Total accumulated depreciation	<u>\$ 6,603,602</u>	<u>\$ 623,875</u>	<u>\$ -</u>	<u>\$ 7,227,477</u>
Other capital assets, net	<u>\$ 17,556,053</u>	<u>\$ (580,704)</u>	<u>\$ -</u>	<u>\$ 16,975,349</u>
Net capital assets	<u>\$ 27,677,056</u>	<u>\$ (35,591)</u>	<u>\$ -</u>	<u>\$ 27,641,465</u>
Depreciation is allocated to:				
Water operations		\$ 505,459		
Sewer operations		<u>118,416</u>		
		<u>\$ 623,875</u>		

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 8—Capital Assets: (Continued)

Component Unit-School Board:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets not being depreciated:				
Land	\$ 257,165	\$ -	\$ -	\$ 257,165
Total capital assets not being depreciated	\$ 257,165	\$ -	\$ -	\$ 257,165
Other capital assets:				
Buildings and improvements	\$ 16,785,966	\$ -	\$ -	\$ 16,785,966
Improvements other than buildings	528,483	-	-	528,483
Machinery, equipment and vehicles	7,115,110	721,781	284,034	7,552,857
Jointly owned assets	12,465,317	1,902,373	-	14,367,690
Total other capital assets	\$ 36,894,876	\$ 2,624,154	\$ 284,034	\$ 39,234,996
Accumulated depreciation:				
Buildings and improvements	\$ 10,707,404	\$ 318,677	\$ -	\$ 11,026,081
Improvements other than buildings	387,138	26,360	-	413,498
Machinery, equipment and vehicles	4,626,022	667,024	271,484	5,021,562
Jointly owned assets	4,242,546	815,055	-	5,057,601
Total accumulated depreciation	\$ 19,963,110	\$ 1,827,116	\$ 271,484	\$ 21,518,742
Other capital assets, net	\$ 16,931,766	\$ 797,038	\$ 12,550	\$ 17,716,254
Net capital assets	\$ 17,188,931	\$ 797,038	\$ 12,550	\$ 17,973,419
Depreciation is allocated to education		\$ 1,827,116		

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, 2018, is that school financed assets in the amount of \$19,265,497 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, 2018 (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, 2018:

	Balance July 1, 2017	Restatement	July 1, 2017 As Restated	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2018
Primary Government:						
Governmental activities:						
Lease revenue bonds	\$ 6,330,000	\$ -	\$ 6,330,000	\$ -	\$ 5,520,000	\$ 810,000
Premium on issuance	516,849	-	516,849	-	516,849	-
Refunding bonds	-	-	-	4,890,000	-	4,890,000
Premium on issuance	-	-	-	924,757	40,695	884,062
General obligation school bonds	23,574,025	-	23,574,025	-	1,790,009	21,784,016
Premium on issuance	851,996	-	851,996	-	112,363	739,633
Net pension liability	2,157,963	-	2,157,963	1,588,642	2,956,841	789,764
Net OPEB liability	-	364,320	364,320	2,760	59,800	307,280
Compensated absences	619,097	-	619,097	9,991	-	629,088
Total obligations from governmental activities	\$ 34,049,930	\$ 364,320	\$ 34,414,250	\$ 7,416,150	\$ 10,996,557	\$ 30,833,843
Business-type activities:						
Revenue bonds	\$ 935,531	\$ -	\$ 935,531	\$ -	\$ 28,300	\$ 907,231
Revolving loans	10,978,949	-	10,978,949	-	229,095	10,749,854
Net pension liability	243,515	-	243,515	141,192	312,731	71,976
Net OPEB liability	-	31,680	31,680	240	5,200	26,720
Compensated absences	56,710	-	56,710	-	3,673	53,037
Total obligations from business-type activities	\$ 12,214,705	\$ 31,680	\$ 12,246,385	\$ 141,432	\$ 578,999	\$ 11,808,818
Long-term obligations from component unit activities:						
School Board:						
Energy improvement lease	\$ 1,328,483	\$ -	\$ 1,328,483	\$ -	\$ 81,979	\$ 1,246,504
Net pension liabilities	19,721,293	-	19,721,293	3,307,601	6,323,894	16,705,000
Net OPEB liabilities	-	2,904,000	2,904,000	135,000	384,000	2,655,000
Compensated absences	570,169	-	570,169	4,741	-	574,910
Total obligations from component unit activities	\$ 21,619,945	\$ 2,904,000	\$ 24,523,945	\$ 3,447,342	\$ 6,789,873	\$ 21,181,414
Total long-term obligations	\$ 67,884,580	\$ 3,300,000	\$ 71,184,580	\$ 11,004,924	\$ 18,365,429	\$ 63,824,075
Reconciliation to Exhibit 1:						
			Governmental Activities	Business- Type Activities	Component Unit School Board	Total
Long-term liabilities:						
Due within one year			\$ 2,374,035	269,172	\$ 146,103	\$ 2,789,310
Due in more than one year			28,459,808	11,539,646	21,035,311	61,034,765
Total long-term obligations			\$ 30,833,843	\$ 11,808,818	\$ 21,181,414	\$ 63,824,075

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations:

Type/ Project	Issue Date	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
Primary Government:							
Governmental activities:							
Lease revenue bonds:							
County projects	11/23/2010	\$ 9,255,000	2.357%-5.200%	SA \$230,000-\$590,000	A 10/1/2033	\$ 810,000	\$ 255,000
Total lease revenue bonds						\$ 810,000	\$ 255,000
Refunding bonds:							
County refunding bonds	11/15/2017	\$ 4,890,000	3.822%-5.125%	SA \$275,000-\$495,000	A 10/1/2033	\$ 4,890,000	\$ -
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	884,062	88,254
Total refunding bonds						\$ 5,774,062	\$ 88,254
General obligation school bonds:							
School bonds	11/7/2002	\$ 5,930,000	2.35%-5.10%	SA \$295,000-\$300,000	A 7/15/2022	\$ 1,475,000	\$ 295,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	71,226	11,871
School bonds	11/10/2005	\$ 5,856,256	4.60%-5.10%	SA \$222,289-\$370,235	A 7/15/2025	2,699,016	305,909
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	54,497	12,626
School bonds	12/1/2011	\$ 10,000,000	4.5% *	SA \$186,000-\$784,600	A 6/1/2027	6,975,000	711,000
School bonds	11/9/2011	\$ 13,325,000	2.05%-5.05%	SA \$320,000-\$985,000	A 7/15/2031	10,635,000	550,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	613,910	81,466
Net general obligation school bonds						\$ 22,523,649	\$ 1,967,872
* Interest to be refunded by Federal Tax Credit							
Other obligations:							
Net pension liability (payable from general fund)						\$ 789,764	\$ -
Net OPEB liability (payable from general fund)						307,280	-
Compensated absences (payable from general fund)						629,088	62,909
Total other obligations						\$ 1,726,132	\$ 62,909
Total long-term obligations from governmental activities						\$ 30,833,843	\$ 2,374,035
Business-type activities:							
Revenue bonds:							
Water system revenue bonds	4/16/1998	\$ 1,268,000	4.500%	M \$5,822 (P&I)	M 3/31/2038	\$ 907,231	\$ 29,649
Total revenue bonds						\$ 907,231	\$ 29,649
Revolving loans:							
VRM revolving fund loan	10/30/2004	\$ 1,056,863	1.000%	SA \$20,729 (P&I)	SA 3/1/2034	\$ 611,580	\$ 35,431
Rural Development loan	10/15/2007	\$ 1,171,700	4.125%	M \$5,097 (P&I)	M 10/13/2044	962,157	21,826
Rural Development loan	7/25/2011	\$ 5,000,000	2.375%	M \$16,700 (P&I)	M 8/25/2051	4,574,699	92,756
Rural Development loan **	1/6/2015	\$ 4,718,000	2.125%	M \$15,098 (P&I)	M 10/1/2033	4,601,418	84,206
Total revolving loans						\$ 10,749,854	\$ 234,219
** The IDA has pledged availability fees of up to \$256,068 annually or \$21,339 monthly as security for the loan.							
Other obligations:							
Net pension liability (payable from water and sewer funds)						\$ 71,976	\$ -
Net OPEB liability (payable from water and sewer funds)						26,720	-
Compensated absences (payable from water and sewer funds)						53,037	5,304
Total other obligations						\$ 151,733	\$ 5,304
Total long-term obligations from business-type activities						\$ 11,808,818	\$ 269,172
Total long-term obligations, Primary Government						\$ 42,642,661	\$ 2,643,207
Component Unit School Board:							
Other Obligations:							
Energy Improvement Lease	9/5/2012	\$ 1,596,421	2.75%	\$102,491-\$170,261	A 9/5/2027	\$ 1,246,504	\$ 88,612
Net pension liabilities (payable from school operating fund)						16,705,000	-
Net OPEB liabilities (payable from school operating fund)						2,655,000	-
Compensated absences (payable from school operating fund)						574,910	57,491
Total Other Obligations						\$ 21,181,414	\$ 146,103
Total long-term obligations, Component Unit School Board						\$ 21,181,414	\$ 146,103
Total long-term obligations						\$ 63,824,075	\$ 2,789,310

A = annual installments

M = monthly installments

SA = semi-annual installments

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 10—Long-Term Obligations: (Continued)

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

Year Ending June 30,	Primary Government		Component Unit School Board	
	Principal	Interest	Principal	Interest
2019	\$ 2,574,994	\$ 1,655,432	\$ 88,612	\$ 34,279
2020	2,664,158	1,575,827	95,588	31,842
2021	2,748,849	1,493,824	102,922	29,213
2022	2,813,142	1,410,087	110,630	26,383
2023	2,835,972	1,324,630	118,728	23,341
2024-2028	11,889,337	5,053,107	730,024	62,871
2029-2033	7,840,225	1,647,250	-	-
2034-2038	2,345,491	734,978	-	-
2039-2043	1,724,786	488,914	-	-
2044-2048	1,655,574	280,445	-	-
2049-2053	1,396,994	95,391	-	-
2054-2055	275,274	5,097	-	-
Total	\$ 40,764,796	\$ 15,764,982	\$ 1,246,504	\$ 207,929

Note: The above includes long-term obligations and premiums.

IDA Agreement

The County entered into an agreement with the Buckingham Industrial Development Authority (IDA) in 2013 pledged as security for the USDA Rural Development loan for construction of the new sewer plant. The IDA has agreed to pay an availability fee up to \$256,068 annually or \$21,339 per month to help fund loan payments. The first payment will be due when the 1st installment is made on the loan or the new sewer plant becomes operational, whichever occurs first. In fiscal year 2018, the County made payments of \$181,176 for debt service (principal payments of \$82,441 and interest of \$98,735) to the IDA. However, the debt is reflected on the County's financial statements and not the IDA's.

Advance Refunding

The County issued \$4,890,000 in bonds with interest rates ranging from 3.822% to 5.125%. The proceeds were used to partially advance refund \$5,280,000 of outstanding 2010 Series C lease revenue bonds which had interest rates ranging from 2.357% to 5.200%. The net proceeds of \$5,742,302 (including a \$924,757 premium and after payment of \$72,090 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2010 Series C lease revenue bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$17,909. This amount is not being netted against the new debt and amortized over the remaining life of the refunding debt; instead it was fully expensed in the year of refunding. The government advance refunded the 2010 Series C lease revenue bond to reduce its total debt service payments over 32 years by \$680,329 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$543,588.

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan:

Plan Description

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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 Contribution Component: (Cont.)</u> Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 70½.</p>
<p>Calculating the Benefit The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p>	<p>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility VRS: Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: 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, 2018 (Continued)

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Cont.)</p> <p><u>Exceptions to COLA Effective Dates:</u> Same as Plan 1 and Plan 2.</p>

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS (CONTINUED)		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Employees of political subdivisions and School divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. 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.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <u>Defined Contribution Component:</u> Not applicable.

Pension Plan Data

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	49	48
Inactive members:		
Vested inactive members	11	12
Non-vested inactive members	15	20
Inactive members active elsewhere in VRS	39	20
Total inactive members	65	52
Active members	91	50
Total covered employees	205	150

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2018 was 9.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$373,457 and \$366,096 for the years ended June 30, 2018 and June 30, 2017, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2018 was 4.77% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015.

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Contributions (Continued)

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$38,992 and \$36,777 for the years ended June 30, 2018 and June 30, 2017, 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, 2017. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2016, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017.

Actuarial Assumptions - General Employees

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

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Largest 10 - Non-Hazardous Duty:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees (Continued)

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

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

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

Largest 10 - Hazardous Duty:

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	100.00%		4.80%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.30%

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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, 2019, the rate contributed by the employer for the County and Component Unit School Board (nonprofessional) Retirement Plans will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2019 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2016	\$ 17,888,486	\$ 15,487,008	\$ 2,401,478
Changes for the year:			
Service cost	\$ 443,105	\$ -	\$ 443,105
Interest	1,231,009	-	1,231,009
Changes in assumptions	(490,053)	-	(490,053)
Differences between expected and actual experience	(272,201)	-	(272,201)
Contributions - employer	-	366,099	(366,099)
Contributions - employee	-	202,249	(202,249)
Net investment income	-	1,895,714	(1,895,714)
Benefit payments, including refunds of employee contributions	(605,297)	(605,297)	-
Administrative expenses	-	(10,770)	10,770
Other changes	-	(1,694)	1,694
Net changes	\$ 306,563	\$ 1,846,301	\$ (1,539,738)
Balances at June 30, 2017	\$ 18,195,049	\$ 17,333,309	\$ 861,740

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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, 2016	\$ 3,223,295	\$ 3,168,002	\$ 55,293
Changes for the year:			
Service cost	\$ 82,904	\$ -	\$ 82,904
Interest	220,434	-	220,434
Changes in assumptions	(21,292)	-	(21,292)
Differences between expected and actual experience	4,293	-	4,293
Contributions - employer	-	39,046	(39,046)
Contributions - employee	-	41,222	(41,222)
Net investment income	-	383,857	(383,857)
Benefit payments, including refunds of employee contributions	(148,483)	(148,483)	-
Administrative expenses	-	(2,240)	2,240
Other changes	-	(340)	340
Net changes	\$ 137,856	\$ 313,062	\$ (175,206)
Balances at June 30, 2017	\$ 3,361,151	\$ 3,481,064	\$ (119,913)

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		
	Current Discount		
	1% Decrease (6.00%)	Rate (7.00%)	1% Increase (8.00%)
County's Net Pension Liability (Asset)	\$ 3,231,234	\$ 861,740	\$ (1,104,611)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 287,951	\$ (119,913)	\$ (460,878)

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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, 2018, the County and Component Unit School Board (nonprofessional) recognized pension expense of (\$37,815) and (\$27,500), respectively. At June 30, 2018, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,364	\$ 363,496	\$ 2,410	\$ 11,990
Change in assumptions	-	352,783	-	11,953
Net difference between projected and actual earnings on pension plan investments	-	257,655	-	50,885
Change in proportionate share	33,683	33,683	-	-
Employer contributions subsequent to the measurement date	373,457	-	38,992	-
Total	\$ 418,504	\$ 1,007,617	\$ 41,402	\$ 74,828

\$373,457 and \$38,992 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 ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2019	\$ (439,783)	\$ (51,625)
2020	(233,267)	12,283
2021	(126,848)	(161)
2022	(162,672)	(32,915)
2023	-	-
Thereafter	-	-

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

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

Each School Division's contractually required employer contribution rate for the year ended June 30, 2018 was 16.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015 and reflects the transfer in June 2015 of \$192,884,000 an accelerated payback of the deferred contribution in the 2010-12 biennium. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,708,817 and \$1,465,897 for the years ended June 30, 2018 and June 30, 2017, respectively.

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

At June 30, 2018, the school division reported a liability of \$16,705,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the school division's proportion was .13584% as compared to .14033% at June 30, 2016.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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, 2018, the school division recognized pension expense of \$1,265,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,183,000
Change in assumptions	244,000	-
Net difference between projected and actual earnings on pension plan investments	-	607,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	520,000	789,000
Employer contributions subsequent to the measurement date	<u>1,708,817</u>	<u>-</u>
Total	<u>\$ 2,472,817</u>	<u>\$ 2,579,000</u>

\$1,708,817 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2019	\$ (623,000)
2020	(106,000)
2021	(316,000)
2022	(645,000)
Thereafter	(125,000)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions: (Continued)

Mortality rates: (Continued)

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

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

Net Pension Liability

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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:

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Discount Rate

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

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)	\$	24,947,000	\$ 16,705,000	\$ 9,888,000

Pension Plan Fiduciary Net Position

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2018 (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 the project is nearing completion.

At June 30, 2018, 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
Sprouse's Corner - Sewer Line Extension	\$ 174,410	\$ 86,034	\$ 88,376
Library/Community Center Project - Dillwyn Primary School	287,905	-	287,905

Note 13—Surety Bonds:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 14—Landfill Closure and Postclosure Care Cost:

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

In June 2018, the County entered into a settlement agreement with the Environmental Protection Agency (EPA) in the amount of \$125,000. This related to costs associated with the Love Landfill "Superfund" site for monitoring and over site.

Note 15—Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of losses. For the previous three fiscal years, settled claims from these risks have not exceeded commercial coverage.

Note 16—Litigation:

At June 30, 2018, 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.

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 17—Expenditures and Appropriations:

Expenditures exceeded appropriations in the following functions of the General Fund: Public Works (\$11,412); Health and Welfare (\$45,356); Parks, Recreation, and Cultural (\$32,556); and Nondepartmental (\$31,992). However, all disbursements were approved in accordance with operating policies.

Note 18—Interfund Transfers:

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

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
Governmental Activities:			
General Fund	\$ 278,439	\$ 3,515,350	\$ (3,236,911)
VPA Fund	263,597	-	263,597
Debt Service Fund	3,070,577	22,636	3,047,941
Debt Financed School Capital Projects Fund	-	105,414	(105,414)
Total interfund transfers	<u>\$ 3,612,613</u>	<u>\$ 3,643,400</u>	<u>\$ (30,787)</u>
Business-type Activities:			
Water Fund	\$ -	\$ 150,389	\$ (150,389)
Sewer Fund	181,176	-	181,176
IDA	181,176	181,176	-
Total interfund transfers	<u>\$ 362,352</u>	<u>\$ 331,565</u>	<u>\$ 30,787</u>
Net interfund transfers			<u>\$ -</u>

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

Note 19—Other Postemployment Benefits-Health Insurance and LODA:

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, 2018, 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 75. Any liability at June 30, 2018 is not believed to be material to the financial statements. The School Board had no participants on its plan during the year and the benefit is no longer offered so there is minimal impact to the financial statements.

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 19—Other Postemployment Benefits-Health Insurance and LODA: (Continued)

Line of Duty Act (LODA)

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP assumes all liability for the County's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2018 was \$14,936.

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans:

Group Life Insurance (GLI) Program (OPEB Plan):

Plan Description

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

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Plan Description: (Continued)

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

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	
<p>Eligible Employees</p> <p>The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program, including the following employers that do not participate in VRS for retirement:</p> <ul style="list-style-type: none"> • City of Richmond • City of Portsmouth • City of Roanoke • City of Norfolk • Roanoke City School Board <p>Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.</p>	
<p>Benefit Amounts</p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> • <u>Natural Death Benefit</u> - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <u>Accidental Death Benefit</u> - The accidental death benefit is double the natural death benefit. • <u>Other Benefit Provisions</u> - In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> ○ Accidental dismemberment benefit ○ Safety belt benefit ○ Repatriation benefit ○ Felonious assault benefit ○ Accelerated death benefit option 	
<p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>	
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute. The amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,111.</p>	

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Contributions

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the Group Life Insurance Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2018 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) were \$21,854 and \$21,285, \$4,432 and \$4,431, and \$55,515 and \$55,482 for the years ended June 30, 2018 and June 30, 2017, respectively.

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

At June 30, 2018, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) reported a liability of \$334,000, \$70,000, and \$870,000, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2017 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the County's, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) proportion was .02219%, .00462%, and .05785%, respectively as compared to .02263%, .00470%, and .05954% at June 30, 2016.

For the year ended June 30, 2018, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) recognized GLI OPEB expense of \$3,000, \$0, and \$5,000, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ -	\$ 7,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	13,000
Change in assumptions	-	17,000
Changes in proportion	-	7,000
Employer contributions subsequent to the measurement date	<u>21,854</u>	<u>-</u>
Total	<u>\$ 21,854</u>	<u>\$ 44,000</u>
School Board - Nonprofessional		
Differences between expected and actual experience	\$ -	\$ 1,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	3,000
Change in assumptions	-	4,000
Employer contributions subsequent to the measurement date	<u>4,432</u>	<u>-</u>
Total	<u>\$ 4,432</u>	<u>\$ 8,000</u>
School Board - Professional		
Differences between expected and actual experience	\$ -	\$ 19,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	33,000
Change in assumptions	-	45,000
Changes in proportion	-	25,000
Employer contributions subsequent to the measurement date	<u>55,515</u>	<u>-</u>
Total	<u>\$ 55,515</u>	<u>\$ 122,000</u>

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

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

\$21,854, \$4,432, and \$55,515 reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>School Board (nonprofessional)</u>	<u>School Board (professional)</u>
2019	\$ (9,000)	\$ (2,000)	\$ (25,000)
2020	(9,000)	(2,000)	(25,000)
2021	(9,000)	(2,000)	(25,000)
2022	(9,000)	(2,000)	(25,000)
2023	(6,000)	-	(17,000)
Thereafter	(2,000)	-	(5,000)

Actuarial Assumptions

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - General State Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - SPORS Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - VaLORS Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Actuarial Assumptions: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Mortality Rates - JRS Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Largest Ten Locality Employers - General Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Post-Disablement:

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

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

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

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees: (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Group Life Insurance (GLI) Program (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

NET GLI OPEB Liability

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

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

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

Plan Description

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

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

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2018 was 1.23% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2015. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Program were \$131,261 and \$118,412 for the years ended June 30, 2018 and June 30, 2017, respectively.

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

At June 30, 2018, the school division reported a liability of \$1,715,000 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was measured as of June 30, 2017 and the total VRS Teacher Employee Health Insurance Credit Program OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Program OPEB plan for the year ended June 30, 2017 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2017, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Program was .13517% as compared to .14032% at June 30, 2016.

For the year ended June 30, 2018, the school division recognized VRS Teacher Employee Health Insurance Credit Program OPEB expense of \$130,000. Since there was a change in proportionate share between June 30, 2016 and June 30, 2017, a portion of the VRS Teacher Employee Health Insurance Credit Program Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	\$ -	\$ 3,000
Change in assumptions	-	18,000
Changes in proportionate share	-	56,000
Employer contributions subsequent to the measurement date	<u>131,261</u>	<u>-</u>
Total	<u>\$ 131,261</u>	<u>\$ 77,000</u>

\$131,261 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2019	\$ (12,000)
2020	(12,000)
2021	(12,000)
2022	(12,000)
2023	(12,000)
Thereafter	(17,000)

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

Actuarial Assumptions

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

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Long-Term Expected Rate of Return

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

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

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

Discount Rate

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 20—Other Postemployment Benefits - Virginia Retirement System Cost-Sharing Plans: (Continued)

Sensitivity of the Employer's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

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

Proportionate Share of GLI Program Net OPEB Liability	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Primary Government	\$ 432,000	\$ 334,000	\$ 255,000
School Board (nonprofessional)	90,000	70,000	53,000
School Board (professional)	1,126,000	870,000	663,000

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,914,000	\$ 1,715,000	\$ 1,545,000

Group Life Insurance and Teacher Health Insurance Credit Program Fiduciary Net Position

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 21—Operating Leases:

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

<u>Year Ending June 30,</u>	<u>Health Dept</u>	<u>DSS</u>
2019	\$ 50,000	\$ 29,052
2020	50,000	24,210
2021	50,000	-
2022	50,000	-
2023	50,000	-
2024-2028	241,666	-
Total	<u>\$ 491,666</u>	<u>\$ 53,262</u>

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>
2019	\$ 7,200
2020	7,200
2021	7,200
2022	7,200
2023	7,380
2024-2028	37,080
2029-2033	30,900
Total	<u>\$ 104,160</u>

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

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

The construction and operation of the Facility will

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

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

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

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

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

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

Note 23—Upcoming Pronouncements:

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

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

Note 23—Upcoming Pronouncements: (Continued)

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

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

Note 24—Adoption of Accounting Principles:

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

	Beginning balance, as originally reported	Implementation of GASB 75	Reclassification of Component Unit IDA	Beginning balance, as restated
Primary Government				
Governmental Activities	\$ 14,508,045	\$ (344,738)	\$ -	\$ 14,163,307
Business-Type Activities:				
Water Fund	\$ 13,157,379	\$ (26,230)	\$ -	\$ 13,131,149
Sewer Fund	6,186,509	(3,747)	-	6,182,762
IDA	-	-	100	100
Total Business-type Activities	\$ 19,343,888	\$ (29,977)	\$ 100	\$ 19,314,011
Total Primary Government	\$ 33,851,933	\$ (374,715)	\$ 100	\$ 33,477,318
Discretely Presented Component Units				
School Board	\$ (1,836,750)	\$ (2,725,675)	\$ -	\$ (4,562,425)
IDA	\$ 100	\$ -	\$ (100)	\$ -

Note 25—Subsequent Events:

In July 2018, the County awarded a contract for the Bates Site Solid Waste Convenience Center Construction in the amount of \$122,500 (including addendums).

In August 2018, the County awarded a contract for the real estate assessments in the amount of \$235,550.

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

General Fund

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

For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 15,244,000	\$ 15,244,000	\$ 15,324,281	\$ 80,281
Other local taxes	1,653,500	1,653,500	1,667,879	14,379
Permits, privilege fees, and regulatory licenses	62,550	62,550	219,657	157,107
Fines and forfeitures	38,100	38,100	34,513	(3,587)
Revenue from the use of money and property	119,000	119,000	114,381	(4,619)
Charges for services	67,016	67,016	87,596	20,580
Miscellaneous	42,000	42,000	33,074	(8,926)
Recovered costs	-	15,875	15,875	-
Intergovernmental:				
Commonwealth	4,452,110	4,539,998	4,443,578	(96,420)
Federal	-	-	160,125	160,125
Total revenues	\$ 21,678,276	\$ 21,782,039	\$ 22,100,959	\$ 318,920
EXPENDITURES				
Current:				
General government administration	\$ 1,394,359	\$ 1,468,200	\$ 1,435,902	\$ 32,298
Judicial administration	801,817	896,699	823,038	73,661
Public safety	3,719,154	4,004,182	3,908,298	95,884
Public works	1,555,524	1,840,557	1,851,969	(11,412)
Health and welfare	1,805,113	1,805,113	1,850,469	(45,356)
Education	7,138,926	7,542,698	7,308,139	234,559
Parks, recreation, and cultural	354,489	359,142	391,698	(32,556)
Community development	235,894	246,936	236,136	10,800
Nondepartmental	362,000	251,141	283,133	(31,992)
Capital projects	-	114,769	114,736	33
Total expenditures	\$ 17,367,276	\$ 18,529,437	\$ 18,203,518	\$ 325,919
Excess (deficiency) of revenues over (under) expenditures	\$ 4,311,000	\$ 3,252,602	\$ 3,897,441	\$ 644,839
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 150,000	\$ 150,000	\$ 278,439	\$ 128,439
Transfers out	(3,638,097)	(3,661,554)	(3,515,350)	146,204
Total other financing sources (uses)	\$ (3,488,097)	\$ (3,511,554)	\$ (3,236,911)	\$ 274,643
Net change in fund balance	\$ 822,903	\$ (258,952)	\$ 660,530	\$ 919,482
Fund balance - beginning	(839,540)	242,315	9,775,534	9,533,219
Fund balance - ending	\$ (16,637)	\$ (16,637)	\$ 10,436,064	\$ 10,452,701

Virginia Public Assistance Fund

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

For the Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous	\$ 7,500	\$ 7,500	\$ 6,583	\$ (917)
Intergovernmental:				
Commonwealth	495,859	502,391	482,675	(19,716)
Federal	906,702	918,988	937,580	18,592
Total revenues	<u>\$ 1,410,061</u>	<u>\$ 1,428,879</u>	<u>\$ 1,426,838</u>	<u>\$ (2,041)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 1,807,785	\$ 1,850,060	\$ 1,690,435	\$ 159,625
Total expenditures	<u>\$ 1,807,785</u>	<u>\$ 1,850,060</u>	<u>\$ 1,690,435</u>	<u>\$ 159,625</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (397,724)</u>	<u>\$ (421,181)</u>	<u>\$ (263,597)</u>	<u>\$ 157,584</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 397,724	\$ 421,181	\$ 263,597	\$ (157,584)
Total other financing sources (uses)	<u>\$ 397,724</u>	<u>\$ 421,181</u>	<u>\$ 263,597</u>	<u>\$ (157,584)</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 443,105	\$ 458,107	\$ 464,384	\$ 460,562
Interest	1,231,009	1,179,405	1,102,964	1,033,309
Changes in assumptions	(490,053)	-	-	-
Differences between expected and actual experience	(272,201)	(335,084)	43,830	-
Benefit payments, including refunds of employee contributions	(605,297)	(525,169)	(513,164)	(484,431)
Net change in total pension liability	\$ 306,563	\$ 777,259	\$ 1,098,014	\$ 1,009,440
Total pension liability - beginning	17,888,486	17,111,227	16,013,213	15,003,773
Total pension liability - ending (a)	\$ 18,195,049	\$ 17,888,486	\$ 17,111,227	\$ 16,013,213
Plan fiduciary net position				
Contributions - employer	\$ 366,099	\$ 468,270	\$ 455,429	\$ 502,256
Contributions - employee	202,249	202,312	197,041	210,098
Net investment income	1,895,714	272,613	661,502	1,940,568
Benefit payments, including refunds of employee contributions	(605,297)	(525,169)	(513,164)	(484,431)
Administrative expense	(10,770)	(9,247)	(8,779)	(10,150)
Other	(1,694)	(113)	(141)	102
Net change in plan fiduciary net position	\$ 1,846,301	\$ 408,666	\$ 791,888	\$ 2,158,443
Plan fiduciary net position - beginning	15,487,008	15,078,342	14,286,454	12,128,011
Plan fiduciary net position - ending (b)	\$ 17,333,309	\$ 15,487,008	\$ 15,078,342	\$ 14,286,454
County's net pension liability - ending (a) - (b)	\$ 861,740	\$ 2,401,478	\$ 2,032,885	\$ 1,726,759
Plan fiduciary net position as a percentage of the total pension liability	95.26%	86.58%	88.12%	89.22%
Covered payroll	\$ 4,093,208	\$ 4,066,784	\$ 3,950,804	\$ 3,874,861
County's net pension liability as a percentage of covered payroll	21.05%	59.05%	51.45%	44.56%

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

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

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 82,904	\$ 82,952	\$ 88,072	\$ 89,530
Interest	220,434	213,652	207,919	198,288
Changes in assumptions	(21,292)	-	-	-
Differences between expected and actual experience	4,293	(52,634)	(70,545)	-
Benefit payments, including refunds of employee contributions	(148,483)	(145,680)	(141,428)	(159,042)
Net change in total pension liability	\$ 137,856	\$ 98,290	\$ 84,018	\$ 128,776
Total pension liability - beginning	3,223,295	3,125,005	3,040,987	2,912,211
Total pension liability - ending (a)	\$ 3,361,151	\$ 3,223,295	\$ 3,125,005	\$ 3,040,987
Plan fiduciary net position				
Contributions - employer	\$ 39,046	\$ 68,989	\$ 66,646	\$ 68,290
Contributions - employee	41,222	41,524	40,260	39,920
Net investment income	383,857	55,416	139,344	418,583
Benefit payments, including refunds of employee contributions	(148,483)	(145,680)	(141,428)	(159,042)
Administrative expense	(2,240)	(1,962)	(1,915)	(2,281)
Other	(340)	(23)	(29)	22
Net change in plan fiduciary net position	\$ 313,062	\$ 18,264	\$ 102,878	\$ 365,492
Plan fiduciary net position - beginning	3,168,002	3,149,738	3,046,860	2,681,368
Plan fiduciary net position - ending (b)	\$ 3,481,064	\$ 3,168,002	\$ 3,149,738	\$ 3,046,860
School Division's net pension liability (asset) - ending (a) - (b)	\$ (119,913)	\$ 55,293	\$ (24,733)	\$ (5,873)
Plan fiduciary net position as a percentage of the total pension liability	103.57%	98.28%	100.79%	100.19%
Covered payroll	\$ 843,268	\$ 844,944	\$ 814,326	\$ 799,196
School Division's net pension liability (asset) as a percentage of covered payroll	-14.22%	6.54%	-3.04%	-0.73%

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

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

	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.13584%	0.14033%	0.13779%	0.14235%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 16,705,000	\$ 19,666,000	\$ 17,343,000	\$ 17,202,000
Employer's Covered Payroll	10,667,516	9,980,456	10,294,522	10,268,842
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	156.60%	197.05%	168.47%	167.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.92%	68.28%	70.68%	70.88%

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

Schedule of Employer Contributions

Pension Plans

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2018	\$ 373,457	\$ 373,457	\$ -	\$ 4,202,658	8.89%
2017	366,096	366,096	-	4,093,208	8.94%
2016	469,307	469,307	-	4,066,784	11.54%
2015	455,923	455,923	-	3,950,804	11.54%
2014	502,569	502,569	-	3,874,861	12.97%
2013	486,908	486,908	-	3,754,106	12.97%
2012	361,872	361,872	-	3,423,572	10.57%
2011	349,819	349,819	-	3,309,545	10.57%
2010	270,535	270,535	-	3,243,826	8.34%
2009	276,827	276,827	-	3,319,265	8.34%
Component Unit School Board (nonprofessional)					
2018	\$ 38,992	\$ 38,992	\$ -	\$ 852,394	4.57%
2017	36,777	36,777	-	843,268	4.36%
2016	69,623	69,623	-	844,944	8.24%
2015	67,100	67,100	-	814,326	8.24%
2014	68,331	68,331	-	799,196	8.55%
2013	64,905	64,905	-	759,122	8.55%
2012	48,989	48,989	-	796,563	6.15%
2011	53,330	53,330	-	867,158	6.15%
2010	57,957	57,957	-	911,266	6.36%
2009	59,239	59,239	-	931,430	6.36%
Component Unit School Board (professional)					
2018	\$ 1,708,817	\$ 1,708,817	\$ -	\$ 10,887,129	15.70%
2017	1,465,897	1,465,897	-	10,667,516	13.74%
2016	1,485,652	1,485,652	-	9,980,456	14.89%
2015	1,448,771	1,448,771	-	10,294,522	14.07%
2014	1,197,347	1,197,347	-	10,268,842	11.66%
2013	1,101,172	1,101,172	-	9,444,014	11.66%
2012	645,888	645,888	-	10,203,602	6.33%
2011	413,912	413,912	-	10,532,112	3.93%
2010	722,889	722,889	-	10,913,067	6.62%
2009	961,488	961,488	-	10,913,598	8.81%

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

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

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

Largest 10 - Non-Hazardous Duty:

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

Largest 10 - Hazardous Duty:

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of County's and School Board's Share of Net OPEB Liability
 Cost-Sharing OPEB Plans
 For the Year Ended June 30, 2018

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Group Life Insurance Program					
Primary Government					
2017	0.02219%	\$ 334,000	\$ 4,093,208	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2017	0.00462%	\$ 70,000	\$ 852,080	8.22%	48.86%
Component Unit School Board (professional)					
2017	0.05785%	\$ 870,000	\$ 10,669,622	8.15%	48.86%
Teacher Health Insurance Credit Program					
Component Unit School Board (professional)					
2017	0.13517%	\$ 1,715,000	\$ 10,667,720	16.08%	7.04%

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

Schedule of Employer Contributions

VRS OPEB Plan - Group Life Insurance Program

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2018	\$ 21,854	\$ 21,854	\$ -	\$ 4,202,658	0.52%
2017	21,285	21,285	-	4,093,208	0.52%
2016	19,521	19,521	-	4,066,784	0.48%
2015	18,964	18,964	-	3,950,804	0.48%
2014	18,599	18,599	-	3,874,861	0.48%
2013	18,020	18,020	-	3,754,106	0.48%
2012	9,586	9,586	-	3,423,572	0.28%
2011	9,267	9,267	-	3,309,545	0.28%
2010	6,589	6,589	-	3,243,826	0.20%
2009	8,962	8,962	-	3,319,265	0.27%
Component Unit School Board (nonprofessional)					
2018	\$ 4,432	\$ 4,432	\$ -	\$ 852,394	0.52%
2017	4,431	4,431	-	852,080	0.52%
2016	4,056	4,056	-	844,944	0.48%
2015	3,909	3,909	-	814,326	0.48%
2014	3,844	3,844	-	800,764	0.48%
2013	3,644	3,644	-	759,122	0.48%
2012	2,250	2,250	-	803,445	0.28%
2011	2,457	2,457	-	877,338	0.28%
2010	1,850	1,850	-	913,348	0.20%
2009	2,527	2,527	-	936,079	0.27%
Component Unit School Board (professional)					
2018	\$ 55,515	\$ 55,515	\$ -	\$ 10,675,973	0.52%
2017	55,482	55,482	-	10,669,622	0.52%
2016	51,359	51,359	-	10,699,857	0.48%
2015	49,173	49,173	-	10,244,402	0.48%
2014	49,969	49,969	-	10,410,173	0.48%
2013	46,324	46,324	-	9,650,930	0.48%
2012	28,887	28,887	-	10,316,733	0.28%
2011	29,633	29,633	-	10,583,078	0.28%
2010	22,223	22,223	-	10,954,043	0.20%
2009	29,575	29,575	-	10,953,635	0.27%

Schedule of Employer Contributions

VRS OPEB Plan - Health Insurance Credit Program

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

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)
Component Unit School Board (professional)					
2018	\$ 131,261	\$ 131,261	\$ -	\$ 10,671,599	1.23%
2017	118,412	118,412	-	10,667,720	1.11%
2016	113,418	113,418	-	10,699,857	1.06%
2015	108,591	108,591	-	10,244,402	1.06%
2014	115,553	115,553	-	10,410,173	1.11%
2013	105,914	105,914	-	9,541,789	1.11%
2012	61,222	61,222	-	10,203,598	0.60%
2011	63,193	63,193	-	10,532,202	0.60%
2010	85,332	85,332	-	10,912,761	0.78%
2009	117,866	117,866	-	10,913,497	1.08%

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

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

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

General State Employees

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

Teachers

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

SPORS Employees

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

VaLORS Employees

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

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

JRS Employees

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

Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - General Employees

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

Largest Ten Locality Employers - Hazardous Duty Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

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

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

Component Unit School Board - Professional Employees (Teacher HIC)

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

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, 2018

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
Federal	\$ 420,000	\$ 420,000	\$ 421,431	\$ 1,431
Total revenues	<u>\$ 420,000</u>	<u>\$ 420,000</u>	<u>\$ 421,431</u>	<u>\$ 1,431</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 2,030,009	\$ 2,030,009	\$ 2,030,009	\$ -
Interest and other fiscal charges	1,460,568	1,460,568	1,439,728	20,840
Costs of issuance	-	-	72,090	(72,090)
Total expenditures	<u>\$ 3,490,577</u>	<u>\$ 3,490,577</u>	<u>\$ 3,541,827</u>	<u>\$ (51,250)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,070,577)</u>	<u>\$ (3,070,577)</u>	<u>\$ (3,120,396)</u>	<u>\$ (49,819)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,070,577	\$ 3,070,577	\$ 3,070,577	\$ -
Transfers out	-	-	(22,636)	(22,636)
Advance refunding of bonds	-	-	4,890,000	4,890,000
Premium on issuance of bonds	-	-	924,757	924,757
Payment to refunded bond escrow agent	-	-	(5,742,302)	(5,742,302)
Total other financing sources (uses)	<u>\$ 3,070,577</u>	<u>\$ 3,070,577</u>	<u>\$ 3,120,396</u>	<u>\$ 49,819</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County Capital Improvements Fund

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

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	42,028	42,028
Fund balance - ending	<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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 133	\$ 133
Total revenues	\$ -	\$ -	\$ 133	\$ 133
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 133	\$ 133
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (105,414)	\$ (105,414)
Total other financing sources (uses)	\$ -	\$ -	\$ (105,414)	\$ (105,414)
Net change in fund balance	\$ -	\$ -	\$ (105,281)	\$ (105,281)
Fund balance - beginning	-	-	105,281	105,281
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

Statement of Changes in Assets and Liabilities

Agency Fund

For the Year Ended June 30, 2018

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 45,383	\$ 6,746	\$ 18,169	\$ 33,960
Other receivables	-	750	-	750
Total assets	<u>\$ 45,383</u>	<u>\$ 7,496</u>	<u>\$ 18,169</u>	<u>\$ 34,710</u>
LIABILITIES				
Amounts held for social services clients	\$ 45,383	\$ 7,496	\$ 18,169	\$ 34,710
Total liabilities	<u>\$ 45,383</u>	<u>\$ 7,496</u>	<u>\$ 18,169</u>	<u>\$ 34,710</u>

Discretely Presented Component Unit-School Board

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

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 830,054	\$ 251,283	\$ 1,081,337
Receivables (net of allowance for uncollectibles):			
Accounts receivable	23,029	-	23,029
Due from other governmental units	626,267	13,370	639,637
Total assets	<u>\$ 1,479,350</u>	<u>\$ 264,653</u>	<u>\$ 1,744,003</u>
LIABILITIES			
Accounts payable	\$ 180,490	\$ -	\$ 180,490
Accrued liabilities	830,054	32,492	862,546
Due to primary government	468,806	-	468,806
Total liabilities	<u>\$ 1,479,350</u>	<u>\$ 32,492</u>	<u>\$ 1,511,842</u>
FUND BALANCES			
Committed:			
Cafeteria operations	\$ -	\$ 232,161	\$ 232,161
Total fund balances	<u>\$ -</u>	<u>\$ 232,161</u>	<u>\$ 232,161</u>
Total liabilities and fund balances	<u>\$ 1,479,350</u>	<u>\$ 264,653</u>	<u>\$ 1,744,003</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above		\$	232,161
The net pension asset is not available to pay for current-period expenditures and, therefore, is not reported in the funds.			119,913
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$	257,165	
Buildings and improvements		5,759,885	
Improvements other than buildings		114,985	
Machinery, equipment, and vehicles		2,531,295	
Jointly owned assets		<u>9,310,089</u>	17,973,419
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$	2,514,219	
OPEB related items		<u>191,208</u>	2,705,427
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	\$	(1,246,504)	
Compensated absences		(574,910)	
Net pension liabilities		(16,705,000)	
Net OPEB liabilities		(2,655,000)	
Accrued interest payable		<u>(27,137)</u>	(21,208,551)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(2,653,828)	
OPEB related items		<u>(207,000)</u>	(2,860,828)
Net position of governmental activities			<u>\$ (3,038,459)</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, 2018

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 1,981	\$ -	\$ 1,981
Charges for services	15,900	156,768	172,668
Miscellaneous	208,413	-	208,413
Intergovernmental:			
Local government	7,257,420	-	7,257,420
Commonwealth	13,592,111	40,638	13,632,749
Federal	2,034,018	976,838	3,010,856
Total revenues	<u>\$ 23,109,843</u>	<u>\$ 1,174,244</u>	<u>\$ 24,284,087</u>
EXPENDITURES			
Current:			
Education	\$ 22,991,331	\$ 1,161,353	\$ 24,152,684
Debt service:			
Principal retirement	81,979	-	81,979
Interest and other fiscal charges	36,533	-	36,533
Total expenditures	<u>\$ 23,109,843</u>	<u>\$ 1,161,353</u>	<u>\$ 24,271,196</u>
Net change in fund balances	\$ -	\$ 12,891	\$ 12,891
Fund balances - beginning	-	219,270	219,270
Fund balances - ending	<u>\$ -</u>	<u>\$ 232,161</u>	<u>\$ 232,161</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	\$ 12,891
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded (did not exceed) depreciation in the current period.

Capital asset additions	\$ 721,781	
Depreciation in current year	(1,012,061)	
Adjustment for jointly owned assets	<u>1,087,318</u>	797,038

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(12,550)
--	----------

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.

81,979

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	\$ (4,741)	
Pension expense	592,681	
OPEB expense	54,883	
Accrued interest payable	<u>1,785</u>	644,608

Change in net position of governmental activities	\$ 1,523,966
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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, 2018

	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	\$ 1,981	\$ (1,519)
Charges for services	13,000	13,000	15,900	2,900
Miscellaneous	332,592	351,385	208,413	(142,972)
Intergovernmental:				
Local government	7,087,207	7,490,979	7,257,420	(233,559)
Commonwealth	13,478,999	13,808,581	13,592,111	(216,470)
Federal	2,267,293	2,412,678	2,034,018	(378,660)
Total revenues	<u>\$ 23,182,591</u>	<u>\$ 24,080,123</u>	<u>\$ 23,109,843</u>	<u>\$ (970,280)</u>
EXPENDITURES				
Current:				
Education	\$ 23,064,078	\$ 23,961,610	\$ 22,991,331	\$ 970,279
Debt service:				
Principal retirement	81,980	81,980	81,979	1
Interest and other fiscal charges	36,533	36,533	36,533	-
Total expenditures	<u>\$ 23,182,591</u>	<u>\$ 24,080,123</u>	<u>\$ 23,109,843</u>	<u>\$ 970,280</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 29

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
207,000	207,000	156,768	(50,232)
-	-	-	-
-	-	-	-
44,370	40,218	40,638	420
858,165	858,165	976,838	118,673
<u>\$ 1,109,535</u>	<u>\$ 1,105,383</u>	<u>\$ 1,174,244</u>	<u>\$ 68,861</u>
\$ 1,169,535	\$ 1,324,653	\$ 1,161,353	\$ 163,300
-	-	-	-
-	-	-	-
<u>\$ 1,169,535</u>	<u>\$ 1,324,653</u>	<u>\$ 1,161,353</u>	<u>\$ 163,300</u>
\$ (60,000)	\$ (219,270)	\$ 12,891	\$ 232,161
60,000	219,270	219,270	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,161</u>	<u>\$ 232,161</u>

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Supporting Schedules

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,312,000	\$ 8,312,000	\$ 7,898,768	\$ (413,232)
Real and personal public service corporation taxes	3,500,000	3,500,000	3,622,311	122,311
Personal property taxes	2,650,000	2,650,000	2,978,814	328,814
Mobile home taxes	50,000	50,000	49,881	(119)
Machinery and tools taxes	210,000	210,000	222,388	12,388
Merchants' capital taxes	180,000	180,000	192,159	12,159
Aircraft taxes	2,000	2,000	544	(1,456)
Penalties	170,000	170,000	191,656	21,656
Interest	170,000	170,000	167,760	(2,240)
Total general property taxes	<u>\$ 15,244,000</u>	<u>\$ 15,244,000</u>	<u>\$ 15,324,281</u>	<u>\$ 80,281</u>
Other local taxes:				
Local sales and use taxes	\$ 800,000	\$ 800,000	\$ 768,229	\$ (31,771)
Consumers' utility taxes	348,000	348,000	357,010	9,010
Franchise license taxes	65,000	65,000	61,125	(3,875)
Transient occupancy taxes	4,000	4,000	4,458	458
Motor vehicle licenses	334,000	334,000	341,152	7,152
Bank stock taxes	40,000	40,000	51,526	11,526
Taxes on recordation and wills	62,500	62,500	84,379	21,879
Total other local taxes	<u>\$ 1,653,500</u>	<u>\$ 1,653,500</u>	<u>\$ 1,667,879</u>	<u>\$ 14,379</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 4,000	\$ 4,000	\$ 3,568	\$ (432)
Permits and other licenses	58,550	58,550	216,089	157,539
Total permits, privilege fees, and regulatory licenses	<u>\$ 62,550</u>	<u>\$ 62,550</u>	<u>\$ 219,657</u>	<u>\$ 157,107</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 30,000	\$ 30,000	\$ 22,975	\$ (7,025)
Other fines and forfeitures	8,100	8,100	11,538	3,438
Total fines and forfeitures	<u>\$ 38,100</u>	<u>\$ 38,100</u>	<u>\$ 34,513</u>	<u>\$ (3,587)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 6,000	\$ 6,000	\$ 34,612	\$ 28,612
Revenue from use of property	113,000	113,000	79,769	(33,231)
Total revenue from use of money and property	<u>\$ 119,000</u>	<u>\$ 119,000</u>	<u>\$ 114,381</u>	<u>\$ (4,619)</u>
Charges for services:				
Sheriff's fees	\$ 1,416	\$ 1,416	\$ 1,326	\$ (90)
Charges for law library	2,400	2,400	2,793	393
Excess fees of clerk	4,700	4,700	5,208	508
Charges for courthouse maintenance	6,500	6,500	5,869	(631)
Charges for parks and recreation	-	-	25,473	25,473
Miscellaneous jail and inmate fees	1,000	1,000	941	(59)
Courthouse security fees	30,000	30,000	24,331	(5,669)
Charges for Commonwealth's Attorney	2,000	2,000	1,588	(412)
Charges for local court appointed attorney	2,000	2,000	3	(1,997)
Charges for sanitation and waste removal	17,000	17,000	20,064	3,064
Total charges for services	<u>\$ 67,016</u>	<u>\$ 67,016</u>	<u>\$ 87,596</u>	<u>\$ 20,580</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 32,000	\$ 32,000	\$ 22,880	\$ (9,120)
Service charge on tax exempt properties	10,000	10,000	4,274	(5,726)
Sale of salvage and surplus	-	-	920	920
Donations, etc (Sheriff)	-	-	5,000	5,000
Total miscellaneous	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 33,074</u>	<u>\$ (8,926)</u>
Recovered costs:				
Insurance recovery	\$ -	\$ 15,875	\$ 15,875	\$ -
Total recovered costs	<u>\$ -</u>	<u>\$ 15,875</u>	<u>\$ 15,875</u>	<u>\$ -</u>
Total revenue from local sources	<u>\$ 17,226,166</u>	<u>\$ 17,242,041</u>	<u>\$ 17,497,256</u>	<u>\$ 255,215</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications taxes	\$ 425,000	\$ 425,000	\$ 387,172	\$ (37,828)
Motor vehicle carriers' tax	12,000	12,000	27	(11,973)
Animal friendly plates - DMV	100	100	-	(100)
Mobile home titling tax	32,000	32,000	16,834	(15,166)
Grantor's tax on deeds	20,000	20,000	25,947	5,947
Auto rental tax	1,000	1,000	2,117	1,117
Forest product sales	15,000	15,000	18,338	3,338
Personal property tax relief funds	1,136,914	1,136,914	1,136,914	-
Total noncategorical aid	<u>\$ 1,642,014</u>	<u>\$ 1,642,014</u>	<u>\$ 1,587,349</u>	<u>\$ (54,665)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 208,339	\$ 208,339	\$ 206,079	\$ (2,260)
Sheriff	826,357	826,357	836,573	10,216
Commissioner of revenue	79,481	79,481	79,430	(51)
Treasurer	84,307	84,307	91,071	6,764
Registrar/electoral board	40,000	40,000	37,399	(2,601)
Clerk of the Circuit Court	189,913	189,913	197,233	7,320
Total shared expenses	<u>\$ 1,428,397</u>	<u>\$ 1,428,397</u>	<u>\$ 1,447,785</u>	<u>\$ 19,388</u>
Other categorical aid:				
Recordation tax	\$ 16,000	\$ 16,000	\$ 26,526	\$ 10,526
Fire program funds	55,000	55,000	55,827	827
Arts grant	5,000	4,500	4,500	-

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
4 for life	\$ -	\$ -	\$ 15,605	\$ 15,605
E-911 grants	44,000	44,000	47,825	3,825
Miscellaneous grants	7,155	26,260	3,500	(22,760)
Comprehensive Services Act program	1,254,544	1,254,544	1,236,433	(18,111)
Victim and witness assistance	-	69,283	15,367	(53,916)
Asset forfeiture DCJS	-	-	2,861	2,861
Total other categorical aid	<u>\$ 1,381,699</u>	<u>\$ 1,469,587</u>	<u>\$ 1,408,444</u>	<u>\$ (61,143)</u>
Total categorical aid	<u>\$ 2,810,096</u>	<u>\$ 2,897,984</u>	<u>\$ 2,856,229</u>	<u>\$ (41,755)</u>
Total revenue from the Commonwealth	<u>\$ 4,452,110</u>	<u>\$ 4,539,998</u>	<u>\$ 4,443,578</u>	<u>\$ (96,420)</u>
Revenue from the federal government:				
Categorical aid:				
State and community highway safety	\$ -	\$ -	\$ 35,395	\$ 35,395
Local law enforcement block grant	-	-	2,160	2,160
Emergency management grants	-	-	61,485	61,485
Victim Witness	-	-	46,102	46,102
Asset forfeiture funds	-	-	799	799
Comprehensive Services Act program - SSBG	-	-	11,398	11,398
Other grants	-	-	2,786	2,786
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,125</u>	<u>\$ 160,125</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,125</u>	<u>\$ 160,125</u>
Total General Fund	<u><u>\$ 21,678,276</u></u>	<u><u>\$ 21,782,039</u></u>	<u><u>\$ 22,100,959</u></u>	<u><u>\$ 318,920</u></u>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ 7,500	\$ 7,500	\$ 6,583	\$ (917)
Total revenue from local sources	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 6,583</u>	<u>\$ (917)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 495,859	\$ 502,391	\$ 482,675	\$ (19,716)
Total categorical aid	<u>\$ 495,859</u>	<u>\$ 502,391</u>	<u>\$ 482,675</u>	<u>\$ (19,716)</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 906,702	\$ 918,988	\$ 937,580	\$ 18,592
Total categorical aid	<u>\$ 906,702</u>	<u>\$ 918,988</u>	<u>\$ 937,580</u>	<u>\$ 18,592</u>
Total Virginia Public Assistance Fund	<u><u>\$ 1,410,061</u></u>	<u><u>\$ 1,428,879</u></u>	<u><u>\$ 1,426,838</u></u>	<u><u>\$ (2,041)</u></u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Federal tax credit	\$ 420,000	\$ 420,000	\$ 421,431	\$ 1,431
Total revenue from the federal government	\$ 420,000	\$ 420,000	\$ 421,431	\$ 1,431
Total Debt Service Fund	\$ 420,000	\$ 420,000	\$ 421,431	\$ 1,431
Debt Financed School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 133	\$ 133
Total revenue from use of money and property	\$ -	\$ -	\$ 133	\$ 133
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 133	\$ 133
Total Primary Government	\$ 23,508,337	\$ 23,630,918	\$ 23,949,361	\$ 318,443
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 3,500	\$ 3,500	\$ 1,981	\$ (1,519)
Charges for services:				
Tuition and other payments	\$ 13,000	\$ 13,000	\$ 15,900	\$ 2,900
Miscellaneous:				
Other miscellaneous	\$ 332,592	\$ 351,385	\$ 208,413	\$ (142,972)
Total revenue from local sources	\$ 349,092	\$ 367,885	\$ 226,294	\$ (141,591)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ 7,087,207	\$ 7,490,979	\$ 7,257,420	\$ (233,559)
Total revenues from local governments	\$ 7,087,207	\$ 7,490,979	\$ 7,257,420	\$ (233,559)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,309,932	\$ 2,312,712	\$ 2,199,680	\$ (113,032)
Basic school aid	6,245,510	6,448,735	6,446,043	(2,692)
ISAP	7,859	8,294	8,294	-
Remedial summer education	52,866	43,284	43,284	-
Regular foster care	11,010	7,804	7,804	-
Gifted and talented	60,146	61,734	61,734	-
Remedial education	348,348	357,542	357,542	-
Compensation Supplement	64,089	65,782	65,783	1
Special education- SOQ	890,919	914,434	914,434	-
Textbooks	137,560	141,191	141,191	-
Vocational standards of quality payments	219,284	225,072	225,072	-
Social security fringe benefits	380,927	390,982	390,982	-
Retirement fringe benefits	874,629	897,714	897,714	-
Group life fringe benefits	26,314	27,009	27,009	-
Early reading intervention	45,221	49,528	49,528	-
Project Graduation	3,824	3,823	3,823	-
Homebound education	10,462	9,745	9,744	(1)
Vocational education - equipment	7,710	8,063	4,558	(3,505)
Vocational occupational preparedness	31,643	25,780	25,814	34
Safe and stable families	2,100	2,100	2,100	-
At risk payments	449,283	460,888	463,608	2,720
Primary class size/K-3 initiative	429,093	418,054	418,054	-
Virginia Preschool Initiative	258,524	258,524	258,524	-
Standards of Learning algebra readiness	37,080	36,962	36,962	-
VPSA technology funds	154,000	200,787	114,194	(86,593)
Other state funds	420,666	432,038	418,636	(13,402)
Total categorical aid	\$ 13,478,999	\$ 13,808,581	\$ 13,592,111	\$ (216,470)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,375,143	\$ 1,544,221	\$ 1,207,098	\$ (337,123)
Title VI-B, special education flow-through	529,131	526,175	512,359	(13,816)
Title VI-B, special education pre-school	10,184	10,184	10,184	-
Vocational education	-	-	48,308	48,308
Title II, Part A	180,109	148,363	134,467	(13,896)
ROTC	60,000	58,719	56,188	(2,531)
Rural and low-income schools	68,526	58,708	59,215	507
Perkins VOC	44,200	48,308	-	(48,308)
Other federal funds	-	18,000	6,199	(11,801)
Total categorical aid	\$ 2,267,293	\$ 2,412,678	\$ 2,034,018	\$ (378,660)
Total School Operating Fund	\$ 23,182,591	\$ 24,080,123	\$ 23,109,843	\$ (970,280)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 207,000	\$ 207,000	\$ 156,768	\$ (50,232)
Total revenue from local sources	<u>\$ 207,000</u>	<u>\$ 207,000</u>	<u>\$ 156,768</u>	<u>\$ (50,232)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,347	\$ 11,122	\$ 11,122	\$ -
Breakfast After the Bell	6,187	6,187	5,648	(539)
School breakfast program	<u>26,836</u>	<u>22,909</u>	<u>23,868</u>	<u>959</u>
Total revenue from the Commonwealth	<u>\$ 44,370</u>	<u>\$ 40,218</u>	<u>\$ 40,638</u>	<u>\$ 420</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 833,165	\$ 833,165	\$ 891,094	\$ 57,929
Summer feeding program	-	-	13,370	13,370
USDA	25,000	25,000	-	(25,000)
Commodities	<u>-</u>	<u>-</u>	<u>72,374</u>	<u>72,374</u>
Total revenue from the federal government	<u>\$ 858,165</u>	<u>\$ 858,165</u>	<u>\$ 976,838</u>	<u>\$ 118,673</u>
Total School Cafeteria Fund	<u>\$ 1,109,535</u>	<u>\$ 1,105,383</u>	<u>\$ 1,174,244</u>	<u>\$ 68,861</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 24,292,126</u>	<u>\$ 25,185,506</u>	<u>\$ 24,284,087</u>	<u>\$ (901,419)</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 92,309	\$ 94,309	\$ 83,394	\$ 10,915
General and financial administration:				
County administrator	\$ 227,858	\$ 234,678	\$ 258,797	\$ (24,119)
Accounting and Auditing Services	45,000	45,000	45,000	-
Cost allocation plan	4,000	4,000	4,000	-
Commissioner of revenue	238,976	262,478	248,548	13,930
Treasurer	279,359	311,047	297,969	13,078
Finance/Human Resource	223,039	228,842	235,150	(6,308)
Information Technology	114,709	117,363	121,189	(3,826)
Total general and financial administration	\$ 1,132,941	\$ 1,203,408	\$ 1,210,653	\$ (7,245)
Board of elections:				
Electoral board and officials	\$ 67,698	\$ 67,698	\$ 46,461	\$ 21,237
Registrar	101,411	102,785	95,394	7,391
Total board of elections	\$ 169,109	\$ 170,483	\$ 141,855	\$ 28,628
Total general government administration	\$ 1,394,359	\$ 1,468,200	\$ 1,435,902	\$ 32,298
Judicial administration:				
Courts:				
Circuit court	\$ 14,890	\$ 14,890	\$ 930	\$ 13,960
General district court	9,242	9,242	7,466	1,776
Special magistrates	2,500	2,500	-	2,500
Clerk of the circuit court	365,152	376,106	368,683	7,423
Victim and witness assistance	-	69,283	61,540	7,743
Total courts	\$ 391,784	\$ 472,021	\$ 438,619	\$ 33,402
Commonwealth's attorney:				
Commonwealth's attorney	\$ 410,033	\$ 424,678	\$ 384,419	\$ 40,259
Total commonwealth's attorney	\$ 410,033	\$ 424,678	\$ 384,419	\$ 40,259
Total judicial administration	\$ 801,817	\$ 896,699	\$ 823,038	\$ 73,661
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,970,192	\$ 2,205,714	\$ 2,247,014	\$ (41,300)
Selective enforcement	-	-	38,633	(38,633)
Sheriff's fund	-	-	2,800	(2,800)
Total law enforcement and traffic control	\$ 1,970,192	\$ 2,205,714	\$ 2,288,447	\$ (82,733)

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 518,577	\$ 518,577	\$ 509,329	\$ 9,248
Ambulance and rescue services	196,200	211,805	211,355	450
Forest fire prevention	27,000	27,000	26,178	822
Emergency services	221,400	234,767	185,350	49,417
Total fire and rescue services	<u>\$ 963,177</u>	<u>\$ 992,149</u>	<u>\$ 932,212</u>	<u>\$ 59,937</u>
Correction and detention:				
Piedmont Regional Jail Authority	\$ 450,000	\$ 450,000	\$ 360,114	\$ 89,886
Piedmont Regional Juvenile Detention Center	60,000	60,000	20,325	39,675
Total correction and detention	<u>\$ 510,000</u>	<u>\$ 510,000</u>	<u>\$ 380,439</u>	<u>\$ 129,561</u>
Inspections:				
Building	\$ 120,414	\$ 129,641	\$ 136,200	\$ (6,559)
Total inspections	<u>\$ 120,414</u>	<u>\$ 129,641</u>	<u>\$ 136,200</u>	<u>\$ (6,559)</u>
Other protection:				
Animal control	\$ 150,171	\$ 161,478	\$ 165,880	\$ (4,402)
Medical Examiner	200	200	120	80
Southside Center for Violence Prevention	5,000	5,000	5,000	-
Total other protection	<u>\$ 155,371</u>	<u>\$ 166,678</u>	<u>\$ 171,000</u>	<u>\$ (4,322)</u>
Total public safety	<u>\$ 3,719,154</u>	<u>\$ 4,004,182</u>	<u>\$ 3,908,298</u>	<u>\$ 95,884</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,200	\$ 4,200	\$ 4,946	\$ (746)
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 4,200</u>	<u>\$ 4,200</u>	<u>\$ 4,946</u>	<u>\$ (746)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 883,142	\$ 1,144,805	\$ 1,197,782	\$ (52,977)
Anti-Litter	7,155	7,155	1,517	5,638
Total sanitation and waste removal	<u>\$ 890,297</u>	<u>\$ 1,151,960</u>	<u>\$ 1,199,299</u>	<u>\$ (47,339)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 661,027	\$ 684,397	\$ 647,724	\$ 36,673
Total maintenance of general buildings and grounds	<u>\$ 661,027</u>	<u>\$ 684,397</u>	<u>\$ 647,724</u>	<u>\$ 36,673</u>
Total public works	<u>\$ 1,555,524</u>	<u>\$ 1,840,557</u>	<u>\$ 1,851,969</u>	<u>\$ (11,412)</u>
Health and welfare:				
Health:				
Health Department	\$ 114,085	\$ 114,085	\$ 111,135	\$ 2,950
Total health	<u>\$ 114,085</u>	<u>\$ 114,085</u>	<u>\$ 111,135</u>	<u>\$ 2,950</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, 2018 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Piedmont Sr Resources Area on Aging	\$ 6,000	\$ 6,000	\$ 6,000	\$ -
Buckingham County active seniors	5,000	5,000	-	5,000
Tax relief for the elderly	-	-	22,890	(22,890)
Jaunt Inc transportation service	28,740	28,740	28,740	-
Piedmont area transit	10,000	10,000	10,000	-
VA legal aid	6,827	6,827	6,827	-
Pregnancy Support Center	5,000	5,000	5,000	-
Comprehensive services	1,592,461	1,592,461	1,622,877	(30,416)
Total welfare	<u>\$ 1,654,028</u>	<u>\$ 1,654,028</u>	<u>\$ 1,702,334</u>	<u>\$ (48,306)</u>
Total health and welfare	<u>\$ 1,805,113</u>	<u>\$ 1,805,113</u>	<u>\$ 1,850,469</u>	<u>\$ (45,356)</u>
Education:				
Other instructional costs:				
Contributions to colleges and agencies	\$ 51,719	\$ 51,719	\$ 50,719	\$ 1,000
Contribution to Buckingham County School Board	7,087,207	7,490,979	7,257,420	233,559
Total education	<u>\$ 7,138,926</u>	<u>\$ 7,542,698</u>	<u>\$ 7,308,139</u>	<u>\$ 234,559</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 164,890	\$ 170,543	\$ 175,083	\$ (4,540)
Programs	-	-	27,016	(27,016)
Ellis Acres Memorial Park	5,000	5,000	5,000	-
Total parks and recreation	<u>\$ 169,890</u>	<u>\$ 175,543</u>	<u>\$ 207,099</u>	<u>\$ (31,556)</u>
Cultural enrichment:				
Arts Council	\$ 10,000	\$ 9,000	\$ 9,000	\$ -
Longwood Center For the Visual Arts	1,063	1,063	1,063	-
Hatton ferry fund	2,000	2,000	2,000	-
VA Retreat	4,500	4,500	4,500	-
4-H	1,000	1,000	2,000	(1,000)
Total cultural enrichment	<u>\$ 18,563</u>	<u>\$ 17,563</u>	<u>\$ 18,563</u>	<u>\$ (1,000)</u>
Library:				
Regional library	\$ 166,036	\$ 166,036	\$ 166,036	\$ -
Total library	<u>\$ 166,036</u>	<u>\$ 166,036</u>	<u>\$ 166,036</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 354,489</u>	<u>\$ 359,142</u>	<u>\$ 391,698</u>	<u>\$ (32,556)</u>
Community development:				
Planning and community development:				
Planning	\$ 100,675	\$ 104,251	\$ 96,070	\$ 8,181
Planning District Commission	15,700	15,700	15,700	-
Economic Development	-	-	30	(30)
Longwood Small Business Development Center	5,849	5,849	5,849	-
Virginia's Growth Alliance	17,146	22,146	22,146	-
Total planning and community development	<u>\$ 139,370</u>	<u>\$ 147,946</u>	<u>\$ 139,795</u>	<u>\$ 8,151</u>
Environmental management:				
Peter Francisco Soil and Water Conservation	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total environmental management	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Cooperative extension office	\$ 86,524	\$ 88,990	\$ 86,341	\$ 2,649
Total cooperative extension program	\$ 86,524	\$ 88,990	\$ 86,341	\$ 2,649
Total community development	\$ 235,894	\$ 246,936	\$ 236,136	\$ 10,800
Nondepartmental:				
Proposed salary increase	\$ 187,000	\$ 76,141	\$ -	\$ 76,141
Bank Charges - Bank of America	30,000	30,000	5,887	24,113
Unemployment insurance	5,000	5,000	1,147	3,853
Worker's compensation	50,000	50,000	61,099	(11,099)
School sewer contract	90,000	90,000	90,000	-
Judgments and settlements	-	-	125,000	(125,000)
Total nondepartmental	\$ 362,000	\$ 251,141	\$ 283,133	\$ (31,992)
Capital projects:				
Library renovation	\$ -	\$ 23,753	\$ 23,753	\$ -
Solid Waste site	-	44,498	44,498	-
Radio system upgrade	-	46,518	46,485	33
Total capital projects	\$ -	\$ 114,769	\$ 114,736	\$ 33
Total General Fund	\$ 17,367,276	\$ 18,529,437	\$ 18,203,518	\$ 325,919
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,436,185	\$ 1,478,460	\$ 1,316,246	\$ 162,214
Public assistance	371,600	371,600	374,189	(2,589)
Total welfare and social services	\$ 1,807,785	\$ 1,850,060	\$ 1,690,435	\$ 159,625
Total Virginia Public Assistance Fund	\$ 1,807,785	\$ 1,850,060	\$ 1,690,435	\$ 159,625
Debt Service Fund:				
Debt service:				
Principal retirement	\$ 2,030,009	\$ 2,030,009	\$ 2,030,009	\$ -
Interest and other fiscal charges	1,460,568	1,460,568	1,439,728	20,840
Costs of issuance	-	-	72,090	(72,090)
Total Debt Service Fund	\$ 3,490,577	\$ 3,490,577	\$ 3,541,827	\$ (51,250)
Total Primary Government	\$ 22,665,638	\$ 23,870,074	\$ 23,435,780	\$ 434,294

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration of schools:				
Administration, attendance and health	\$ 1,214,488	\$ 1,219,488	\$ 1,217,943	\$ 1,545
Instruction	16,731,194	17,154,023	16,346,458	807,565
Operation and maintenance services	2,087,059	2,110,699	2,043,590	67,109
Pupil transportation	2,079,451	2,200,223	2,194,006	6,217
Facilities	-	300,000	299,000	1,000
Total administration of schools	<u>\$ 22,112,192</u>	<u>\$ 22,984,433</u>	<u>\$ 22,100,997</u>	<u>\$ 883,436</u>
Capital Projects:				
Technology	\$ 951,886	\$ 977,177	\$ 890,334	\$ 86,843
Total Capital Projects	<u>\$ 951,886</u>	<u>\$ 977,177</u>	<u>\$ 890,334</u>	<u>\$ 86,843</u>
Total education	<u>\$ 23,064,078</u>	<u>\$ 23,961,610</u>	<u>\$ 22,991,331</u>	<u>\$ 970,279</u>
Debt service:				
Principal retirement	\$ 81,980	\$ 81,980	\$ 81,979	\$ 1
Interest and other fiscal charges	36,533	36,533	36,533	-
Total debt service	<u>\$ 118,513</u>	<u>\$ 118,513</u>	<u>\$ 118,512</u>	<u>\$ 1</u>
Total School Operating Fund	<u>\$ 23,182,591</u>	<u>\$ 24,080,123</u>	<u>\$ 23,109,843</u>	<u>\$ 970,280</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,169,535	\$ 1,324,653	\$ 1,088,979	\$ 235,674
Commodities	-	-	72,374	(72,374)
Total school food services	<u>\$ 1,169,535</u>	<u>\$ 1,324,653</u>	<u>\$ 1,161,353</u>	<u>\$ 163,300</u>
Total education	<u>\$ 1,169,535</u>	<u>\$ 1,324,653</u>	<u>\$ 1,161,353</u>	<u>\$ 163,300</u>
Total School Cafeteria Fund	<u>\$ 1,169,535</u>	<u>\$ 1,324,653</u>	<u>\$ 1,161,353</u>	<u>\$ 163,300</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 24,352,126</u>	<u>\$ 25,404,776</u>	<u>\$ 24,271,196</u>	<u>\$ 1,133,580</u>

Statistical Information

COUNTY OF BUCKINGHAM, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government			Judicial Administration		Public Safety		Public Works		Health and Welfare		Education		Parks, Recreation, and Cultural		Community Development		Interest on Long-Term Debt		Water and Sewer Funds		Total
	Admini- stration	Admini- stration	Admini- stration	Admini- stration	Admini- stration	Public Safety	Public Safety	Public Works	Public Works	Health and Welfare	Health and Welfare	Education	Education	Recreation, and Cultural	Recreation, and Cultural	Develop- ment	Develop- ment	on Long- Term Debt	on Long- Term Debt	Water and Sewer Funds	Water and Sewer Funds	
2008-09	\$ 1,321,992	\$ 865,246	\$ 2,688,440	\$ 1,437,105	\$ 2,859,230	\$ 5,855,367	\$ 306,125	\$ 191,422	\$ 829,980	\$ 1,074,621	\$ 17,429,528											
2009-10	1,559,861	896,908	2,670,689	1,422,145	2,612,133	4,994,689	291,273	189,236	780,565	1,203,612	16,621,111											
2010-11	1,384,736	917,801	2,762,662	1,408,760	2,737,450	6,040,884	325,171	201,937	1,165,465	1,207,953	18,152,819											
2011-12	1,257,550	985,318	2,690,813	1,451,262	2,939,399	6,306,702	348,226	188,906	1,569,248	1,268,953	19,006,377											
2012-13	2,595,482	1,035,208	3,363,851	1,498,252	2,239,623	7,749,790	387,451	193,740	1,569,221	1,267,501	21,900,119											
2013-14	1,685,556	1,060,639	3,842,550	1,529,098	3,294,797	8,147,210	389,563	207,163	1,553,742	1,580,946	23,291,264											
2014-15	1,565,410	1,002,077	4,017,264	1,646,492	3,523,182	8,427,308	432,069	218,033	1,436,287	1,615,778	23,883,900											
2015-16	1,700,580	987,071	3,653,291	1,653,036	3,555,122	8,666,368	413,473	220,325	1,382,617	1,662,310	23,894,193											
2016-17	1,463,715	1,061,769	3,594,958	1,706,511	3,512,614	8,998,345	438,922	411,948	1,326,584	1,521,786	24,037,152											
2017-18	1,601,653	1,001,768	3,922,202	1,866,685	3,427,967	9,317,443	437,508	282,258	1,269,360	1,543,224	24,670,068											

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	Not Restricted to Specific Programs (2)	Gain on Disposal of Assets	Total
2008-09	\$ 1,698,605	\$ 3,847,111	\$ 1,835,364	\$ 9,894,353	\$ 1,865,115	\$ 178,571	\$ 104,985	\$ 1,206,892	\$ -	\$ 20,630,996
2009-10	1,831,477	3,452,561	860,616	12,489,199	3,129,756	114,255	110,822	1,650,350	-	23,639,036
2010-11	1,802,334	3,593,877	313,505	10,616,164	1,558,471	114,818	105,766	1,643,192	-	19,748,127
2011-12	1,720,579	3,680,538	463,673	11,745,730	1,405,633	94,894	56,144	1,617,869	-	20,785,060
2012-13	1,762,976	3,900,775	5,911,322	12,678,306	1,440,590	75,566	56,263	1,652,039	-	27,477,837
2013-14	1,898,194	4,315,514	723,746	12,986,630	1,604,503	85,167	87,704	1,673,742	-	23,375,200
2014-15	1,902,629	4,299,529	970,564	13,631,179	1,663,458	83,592	71,861	1,626,021	-	24,248,833
2015-16	1,811,877	4,446,058	2,190,206	15,796,716	1,531,218	88,822	32,599	1,604,344	-	27,501,840
2016-17	1,805,861	4,517,168	2,652,093	15,240,213	1,544,266	97,973	41,055	1,621,690	-	27,520,319
2107-18	1,971,648	4,436,609	927,906	15,316,841	1,667,879	114,609	43,353	1,587,349	5,211	26,071,405

(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																
2008-09 \$	1,205,801	\$	600,952	\$	3,281,609	\$	1,290,292	\$	2,844,876	\$	22,981,348	\$	181,164	\$	1,896,398	\$	34,751,658
2009-10	1,456,324		632,614		2,616,176		1,277,735		2,619,740		22,756,388		178,977		1,866,657		34,054,051
2010-11	1,153,471		654,802		2,587,032		1,268,721		2,745,685		21,371,496		191,679		1,812,632		32,299,153
2011-12	1,228,193		726,999		2,519,559		1,541,936		2,933,693		21,963,359		178,648		2,593,520		34,198,378
2012-13	1,429,691		737,529		3,316,080		1,385,267		3,139,453		21,565,379		183,482		3,944,365		36,234,567
2013-14	1,521,630		802,694		3,528,585		1,409,089		3,237,366		22,805,455		196,905		4,811,303		38,887,907
2014-15	1,352,741		765,866		3,994,971		1,532,059		3,535,951		23,693,675		210,616		3,203,387		38,883,101
2015-16	1,456,920		780,627		3,616,697		1,537,630		3,584,376		24,182,516		212,814		3,194,871		39,135,257
2016-17	1,368,455		832,656		3,495,764		1,588,409		3,470,753		23,282,800		360,841		3,591,459		38,513,293
2017-18	1,435,902		823,038		3,908,298		1,851,969		3,540,904		24,203,403		236,136		3,660,339		40,334,820

(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
2008-09	\$	9,451,458	\$	1,865,115	\$	75,292	\$	68,577	\$	127,372	\$	409,788	\$	850,476	\$	37,901	\$	22,393,726	35,279,705
2009-10		9,741,625		3,129,756		84,822		58,038		77,656		357,233		714,329		30,929		21,705,834	35,900,222
2010-11		10,563,656		1,558,471		61,439		56,670		69,642		338,340		906,055		22,447		20,923,637	34,500,357
2011-12		11,465,915		1,405,633		58,249		44,598		62,663		350,436		784,144		3,034		21,201,190	35,375,862
2012-13		12,443,638		1,440,590		85,392		78,760		67,085		336,213		926,178		-		21,294,948	36,672,804
2013-14		13,147,771		1,604,503		60,746		54,451		84,140		328,259		852,561		-		22,217,446	38,349,877
2014-15		13,495,901		1,663,458		57,211		48,488		86,870		310,933		815,594		-		22,662,073	39,140,528
2015-16		15,710,523		1,531,218		63,097		37,720		94,724		303,587		511,867		-		23,225,245	41,477,981
2016-17		15,179,208		1,544,266		80,714		34,051		101,148		283,853		291,014		-		22,881,258	40,395,512
2017-18		15,324,281		1,667,879		219,657		34,513		116,362		260,264		248,070		15,875		23,088,994	40,975,895

- (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 Year of the Levy										Percent of		Percent of Delinquent Taxes to Tax Levy
	Total Tax Levy (1)	Amount Collected (1,3)		Percent of Levy Collected	Delinquent Tax Collections (1)		Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)				
2008-09	\$ 10,777,878	\$ 9,787,442		90.81%	\$ 878,099	\$ 10,665,541	98.96%	\$ 112,337		1.04%			
2009-10	10,589,590	9,923,038		93.71%	550,234	10,473,272	98.90%	116,318		1.10%			
2010-11	11,439,032	10,550,992		92.24%	770,423	11,321,415	98.97%	117,617		1.03%			
2011-12	12,433,137	11,649,756		93.70%	640,616	12,290,372	98.85%	142,765		1.15%			
2012-13	13,446,472	12,776,284		95.02%	511,427	13,287,711	98.82%	158,761		1.18%			
2013-14	13,805,588	13,240,204		95.90%	379,842	13,620,046	98.66%	185,542		1.34%			
2014-15	14,467,711	13,743,751		95.00%	502,881	14,246,632	98.47%	221,079		1.53%			
2015-16	16,658,592	15,801,943		94.86%	569,229	16,371,172	98.27%	287,420		1.73%			
2016-17	16,015,659	15,123,883		94.43%	493,585	15,617,468	97.51%	398,191		2.49%			
2017-18	15,983,840	15,084,303		94.37%	-	15,084,303	94.37%	899,537		5.63%			

(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		Machinery and Tools	Merchants' Capital	Public		Aircraft (3)	Total
		Homes (1)	and Mobile			Service (2,4,5)			
2008-09	\$ 1,421,037,892	\$ 110,182,035	\$ 8,250,120	\$ 10,032,815	\$ 83,407,789	\$ -	\$		1,632,910,651
2009-10	1,431,613,499	104,059,189	7,949,090	10,486,865	76,947,351	2,073,500			1,633,129,494
2010-11	1,445,038,406	102,709,557	7,411,150	11,029,035	274,324,587	147,150			1,840,659,885
2011-12	1,452,096,856	104,942,505	7,685,500	12,406,003	466,323,519	151,500			2,043,605,883
2012-13	1,461,765,706	107,585,400	8,184,860	17,701,611	647,876,531	139,400			2,243,253,508
2013-14	1,447,598,003	108,393,316	7,216,720	17,311,230	647,182,004	135,200			2,227,836,473
2014-15	1,419,142,650	101,741,211	7,016,330	17,054,639	641,413,099	134,400			2,186,502,329
2015-16	1,412,731,450	103,671,456	7,255,010	18,854,949	962,370,653	130,400			2,505,013,918
2016-17	1,418,184,000	109,294,993	7,425,880	19,487,757	673,628,750	126,400			2,228,147,780
2017-18	1,425,087,600	112,131,988	7,479,530	19,318,250	640,842,630	99,000			2,204,958,998

(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					
2008-09	\$ 0.44	\$ 0.44	\$ 0.44	\$ 4.05	\$ 2.90	\$ 1.00	-
2009-10	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2010-11	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2011-12	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2012-13	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2013-14	0.44	0.50	0.44	4.05	2.90	1.00	0.55
2014-15	0.50	0.50	0.50	4.05	2.90	1.00	0.55
2015-16	0.50	0.55	0.50	4.05	2.90	1.00	0.55
2016-17	0.55	0.55	0.55	4.05	2.90	1.00	0.55
2017-18	0.55	0.55	0.55	4.05	2.90	1.00	0.55

(1) Per \$100 of assessed value.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Less:		Gross Bonded Debt (3)	Ratio of		Net Bonded Debt per Capita
			Debt Service Monies Available	Net Bonded Debt		Net Bonded Debt to Assessed Value		
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	2,186,502	-	-	31,853,527	1.46%	1,875	
2016-17	16,913	2,505,014	-	-	31,272,870	1.25%	1,849	
2017-18	16,957	2,228,148	-	-	29,107,711	1.31%	1,717	

(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
2008-09	\$ 1,010,442	\$ 885,956	\$ 1,896,398	\$ 34,751,658	5.46%
2009-10	1,030,872	835,785	1,866,657	34,054,051	5.48%
2010-11	830,343	982,289	1,812,632	32,299,153	5.61%
2011-12	1,343,921	1,249,599	2,593,520	34,198,378	7.58%
2012-13	2,029,962	1,914,403	3,944,365	36,234,567	10.89%
2013-14	2,979,397	1,831,906	4,811,303	38,887,907	12.37%
2014-15	1,508,581	1,694,806	3,203,387	38,883,101	8.24%
2015-16	1,562,051	1,632,820	3,194,871	39,135,257	8.16%
2016-17	2,025,176	1,756,691	3,781,867	38,513,293	9.82%
2017-18	2,111,988	1,476,261	3,588,249	40,334,820	8.90%

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

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COMPLIANCE

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Members of
The Board of Supervisors
County of 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, 2018, and the related notes to the financial statements, which collectively comprise County of Buckingham, Virginia's basic financial statements and have issued our report thereon dated February 18, 2019.

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, Farner, Cox Associates

Charlottesville, Virginia

February 18, 2019

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, 2018. 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, 2018.

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 a 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

February 18, 2019

COUNTY OF BUCKINGHAM, VIRGINIA

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Sub- recipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Promoting Safe and Stable Families	93.556	0950116/0950117	\$ 7,294	\$ -
Temporary Assistance for Needy Families (TANF)	93.558	0400117/0400118	155,538	-
Refugee and Entrant Assistance - State Administered Programs	93.566	0500117/0500118	241	-
Low-Income Home Energy Assistance	93.568	0600417/0600418	21,008	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760117/0760118	24,993	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900117	484	-
Foster Care - Title IV-E	93.658	1100117/1100118	113,100	-
Adoption Assistance	93.659	1120117/1120118	81,264	-
Social Services Block Grant	93.667	1000117/1000118	113,656	-
Chafee Foster Care Independence Program	93.674	9150117/9150118	1,362	-
Children's Health Insurance Program (CHIP)	93.767	0540117/0540118	8,294	-
Medical Assistance Program	93.778	1200117/1200118	212,190	-
Total Department of Health and Human Services			\$ 739,424	\$ -
Department of Agriculture:				
Direct Payments:				
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 506,475	\$ -
Total Department of Agriculture - direct payments			\$ 506,475	\$ -
Pass Through Payments:				
Child Nutrition Cluster:				
Virginia Department of Agriculture and Consumer Services:				
Food Distribution - School Nutrition Program	10.555	402540	\$ 71,629	
Virginia Department of Education:				
National School Lunch Program	10.555	402540	598,646	\$ 670,275
Virginia Department of Agriculture and Consumer Services:				
Food Distribution - Summer Food Service Program for Children	10.559	Unknown	\$ 746	
Virginia Department of Health:				
Summer Food Service Program for Children	10.559	58857	13,370	14,116
Virginia Department of Education:				
School Breakfast Program	10.553	402530	292,447	\$ 976,838 \$ -
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010117/ 0010118/0040117/0040118	209,554	-
Total Department of Agriculture - pass-through payments			\$ 1,186,392	\$ -
Total Department of Agriculture			\$ 1,692,867	\$ -

COUNTY OF BUCKINGHAM, VIRGINIA

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Sub- recipients
Department of Defense:				
Direct Payments:				
ROTC	12.U00	N/A	\$ 56,188	\$ -
Total Department of Defense			\$ 56,188	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	110273/(112485) EMP-2017-EP-00006	\$ 15,000	\$ -
Homeland Security Grant Program (SHSP)	97.067	(110274)EMW-2016-SS-00083	46,485	-
Total Department of Homeland Security			\$ 61,485	\$ -
Department of Justice:				
Direct payments:				
State Criminal Alien Assistance Program	16.606	N/A	\$ 127	\$ 127
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	18-B4000VW16	\$ 46,102	\$ -
Bulletproof Vest Partnership Program	16.607	Unknown	2,659	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	17-S1127LO16	2,160	-
Total Department of Justice - pass-through			\$ 50,921	\$ -
Total Department of Justice			\$ 51,048	\$ 127
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	SC-2017-57247-6896 FSC-2018-58267-8267	\$ 11,559	
National Priority Safety Programs	20.616	M6OT-2017-57241-6890 M6OT-2018-58388-8388	23,836	35,395
Total Department of Transportation			\$ 35,395	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I - Grants to Local Educational Agencies	84.010	429010/428920	\$ 1,207,098	\$ -
Special Education Cluster:				
Special Education - Grants to States	84.027	430710	\$ 512,359	
Special Education - Preschool Grants	84.173	625210	10,184	522,543
Career and Technical Education - Basic Grants to States	84.048	610950		48,308
Rural Education	84.358	434810		59,215
Improving Teacher Quality State Grants	84.367	614800		134,467
Student Support and Academic Enrichment Program	84.424	602810		5,404
Virginia Polytechnic Institute:				
English Language Acquisition State Grants	84.365	S365A170046	795	-
Total Department of Education			\$ 1,977,830	\$ -
Total Expenditures of Federal Awards			\$ 4,614,237	\$ 127

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, 2018

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, 2018. 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, 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

Of the federal expenditures presented in the schedule, County of Buckingham, Virginia provided \$127 of federal awards under 16.606 to subrecipients.

Note 5 - Indirect Costs

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

Note 6 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 160,125
Special Revenue Fund:	
Virginia Public Assistance Fund	937,580
Debt Service Fund	421,431
Proprietary Funds:	
Water and Sewer Funds (including loan proceeds)	506,475
Total primary government	<u>\$ 2,025,611</u>

Component Unit School Board:

School Operating Fund	\$ 2,034,018
School Cafeteria Fund	976,838
Total component unit school board	<u>\$ 3,010,856</u>

Total federal expenditures per basic financial statements	<u>\$ 5,036,467</u>
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BABs interest subsidy	\$ (421,431)
Unspent equitable sharing funds	<u>(799)</u>

Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 4,614,237</u></u>
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COUNTY OF BUCKINGHAM, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
93.778	Medical Assistance Program

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, 2018

There were no findings reported for the year ended June 30, 2017.