

COUNTY OF
BUCKINGHAM, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2011

County of Buckingham, Virginia

Financial Report

Year Ended June 30, 2011

COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report
Year Ended June 30, 2011

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BOARD OF SUPERVISORS

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I. Monroe Snoddy	Brian D. Bates	Danny R. Allen

BOARD OF SOCIAL SERVICES

Betty Toney, Chairman
Ophelia Washington
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COUNTY SCHOOL BOARD

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Russell P. Gowin	Sherry Ragland	Kathy Midkiff

OTHER OFFICIALS

Judge of the Circuit Court
Clerk of the Circuit Court
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

Richard S. Blanton
Malcolm A. Booker, Jr.
Robert Woodson, Jr.
E.M. Wright, Jr.
Stephanie L. Midkiff
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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

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

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 the County of Buckingham, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Buckingham, Virginia's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the County of Buckingham, Virginia, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, the County of Buckingham, Virginia adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2012, on our consideration of the County of Buckingham, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of pension funding progress 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 schedule of pension funding progress 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 management's discussion and analysis and schedule of pension funding progress 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Buckingham, Virginia's financial statements as a whole. The combining and individual fund statements and schedules, supporting schedules, and other statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The other statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Robinson, Farmer, & Associates

Charlottesville, Virginia

February 3, 2012

**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, 2011.

Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$15,078,578 (net assets). For business-type activities, assets exceeded liabilities by \$9,433,591.

Fund Financial Statements

In the Governmental Funds, on a current financial resource basis, revenues and other financing sources exceeded expenditures by \$16,720,169 (Exhibit 5) after making contributions totaling \$5,528,509 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$25,345,907, an increase of \$16,720,169 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,590,539 or 40% of total general fund expenditures.
- Combined long-term obligations for the governmental funds increased \$24,947,649 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported revenues and other financing sources in excess of expenses by \$609,113.

- As of the close of the current fiscal year, the County's proprietary funds reported ending net assets of \$9,433,591, an increase of \$609,113.
- Combined long-term obligations in the proprietary funds decreased \$129,292 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Overview of the Financial Statements: (Continued)

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

Overview of the Financial Statements: (Continued)

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets exceeded liabilities by \$15,078,578 at the close of the most recent fiscal year.

Summary Statement of Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other assets	\$ 32,757,332	\$ 13,725,216	\$ 2,670,195	\$ 2,962,273	\$ 35,427,527	\$ 16,687,489
Capital assets	29,184,029	20,272,150	10,353,467	9,585,802	39,537,496	29,857,952
Total assets	<u>\$ 61,941,361</u>	<u>\$ 33,997,366</u>	<u>\$ 13,023,662</u>	<u>\$ 12,548,075</u>	<u>\$ 74,965,023</u>	<u>\$ 46,545,441</u>
Liabilities:						
Long-term liabilities	\$ 43,641,835	\$ 18,694,186	\$ 3,567,096	\$ 3,696,388	\$ 47,208,931	\$ 22,390,574
Current liabilities	3,220,948	1,211,233	22,975	27,209	3,243,923	1,238,442
Total liabilities	<u>\$ 46,862,783</u>	<u>\$ 19,905,419</u>	<u>\$ 3,590,071</u>	<u>\$ 3,723,597</u>	<u>\$ 50,452,854</u>	<u>\$ 23,629,016</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 4,163,156	\$ 2,784,089	\$ 6,836,592	\$ 5,936,812	\$ 10,999,748	\$ 8,720,901
Restricted	67,292	-	1,018,333	679,516	1,085,625	679,516
Unrestricted	10,848,130	11,307,858	1,578,666	2,208,150	12,426,796	13,516,008
Total net assets	<u>\$ 15,078,578</u>	<u>\$ 14,091,947</u>	<u>\$ 9,433,591</u>	<u>\$ 8,824,478</u>	<u>\$ 24,512,169</u>	<u>\$ 22,916,425</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 \$10,999,748. 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 increased by \$8,911,879 during the current fiscal year, which was somewhat offset by depreciation. The increase is attributable to the new County administration building and the school renovation project, which must be reported on the County's books because it is being funded by debt.

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net assets by \$986,631 during the fiscal year, while business-type activities increased the County's net assets by 609,113. This resulted in a total increase of \$1,595,744. Key elements of this increase are as follows:

Summary Statement of Changes in Net Assets						
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 204,217	\$ 234,722	\$ 1,598,117	\$ 1,596,755	\$ 1,802,334	\$ 1,831,477
Operating grants and contributions	3,593,877	3,451,605	-	956	3,593,877	3,452,561
Capital grants and contributions	94,808	-	218,697	860,616	313,505	860,616
General revenues:						
General property taxes	10,616,164	12,489,199	-	-	10,616,164	12,489,199
Other local taxes	1,558,471	3,129,756	-	-	1,558,471	3,129,756
Grants and other contributions not restricted	1,643,192	1,650,350	-	-	1,643,192	1,650,350
Use of money and property	114,566	113,901	252	354	114,818	114,255
Miscellaneous	105,766	100,172	-	10,650	105,766	110,822
Gain on disposal of capital assets	-	-	-	-	-	-
Total revenues	\$ 17,931,061	\$ 21,169,705	\$ 1,817,066	\$ 2,469,331	\$ 19,748,127	\$ 23,639,036
Expenses:						
General government administration	\$ 1,384,736	\$ 1,559,861	\$ -	\$ -	\$ 1,384,736	\$ 1,559,861
Judicial administration	917,801	896,908	-	-	917,801	896,908
Public safety	2,762,662	2,670,689	-	-	2,762,662	2,670,689
Public works	1,408,760	1,422,145	-	-	1,408,760	1,422,145
Health and welfare	2,737,450	2,612,133	-	-	2,737,450	2,612,133
Education	6,040,884	4,994,689	-	-	6,040,884	4,994,689
Parks, recreation, and cultural	325,171	291,273	-	-	325,171	291,273
Community development	201,937	189,236	-	-	201,937	189,236
Interest on long-term debt	1,165,465	780,565	-	-	1,165,465	780,565
Water and Sewer	-	-	1,207,953	1,203,612	1,207,953	1,203,612
Total expenses	\$ 16,944,866	\$ 15,417,499	\$ 1,207,953	\$ 1,203,612	\$ 18,152,819	\$ 16,621,111
Increase (decrease) in net assets before transfers	\$ 986,195	\$ 5,752,206	\$ 609,113	\$ 1,265,719	\$ 1,595,308	\$ 7,017,925
Transfers	436	-	-	-	436	-
Increase (decrease) in net assets	\$ 986,631	\$ 5,752,206	\$ 609,113	\$ 1,265,719	\$ 1,595,744	\$ 7,017,925
Net assets, July 1, as restated	14,091,947	8,339,741	8,824,478	7,558,759	22,916,425	15,898,500
Net assets, June 30	\$ 15,078,578	\$ 14,091,947	\$ 9,433,591	\$ 8,824,478	\$ 24,512,169	\$ 22,916,425

Government-wide Financial Analysis: (Continued)

Revenues decreased by \$3,238,644 in fiscal year 2011 due to several factors. The decrease in property taxes is attributable to the reporting of taxes receivable in accordance with GASB 33. There was a substantial increase in sales taxes in fiscal year 2010 due to a new power plant being built in the County. Business-type activities showed a decrease in capital grants, due to the completion of the sewer project that was funded by a Rural Development grant. The County contribution to the School Board has been adjusted for debt service. Debt service payments were shown as being made from the General Fund as opposed to the School Operating Fund. The effect of this presentation is an adjustment to the local contribution to School Board. The change in education expenditures amounted to \$1,046,195. For the most part, expenses were relatively constant. Although interest on long-term debt increased due to new debt incurred during the fiscal year.

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 \$25,345,907, an increase of \$16,720,169 in comparison with the prior year. Approximately 22% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reflected as nonspendable, restricted, or committed as appropriate to indicate that it is not available for new spending.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$1,039,249 in expenditures and can be briefly summarized as follows:

- \$67,626 in increases for judicial administration
- \$92,521 in increases for public safety
- \$1,004,488 in increases for education
- \$125,386 in net decreases

A portion of this increase (\$6,656) was due to a change in anticipated funding from intergovernmental revenues. The remainder was to be budgeted from available fund balance. During the year, however, expenditures were less than budgetary estimates by \$3,481,731, thus eliminating the need to use existing fund balance.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2011 amounts to \$29,184,029 (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 increased by \$8,911,879 during the current fiscal year, which includes an increase of \$268,128 in accumulated depreciation. The county government complex, Gene Dixon Park expansion, and school renovation projects are reflected as construction in progress at year-end as the projects were not complete at year end.

Capital Asset and Debt Administration: (Continued)

The County's investment in capital assets for its proprietary funds amounts to \$10,353,467 (net of accumulated depreciation). 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 \$767,665 during the current fiscal year, including an increase of \$312,782 in accumulated depreciation. Additions during fiscal year 2011 include intangible assets consisting of wetland and stream mitigation credits required in connection with system upgrades. The design phase of the new sewer plant is still underway and reflected as construction in progress at year end.

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

Long-term debt - At the end of the current fiscal year, the County had total long-term debt outstanding of \$43,641,835 for its governmental operations. Of this amount \$19,137,903 comprises debt backed by the full faith and credit of the County, including compensated absences of \$321,683. The remainder of the County's debt for governmental operations (\$9,255,000) represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds) and interim financing of \$14,343,329. In addition to the interim financing, a general obligation bond was issued for the school renovation project. The County also refinanced the courthouse bond and used certain proceeds for the County administration building project. Business-type debt of \$3,567,096 is comprised of \$1,503,256 bonds secured solely by water and sewer revenues, loans totaling \$2,009,869 from the Virginia Resources Authority, compensated absences of \$50,221, and an intergovernmental loan in the amount of \$3,750 due to an agreement with the Town of Dillwyn, where the County took possession of the Town's sewer system.

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 8.0 percent, which is a slight decrease from a rate of 9.1 percent a year ago. This is higher than the state's average unemployment rate of 6.0 percent and favors comparably to the national average rate of 8.5 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2012 fiscal year.

The fiscal year 2012 budget amounted to \$18,919,135 (does not include School Fund). The budget includes capital improvements.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets

June 30, 2011

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		School Board
ASSETS				
Cash and cash equivalents	\$ 8,288,839	\$ 1,574,530	\$ 9,863,369	\$ 2,007,342
Investments in custody of others	18,299,279	-	18,299,279	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	4,409,933	-	4,409,933	-
Accounts receivable	72,404	99,779	172,183	61,374
Internal balances	22,447	(22,447)	-	-
Due from component unit	747,791	-	747,791	-
Due from other governmental units	612,039	-	612,039	355,819
Prepaid expenses	1,625	-	1,625	337,106
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	33,332	1,018,333	1,051,665	-
Other assets:				
Unamortized bond issue costs	269,643	-	269,643	-
Capital assets (net of accumulated depreciation):				
Land	571,884	170,974	742,858	277,809
Intangibles	-	712,100	712,100	-
Buildings, improvements, and system	16,402,672	7,915,676	24,318,348	7,829,186
Improvements other than buildings	-	-	-	892,401
Machinery and equipment	537,523	407,179	944,702	1,416,596
Construction in progress	11,671,950	1,147,538	12,819,488	1,970,754
Total assets	<u>\$ 61,941,361</u>	<u>\$ 13,023,662</u>	<u>\$ 74,965,023</u>	<u>\$ 15,148,387</u>
LIABILITIES				
Accounts payable	\$ 262,346	\$ 6,993	\$ 269,339	\$ 5,780
Accrued liabilities	-	-	-	1,592,070
Contracts payable	1,914,074	-	1,914,074	-
Retainage payable	441,665	-	441,665	89,340
Customers' deposits	-	3,057	3,057	-
Accrued interest payable	307,553	12,925	320,478	-
Due to primary government	-	-	-	747,791
Unearned revenue	295,310	-	295,310	-
Long-term liabilities:				
Due within one year	15,828,150	136,193	15,964,343	57,114
Due in more than one year	27,813,685	3,430,903	31,244,588	514,027
Liabilities payable from restricted assets	-	-	-	-
Total liabilities	<u>\$ 46,862,783</u>	<u>\$ 3,590,071</u>	<u>\$ 50,452,854</u>	<u>\$ 3,006,122</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 4,163,156	\$ 6,836,592	\$ 10,999,748	\$ 12,386,746
Restricted for:				
Sheriff's fund - DCJS	45,298	-	45,298	-
Courthouse security	21,994	-	21,994	-
Debt service and bond covenants	-	302,333	302,333	-
Water plant capital improvements	-	716,000	716,000	-
Unrestricted (deficit)	10,848,130	1,578,666	12,426,796	(244,481)
Total net assets	<u>\$ 15,078,578</u>	<u>\$ 9,433,591</u>	<u>\$ 24,512,169</u>	<u>\$ 12,142,265</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, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,384,736	\$ 56,692	\$ 231,165	\$ 61,320
Judicial administration	917,801	66,727	368,341	-
Public safety	2,762,662	36,757	877,811	-
Public works	1,408,760	22,633	6,636	-
Health and welfare	2,737,450	-	2,109,924	-
Education	6,040,884	-	-	-
Parks, recreation, and cultural	325,171	21,408	-	33,488
Community development	201,937	-	-	-
Interest on long-term debt	1,165,465	-	-	-
Total governmental activities	<u>\$ 16,944,866</u>	<u>\$ 204,217</u>	<u>\$ 3,593,877</u>	<u>\$ 94,808</u>
Business-type activities:				
Water and Sewer Funds	\$ 1,207,953	\$ 1,598,117	\$ -	\$ 218,697
Total business-type activities	<u>\$ 1,207,953</u>	<u>\$ 1,598,117</u>	<u>\$ -</u>	<u>\$ 218,697</u>
Total primary government	<u><u>\$ 18,152,819</u></u>	<u><u>\$ 1,802,334</u></u>	<u><u>\$ 3,593,877</u></u>	<u><u>\$ 313,505</u></u>
COMPONENT UNIT:				
School Board	\$ 22,265,414	\$ 252,232	\$ 15,625,248	\$ 126,428
Total component unit	<u>\$ 22,265,414</u>	<u>\$ 252,232</u>	<u>\$ 15,625,248</u>	<u>\$ 126,428</u>

General revenues:

General property taxes

Local sales and use taxes

Consumers' utility taxes

Motor vehicle licenses

Other local taxes

Payment from County of Buckingham - Education

Unrestricted revenues from use of money and property

Miscellaneous

Grants and contributions not restricted to specific programs

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning, as restated

Net assets - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (1,035,559)	\$ -	\$ (1,035,559)	
(482,733)	-	(482,733)	
(1,848,094)	-	(1,848,094)	
(1,379,491)	-	(1,379,491)	
(627,526)	-	(627,526)	
(6,040,884)	-	(6,040,884)	
(270,275)	-	(270,275)	
(201,937)	-	(201,937)	
(1,165,465)	-	(1,165,465)	
<u>\$ (13,051,964)</u>	<u>\$ -</u>	<u>\$ (13,051,964)</u>	
\$ -	\$ 608,861	\$ 608,861	
\$ -	\$ 608,861	\$ 608,861	
<u>\$ (13,051,964)</u>	<u>\$ 608,861</u>	<u>\$ (12,443,103)</u>	
			\$ (6,261,506)
			<u>\$ (6,261,506)</u>
\$ 10,616,164	\$ -	\$ 10,616,164	\$ -
722,434	-	722,434	-
342,468	-	342,468	-
333,382	-	333,382	-
160,187	-	160,187	-
-	-	-	6,280,657
114,566	252	114,818	625
105,766	-	105,766	801,289
1,643,192	-	1,643,192	-
436	-	436	-
<u>\$ 14,038,595</u>	<u>\$ 252</u>	<u>\$ 14,038,847</u>	<u>\$ 7,082,571</u>
\$ 986,631	\$ 609,113	\$ 1,595,744	\$ 821,065
14,091,947	8,824,478	22,916,425	11,321,200
<u>\$ 15,078,578</u>	<u>\$ 9,433,591</u>	<u>\$ 24,512,169</u>	<u>\$ 12,142,265</u>

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Fund Financial Statements

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Balance Sheet
Governmental Funds
June 30, 2011

	General	Virginia Public Assistance	County Capital Improvements	Debt Financed School Capital Projects Fund	Total
ASSETS					
Cash and cash equivalents	\$ 7,968,257	\$ 151,551	\$ 183,492	\$ (14,461)	\$ 8,288,839
Investments in custody of others	-	-	679,118	17,620,161	18,299,279
Receivables (net of allowance for uncollectibles):					
Taxes receivable	4,409,933	-	-	-	4,409,933
Accounts receivable	72,355	49	-	-	72,404
Due from other funds	435,270	-	-	-	435,270
Due from component unit	747,791	-	-	-	747,791
Due from other governmental units	350,816	261,223	-	-	612,039
Prepaid items	1,625	-	-	-	1,625
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	-	-	33,332	-	33,332
Total assets	<u>\$ 13,986,047</u>	<u>\$ 412,823</u>	<u>\$ 895,942</u>	<u>\$ 17,605,700</u>	<u>\$ 32,900,512</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 226,684	\$ -	\$ -	\$ 35,662	\$ 262,346
Contracts payable	256,030	-	-	1,658,044	1,914,074
Retainage payable	-	-	102,712	338,953	441,665
Due to other funds	-	412,823	-	-	412,823
Deferred revenue	4,523,697	-	-	-	4,523,697
Total liabilities	<u>\$ 5,006,411</u>	<u>\$ 412,823</u>	<u>\$ 102,712</u>	<u>\$ 2,032,659</u>	<u>\$ 7,554,605</u>
Fund balances:					
Nonspendable:					
Prepays	\$ 1,625	\$ -	\$ -	\$ -	\$ 1,625
Restricted:					
Sheriff's fund - DCJS	45,298	-	-	-	45,298
Courthouse security	21,994	-	-	-	21,994
Committed:					
Upper and Lower Elementary renovation	-	-	-	15,573,041	15,573,041
New Admin building	543,773	-	751,202	-	1,294,975
Existing Admin Building Renovation	1,046,224	-	-	-	1,046,224
Economic Development	681,385	-	-	-	681,385
Recreation	9,108	-	-	-	9,108
Gene Dixon park expansion	888,532	-	42,028	-	930,560
Solid waste vehicle	100,000	-	-	-	100,000
Fire/rescue training	38,280	-	-	-	38,280
Sheriff's fund - non-DCJS	12,878	-	-	-	12,878
Unassigned:					
General fund	5,590,539	-	-	-	5,590,539
Total fund balances	<u>\$ 8,979,636</u>	<u>\$ -</u>	<u>\$ 793,230</u>	<u>\$ 15,573,041</u>	<u>\$ 25,345,907</u>
Total liabilities and fund balances	<u>\$ 13,986,047</u>	<u>\$ 412,823</u>	<u>\$ 895,942</u>	<u>\$ 17,605,700</u>	<u>\$ 32,900,512</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 Assets
 June 30, 2011

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 25,345,907
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Jointly owned assets are included in the total for buildings and improvements.

Land	\$ 571,884	
Buildings and improvements	16,402,672	
Machinery, equipment and vehicles	537,523	
Construction in progress	<u>11,671,950</u>	29,184,029

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,228,387
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Issuance costs are recorded as other assets and amortized over the life of the debt and, therefore, are not reported in the funds.	269,643
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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	\$ (9,255,000)	
Plus: Issuance premium (to be amortized against interest expense)	(905,603)	
General obligation bonds	(18,478,175)	
Plus: Issuance premium (to be amortized against interest expense)	(338,045)	
Interim financing	(14,343,329)	
Compensated absences	(321,683)	
Accrued interest payable	<u>(307,553)</u>	<u>(43,949,388)</u>

Net assets of governmental activities	\$ <u>15,078,578</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, 2011

	General	Virginia Public Assistance	County Capital Improvements	Debt Financed School Capital Projects Fund	Total
REVENUES					
General property taxes	\$ 10,563,656	\$ -	\$ -	\$ -	\$ 10,563,656
Other local taxes	1,558,471	-	-	-	1,558,471
Permits, privilege fees, and regulatory licenses	61,439	-	-	-	61,439
Fines and forfeitures	56,670	-	-	-	56,670
Revenue from the use of money and property	69,017	-	18,745	26,804	114,566
Charges for services	86,108	-	-	-	86,108
Miscellaneous	84,292	20,474	1,000	-	105,766
Recovered costs	22,447	-	-	-	22,447
Intergovernmental revenues:					
Commonwealth	3,093,309	1,290,465	33,488	-	4,417,262
Federal	95,156	819,459	-	-	914,615
Total revenues	<u>\$ 15,690,565</u>	<u>\$ 2,130,398</u>	<u>\$ 53,233</u>	<u>\$ 26,804</u>	<u>\$ 17,901,000</u>
EXPENDITURES					
Current:					
General government administration	\$ 1,153,471	\$ -	\$ -	\$ -	\$ 1,153,471
Judicial administration	654,802	-	-	-	654,802
Public safety	2,587,032	-	-	-	2,587,032
Public works	1,268,721	-	-	-	1,268,721
Health and welfare	179,745	2,565,940	-	-	2,745,685
Education	5,563,092	-	-	(2,900)	5,560,192
Parks, recreation, and cultural	337,377	-	-	-	337,377
Community development	191,679	-	-	-	191,679
Nondepartmental	176,258	-	-	-	176,258
Capital projects	-	-	2,522,979	7,492,806	10,015,785
Debt service:					
Principal retirement	830,343	-	-	5,656,671	6,487,014
Interest and other fiscal charges	982,289	-	259,378	242,277	1,483,944
Total expenditures	<u>\$ 13,924,809</u>	<u>\$ 2,565,940</u>	<u>\$ 2,782,357</u>	<u>\$ 13,388,854</u>	<u>\$ 32,661,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,765,756</u>	<u>\$ (435,542)</u>	<u>\$ (2,729,124)</u>	<u>\$ (13,362,050)</u>	<u>\$ (14,760,960)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 436	\$ 435,542	\$ 246,887	\$ -	\$ 682,865
Transfers out	(682,429)	-	-	-	(682,429)
Issuance of lease revenue bonds	-	-	9,255,000	-	9,255,000
Premium on issuance of bonds	-	-	938,693	-	938,693
Issuance of bond anticipation notes	-	-	-	20,000,000	20,000,000
Advance refunding of bonds	-	-	(8,713,000)	-	(8,713,000)
Issuance of general obligation bonds	-	-	-	10,000,000	10,000,000
Total other financing sources (uses)	<u>\$ (681,993)</u>	<u>\$ 435,542</u>	<u>\$ 1,727,580</u>	<u>\$ 30,000,000</u>	<u>\$ 31,481,129</u>
Net change in fund balances	\$ 1,083,763	\$ -	\$ (1,001,544)	\$ 16,637,950	\$ 16,720,169
Fund balances - beginning, as restated	7,895,873	-	1,794,774	(1,064,909)	8,625,738
Fund balances - ending	<u>\$ 8,979,636</u>	<u>\$ -</u>	<u>\$ 793,230</u>	<u>\$ 15,573,041</u>	<u>\$ 25,345,907</u>

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

Reconciliation of Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds \$ 16,720,169

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 depreciation exceeded capital outlays in the current period.

Capital asset additions	\$ 2,414,708	
Depreciation expense	(724,017)	
Adjustment for jointly owned assets	<u>7,232,223</u>	8,922,914

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (11,035)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in deferred property taxes is reported as revenues in the governmental funds. 52,508

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 assets. Also, governmental funds report the effect of issuance costs, 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.

Issuance of bonds	\$ (39,255,000)	
Plus: Issuance premium (to be amortized against interest expense)	(938,693)	
Payment of principal	15,200,014	
Issuance costs	355,844	
Amortization of premium	68,755	
Amortization of issuance costs	<u>(152,953)</u>	(24,722,033)

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	\$ (22,725)	
Accrued interest on debt	<u>46,833</u>	<u>24,108</u>

Change in net assets of governmental activities \$ 986,631

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

Statement of Net Assets

Proprietary Funds

June 30, 2011

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,583,063	\$ -	\$ 1,583,063
Accounts receivable	83,876	15,903	99,779
Total current assets	<u>\$ 1,666,939</u>	<u>\$ 15,903</u>	<u>\$ 1,682,842</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 995,343	\$ 22,990	\$ 1,018,333
Capital assets:			
Land	\$ 135,757	\$ 35,217	\$ 170,974
Intangibles	712,100	-	712,100
Construction in progress	816,971	330,567	1,147,538
Utility plant in service	6,848,312	4,262,485	11,110,797
Machinery, equipment, and vehicles	536,315	181,512	717,827
Less accumulated depreciation	(2,653,509)	(852,260)	(3,505,769)
Total capital assets	<u>\$ 6,395,946</u>	<u>\$ 3,957,521</u>	<u>\$ 10,353,467</u>
Total noncurrent assets	<u>\$ 7,391,289</u>	<u>\$ 3,980,511</u>	<u>\$ 11,371,800</u>
Total assets	<u>\$ 9,058,228</u>	<u>\$ 3,996,414</u>	<u>\$ 13,054,642</u>
LIABILITIES			
Current liabilities:			
Reconciled overdraft	\$ -	\$ 8,533	\$ 8,533
Accounts payable	4,303	2,690	6,993
Customers' deposits	1,788	1,269	3,057
Accrued interest payable	8,567	4,358	12,925
Due to other funds	22,447	-	22,447
Compensated absences - current portion	3,509	1,514	5,023
Bonds payable - current portion	51,790	-	51,790
Loans payable - current portion	33,041	46,339	79,380
Total current liabilities	<u>\$ 125,445</u>	<u>\$ 64,703</u>	<u>\$ 190,148</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 1,451,466	\$ -	\$ 1,451,466
Loans payable - net of current portion	816,902	1,117,337	1,934,239
Compensated absences - net of current portion	31,576	13,622	45,198
Total noncurrent liabilities	<u>\$ 2,299,944</u>	<u>\$ 1,130,959</u>	<u>\$ 3,430,903</u>
Total liabilities	<u>\$ 2,425,389</u>	<u>\$ 1,195,662</u>	<u>\$ 3,621,051</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 4,042,747	\$ 2,793,845	\$ 6,836,592
Restricted:			
Debt service and bond covenants	279,343	22,990	302,333
Water plant capital improvements	716,000	-	716,000
Unrestricted (deficit)	1,594,749	(16,083)	1,578,666
Total net assets	<u>\$ 6,632,839</u>	<u>\$ 2,800,752</u>	<u>\$ 9,433,591</u>

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 For the Year Ended June 30, 2011

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 1,325,424	\$ -	\$ 1,325,424
Sewer revenues	-	243,474	243,474
Tap fees	10,412	4,500	14,912
Other revenues	14,307	-	14,307
Total operating revenues	<u>\$ 1,350,143</u>	<u>\$ 247,974</u>	<u>\$ 1,598,117</u>
OPERATING EXPENSES			
Water	\$ 573,961	\$ -	\$ 573,961
Sewer	-	192,871	192,871
Depreciation	188,506	124,276	312,782
Total operating expenses	<u>\$ 762,467</u>	<u>\$ 317,147</u>	<u>\$ 1,079,614</u>
Operating income (loss)	<u>\$ 587,676</u>	<u>\$ (69,173)</u>	<u>\$ 518,503</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	\$ 228	\$ 24	\$ 252
Interest expense	(79,662)	(48,677)	(128,339)
Total nonoperating revenues (expenses)	<u>\$ (79,434)</u>	<u>\$ (48,653)</u>	<u>\$ (128,087)</u>
Income (loss) before contributions and transfers	<u>\$ 508,242</u>	<u>\$ (117,826)</u>	<u>\$ 390,416</u>
CAPITAL CONTRIBUTIONS			
Capital contributions and construction grants	<u>\$ -</u>	<u>\$ 218,697</u>	<u>\$ 218,697</u>
Change in net assets	<u>\$ 508,242</u>	<u>\$ 100,871</u>	<u>\$ 609,113</u>
Total net assets - beginning	6,124,597	2,699,881	8,824,478
Total net assets - ending	<u>\$ 6,632,839</u>	<u>\$ 2,800,752</u>	<u>\$ 9,433,591</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, 2011

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,350,373	\$ 247,974	\$ 1,598,347
Payments to suppliers	(146,663)	(75,038)	(221,701)
Payments to and for employees	(428,164)	(117,919)	(546,083)
Net cash provided (used) by operating activities	\$ 775,546	\$ 55,017	\$ 830,563
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to utility plant	\$ (74,606)	\$ (198,309)	\$ (272,915)
Acquisition of intangibles	(712,100)	-	(712,100)
Purchase of equipment	(95,432)	-	(95,432)
Principal payments on bonds	(49,373)	-	(49,373)
Principal payments on loans	(32,713)	(50,029)	(82,742)
Contributions in aid of construction	32,000	218,697	250,697
Interest payments	(79,973)	(48,937)	(128,910)
Net cash provided (used) by capital and related financing activities	\$ (1,012,197)	\$ (78,578)	\$ (1,090,775)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	\$ 228	\$ 24	\$ 252
Net increase (decrease) in cash and cash equivalents	\$ (236,423)	\$ (23,537)	\$ (259,960)
Cash and cash equivalents - beginning - including restricted	2,814,829	37,994	2,852,823
Cash and cash equivalents - ending - including restricted	\$ 2,578,406	\$ 14,457	\$ 2,592,863
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 587,676	\$ (69,173)	\$ 518,503
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 188,506	\$ 124,276	\$ 312,782
(Increase) decrease in accounts receivable	118	-	118
Increase (decrease) in compensated absences	2,823	-	2,823
Increase (decrease) in accounts payable	(3,689)	(86)	(3,775)
Increase (decrease) in customer deposits	112	-	112
Total adjustments	\$ 187,870	\$ 124,190	\$ 312,060
Net cash provided (used) by operating activities	\$ 775,546	\$ 55,017	\$ 830,563

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

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ <u>31,393</u>
LIABILITIES	
Amounts held for social services clients	\$ <u>31,393</u>
Total liabilities	\$ <u>31,393</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, 2011

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 specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. 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 assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, effects of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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).

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units to be included for the fiscal year ended June 30, 2011.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (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 \$144,113 to the regional library and \$32,960 to the Crossroads Community Services Board.

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

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

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

The County applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

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.

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

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

1. Governmental Funds

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

1. Governmental Funds: (Continued)

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 at June 30, 2011.

c. Capital Projects Fund

The Capital Projects Fund accounts for and reports 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 is considered a major fund for reporting purposes.

d. Debt Financed School Capital Projects Fund

The Debt Financed School Capital Projects Fund accounts for and reports all financial resources that are restricted, committed, or assigned to expenditure for debt financed school renovations. The Debt Financed School Capital Projects Fund is considered a major fund for reporting purposes.

2. Proprietary Funds

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

Enterprise Funds

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

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

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 and the Surety Bond 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

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

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

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

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

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital facilities. This fund is considered a major fund.

E. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

E. Budgets and Budgetary Accounting (Continued)

2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, VPA Fund, and the County Capital Improvements Funds of the primary government and the School Operating Fund, School Cafeteria Fund, and School Capital Projects Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all county units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.

F. Cash and Cash Equivalents

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

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

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

G. Investments

Investments are stated at fair value.

H. Receivables and Payables

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

H. Receivables and Payables: (Continued)

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 \$567,000 at June 30, 2011 and is comprised solely of property taxes.

I. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was attributable to capital assets for the year ended June 30, 2011.

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

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

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the Statement of Net Assets. 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.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

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

K. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Equity

Beginning with fiscal year 2011, the County implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. 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, 2011 (Continued)

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

L. 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 including but limited to the County Administrator and the Director of Finance.

A fund balance policy has not been formally adopted by the Board of Supervisors as of June 30, 2011.

M. Prepaid Expenses

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

N. Use of Estimates

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

O. Net Assets

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets.

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.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 2—Deposits and Investments: (Continued)

Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

Custodial Credit Risk (Investments)

The County’s investments at June 30, 2011 were held in the County’s name by the County’s custodial banks, except for \$9,840,128 of investments in repurchase agreements, where the underlying securities were uninsured and held by the investment’s counterparty’s trust department or agent but not in the name of the County.

Credit Risk of Debt Securities

The County’s rated debt investments as of June 30, 2011 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>Fair Quality Ratings</u>
	<u>AAA</u>
Local Government Investment Pool	\$ 3,959,167
Virginia State Non-Arbitrage Pool	18,299,279
Repurchase Agreements - Underlying: U.S. Agency Securities	<u>9,840,128</u>
Total	<u>\$ 32,098,574</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 2—Deposits and Investments: (Continued)

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>Fair Value</u>	<u>Less Than 1 Year</u>
Repurchase Agreements	\$ <u>9,840,128</u>	\$ <u>9,840,128</u>
Total	\$ <u><u>9,840,128</u></u>	\$ <u><u>9,840,128</u></u>

External Investment Pools

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

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

Note 3—Property Taxes:

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

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

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

Property taxes for calendar year 2010 were levied by the County Board of Supervisors on April 19, 2010, on the assessed values listed as of January 1, 2010. The second half of 2010 real estate taxes was due on December 5, 2010. The first half of 2011 real estate taxes was due on June 5, 2011. The 2011 taxes were levied by the County Board of Supervisors on April 25, 2011 on the assessed value listed as of January 1, 2011.

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 revenues.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 4—Receivables:

The following is a summary of accounts receivable at June 30, 2011:

	Primary Government				Component Unit
	General	Special Revenue	Governmental Activities	Business-Type Activities	School Board
Property taxes	\$ 4,976,933	\$ -	\$ 4,976,933	\$ -	\$ -
Allowance for uncollectibles	(567,000)	-	(567,000)	-	-
Net taxes receivable	<u>\$ 4,409,933</u>	<u>\$ -</u>	<u>\$ 4,409,933</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:					
Utility taxes	\$ 28,025	\$ -	\$ 28,025	\$ -	\$ -
Grantee tax	4,226	-	4,226	-	-
Other	40,104	-	40,104	-	25
Water and Sewer	-	-	-	99,779	-
Rebates and Refunds	-	49	49	-	61,349
Total accounts receivable	<u>\$ 72,355</u>	<u>\$ 49</u>	<u>\$ 72,404</u>	<u>\$ 99,779</u>	<u>\$ 61,374</u>

Note 5—Due From Other Governmental Units:

Amounts due from other governments are detailed as follows:

	Governmental Activities			Component Unit
	General	Special Revenue	Total	School Board
Commonwealth of Virginia:				
Local sales taxes	\$ 118,887	\$ -	\$ 118,887	\$ -
State sales taxes	-	-	-	322,954
Communication taxes	67,180	-	67,180	-
Public assistance	-	38,848	38,848	-
Comprehensive services	-	155,177	155,177	-
Shared expenses and grants	100,681	-	100,681	-
Forest product sales	22,541	-	22,541	-
E-911 grants	6,667	-	6,667	-
Transportation enhancement	-	-	-	-
Other	27,747	-	27,747	-
Federal government:				
Sheriff's grant	7,113	-	7,113	-
Public assistance	-	67,198	67,198	-
Twenty-first century	-	-	-	18,733
Trade & Industrial education	-	-	-	8,534
Other school funds	-	-	-	5,598
Total	<u>\$ 350,816</u>	<u>\$ 261,223</u>	<u>\$ 612,039</u>	<u>\$ 355,819</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 6—Interfund Obligations:

Details of interfund receivables and payables as of June 30, 2011 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 435,270	\$ -
Water	-	22,447
Virginia Public Assistance	-	412,823
Total	<u>\$ 435,270</u>	<u>\$ 435,270</u>

Details of obligations between the primary government and its component unit as of June 30, 2011 are as follows:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary government general fund	Component Unit - School Board	<u>\$ 747,791</u>

Note 7—Other Assets:

The following is a summary of changes in issuance costs during the year:

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>
<i>Costs of Issuance:</i>				
2003 Lease Revenue Bond	\$ 66,752	\$ -	\$ 66,752	\$ -
2010 Lease Revenue Bond	-	153,931	5,426	148,505
2011 VPSA	-	121,138	-	121,138
Interim Financing (BAB)	-	80,775	80,775	-
	<u>\$ 66,752</u>	<u>\$ 355,844</u>	<u>\$ 152,953</u>	<u>\$ 269,643</u>

Note: The \$20,000,000 interim financing BAB is due on 12/31/11 so those costs are expensed in full.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 8—Capital Assets:

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

Primary Government:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 571,884	\$ -	\$ -	\$ 571,884
Construction in progress	533,105	2,309,674	-	2,842,779
Construction in progress-jointly owned assets	1,064,909	7,764,262	-	8,829,171
Total capital assets not being depreciated	\$ 2,169,898	\$ 10,073,936	\$ -	\$ 12,243,834
Other capital assets:				
Buildings and improvements	\$ 11,838,443	\$ -	\$ -	\$ 11,838,443
Machinery, equipment and vehicles	2,599,231	105,034	132,955	2,571,310
Jointly owned assets	9,670,357	-	866,008	8,804,349
Total other capital assets	\$ 24,108,031	\$ 105,034	\$ 998,963	\$ 23,214,102
Accumulated depreciation:				
Buildings and improvements	\$ 2,702,951	\$ 302,260	\$ -	\$ 3,005,211
Machinery, equipment and vehicles	1,954,059	201,648	121,920	2,033,787
Jointly owned assets	1,348,769	220,109	333,969	1,234,909
Total accumulated depreciation	\$ 6,005,779	\$ 724,017	\$ 455,889	\$ 6,273,907
Other capital assets, net	\$ 18,102,252	\$ (618,983)	\$ 543,074	\$ 16,940,195
Net capital assets	\$ 20,272,150	\$ 9,454,953	\$ 543,074	\$ 29,184,029
Depreciation is allocated to:				
General government administration		\$ 25,744		
Judicial administration		262,999		
Public safety		148,771		
Public works		48,089		
Education		220,109		
Parks and recreation		8,047		
Community Development		10,258		
Total		\$ 724,017		

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 8—Capital Assets: (Continued)

Business-Type Activities:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 170,974	\$ -	\$ -	\$ 170,974
Intangibles	-	712,100	-	712,100
Construction in progress	874,623	272,915	-	1,147,538
Total capital assets not being depreciated	\$ 1,045,597	\$ 985,015	\$ -	\$ 2,030,612
Other capital assets:				
Buildings and systems	\$ 11,110,797	\$ -	\$ -	\$ 11,110,797
Machinery, equipment and vehicles	622,395	95,432	-	717,827
Total other capital assets	\$ 11,733,192	\$ 95,432	\$ -	\$ 11,828,624
Accumulated depreciation:				
Buildings and systems	\$ 2,882,339	\$ 269,908	\$ -	\$ 3,152,247
Machinery, equipment and vehicles	310,648	42,874	-	353,522
Total accumulated depreciation	\$ 3,192,987	\$ 312,782	\$ -	\$ 3,505,769
Other capital assets, net	\$ 8,540,205	\$ (217,350)	\$ -	\$ 8,322,855
Net capital assets	\$ 9,585,802	\$ 767,665	\$ -	\$ 10,353,467
Depreciation is allocated to:				
Water and sewer operations		\$ 312,782		

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 8—Capital Assets: (Continued)

Component Unit-School Board:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 277,809	\$ -	\$ -	\$ 277,809
Construction in progress	691,215	1,589,329	309,790	1,970,754
Total capital assets not being depreciated	\$ 969,024	\$ 1,589,329	\$ 309,790	\$ 2,248,563
Other capital assets:				
Buildings	\$ 10,711,856	\$ -	\$ -	\$ 10,711,856
Improvements	1,300,632	309,790	-	1,610,422
Machinery, equipment and vehicles	4,553,774	122,548	164,727	4,511,595
Jointly owned assets	6,801,757	866,008	-	7,667,765
Total other capital assets	\$ 23,368,019	\$ 1,298,346	\$ 164,727	\$ 24,501,638
Accumulated depreciation:				
Buildings	\$ 7,081,524	\$ 222,538	\$ -	\$ 7,304,062
Improvements	579,747	138,274	-	718,021
Machinery, equipment and vehicles	2,962,090	297,636	164,727	3,094,999
Jointly owned assets	2,720,710	525,663	-	3,246,373
Total accumulated depreciation	\$ 13,344,071	\$ 1,184,111	\$ 164,727	\$ 14,363,455
Other capital assets, net	\$ 10,023,948	\$ 114,235	\$ -	\$ 10,138,183
Net capital assets	\$ 10,992,972	\$ 1,703,564	\$ 309,790	\$ 12,386,746
Depreciation is allocated to education		\$ 1,184,111		

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, 2011, is that school financed assets in the amount of \$16,385,811 net are reported in the Primary Government for financial reporting purposes.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 9—Compensated Absences:

In accordance with GASB statement 16, “Accounting and Financial Reporting Principal for Claims and Judgments and 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.

Note 10—Long-Term Obligations:

The following is a summary of long-term debt transactions for the County for the year ended June 30, 2011:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Primary Government:				
Governmental activities:				
Bonds payable:				
Lease revenue bonds	\$ 8,713,000	\$ 9,255,000	\$ 8,713,000	\$ 9,255,000
Premium on issuance	-	938,693	33,090	905,603
General obligation bonds:				
School	9,308,518	10,000,000	830,343	18,478,175
Premium on issuance	373,710	-	35,665	338,045
Interim Financing (Build America Bond)	-	20,000,000	5,656,671	14,343,329
Compensated absences	298,958	22,725	-	321,683
Total payable from governmental activities	\$ 18,694,186	\$ 40,216,418	\$ 15,268,769	\$ 43,641,835
Business-type activities:				
Revenue bonds	\$ 1,552,629	\$ -	\$ 49,373	\$ 1,503,256
Revolving loans	2,083,611	-	73,742	2,009,869
Intergovernmental loan	12,750	-	9,000	3,750
Compensated absences	47,398	2,823	-	50,221
Total payable from business-type activities	\$ 3,696,388	\$ 2,823	\$ 132,115	\$ 3,567,096
Long-term debt payable from component unit activities:				
School Board:				
Compensated absences	\$ 709,213	\$ -	\$ 138,072	\$ 571,141
Total long-term debt	\$ 23,099,787	\$ 40,219,241	\$ 15,538,956	\$ 47,780,072
Reconciliation to Exhibit 1:				
	Governmental Activities	Business-Type Activities	Component Unit	Total
Long-term liabilities:				
Due within one year	\$ 15,828,150	\$ 136,193	\$ 57,114	\$ 16,021,457
Due in more than one year	27,813,685	3,430,903	514,027	31,758,615
Total long-term debt	\$ 43,641,835	\$ 3,567,096	\$ 571,141	\$ 47,780,072

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 10—Long-Term Obligations: (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 15,927,152	\$ 1,535,203
2013	1,946,541	1,348,682
2014	1,982,281	1,292,705
2015	1,528,181	1,235,245
2016	1,595,930	1,175,680
2017-2021	8,862,750	5,134,275
2022-2026	8,743,330	3,947,975
2027-2031	3,588,638	1,361,072
2032-2036	2,166,134	278,131
2037-2041	353,219	60,316
2042-2044	142,871	7,596
Total	<u>\$ 46,837,027</u>	<u>\$ 17,376,880</u>

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

Details of Long-term Obligations:

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities:</u>		
<u>Lease Revenue Bonds:</u>		
\$9,255,000 lease revenue bonds, issued November 23, 2010 payable in various annual installments ranging from \$230,000 to \$590,000, due on October 1, 2011 through 2033, interest payable semi-annually at 2.357%-5.200%	\$ 9,255,000	\$ 495,000
Plus: Premium on issuance	<u>905,603</u>	<u>74,391</u>
Total Lease Revenue Bonds	<u>\$ 10,160,603</u>	<u>\$ 569,391</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities: (Continued)</u>		
<u>General Obligation School Bonds:</u>		
\$4,127,773 School Bonds, 1992, issued January 1, 1992, maturing in various annual installments of \$110,300 to \$293,224 through July 15, 2011, interest payable semi-annually at 4.85%-6.60%	\$ 293,224	\$ 293,224
\$5,930,000 School Bonds, 2002, issued November 7, 2002, maturing in various annual installments of \$295,000 to \$300,000 through July 15, 2022, interest payable semi-annually at 2.35%-5.10%	3,540,000	295,000
Plus: Premium on issuance	154,322	11,871
\$5,856,256 School Bonds, 2005, issued November 10, 2005, maturing in various annual installments of \$222,289 to \$370,235 through July 15, 2025, interest payable semi-annually at 4.60%-5.10%	4,644,951	260,697
Plus: Premium on issuance	183,723	22,470
\$10,000,000 School Bonds, 2011, issued June 28, 2011, maturing in various annual installments of \$186,000 to \$784,600, due on June 1, 2013 through June 1, 2027, interest payable semi-annually at 4.50%. However, the bonds were issued as qualified tax credit bonds allowing a direct payment of a refundable credit to the issuer, which will completely offset interest payments.	10,000,000	-
\$20,000,000 Build America Bonds issued as interim financing on November 4, 2010. One payment of \$5,656,571 was made in June 2011 and the remaining balance is due 12/31/11. Interest payable on June 10, 2011 and December 31, 2011 at 1.46%. However, an interest subsidy reduces interest due.	14,343,329	14,343,329
Total General Obligation Bonds	\$ 33,159,549	\$ 15,226,591
<u>Compensated absences payable from general fund</u>	\$ 321,683	\$ 32,168
Total long-term obligations from governmental activities	\$ 43,641,835	\$ 15,828,150

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

Business-Type Activities:

Revenue bonds:

\$861,000 Water System Revenue Bonds issued August 20, 1982, due in monthly installments of \$4,228 including interest, through 2022, interest at 5%	\$	422,002	\$	30,140
\$1,268,000 Water System Revenue Bonds authorized April 16, 1998, due in monthly installments of \$5,822 including interest at 4.5%, beginning March 31, 2000 through 2038		1,081,254		21,650
Total Revenue Bonds	\$	1,503,256	\$	51,790

Loans:

\$571,435 VRA revolving fund loan originated January 1, 2002. The loan has a 0% interest rate, but an imputed interest of 4% was considered reasonable. After imputation of interest the net proceeds of the loan amounted to \$396,161. The County assumed this indebtedness as a part of its acquisition of the Town of Dillwyn's sewer system. The loan is due in semi-annual installments of \$14,403 including interest through October 1, 2013	\$	67,888	\$	26,351
\$1,056,863 VRA revolving fund loan originated October 30, 2004. The loan is due in semi-annual installments of \$20,729 including interest at 1%, beginning March 1, 2005 through 2034		849,944		33,041
\$1,170,700 Rural Development loan due in monthly installments of \$5,097 including interest at 4.125%, beginning October 13, 2007		1,092,037		16,238
Total Loans	\$	2,009,869	\$	75,630
<u>Intergovernmental loan (see note 20)</u>	\$	3,750	\$	3,750
<u>Compensated absences</u>	\$	50,221	\$	5,023
Total long-term obligations from business-type activities	\$	3,567,096	\$	136,193
<u>Component Unit Activities:</u>				
<u>Compensated absences payable from school operating fund</u>	\$	571,141	\$	57,114
Total long-term obligations	\$	47,780,072	\$	16,021,457

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 11—Defined Benefit Pension Plan:

A. Plan Description

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

All full-time, salaried permanent employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees - Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who have service credits before July 1, 2010 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least five years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit early at age 55 with at least 10 years of service credit or age 50 with at least five years of service credit.
- Members hired or rehired on or after July 1, 2010 and who have no service credits before July 1, 2010 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2, average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70 %. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for members electing the Survivor Option, PLOP or Advance Pension Option or those retiring with a reduced benefit.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 11—Defined Benefit Pension Plan: (Continued)

A. Plan Description: (Continued)

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS website at <http://www.varetire.org/Pdf/publications/2010-Annual-Report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. The employer has assumed this 5.00% member contribution. In addition, the County and its component units are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and school non-professional employee contribution rates for the fiscal year ended 2011 were 10.57% and 6.15%, respectively, of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2011, the County's annual pension cost of \$349,819 (does not include the portion of the employee share assumed by County which was \$165,477) was equal to the County's required and actual contributions.

For fiscal year 2011, the School Board's annual pension cost for the Board's non-professional employees was \$53,330 (does not include the employee share assumed by the Board which was \$43,358) which was equal to the Board's required and actual contributions.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2011	\$ 349,819	100%	\$ -
June 30, 2010	270,368	100%	-
June 30, 2009	276,827	100%	-
School Board Non-Professional:			
June 30, 2011	\$ 53,330	100%	\$ -
June 30, 2010	57,957	100%	-
June 30, 2009	59,423	100%	-

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 11—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost: (Continued)

The FY 2011 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the County's plan was 79.81% funded. The actuarial accrued liability for benefits was \$12,914,504, and the actuarial value of assets was \$10,307,316, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,607,188. The covered payroll (annual payroll of active employees covered by the plan) was \$3,203,481, and ratio of the UAAL to the covered payroll was 81.39%.

As of June 30, 2010, the most recent actuarial valuation date, the School Board's plan was 82.01% funded. The actuarial accrued liability for benefits was \$2,986,997, and the actuarial value of assets was \$2,449,614, resulting in an unfunded actuarial accrued liability (UAAL) of \$537,383. The covered payroll (annual payroll of active employees covered by the plan) was \$903,040, and ratio of the UAAL to the covered payroll was 59.51%.

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

E. Discretely Presented Component Unit School Board

PROFESSIONAL EMPLOYEES:

Plan Description

The Buckingham County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/publications/2010-annual-report.pdf> or obtained 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, 2011 (Continued)

Note 11—Defined Benefit Pension Plan: (Continued)

E. Discretely Presented Component Unit School Board: (Continued)

PROFESSIONAL EMPLOYEES: (Continued)

Funding Policy

Plan members are required to contribute 5.00% of their compensation toward the retirement and Buckingham County School Board is required to contribute at an actuarially determined rate. The rate for fiscal year 2011 was 3.93% of annual covered payroll. The contribution requirements of plan members and Buckingham County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2011, 2010, and 2009 were \$413,912, \$722,889, and \$961,488, respectively, and equaled the required contributions for each year.

Note 12—Unearned/Deferred Revenue:

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

	<u>Government-wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
Primary Government:		
Deferred property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures.	\$ -	\$ 4,228,387
Prepaid property taxes due in December 2011, but paid in advance by the taxpayers.	<u>295,310</u>	<u>295,310</u>
Total unearned/deferred revenue	<u>\$ 295,310</u>	<u>\$ 4,523,697</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 13—Commitments and Contingencies:

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

The County has authorized water and wastewater upgrades for Buckingham County. The estimated costs of these projects are \$11,200,000 and \$9,500,000, respectively. The water project will be funded primarily with loans and grants through the Rural Development division of the U.S. Department of Agriculture. In December 2010, a loan agreement in the amount of \$5,000,000 was entered into with Rural Development. Details of funding for the sewer plant have not yet been determined. Engineering work on the new sewer plant began in fiscal year 2011. In May 2011, a contract was awarded for the construction of the new water plant, but construction had not yet commenced on either project at year-end.

At June 30, 2011, the County had several major projects underway, which are presented in the financial statements as construction in progress. Presented is a list of major projects, contract amounts, expenditures to date, and balances of contracts remaining:

Project	Contract Amount	Expenditures to Date	Balance of Contract
Various water and sewer engineering and design work	\$ 2,030,652	\$ 1,099,047	\$ 931,605
Water treatment plant construction	10,660,000	-	10,660,000
County government complex	5,020,391	2,631,469	2,388,922

In addition the School Board has the following projects in process:

Bus Garage	\$ 1,947,331	\$ 1,928,515	\$ 18,816
Upper and Lower Elementary School renovation	19,539,693	8,152,603	11,387,090

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 14—Surety Bonds:

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety Management - Faithful Performance of Duty Bond:	
Malcolm A. Booker, Jr., Clerk of the Circuit Court	\$ 25,000
Christy L. Christian, Treasurer	400,000
Stephanie L. Midkiff, Commissioner of the Revenue	3,000
William G. Kidd, Jr., Sheriff	30,000
The above constitutional officers' employees-blanket bond	50,000
United States Fidelity and Guaranty Company - Surety	
Dr. Jim Dumminger, Clerk of the School Board	10,000
Fidelity and Depository Company of Maryland - Surety	
Braxton L. Apperson, Director of Social Services	100,000
Western Surety Company - Surety	
Christy L. Christian, Treasurer	20,000

Note 15—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.

Note 16—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.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 17—Litigation:

At June 30, 2011, 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.

Note 18—Expenditures and Appropriations:

Expenditures exceeded appropriations in the public safety and public works functions of the general fund and in the County Capital Improvements fund and Debt Financed School Capital Projects Fund at June 30, 2011; however, all disbursements were approved in accordance with operating policies.

Note 19—Interfund Transfers:

Interfund transfers for the year ended June 30, 2011 consisted of the following:

	Funds Basis		Government- wide Basis
	Transfers In	Transfers Out	Net
Primary Government:			
Governmental Activities:			
General Fund	\$ 436	\$ 682,429	\$ 436
VPA Fund	435,542	-	-
County Capital Improvements Fund	246,887	-	-
Fiduciary Activities:			
Surety Bond Fund	-	436	(436)
Total interfund transfers	\$ <u>682,865</u>	\$ <u>682,865</u>	\$ <u>-</u>

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

Note 20—Due to Other Governmental Units:

The County entered into an agreement with the Town of Dillwyn. In this agreement, the County assumed possession of the Town's sewer system. In exchange, the County assumed the loan debt from VRA. In addition, the County agreed to pay \$100,000 to the Town. A total of \$10,000 was paid when the County took possession of the system. The remaining amount is being paid to the Town at \$750 a month for 10 years, which began on December 1, 2001. The County's remaining obligation to the Town of Dillwyn is \$3,750 at year end.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 21–Other Post-Employment Benefits:

The County and School Board offer post-employment medical coverage to their retired employees. Retirees and their spouses are permitted to remain on the respective County or School Board plan until they are eligible for Medicare benefits. Premiums are paid by the retirees. At June 30, 2011, the County has elected not to obtain an actuarial valuation to determine liability for this benefit in accordance with the financial reporting requirements of GASBS 45. Any liability at June 30, 2011 is not believed to be material to the financial statements.

Note 22–VRS Health Insurance Credit - Other Post-Employment Benefits:

A. Plan Description

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

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

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

B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is .60% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2011, 2010, and 2009 were \$63,193, \$85,332, and \$117,867, respectively and equaled the required contributions for each year.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2011 (Continued)

Note 23—Restatement of Beginning Balances:

Beginning fund balances and net assets were restated as follows:

	Primary Government		Discretely Presented Component Unit		
	Debt				
	Financed		School	School	
	Capital	Governmental	Operating	Capital	Governmental
	Projects	Activities	Fund	Projects	Activities
	Fund			Fund	
Beginning balance, as originally reported	\$ -	\$ 15,156,856	\$ -	\$ (469,375)	\$ 10,256,291
Reclass debt financed capital projects fund to County	(1,064,909)	(1,064,909)	-	1,064,909	1,064,909
Reclass bus garage activity recorded in school operating fund	-	-	34,819	(34,819)	-
Beginning balance, as restated	\$ <u>(1,064,909)</u>	\$ <u>14,091,947</u>	\$ <u>34,819</u>	\$ <u>560,715</u>	\$ <u>11,321,200</u>

Note 24—Subsequent Events:

By agreement dated July 25, 2011, the United States Department of Agriculture Rural Utilities Service has agreed to grant the County a sum not to exceed \$5,822,000 or 52.75% of development costs of a water system at an estimated cost of \$11,037,000.

In August 2011, a bid in the amount of \$204,786 was awarded for a new solid waste truck.

In November 2011, VPSA bonds, Series 2011B, in the amount of \$13,325,000 with an average coupon rate of 4.298% were issued at a premium of \$1,210,124 to pay the interim financing Build America Bond issued in 2010.

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 10,026,900	\$ 10,026,900	\$ 10,563,656	\$ 536,756
Other local taxes	1,448,000	1,448,000	1,558,471	110,471
Permits, privilege fees, and regulatory licenses	77,500	77,500	61,439	(16,061)
Fines and forfeitures	51,900	51,900	56,670	4,770
Revenue from the use of money and property	72,328	72,328	69,017	(3,311)
Charges for services	61,937	61,937	86,108	24,171
Miscellaneous	13,000	13,000	84,292	71,292
Recovered costs	-	-	22,447	22,447
Intergovernmental revenues:				
Commonwealth	3,283,446	3,290,102	3,093,309	(196,793)
Federal	-	-	95,156	95,156
Total revenues	\$ 15,035,011	\$ 15,041,667	\$ 15,690,565	\$ 648,898
EXPENDITURES				
Current:				
General government administration	\$ 1,138,273	\$ 1,191,977	\$ 1,153,471	\$ 38,506
Judicial administration	613,594	681,220	654,802	26,418
Public safety	2,402,709	2,495,230	2,587,032	(91,802)
Public works	1,233,123	1,235,488	1,268,721	(33,233)
Health and welfare	178,335	182,235	179,745	2,490
Education	4,950,005	5,954,493	5,563,092	391,401
Parks, recreation, and cultural	307,326	373,209	337,377	35,832
Community development	177,955	185,008	191,679	(6,671)
Nondepartmental	3,525,409	3,432,683	176,258	3,256,425
Debt service:				
Principal retirement	1,056,343	1,056,343	830,343	226,000
Interest and other fiscal charges	784,219	618,654	982,289	(363,635)
Total expenditures	\$ 16,367,291	\$ 17,406,540	\$ 13,924,809	\$ 3,481,731
Excess (deficiency) of revenues over (under) expenditures	\$ (1,332,280)	\$ (2,364,873)	\$ 1,765,756	\$ 4,130,629
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 16,637	\$ 16,637	\$ 436	\$ (16,201)
Transfers out	(634,357)	(634,357)	(682,429)	(48,072)
Total other financing sources (uses)	\$ (617,720)	\$ (617,720)	\$ (681,993)	\$ (64,273)
Net change in fund balances	\$ (1,950,000)	\$ (2,982,593)	\$ 1,083,763	\$ 4,066,356
Fund balances - beginning	-	-	7,895,873	7,895,873
Fund balances - ending	\$ (1,950,000)	\$ (2,982,593)	\$ 8,979,636	\$ 11,962,229

Virginia Public Assistance Fund

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

For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Miscellaneous	\$ 32,000	\$ 32,000	\$ 20,474	\$ (11,526)
Intergovernmental revenues:				
Commonwealth	1,263,220	1,263,220	1,290,465	27,245
Federal	873,448	873,448	819,459	(53,989)
Total revenues	<u>\$ 2,168,668</u>	<u>\$ 2,168,668</u>	<u>\$ 2,130,398</u>	<u>\$ (38,270)</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 2,658,025	\$ 2,658,025	\$ 2,565,940	\$ 92,085
Total expenditures	<u>\$ 2,658,025</u>	<u>\$ 2,658,025</u>	<u>\$ 2,565,940</u>	<u>\$ 92,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (489,357)</u>	<u>\$ (489,357)</u>	<u>\$ (435,542)</u>	<u>\$ 53,815</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 489,357	\$ 489,357	\$ 435,542	\$ (53,815)
Total other financing sources (uses)	<u>\$ 489,357</u>	<u>\$ 489,357</u>	<u>\$ 435,542</u>	<u>\$ (53,815)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Virginia Retirement System
Schedule of Pension Funding Progress

County:

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)	Funded Ratio (a/b) (d)	Annual Covered Payroll (e)	UAAL as % of Covered Payroll (c/e) (f)
June 30, 2006	\$ 8,187,081	\$ 9,171,442	\$ 984,361	89.27%	\$ 2,899,245	33.95%
June 30, 2007	9,191,106	9,966,432	775,326	92.22%	2,979,330	26.02%
June 30, 2008	10,166,194	11,216,590	1,050,396	90.64%	3,257,041	32.25%
June 30, 2009	10,201,639	11,844,058	1,642,419	86.13%	3,259,520	50.39%
June 30, 2010	10,307,316	12,914,504	2,607,188	79.81%	3,203,481	81.39%

School Board Non-Professional:

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)	Funded Ratio (a/b) (d)	Annual Covered Payroll (e)	UAAL as % of Covered Payroll (c/e) (f)
June 30, 2006	\$ 1,865,611	\$ 2,059,487	\$ 193,876	90.59%	\$ 780,254	24.85%
June 30, 2007	2,113,882	2,355,720	241,838	89.73%	840,924	28.76%
June 30, 2008	2,355,877	2,586,401	230,524	91.09%	927,205	24.86%
June 30, 2009	2,424,856	2,691,998	267,142	90.08%	945,058	28.27%
June 30, 2010	2,449,614	2,986,997	537,383	82.01%	903,040	59.51%

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OTHER SUPPLEMENTARY INFORMATION

County Capital Improvements Fund

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

For the Year Ended June 30, 2011

	Budgeted Amounts				Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts		
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 18,745	\$	18,745
Miscellaneous	-	-	1,000		1,000
Intergovernmental revenues:					
Commonwealth	-	-	33,488		33,488
Total revenues	\$ -	\$ -	\$ 53,233	\$	53,233
EXPENDITURES					
Capital projects	\$ 145,000	\$ 145,000	\$ 2,522,979	\$	(2,377,979)
Debt service:					
Interest and other fiscal charges	-	-	259,378		(259,378)
Total expenditures	\$ 145,000	\$ 145,000	\$ 2,782,357	\$	(2,637,357)
Excess (deficiency) of revenues over (under) expenditures					
	\$ (145,000)	\$ (145,000)	\$ (2,729,124)	\$	(2,584,124)
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 395,000	\$ 395,000	\$ 246,887	\$	(148,113)
Issuance of lease revenue bonds	1,700,000	1,700,000	9,255,000		7,555,000
Premium on issuance of bonds	-	-	938,693		938,693
Advance refunding of bonds	-	-	(8,713,000)		(8,713,000)
Total other financing sources (uses)	\$ 2,095,000	\$ 2,095,000	\$ 1,727,580	\$	(367,420)
Net change in fund balances					
	\$ 1,950,000	\$ 1,950,000	\$ (1,001,544)	\$	(2,951,544)
Fund balances - beginning	-	-	1,794,774		1,794,774
Fund balances - ending	\$ 1,950,000	\$ 1,950,000	\$ 793,230	\$	(1,156,770)

Debt Financed School Capital Projects Fund

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

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 26,804	\$ 26,804
Total revenues	\$ -	\$ -	\$ 26,804	\$ 26,804
EXPENDITURES				
Current:				
Education	\$ -	\$ -	\$ (2,900)	\$ 2,900
Capital projects	-	-	7,492,806	(7,492,806)
Debt service:				
Principal retirement	-	-	5,656,671	(5,656,671)
Interest and other fiscal charges	-	-	242,277	(242,277)
Total expenditures	\$ -	\$ -	\$ 13,388,854	\$ (13,388,854)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (13,362,050)	\$ (13,362,050)
OTHER FINANCING SOURCES (USES)				
Issuance of bond anticipation notes	\$ -	\$ -	\$ 20,000,000	\$ 20,000,000
Issuance of general obligation bonds	-	-	10,000,000	10,000,000
Total other financing sources (uses)	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000
Net change in fund balances	\$ -	\$ -	\$ 16,637,950	\$ 16,637,950
Fund balances - beginning, as restated	-	-	(1,064,909)	(1,064,909)
Fund balances - ending	\$ -	\$ -	\$ 15,573,041	\$ 15,573,041

Combining Statement of Fiduciary Net Assets
 Fiduciary Funds
 June 30, 2011

	<u>Agency Funds</u>		
	<u>Special Welfare Fund</u>	<u>Surety Bond Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 31,393	\$ -	\$ 31,393
Total assets	<u>\$ 31,393</u>	<u>\$ -</u>	<u>\$ 31,393</u>
LIABILITIES			
Amounts held for social services clients	\$ 31,393	\$ -	\$ 31,393
Total liabilities	<u>\$ 31,393</u>	<u>\$ -</u>	<u>\$ 31,393</u>

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2011

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 30,619	\$ 1,629	\$ 855	\$ 31,393
Total assets	<u>\$ 30,619</u>	<u>\$ 1,629</u>	<u>\$ 855</u>	<u>\$ 31,393</u>
LIABILITIES				
Amounts held for social services clients	\$ 30,619	\$ 1,629	\$ 855	\$ 31,393
Total liabilities	<u>\$ 30,619</u>	<u>\$ 1,629</u>	<u>\$ 855</u>	<u>\$ 31,393</u>
Surety Bond Fund:				
ASSETS				
Cash and cash equivalents	\$ 5,703	\$ 5	\$ 5,708	\$ -
Total assets	<u>\$ 5,703</u>	<u>\$ 5</u>	<u>\$ 5,708</u>	<u>\$ -</u>
LIABILITIES				
Amounts held for others	\$ 5,703	\$ 5	\$ 5,708	\$ -
Total liabilities	<u>\$ 5,703</u>	<u>\$ 5</u>	<u>\$ 5,708</u>	<u>\$ -</u>
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 36,322	\$ 1,634	\$ 6,563	\$ 31,393
Total assets	<u>\$ 36,322</u>	<u>\$ 1,634</u>	<u>\$ 6,563</u>	<u>\$ 31,393</u>
LIABILITIES				
Amounts held for social services clients	\$ 30,619	\$ 1,629	\$ 855	\$ 31,393
Amounts held for others	5,703	5	5,708	-
Total liabilities	<u>\$ 36,322</u>	<u>\$ 1,634</u>	<u>\$ 6,563</u>	<u>\$ 31,393</u>

Combining Balance Sheet

Discretely Presented Component Unit - School Board

June 30, 2011

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,522,081	\$ 385,431	\$ 99,830	\$ 2,007,342
Receivables (net of allowance for uncollectibles):				
Accounts receivable	61,374	-	-	61,374
Due from other governmental units	355,091	728	-	355,819
Prepaid items	337,106	-	-	337,106
Total assets	<u>\$ 2,275,652</u>	<u>\$ 386,159</u>	<u>\$ 99,830</u>	<u>\$ 2,761,641</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,780	\$ -	\$ -	\$ 5,780
Accrued liabilities	1,522,081	69,989	-	1,592,070
Retainage payable	-	-	89,340	89,340
Due to primary government	747,791	-	-	747,791
Total liabilities	<u>\$ 2,275,652</u>	<u>\$ 69,989</u>	<u>\$ 89,340</u>	<u>\$ 2,434,981</u>
Fund balances:				
Nonspendable:				
Prepays	\$ 337,106	\$ -	\$ -	\$ 337,106
Committed:				
Cafeteria operations	-	316,170	-	316,170
School bus garage	-	-	11,505	11,505
Unassigned	(337,106)	-	(1,015)	(338,121)
Total fund balances	<u>\$ -</u>	<u>\$ 316,170</u>	<u>\$ 10,490</u>	<u>\$ 326,660</u>
Total liabilities and fund balances	<u>\$ 2,275,652</u>	<u>\$ 386,159</u>	<u>\$ 99,830</u>	<u>\$ 2,761,641</u>

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Total fund balances per above \$ 326,660

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 277,809	
Construction in progress	1,970,754	
Buildings	3,407,794	
Improvements	892,401	
Machinery, equipment, and vehicles	1,416,596	
Jointly owned assets	<u>4,421,392</u>	12,386,746

Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. (571,141)

Net assets of governmental activities \$ 12,142,265

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2011

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 625	\$ -	\$ -	\$ 625
Charges for services	9,000	243,232	-	252,232
Miscellaneous	801,289	-	-	801,289
Intergovernmental revenues:				
Local government	4,742,593	-	785,916	5,528,509
Commonwealth	12,075,056	15,383	-	12,090,439
Federal	2,803,116	731,693	263,951	3,798,760
Total revenues	<u>\$ 20,431,679</u>	<u>\$ 990,308</u>	<u>\$ 1,049,867</u>	<u>\$ 22,471,854</u>
EXPENDITURES				
Current:				
Education	\$ 20,374,091	\$ 978,522	\$ -	\$ 21,352,613
Capital projects	-	-	1,692,499	1,692,499
Total expenditures	<u>\$ 20,374,091</u>	<u>\$ 978,522</u>	<u>\$ 1,692,499</u>	<u>\$ 23,045,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 57,588</u>	<u>\$ 11,786</u>	<u>\$ (642,632)</u>	<u>\$ (573,258)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 92,407	\$ 92,407
Transfers out	(92,407)	-	-	(92,407)
Total other financing sources and uses	<u>\$ (92,407)</u>	<u>\$ -</u>	<u>\$ 92,407</u>	<u>\$ -</u>
Net change in fund balances	\$ (34,819)	\$ 11,786	\$ (550,225)	\$ (573,258)
Fund balances - beginning, as restated	34,819	304,384	560,715	899,918
Fund balances - ending	<u>\$ -</u>	<u>\$ 316,170</u>	<u>\$ 10,490</u>	<u>\$ 326,660</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 \$ (573,258)

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 depreciation in the current period.

Capital asset additions	\$ 1,711,877	
Depreciation in current year	(658,448)	
Adjustment for jointly owned assets	340,345	1,393,774

Revenues in the statement of activities that do not provide current financial resources are
 not reported as revenues in the funds. (137,523)

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. 138,072

Change in net assets of governmental activities \$ 821,065

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, 2011

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 1,052	\$ 1,052	\$ 625	\$ (427)
Charges for services	11,557	11,557	9,000	(2,557)
Miscellaneous	439,634	443,009	801,289	358,280
Intergovernmental revenues:				
Local government	4,930,966	5,133,838	4,742,593	(391,245)
Commonwealth	12,943,248	12,555,497	12,075,056	(480,441)
Federal	2,926,140	3,151,767	2,803,116	(348,651)
Total revenues	\$ 21,252,597	\$ 21,296,720	\$ 20,431,679	\$ (865,041)
EXPENDITURES				
Current:				
Education	\$ 21,252,597	\$ 21,296,720	\$ 20,374,091	\$ 922,629
Capital projects	-	-	-	-
Total expenditures	\$ 21,252,597	\$ 21,296,720	\$ 20,374,091	\$ 922,629
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 57,588	\$ 57,588
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(92,407)	(92,407)
Total other financing sources and uses	\$ -	\$ -	\$ (92,407)	\$ (92,407)
Net change in fund balances	\$ -	\$ -	\$ (34,819)	\$ (34,819)
Fund balances - beginning, as restated	-	-	34,819	34,819
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

School Cafeteria Fund				School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
346,657	346,657	243,232	(103,425)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	636,050	785,916	149,866
15,397	15,568	15,383	(185)	-	-	-	-
515,226	645,227	731,693	86,466	-	263,951	263,951	-
<u>\$ 877,280</u>	<u>\$ 1,007,452</u>	<u>\$ 990,308</u>	<u>\$ (17,144)</u>	<u>\$ -</u>	<u>\$ 900,001</u>	<u>\$ 1,049,867</u>	<u>\$ 149,866</u>
\$ 1,177,053	\$ 1,307,225	\$ 978,522	\$ 328,703	\$ -	\$ -	\$ -	\$ -
-	-	-	-	1,198,853	2,084,393	1,692,499	391,894
<u>\$ 1,177,053</u>	<u>\$ 1,307,225</u>	<u>\$ 978,522</u>	<u>\$ 328,703</u>	<u>\$ 1,198,853</u>	<u>\$ 2,084,393</u>	<u>\$ 1,692,499</u>	<u>\$ 391,894</u>
<u>\$ (299,773)</u>	<u>\$ (299,773)</u>	<u>\$ 11,786</u>	<u>\$ 311,559</u>	<u>\$ (1,198,853)</u>	<u>\$ (1,184,392)</u>	<u>\$ (642,632)</u>	<u>\$ 541,760</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,407	\$ 92,407
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,407</u>	<u>\$ 92,407</u>
\$ (299,773)	\$ (299,773)	\$ 11,786	\$ 311,559	\$ (1,198,853)	\$ (1,184,392)	\$ (550,225)	\$ 634,167
299,773	299,773	304,384	4,611	1,198,853	1,184,392	560,715	(623,677)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,170</u>	<u>\$ 316,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,490</u>	<u>\$ 10,490</u>

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Supporting Schedules

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Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

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	\$ 6,335,000	\$ 6,335,000	\$ 6,340,219	\$ 5,219
Real and personal public service corporation taxes	776,000	776,000	1,207,028	431,028
Personal property taxes	2,200,000	2,200,000	2,323,832	123,832
Mobile home taxes	80,000	80,000	67,283	(12,717)
Machinery and tools taxes	250,000	250,000	223,822	(26,178)
Merchants' capital taxes	110,000	110,000	103,054	(6,946)
Aircraft taxes	900	900	809	(91)
Penalties	125,000	125,000	158,039	33,039
Interest	150,000	150,000	139,570	(10,430)
Total general property taxes	<u>\$ 10,026,900</u>	<u>\$ 10,026,900</u>	<u>\$ 10,563,656</u>	<u>\$ 536,756</u>
Other local taxes:				
Local sales and use taxes	\$ 575,000	\$ 575,000	\$ 722,434	\$ 147,434
Consumers' utility taxes	335,000	335,000	342,468	7,468
Franchise license taxes	55,000	55,000	63,817	8,817
Transient occupancy taxes	10,000	10,000	10,732	732
Motor vehicle licenses	360,000	360,000	333,382	(26,618)
Bank stock taxes	20,000	20,000	26,428	6,428
Taxes on recordation and wills	93,000	93,000	59,210	(33,790)
Total other local taxes	<u>\$ 1,448,000</u>	<u>\$ 1,448,000</u>	<u>\$ 1,558,471</u>	<u>\$ 110,471</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 4,747	\$ (253)
Permits and other licenses	72,500	72,500	56,692	(15,808)
Total permits, privilege fees, and regulatory licenses	<u>\$ 77,500</u>	<u>\$ 77,500</u>	<u>\$ 61,439</u>	<u>\$ (16,061)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 50,000	\$ 50,000	\$ 53,650	\$ 3,650
Other fines and forfeitures	1,900	1,900	3,020	1,120
Total fines and forfeitures	<u>\$ 51,900</u>	<u>\$ 51,900</u>	<u>\$ 56,670</u>	<u>\$ 4,770</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 17,000	\$ 17,000	\$ 13,688	\$ (3,312)
Revenue from use of property	55,328	55,328	55,329	1
Total revenue from use of money and property	<u>\$ 72,328</u>	<u>\$ 72,328</u>	<u>\$ 69,017</u>	<u>\$ (3,311)</u>
Charges for services:				
Sheriff's fees	\$ 2,700	\$ 2,700	\$ (638)	\$ (3,338)
Charges for law library	1,400	1,400	3,316	1,916
Excess fees of clerk	6,000	6,000	5,032	(968)
Charges for courthouse maintenance	6,500	6,500	6,507	7
Charges for parks and recreation	-	-	21,408	21,408
Miscellaneous jail and inmate fees	2,200	2,200	697	(1,503)
Courthouse security fees	25,000	25,000	25,444	444
Charges for Commonwealth's Attorney	400	400	485	85
Charges for local court appointed attorney	737	737	1,224	487
Charges for sanitation and waste removal	17,000	17,000	22,633	5,633
Total charges for services	<u>\$ 61,937</u>	<u>\$ 61,937</u>	<u>\$ 86,108</u>	<u>\$ 24,171</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (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 revenue:				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 69,931	\$ 64,931
Service charge on tax exempt properties	8,000	8,000	7,397	(603)
Sale of salvage and surplus	-	-	6,714	6,714
Donations, etc (Sheriff)	-	-	250	250
Total miscellaneous revenue	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 84,292</u>	<u>\$ 71,292</u>
Recovered costs:				
Care of prisoners	\$ -	\$ -	\$ 12,822	\$ 12,822
Insurance recovery	-	-	9,625	9,625
Total recovered costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,447</u>	<u>\$ 22,447</u>
Total revenue from local sources	<u>\$ 11,751,565</u>	<u>\$ 11,751,565</u>	<u>\$ 12,502,100</u>	<u>\$ 750,535</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications taxes	\$ 450,000	\$ 450,000	\$ 441,148	\$ (8,852)
Motor vehicle carriers' tax	10,000	10,000	9,698	(302)
Animal friendly plates - DMV	-	-	110	110
Mobile home titling tax	50,000	50,000	38,993	(11,007)
Grantor's tax on deeds	20,000	20,000	15,646	(4,354)
Auto rental tax	400	400	683	283
Personal property tax relief funds	1,136,914	1,136,914	1,136,914	-
Total noncategorical aid	<u>\$ 1,667,314</u>	<u>\$ 1,667,314</u>	<u>\$ 1,643,192</u>	<u>\$ (24,122)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 200,318	\$ 200,318	\$ 187,078	\$ (13,240)
Sheriff	796,642	796,642	736,713	(59,929)
Commissioner of revenue	76,369	76,369	72,403	(3,966)
Treasurer	82,956	82,956	76,531	(6,425)
Registrar/electoral board	45,019	45,019	35,941	(9,078)
Clerk of the Circuit Court	187,311	187,311	181,263	(6,048)
Total shared expenses	<u>\$ 1,388,615</u>	<u>\$ 1,388,615</u>	<u>\$ 1,289,929</u>	<u>\$ (98,686)</u>
Other categorical aid:				
Recordation tax	\$ 20,000	\$ 20,000	\$ 23,749	\$ 3,749
Fire program funds	40,000	40,000	43,819	3,819
Forest products sales	30,000	30,000	22,541	(7,459)
Arts grant	5,000	5,000	-	(5,000)

Schedule of Revenues - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
4 for life	\$ 50,000	\$ 50,000	\$ 15,023	\$ (34,977)
E-911 grants	70,600	70,600	41,299	(29,301)
Litter control grant	6,917	6,636	6,636	-
Miscellaneous grants	5,000	5,000	-	(5,000)
Burn building grant	-	6,937	6,937	-
Asset forfeiture DCJS	-	-	184	184
Total other categorical aid	<u>\$ 227,517</u>	<u>\$ 234,173</u>	<u>\$ 160,188</u>	<u>\$ (73,985)</u>
Total categorical aid	<u>\$ 1,616,132</u>	<u>\$ 1,622,788</u>	<u>\$ 1,450,117</u>	<u>\$ (172,671)</u>
Total revenue from the Commonwealth	<u>\$ 3,283,446</u>	<u>\$ 3,290,102</u>	<u>\$ 3,093,309</u>	<u>\$ (196,793)</u>
Revenue from the federal government:				
Categorical aid:				
State and community highway safety	\$ -	\$ -	\$ 23,685	\$ 23,685
Federal interest subsidy	-	-	61,320	61,320
Local law enforcement block grant	-	-	3,010	3,010
State criminal alien assistance program	-	-	166	166
Emergency management preparedness grant	-	-	6,975	6,975
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,156</u>	<u>\$ 95,156</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,156</u>	<u>\$ 95,156</u>
Total General Fund	<u>\$ 15,035,011</u>	<u>\$ 15,041,667</u>	<u>\$ 15,690,565</u>	<u>\$ 648,898</u>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ 32,000	\$ 32,000	\$ 20,474	\$ (11,526)
Total miscellaneous revenue	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ 20,474</u>	<u>\$ (11,526)</u>
Total revenue from local sources	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ 20,474</u>	<u>\$ (11,526)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 405,000	\$ 405,000	\$ 445,492	\$ 40,492
Comprehensive Services Act program	858,220	858,220	844,973	(13,247)
Total categorical aid	<u>\$ 1,263,220</u>	<u>\$ 1,263,220</u>	<u>\$ 1,290,465</u>	<u>\$ 27,245</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 858,448	\$ 858,448	\$ 803,443	\$ (55,005)
Public assistance and welfare administration - ARRA	15,000	15,000	16,016	1,016
Total categorical aid	<u>\$ 873,448</u>	<u>\$ 873,448</u>	<u>\$ 819,459</u>	<u>\$ (53,989)</u>
Total Virginia Public Assistance Fund	<u>\$ 2,168,668</u>	<u>\$ 2,168,668</u>	<u>\$ 2,130,398</u>	<u>\$ (38,270)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Funds:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 18,745	\$ 18,745
Total revenue from use of money and property	\$ -	\$ -	\$ 18,745	\$ 18,745
Miscellaneous revenue:				
Donations for Gene Dixon Park expansion	\$ -	\$ -	\$ 1,000	\$ 1,000
Total miscellaneous revenue	\$ -	\$ -	\$ 1,000	\$ 1,000
Total revenue from local sources	\$ -	\$ -	\$ 19,745	\$ 19,745
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 33,488	\$ 33,488
Total categorical aid	\$ -	\$ -	\$ 33,488	\$ 33,488
Total County Capital Improvements Fund	\$ -	\$ -	\$ 53,233	\$ 53,233
Debt Financed School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 26,804	\$ 26,804
Total revenue from use of money and property	\$ -	\$ -	\$ 26,804	\$ 26,804
Total revenue from local sources	\$ -	\$ -	\$ 26,804	\$ 26,804
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 26,804	\$ 26,804
Total Primary Government	\$ 17,203,679	\$ 17,210,335	\$ 17,901,000	\$ 690,665
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	\$ 1,052	\$ 1,052	\$ 625	\$ (427)
Charges for services:				
Tuition and other payments	\$ 11,557	\$ 11,557	\$ 9,000	\$ (2,557)
Total charges for services	\$ 11,557	\$ 11,557	\$ 9,000	\$ (2,557)
Miscellaneous revenue:				
Other miscellaneous	\$ 439,634	\$ 443,009	\$ 635,723	\$ 192,714
VPSA interest subsidy	-	-	165,566	165,566
Total miscellaneous revenue	439,634	443,009	801,289	358,280
Total revenue from local sources	\$ 452,243	\$ 455,618	\$ 810,914	\$ 355,296

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ 4,930,966	\$ 5,133,838	\$ 4,742,593	\$ (391,245)
Total revenues from local governments	\$ 4,930,966	\$ 5,133,838	\$ 4,742,593	\$ (391,245)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,816,626	\$ 1,891,225	\$ 1,890,889	\$ (336)
Basic school aid	6,450,858	6,028,393	6,028,393	-
Remedial summer education	105,101	104,104	104,104	-
Regular foster care	23,803	25,546	11,398	(14,148)
Adult secondary education	46,266	46,266	-	(46,266)
Gifted and talented	62,763	62,109	62,109	-
Remedial education	244,079	241,534	241,534	-
Special education- SOQ	1,213,424	1,200,769	1,200,769	-
Vocational standards of quality payments	290,106	287,080	287,080	-
Social security fringe benefits	426,790	422,339	422,339	-
Retirement fringe benefits	252,448	249,815	249,815	-
Group life fringe benefits	15,342	15,182	15,182	-
Early reading intervention	37,510	41,923	41,923	-
ISAEF	7,859	7,859	7,859	-
Homebound education	8,990	4,886	4,886	-
Mentor teaching	2,424	2,424	1,068	(1,356)
Vocational education - equipment	-	6,656	5,596	(1,060)
Vocational occupational preparedness	25,865	24,838	18,618	(6,220)
At risk payments	300,156	297,069	297,069	-
Textbooks	73,280	72,515	72,515	-
Primary class size/K-3 initiative	195,900	207,436	207,436	-
Virginia Preschool Initiative	200,431	200,431	200,431	-
Standards of Learning algebra readiness	29,344	31,659	31,659	-
VA Tobacco Settlement Grant	24,000	-	-	-
Hold harmless sales tax	469,200	434,828	434,828	-
VPSA technology funds	412,000	412,000	206,000	(206,000)
Other state funds	208,683	236,611	31,556	(205,055)
Total categorical aid	\$ 12,943,248	\$ 12,555,497	\$ 12,075,056	\$ (480,441)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 736,566	\$ 749,190	\$ 629,138	\$ (120,052)
Title I (ARRA)	399,736	283,534	271,412	(12,122)
Title VI-B, special education flow-through	531,677	516,877	516,877	-
IDEA (ARRA) Part B	539,846	335,575	333,965	(1,610)
Vocational education	83,945	57,679	60,150	2,471
Title VI-B, special education pre-school	10,914	20,826	10,414	(10,412)
Drug free schools	50,695	12,592	9,541	(3,051)
Title II, Part A	149,454	167,445	166,844	(601)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011 (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)				
Revenue from the federal government: (Continued)				
Categorical aid: (Continued)				
Education technology	\$ -	\$ -	\$ 10,653	\$ 10,653
Education technology (ARRA)	16,607	16,607	7,190	(9,417)
ROTC	53,555	55,855	55,906	51
USDA	-	-	17,541	17,541
Childcare food program	35,000	40,000	25,789	(14,211)
Reading first grant	50,377	123,304	97,527	(25,777)
Rural and low-income schools	51,238	100,148	28,838	(71,310)
State Fiscal Stabilization Funds (ARRA)	-	355,571	355,571	-
Twenty-first century community learning centers	197,690	304,919	205,760	(99,159)
Other federal funds	18,840	11,645	-	(11,645)
Total categorical aid	<u>\$ 2,926,140</u>	<u>\$ 3,151,767</u>	<u>\$ 2,803,116</u>	<u>\$ (348,651)</u>
Total School Operating Fund	<u>\$ 21,252,597</u>	<u>\$ 21,296,720</u>	<u>\$ 20,431,679</u>	<u>\$ (865,041)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 346,657	\$ 346,657	\$ 243,232	\$ (103,425)
Total revenue from local sources	<u>\$ 346,657</u>	<u>\$ 346,657</u>	<u>\$ 243,232</u>	<u>\$ (103,425)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,464	\$ 11,464	\$ 11,279	\$ (185)
School breakfast program	3,933	4,104	4,104	-
Total revenue from the Commonwealth	<u>\$ 15,397</u>	<u>\$ 15,568</u>	<u>\$ 15,383</u>	<u>\$ (185)</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 495,650	\$ 620,228	\$ 635,841	\$ 15,613
Fresh fruit and vegetables - FFV	19,576	24,999	31,464	6,465
Commodities	-	-	64,388	64,388
Total revenue from the federal government	<u>\$ 515,226</u>	<u>\$ 645,227</u>	<u>\$ 731,693</u>	<u>\$ 86,466</u>
Total School Cafeteria Fund	<u>\$ 877,280</u>	<u>\$ 1,007,452</u>	<u>\$ 990,308</u>	<u>\$ (17,144)</u>
Capital Projects Fund:				
School Capital Projects Fund:				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ -	\$ 636,050	\$ 785,916	\$ 149,866
Total revenues from local governments	<u>\$ -</u>	<u>\$ 636,050</u>	<u>\$ 785,916</u>	<u>\$ 149,866</u>
Revenue from the federal government:				
Categorical aid:				
State Fiscal Stabilization Funds (ARRA)	\$ -	\$ 263,951	\$ 263,951	\$ -
Total School Capital Projects Fund	<u>\$ -</u>	<u>\$ 900,001</u>	<u>\$ 1,049,867</u>	<u>\$ 149,866</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 22,129,877</u>	<u>\$ 23,204,173</u>	<u>\$ 22,471,854</u>	<u>\$ (732,319)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2011

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	\$ 91,904	\$ 129,208	\$ 129,488	\$ (280)
General and financial administration:				
County administrator	\$ 162,334	\$ 162,334	\$ 163,241	\$ (907)
Independent Auditor	35,000	35,000	35,000	-
Cost allocation plan	3,500	3,500	3,500	-
Commissioner of revenue	213,812	213,812	215,805	(1,993)
Treasurer	253,085	253,085	245,504	7,581
Finance/Human Resource	169,536	169,536	158,966	10,570
Information Technology	89,097	105,497	100,969	4,528
Total general and financial administration	\$ 926,364	\$ 942,764	\$ 922,985	\$ 19,779
Board of elections:				
Electoral board and officials	\$ 40,248	\$ 40,248	\$ 25,422	\$ 14,826
Registrar	79,757	79,757	75,576	4,181
Total board of elections	\$ 120,005	\$ 120,005	\$ 100,998	\$ 19,007
Total general government administration	\$ 1,138,273	\$ 1,191,977	\$ 1,153,471	\$ 38,506
Judicial administration:				
Courts:				
Circuit court	\$ 13,280	\$ 13,280	\$ 13,070	\$ 210
General district court	7,570	7,570	8,550	(980)
Court appointed attorney	-	-	3,213	(3,213)
Special magistrates	3,000	3,000	822	2,178
Clerk of the circuit court	303,402	303,402	312,260	(8,858)
Total courts	\$ 327,252	\$ 327,252	\$ 337,915	\$ (10,663)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 286,342	\$ 353,968	\$ 316,887	\$ 37,081
Total commonwealth's attorney	\$ 286,342	\$ 353,968	\$ 316,887	\$ 37,081
Total judicial administration	\$ 613,594	\$ 681,220	\$ 654,802	\$ 26,418
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,552,451	\$ 1,594,882	\$ 1,684,356	\$ (89,474)
Selective enforcement	-	-	25,079	(25,079)
Cadre	2,500	2,500	-	2,500
Triad	2,500	2,500	-	2,500
Total law enforcement and traffic control	\$ 1,557,451	\$ 1,599,882	\$ 1,709,435	\$ (109,553)

Schedule of Expenditures - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2011 (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	\$ 175,067	\$ 186,924	\$ 192,451	\$ (5,527)
Ambulance and rescue services	141,250	157,073	155,823	1,250
Forest fire prevention	25,000	25,000	26,859	(1,859)
Emergency services	234,807	234,807	194,358	40,449
Total fire and rescue services	<u>\$ 576,124</u>	<u>\$ 603,804</u>	<u>\$ 569,491</u>	<u>\$ 34,313</u>
Correction and detention:				
Piedmont Regional Jail	\$ -	\$ -	\$ 12,822	\$ (12,822)
Regional Juvenile Detention	50,000	50,000	18,662	31,338
Total correction and detention	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 31,484</u>	<u>\$ 18,516</u>
Inspections:				
Building	\$ 105,856	\$ 128,266	\$ 138,316	\$ (10,050)
Total inspections	<u>\$ 105,856</u>	<u>\$ 128,266</u>	<u>\$ 138,316</u>	<u>\$ (10,050)</u>
Other protection:				
Animal control	\$ 108,078	\$ 108,078	\$ 133,206	\$ (25,128)
Medical Examiner	200	200	100	100
Southside Center for Violence Prevention	5,000	5,000	5,000	-
Total other protection	<u>\$ 113,278</u>	<u>\$ 113,278</u>	<u>\$ 138,306</u>	<u>\$ (25,028)</u>
Total public safety	<u>\$ 2,402,709</u>	<u>\$ 2,495,230</u>	<u>\$ 2,587,032</u>	<u>\$ (91,802)</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 3,400	\$ 3,400	\$ 4,637	\$ (1,237)
Total maintenance of highways, streets, bridges & sidewalks	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>\$ 4,637</u>	<u>\$ (1,237)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 790,807	\$ 793,453	\$ 787,169	\$ 6,284
Anti-Litter	6,917	6,636	6,866	(230)
Total sanitation and waste removal	<u>\$ 797,724</u>	<u>\$ 800,089</u>	<u>\$ 794,035</u>	<u>\$ 6,054</u>
Maintenance of general buildings and grounds:				
General properties	\$ 431,999	\$ 431,999	\$ 470,049	\$ (38,050)
Total maintenance of general buildings and grounds	<u>\$ 431,999</u>	<u>\$ 431,999</u>	<u>\$ 470,049</u>	<u>\$ (38,050)</u>
Total public works	<u>\$ 1,233,123</u>	<u>\$ 1,235,488</u>	<u>\$ 1,268,721</u>	<u>\$ (33,233)</u>
Health and welfare:				
Health:				
Health Department	\$ 104,298	\$ 104,298	\$ 95,765	\$ 8,533
Total health	<u>\$ 104,298</u>	<u>\$ 104,298</u>	<u>\$ 95,765</u>	<u>\$ 8,533</u>
Mental health and mental retardation:				
Crossroads Board	\$ 32,960	\$ 32,960	\$ 32,960	\$ -
Special olympics	250	250	-	250
Total mental health and mental retardation	<u>\$ 33,210</u>	<u>\$ 33,210</u>	<u>\$ 32,960</u>	<u>\$ 250</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds

For the Year Ended June 30, 2011 (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:				
Local hospitalization program	\$ 4,374	\$ 4,374	\$ -	\$ 4,374
Area Agency on Aging	1,249	1,249	1,249	-
Tax Relief for the Elderly	-	-	10,667	(10,667)
Jaunt Inc transportation service	20,577	24,477	24,477	-
Blackstone area bus system	10,000	10,000	10,000	-
Va legal aid	4,627	4,627	4,627	-
Total welfare	<u>\$ 40,827</u>	<u>\$ 44,727</u>	<u>\$ 51,020</u>	<u>\$ (6,293)</u>
Total health and welfare	<u>\$ 178,335</u>	<u>\$ 182,235</u>	<u>\$ 179,745</u>	<u>\$ 2,490</u>
Education:				
Other instructional costs:				
Contributions to colleges and agencies	\$ 19,039	\$ 19,039	\$ 18,883	\$ 156
Contribution to Buckingham County School Board	4,930,966	5,935,454	5,544,209	391,245
Total education	<u>\$ 4,950,005</u>	<u>\$ 5,954,493</u>	<u>\$ 5,563,092</u>	<u>\$ 391,401</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 147,150	\$ 210,970	\$ 159,691	\$ 51,279
Programs	-	-	20,447	(20,447)
Total parks and recreation	<u>\$ 147,150</u>	<u>\$ 210,970</u>	<u>\$ 180,138</u>	<u>\$ 30,832</u>
Cultural enrichment:				
Arts Council	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000
Longwood Center For the Visual Arts	1,063	2,126	2,126	-
Hatton ferry fund	-	1,000	1,000	-
Va Retreat	4,500	4,500	4,500	-
Total cultural enrichment	<u>\$ 15,563</u>	<u>\$ 17,626</u>	<u>\$ 12,626</u>	<u>\$ 5,000</u>
Library:				
Reading is Fundamental	\$ 500	\$ 500	\$ 500	\$ -
Regional library	144,113	144,113	144,113	-
Total library	<u>\$ 144,613</u>	<u>\$ 144,613</u>	<u>\$ 144,613</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 307,326</u>	<u>\$ 373,209</u>	<u>\$ 337,377</u>	<u>\$ 35,832</u>
Community development:				
Planning and community development:				
Planning	\$ 86,459	\$ 86,459	\$ 88,708	\$ (2,249)
Planning District Commission	15,700	15,700	15,700	-
Economic Development	-	-	5,054	(5,054)
Longwood Small Business Development Center	5,849	5,849	5,118	731
Southeast RCAP	1,000	1,000	1,000	-
Total planning and community development	<u>\$ 109,008</u>	<u>\$ 109,008</u>	<u>\$ 115,580</u>	<u>\$ (6,572)</u>
Environmental management:				
Peter Francisco Soil and Water Conservation	\$ 9,500	\$ 9,500	\$ 9,500	\$ -
RC&D	1,406	1,406	1,406	-
Total environmental management	<u>\$ 10,906</u>	<u>\$ 10,906</u>	<u>\$ 10,906</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2011 (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	\$ 58,041	\$ 65,094	\$ 65,193	\$ (99)
Total cooperative extension program	\$ 58,041	\$ 65,094	\$ 65,193	\$ (99)
Total community development	\$ 177,955	\$ 185,008	\$ 191,679	\$ (6,671)
Nondepartmental:				
Bank Charges - Bank of America	\$ 18,000	\$ 18,000	\$ 33,072	\$ (15,072)
Unemployment insurance	2,900	2,900	11,658	(8,758)
Worker's compensation	50,000	50,000	42,605	7,395
Reserves	3,404,509	3,311,783	-	3,311,783
School sewer contract	50,000	50,000	88,923	(38,923)
Total nondepartmental	\$ 3,525,409	\$ 3,432,683	\$ 176,258	\$ 3,256,425
Debt service:				
Principal retirement	\$ 1,056,343	\$ 1,056,343	\$ 830,343	\$ 226,000
Interest and other fiscal charges	784,219	618,654	982,289	(363,635)
Total debt service	\$ 1,840,562	\$ 1,674,997	\$ 1,812,632	\$ (137,635)
Total General Fund	\$ 16,367,291	\$ 17,406,540	\$ 13,924,809	\$ 3,481,731
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,138,681	\$ 1,138,681	\$ 1,104,032	\$ 34,649
Public assistance	414,913	414,913	379,762	35,151
Comprehensive services	1,104,431	1,104,431	1,082,146	22,285
Total welfare and social services	\$ 2,658,025	\$ 2,658,025	\$ 2,565,940	\$ 92,085
Total Virginia Public Assistance Fund	\$ 2,658,025	\$ 2,658,025	\$ 2,565,940	\$ 92,085
Capital Projects Funds:				
County Capital Improvements Fund:				
Capital projects expenditures:				
Fire departments	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Rescue squad	50,000	50,000	50,000	-
Solid waste recycling centers	15,000	15,000	-	15,000
County admin/ss/health dept renovation project	-	-	2,392,979	(2,392,979)
Total capital projects	\$ 145,000	\$ 145,000	\$ 2,522,979	\$ (2,377,979)
Debt service:				
Interest and other fiscal charges	\$ -	\$ -	\$ 259,378	\$ (259,378)
Total debt service	\$ -	\$ -	\$ 259,378	\$ (259,378)
Total County Capital Improvements Fund	\$ 145,000	\$ 145,000	\$ 2,782,357	\$ (2,637,357)
Debt Financed School Capital Projects Fund:				
Education:				
Other instructional costs:				
Contribution to Buckingham County School Board	\$ -	\$ -	\$ (2,900)	\$ 2,900
Total education	\$ -	\$ -	\$ (2,900)	\$ 2,900

Schedule of Expenditures - Budget and Actual
Governmental Funds

For the Year Ended June 30, 2011 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund:				
Capital projects expenditures:				
Elementary school renovation	\$ -	\$ -	\$ 7,492,806	\$ (7,492,806)
Total capital projects	\$ -	\$ -	\$ 7,492,806	\$ (7,492,806)
Debt service:				
Principal retirement	\$ -	\$ -	\$ 5,656,671	\$ (5,656,671)
Interest and other fiscal charges	-	-	242,277	(242,277)
Total debt service	\$ -	\$ -	\$ 5,898,948	\$ (5,898,948)
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 13,388,854	\$ (13,388,854)
Total Primary Government	\$ 19,170,316	\$ 20,209,565	\$ 32,661,960	\$ (12,452,395)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Administration, attendance and health	\$ 956,709	\$ 956,709	\$ 1,006,461	\$ (49,752)
Instruction	15,392,315	15,391,972	14,745,718	646,254
Operation and maintenance services	1,969,495	1,950,495	1,943,693	6,802
Pupil transportation	1,745,487	1,766,339	1,776,309	(9,970)
Child care food and community service	44,258	44,258	43,849	409
Total administration of schools	\$ 20,108,264	\$ 20,109,773	\$ 19,516,030	\$ 593,743
Capital Projects:				
School capital outlay/capital projects	\$ 870	\$ 870	\$ 870	\$ -
Technology	1,143,463	1,186,077	857,191	328,886
Total Capital Projects	\$ 1,144,333	\$ 1,186,947	\$ 858,061	\$ 328,886
Total education	\$ 21,252,597	\$ 21,296,720	\$ 20,374,091	\$ 922,629
Total School Operating Fund	\$ 21,252,597	\$ 21,296,720	\$ 20,374,091	\$ 922,629
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,177,053	\$ 1,307,225	\$ 914,134	\$ 393,091
Commodities	-	-	64,388	(64,388)
Total school food services	\$ 1,177,053	\$ 1,307,225	\$ 978,522	\$ 328,703
Total education	\$ 1,177,053	\$ 1,307,225	\$ 978,522	\$ 328,703
Total School Cafeteria Fund	\$ 1,177,053	\$ 1,307,225	\$ 978,522	\$ 328,703
School Capital Projects Fund:				
Capital projects expenditures:				
Site acquisitions	\$ 1,198,853	\$ 1,315,524	\$ -	\$ 1,315,524
School renovations	-	242,609	172,267	70,342
School repairs	-	97,287	84,769	12,518
School bus garage	-	428,973	1,435,463	(1,006,490)
Total capital projects	\$ 1,198,853	\$ 2,084,393	\$ 1,692,499	\$ 391,894
Total School Capital Projects Fund	\$ 1,198,853	\$ 2,084,393	\$ 1,692,499	\$ 391,894
Total Discretely Presented Component Unit - School Board	\$ 23,628,503	\$ 24,688,338	\$ 23,045,112	\$ 1,643,226

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Other Statistical Information

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COUNTY OF BUCKINGHAM, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years (1)

Fiscal Year	General Government		Judicial Administration		Public Safety		Public Works		Health and Welfare		Parks, Recreation, and Cultural		Community Development		Interest on Long-Term Debt		Water and Sewer Fund		Total
	Administration		Administration		Public Safety		Public Works		Health and Welfare		Education		Development		Term Debt				
2002-03	\$ 1,050,601	\$ 340,001	\$ 1,939,848	\$ 828,499	\$ 1,982,198	\$ 4,264,992	\$ 161,707	\$ 168,953	\$ 445,252	\$ 903,008	\$ 12,085,059								
2003-04	1,028,128	416,838	1,987,827	1,154,115	1,911,182	4,773,768	194,776	157,595	725,898	912,624	13,262,751								
2004-05	1,192,976	1,150,436	1,936,376	900,361	2,302,910	5,079,625	201,653	130,155	470,130	998,706	14,363,328								
2005-06	1,201,386	824,131	2,713,172	1,214,832	2,444,849	5,451,424	220,718	156,233	971,104	1,136,364	16,334,213								
2006-07	1,264,777	743,234	2,414,710	1,415,181	2,443,364	4,538,970	257,120	170,984	917,298	1,072,142	15,237,780								
2007-08	1,235,723	805,582	2,789,740	1,471,478	2,317,682	6,117,949	293,220	174,795	879,572	1,058,409	17,144,150								
2008-09	1,321,992	865,246	2,688,440	1,437,105	2,859,230	5,855,367	306,125	191,422	829,980	1,074,621	17,429,528								
2009-10	1,559,861	896,908	2,670,689	1,422,145	2,612,133	4,994,689	291,273	189,236	780,565	1,203,612	16,621,111								
2010-11	1,384,736	917,801	2,762,662	1,408,760	2,737,450	6,040,884	325,171	201,937	1,165,465	1,207,953	18,152,819								

(1) Information has only been available for 9 years.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years (1)

PROGRAM REVENUES				GENERAL REVENUES						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes (2)	Other Local Taxes (3)(4)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs (3)	Gain on Disposal of Assets	Total
2002-03	\$ 903,147	\$ 2,643,408	\$ 838,168	\$ 6,283,772	\$ 2,085,720	\$ 125,581	\$ 26,615	\$ 1,325,750	\$ -	\$ 14,232,161
2003-04	901,843	3,019,523	1,051,579	6,749,926	1,704,896	117,682	7,117	1,285,260	-	14,837,826
2004-05	1,283,376	3,036,434	179,315	6,483,767	1,842,990	259,600	74,058	1,213,031	-	14,372,571
2005-06	1,329,047	4,838,410	58,060	6,604,700	1,870,553	366,690	64,055	1,270,508	-	16,402,023
2006-07	1,450,044	3,505,405	1,266	6,679,291	1,869,757	431,411	177,598	1,300,462	-	15,415,234
2007-08	1,561,548	3,438,106	80,000	8,263,540	1,944,916	366,768	214,461	1,228,275	96,844	17,194,458
2008-09	1,698,605	3,847,111	1,835,364	9,894,353	1,865,115	178,571	104,985	1,206,892	-	20,630,996
2009-10	1,831,477	3,452,561	860,616	12,489,199	3,129,756	114,255	110,822	1,650,350	-	23,639,036
2010-11	1,802,334	3,593,877	313,505	10,616,164	1,558,471	114,818	105,766	1,643,192	-	19,748,127

- (1) Information has only been available for 9 years.
- (2) General property taxes increased in fiscal year 2010 due to a change in presentation in accordance with GASB 33.
- (3) In fiscal year 2010, communication taxes were reclassified from local taxes to noncategorical state aid in accordance with APA guidelines.
- (4) Increase in local taxes is related to new power plant locating in the County in fiscal year 2010, which impacted sales and other taxes.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service		Total
										Debt	Service	
2001-02	\$ 991,115	\$ 299,021	\$ 1,464,351	\$ 849,534	\$ 2,136,480	\$ 16,951,241	\$ 168,531	\$ 158,308	\$ 66,595	\$ 387,161	\$ 23,472,337	
2002-03	754,145	297,018	1,860,215	795,216	1,989,795	17,205,984	153,757	160,108	253,947	357,400	23,827,585	
2003-04	719,335	339,804	1,944,028	960,951	1,923,270	18,412,766	190,125	144,389	437,159	1,135,817	26,207,644	
2004-05	792,339	344,726	1,962,848	991,456	2,262,954	19,576,309	195,647	119,916	312,203	1,051,617	27,610,015	
2005-06	1,012,110	481,403	2,637,375	1,092,758	2,434,159	19,210,783	208,743	145,759	132,266	1,374,382	28,729,738	
2006-07	1,134,174	478,940	2,446,075	1,297,576	2,440,479	21,053,222	250,021	168,603	117,448	1,980,474	31,367,012	
2007-08	1,082,319	541,288	2,734,527	1,327,749	2,318,517	22,069,288	288,233	164,538	153,775	2,051,733	32,731,967	
2008-09	1,205,801	600,952	3,281,609	1,290,292	2,844,876	22,981,348	320,903	181,164	148,315	1,896,398	34,751,658	
2009-10	1,456,324	632,614	2,616,176	1,277,735	2,619,740	22,756,388	474,857	178,977	174,583	1,866,657	34,054,051	
2010-11	1,153,471	654,802	2,587,032	1,268,721	2,745,685	21,371,496	337,377	191,679	176,258	1,812,632	32,299,153	

(1) Includes General and Special Revenue 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.

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
2001-02	\$ 5,519,470	\$ 1,592,328	\$ 57,942	\$ 2,118	\$ 193,350	\$ 328,390	\$ 695,017	\$ -	\$ 16,904,216	\$ 25,292,831
2002-03	6,184,209	2,085,720	51,021	2,070	225,922	335,499	302,998	-	17,359,549	26,546,988
2003-04	6,091,061	1,704,896	56,682	2,207	95,081	353,331	351,310	-	18,666,442	27,321,010
2004-05	6,286,375	1,842,990	58,830	9,297	174,274	395,909	407,738	-	19,005,727	28,181,140
2005-06	6,661,461	1,870,553	105,963	29,580	326,564	402,581	389,918	-	20,824,727	30,611,347
2006-07	7,166,185	1,869,757	79,173	33,535	363,992	419,510	582,653	45,262	20,908,339	31,468,406
2007-08	8,165,190	1,972,396	89,059	32,426	268,844	421,092	688,166	19,738	20,835,242	32,492,153
2008-09	9,451,458	1,865,115	75,292	68,577	127,372	409,788	850,476	37,901	22,393,726	35,279,705
2009-10	9,741,625	3,129,756	84,822	58,038	77,656	357,233	714,329	30,929	21,705,834	35,900,222
2010-11	10,563,656	1,558,471	61,439	56,670	69,642	338,340	906,055	22,447	20,923,637	34,500,357

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total		Current Tax Collections		Percent of Levy Collected	Delinquent Tax Collections		Total Tax Collections		Percent of Total Tax Collections to Tax Levy		Outstanding Delinquent Taxes (1,2)		Percent of Delinquent Taxes to Tax Levy	
	Levy (1)	Tax	(1)			(1)									
2001-02	\$ 6,684,471	\$ 6,384,548		\$ 95.51%	\$ 233,129	\$ 6,617,677		99.00%	\$ 667,643	9.99%					
2002-03	7,126,299	6,762,018		94.89%	285,680	7,047,698		98.90%	574,458	8.06%					
2003-04	7,303,679	6,822,595		93.41%	220,063	7,042,658		96.43%	1,044,210	14.30%					
2004-05	7,247,208	6,842,466		94.42%	299,643	7,142,109		98.55%	1,347,240	18.59%					
2005-06	7,627,643	7,178,830		94.12%	414,961	7,593,791		99.56%	1,349,168	17.69%					
2006-07	7,978,350	7,598,725		95.24%	441,133	8,039,858		100.77%	1,590,644	19.94%					
2007-08	9,261,316	8,944,524		96.58%	325,943	9,270,467		100.10%	1,725,865	18.64%					
2008-09	10,777,878	9,787,442		90.81%	542,113	10,329,555		95.84%	2,080,149	19.30%					
2009-10	10,589,590	9,923,038		93.71%	619,631	10,542,669		99.56%	1,715,573	16.20%					
2010-11	11,439,032	10,550,992		92.24%	851,970	11,402,962		99.68%	1,670,822	14.61%					

(1) Exclusive of penalties and interest.

(2) Up until 2003-04 includes three most current delinquent tax years and first half of current tax year,
after includes all delinquent taxes.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property		Machinery and Tools	Merchants' Capital	Public		Aircraft (3)	Total
		Homes (1)	and Mobile Homes (1)			Service (2,4)	Public		
2001-02	\$ 635,915,569	\$ 78,715,140	\$ 3,610,421	\$ 4,453,902	\$ 65,746,026	\$ -	\$ -	-	788,441,058
2002-03	651,398,970	80,088,796	3,950,520	4,284,600	73,457,422	-	-	-	813,180,308
2003-04	672,092,919	82,790,869	4,530,534	6,115,309	61,009,911	-	-	-	826,539,542
2004-05	680,556,060	80,439,925	5,017,520	6,334,645	59,084,431	-	-	-	831,432,581
2005-06	694,368,050	87,771,138	6,034,540	6,485,942	57,064,341	-	-	-	851,724,011
2006-07	715,188,609	93,701,415	6,565,610	7,274,988	54,286,338	-	-	-	877,016,960
2007-08	1,072,958,030	98,823,429	6,864,290	11,023,763	46,496,132	-	-	-	1,236,165,644
2008-09	1,421,037,892	110,182,035	8,250,120	10,032,815	83,407,789	-	-	-	1,632,910,651
2009-10	1,431,613,499	104,059,189	7,949,090	10,486,865	76,947,351	2,073,500	2,073,500	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	147,150	147,150	1,840,659,885

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Mobile Homes	Personal Property (2)	Machinery and Tools (2)	Merchants' Capital	Aircraft (3)
	1st Half	2nd Half					
2001-02	\$ 0.58	\$ 0.58	\$ 0.58	\$ 4.05	\$ 2.90	\$ 1.00	-
2002-03	0.58	0.58	0.58	4.05	2.90	1.00	-
2003-04	0.58	0.58	0.58	4.05	2.90	1.00	-
2004-05	0.58	0.58	0.58	4.05	2.90	1.00	-
2005-06	0.58	0.58	0.58	4.05	2.90	1.00	-
2006-07	0.58	0.58	0.58	4.05	2.90	1.00	-
2007-08	0.58	0.44	0.58	4.05	2.90	1.00	-
2008-09	0.44	0.44	0.44	4.05	2.90	1.00	-
2009-10	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2010-11	0.44	0.44	0.44	4.05	2.90	1.00	0.55

(1) Per \$100 of assessed value.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less:		Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
				Debt Service Monies Available	Net Bonded Debt		
2001-02	15,600	\$ 788,441	\$ 8,356,289	-	\$ 8,356,289	1.06%	\$ 536
2002-03	15,700	813,180	15,904,220	-	15,904,220	1.96%	1,013
2003-04	15,900	826,540	24,930,012	-	24,930,012	3.02%	1,568
2004-05	16,100	831,433	24,399,791	-	24,399,791	2.93%	1,516
2005-06	15,977	851,724	22,537,793	-	22,537,793	2.65%	1,411
2006-07	16,341	877,017	21,539,200	-	21,539,200	2.46%	1,318
2007-08	16,342	1,236,166	20,511,736	-	20,511,736	1.66%	1,255
2008-09	16,547	1,632,911	19,463,062	-	19,463,062	1.19%	1,176
2009-10	16,814	1,633,129	18,395,228	-	18,395,228	1.13%	1,094
2010-11	17,182	1,840,660	42,076,504	-	42,076,504	2.29%	2,449

(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
2001-02	\$ 217,538	\$ 169,623	\$ 387,161	\$ 23,472,337	1.65%
2002-03	202,684	154,716	357,400	23,827,585	1.50%
2003-04	511,208	624,609	1,135,817	26,207,644	4.33%
2004-05	518,350	533,267	1,051,617	27,610,015	3.81%
2005-06	527,049	847,333	1,374,382	28,729,738	4.78%
2006-07	952,629	1,027,845	1,980,474	31,367,012	6.31%
2007-08	1,115,489	936,244	2,051,733	32,731,967	6.27%
2008-09	1,010,442	885,956	1,896,398	34,751,658	5.46%
2009-10	1,030,872	835,785	1,866,657	34,054,051	5.48%
2010-11	830,343	982,289	1,812,632	32,299,153	5.61%

(1) Includes General and Special Revenue funds of the Primary Government excluding capital projects.

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COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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 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 the County of Buckingham, Virginia, as of and for the year ended June 30, 2011, which collectively comprise the County of Buckingham, Virginia's basic financial statements and have issued our report thereon dated February 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Buckingham, Virginia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Buckingham, Virginia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Buckingham, Virginia's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Buckingham, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2011-1.

We noted other matters involving the internal control and its operation that we have reported to management of the County of Buckingham, Virginia in a separate letter dated February 3, 2012.

County of Buckingham, Virginia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Turner, Co. Associates
Charlottesville, Virginia
February 3, 2012

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited County of Buckingham, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Buckingham, Virginia's major federal programs for the year ended June 30, 2011. County of Buckingham, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Buckingham, Virginia's management. Our responsibility is to express an opinion on the County of Buckingham, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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. Our audit does not provide a legal determination of County of Buckingham, Virginia's compliance with those requirements.

In our opinion, County of Buckingham, Virginia complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

Management of County of Buckingham, Virginia is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County of Buckingham, Virginia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Buckingham, Virginia's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Charlottesville, Virginia

February 3, 2012

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Promoting Safe and Stable Families	93.556	0950110/0950111	\$	12,481
Temporary Assistance for Needy Families (TANF)	93.558	0400110/0400111		161,700
Refugee and Entrant Assistance - State Administered Programs	93.566	0500110/0500111		340
Low-Income Home Energy Assistance	93.568	0600410/0600411		12,114
Child Care and Development Fund Cluster:				
Child Care and Development Block Grant	93.575	0770110/0770111		75,226
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760110/0760111		39,968
ARRA-Child Care and Development Block Grant	93.713	0740110		8,428
Child Welfare Services - State Grants	93.645	0900110/0900111		620
Foster Care - Title IV-E	93.658	1100110/1100111	\$ 53,686	
ARRA-Foster Care - Title IV-E	93.658	1100110/1100111	387	54,073
Adoption Assistance	93.659	1120110/1120111	\$ 38,431	
ARRA-Adoption Assistance	93.659	1120110/1120111	2,306	40,737
Social Services Block Grant	93.667	1000110/1000111		115,015
Chafee Foster Care Independence Program	93.674	9150109/9150110/9150111		1,479
Children's Health Insurance Program	93.767	0540110/0540111		5,381
Medical Assistance Program (Title XIX)	93.778	1200110/1200111		107,622
Total Department of Health and Human Services			\$	635,184
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Agriculture:				
Food Distribution - School Nutrition Program	10.555	406230	\$ 63,973	\$
Department of Education:				
National School Lunch Program	10.555	406230	465,805	529,778
Department of Agriculture:				
Food Distribution - Summer Food Service Program	10.559	Unknown	\$ 415	
Department of Education:				
Summer Food Service Program for Children	10.559	Unknown	43,330	43,745
School Breakfast Program	10.553	405910		170,036
Department of Education:				
Fresh fruit and vegetable program	10.582	405990		31,464
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010110/0010111/ 0040110/0040111	\$ 179,379	
ARRA-State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010110/0010111/ 0040110/0040111	4,896	184,275
Total Department of Agriculture			\$	959,298

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2011

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Defense:			
Direct Payments:			
ROTC	12.000	N/A	\$ 55,906
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Services:			
Emergency Management Performance Grants	97.042	52749	\$ 6,975
Department of Justice:			
Direct payments:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 166
Pass Through Payments:			
Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	41100/61100	\$ 3,010
Total Department of Justice			\$ 3,176
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
State and Community Highway Safety	20.600	50340/59132	\$ 23,685
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I, Part A Cluster:			
Title I - Grants to Local Educational Agencies	84.010	429010	\$ 629,138
ARRA-Title I - Grants to Local Educational Agencies	84.389	429130	271,412
Special Education Cluster:			
Special Education - Grants to States	84.027	430710	516,877
Special Education - Preschool Grants	84.173	625210	10,414
ARRA-Special Education - Grants to States	84.391	612450	317,989
ARRA-Special Education - Preschool Grants	84.392	612470	15,976
Career and Technical Education - Basic Grants to States	84.048	610950	60,150
Safe and Drug-Free Schools and Communities - State Grants	84.186	605110	9,541
Twenty-first Century Community Learning Centers	84.287	605650	205,760
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	616000	10,653
ARRA-Education Technology State Grants	84.386	608970	7,190
Reading First State Grants	84.357	606550	97,527
Rural Education	84.358	434810	28,838
Improving Teacher Quality State Grants	84.367	614800	166,844
ARRA-State Fiscal Stabilization Funds - Education State Grants	84.394	625320	481,999
Total Department of Education			\$ 2,830,308
Total Expenditures of Federal Awards			\$ 4,514,532

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, 2011

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Buckingham, Virginia under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County of Buckingham, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Buckingham, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Subrecipients

Of the federal expenditures presented in the schedule, County of Buckingham, Virginia provided \$166 of federal awards under 16.606 to subrecipients.

Note 5 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 95,156
Special Revenue Fund:	
Virginia Public Assistance Fund	819,459
Total primary government	<u>\$ 914,615</u>

Component Unit Public Schools:

School Operating Fund	\$ 2,803,116
School Cafeteria Fund	731,693
School Capital Projects Fund	263,951
Total component unit public schools	<u>\$ 3,798,760</u>

Total federal expenditures per basic financial
statements

\$ 4,713,375

BABs interest subsidy

\$ (61,320)

Payment received in October 2010 reported on FY10 SEFA

(137,523)

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 4,514,532

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
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 auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program/ARRA
84.010/84.389	Title I, Part A Cluster
84.027/84.173/84.391/84.392	Special Education Cluster (IDEA)
84.394	ARRA - State Fiscal Stabilization Funds - Education State Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2011

Section II - Financial Statement Findings

Finding 2011-01

State Compliance

Criteria:

Case files are to be maintained for each child served under the Comprehensive Services Act. The case file is to house documentation supporting program eligibility, etc. The Library of Virginia records retention and disposition general schedule No. 15, series number 174, specifies that Comprehensive Services Records are to be retained 3 years after last review and then destroyed in compliance with the Library's policies.

Condition:

One case file selected for testing was unavailable for review because it had been shredded.

Context:

The Auditor of Public Accounts (APA) Specifications require the auditor to select a sample of program participants and to examine documentation within the case file for each youth selected for testing. Due to the number of program participants, a sample size of 5 was selected. One of the selected case files was unavailable for review.

Effect:

Documentation supporting child eligibility was not available for review. In addition, the Department of Social Services is not in compliance with requirements issued by the Library of Virginia regarding record retention.

Cause:

Since the child had reached the age of 18, the CSA case file was shredded.

Recommendation:

Prior to destroying any documents, the Library of Virginia records retention and disposition schedule should be reviewed. Records must be retained in accordance with these requirements to allow the appropriate agencies to conduct reviews.

Management's Response:

Management will notify staff of records retention requirements and will consult the Library of Virginia prior to destroying documents going forward.

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, 2011

Finding 2010-01

CFDA Titles: State Fiscal Stabilization Funds and ARRA-Special Education - Grants to States

CFDA Numbers: 84.394 and 84.391

Federal Award Numbers: S394A090047 and H391A090107

Federal Award Year: 2009

Criteria:

OMB Circular A-133 requires that federally-funded contracts exceeding \$25,000 not be awarded to suspended or debarred parties. Controls should be in place to ensure that this requirement is followed.

Condition:

Suspension and debarment requirements were not followed.

Questioned Costs:

None

Context:

Although the School Board did not check suspension and debarment requirements, testing performed by the auditor found the two vendors used were not listed on the EPLS website as suspended or debarred parties. Other expenditures under these programs did not meet the threshold for this requirement to apply to those purchases.

Effect:

Funds paid to contractors who have been suspended or debarred may result in loss of funding.

Cause:

School board staff was unaware of requirements related to suspension and debarment and the need to obtain a certification, to include a clause in the contract, or to check the EPLS website for suspended or debarred parties prior to awarding contracts.

Recommendation:

Implement procedures to review and determine compliance requirements for each program and communicate applicable requirements to program administrators and personnel responsible for contracting goods and services.

Status:

Corrective action was taken and this was not found to be an issue during the FY11 audit.

COUNTY OF BUCKINGHAM, VIRGINIA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011 (Continued)

Finding 2010-02

CFDA Title: State Fiscal Stabilization Funds (SFSF)

CFDA Number: 84.394

Federal Award Number: S394A090047

Federal Award Year: 2009

Criteria:

OMB Circular A-133 requires that ARRA funds be accounted for separately from expenditures of non-ARRA awards.

Condition:

Upon initial requests, school board staff was unable to provide documentation supporting expenditures requested for reimbursement under the SFSF Basic Aid reimbursement request. Ultimately a listing was provided that included a teacher funded under another federal program. After inquiry, this teacher's reimbursement period was revised from the month of May to the months of March through May.

Questioned Costs:

Due to the nature and purpose of funding, there are no questioned costs.

Context:

Due to the nature of the expense and funding, we feel that \$516,826.75 did fund payroll; however, the client did not follow program requirements documenting the use of those funds *prior* to disbursement and request for reimbursement.

Effect:

Expenditures may be requested for reimbursement under more than one program or may not be allowable, resulting in questioned costs and the possibility that reimbursements are due back to the State or Federal government.

Cause:

Due to the nature of the funds, the School Finance Director was unaware that he had to maintain documentation supporting this request.

Recommendation:

Implement procedures to review compliance requirements in detail so that all requirements are met. This is crucial when new grants are involved. Grant expenditures and requests for reimbursement should be fully documented *prior* to the requests being filed.

Status:

Corrective action was taken and this was not found to be an issue during the FY11 audit.

COUNTY OF BUCKINGHAM, VIRGINIA

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2011 (Continued)

Finding 2010-03

CFDA Title: Title I, Part A Cluster
CFDA Numbers: 84.010 and 84.389
Federal Award Numbers: S010A090046/S389A090046
Federal Award Year: 2009

Criteria:

OMB Circular A-133 requires that ARRA funds be accounted for separately from expenditures of non-ARRA awards.

Condition:

Expenditures between Title I and Title I ARRA were not properly segregated. The school's accounting system included some expenditures under one program, which were requested for reimbursement under the other program and vice versa. Also, the system showed some invoices that reimbursement had not been requested for and one invoice for which reimbursement was requested but the invoice was not recorded as a Title I expenditure in the school's accounting system.

Questioned Costs:

Because the misclassifications were within the same cluster, there are no questioned costs.

Context:

Reimbursement requests for both Title I and Title I, ARRA are filed by the Secretary of Federal Programs, who maintains spreadsheets and copies of invoices to document the requests filed and received. School finance personnel code and record invoices to the accounting system. Printouts are provided to the Secretary of Federal Programs, but there is currently no reconciliation between the two to determine that everything is properly accounted for.

Effect:

Reimbursement requests and the accounting records do not agree to support items funded with Title I funds.

Cause:

School Board staff does not reconcile the information recorded in the accounting system with information requested for reimbursement. The Secretary files reimbursement requests based on copies of invoices received that are coded to each program. Unless she receives a copy of the invoice, requests are not filed for invoices coded to the program in the accounting system. Therefore, additional expenditures may exist for the program that need to be requested.

Recommendation:

Implement procedures to reconcile the operating reports from School Finance with the spreadsheets and information maintained by the Secretary of Federal Programs. In the process of reviewing and approving reimbursement requests filed in Omega, the Finance Director should verify that program expenditures agree to the accounting system.

Status:

Corrective action was taken and this was not found to be an issue during the FY11 audit.