

# COUNTY OF BUCKINGHAM, VIRGINIA



FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2019



**County of Buckingham, Virginia**

**Financial Report**

**For the Year Ended June 30, 2019**

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COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report  
For the Year Ended June 30, 2019

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#### BOARD OF SUPERVISORS

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

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#### BOARD OF SOCIAL SERVICES

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

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#### COUNTY SCHOOL BOARD

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

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#### OTHER OFFICIALS

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

Donald C. Blessing  
Justin D. Midkiff  
Robert G. Woodson, Jr.  
E.M. Wright, Jr.  
Stephanie D. Love  
Christy L. Christian  
William G. Kidd, Jr.  
Dr. Daisy Hicks  
Stephanie M. Coleman  
Rebecca S. Carter  
Karl R. Carter





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**Independent Auditors' Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of County of Buckingham, Virginia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise County of Buckingham, Virginia's basic financial statements as listed in the table of contents.

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

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

***Auditors' Responsibility***

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

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

### ***Auditors' Responsibility: (Continued)***

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of County of Buckingham, Virginia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principles***

As described in Note 25 to the financial statements, in 2019, County of Buckingham, Virginia adopted new accounting guidance, GASB Statement No. 88 *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* and early implemented GASB No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 4-9, 83-84, and 85-94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Buckingham, Virginia's basic financial statements. The combining and individual fund financial statements and schedules, supporting schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

***Other Matters: (Continued)***

***Supplementary and Other Information: (Continued)***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2020, on our consideration of County of Buckingham, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Buckingham, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Buckingham, Virginia's internal control over financial reporting and compliance.

*Robinson Farrow Cox Associates*  
Charlottesville, Virginia  
January 13, 2020

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

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**To the Citizens of County of Buckingham, Virginia**

As management of the County of Buckingham, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019.

**Financial Highlights**

**Government-wide Financial Statements**

- On a government-wide basis for governmental activities, the assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$16,324,110 (net position). For business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$19,801,172.

**Fund Financial Statements**

In the Governmental Funds, on a current financial resource basis, revenues exceeded expenditures and other financing sources and uses by \$741,853 (Exhibit 5) after making contributions totaling \$6,916,539 to the School Board.

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$11,219,945, an increase of \$741,843 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,528,752 or 51% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$2,590,361 during the current fiscal year. Of that amount, debt (bonds and related items) decreased by \$2,311,127.

The Proprietary Funds, on an accrual basis, reported expenses in excess of revenues and other financing sources by \$140,550.

- As of the close of the current fiscal year, the County's proprietary funds reported ending net position of \$19,801,172, a decrease of \$140,550.
- Combined long-term obligations in the proprietary funds decreased \$272,559 during the current fiscal year, with \$263,874 of that decrease being directly related to bonds and loans.

**Overview of the Financial Statements**

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

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

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

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

## **Overview of the Financial Statements: (Continued)**

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

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

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

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

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

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

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

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



## **Overview of the Financial Statements: (Continued)**

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

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and the schedules of pension and OPEB funding related to the Virginia Retirement System benefits. Other supplementary information presented includes various combining financial statements for the County's nonmajor funds, budgetary comparison schedules, and the discretely presented component unit School Board. Other information includes statistical tables. The School Board and IDA do not issue separate financial statements.

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

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,324,110 at the close of the most recent fiscal year.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Assets:						
Current and other assets	\$ 19,258,600	\$ 18,703,140	\$ 4,530,411	\$ 4,373,578	\$ 23,789,011	\$ 23,076,718
Capital assets	32,019,663	34,111,605	26,880,803	27,641,465	58,900,466	61,753,070
Total assets	\$ 51,278,263	\$ 52,814,745	\$ 31,411,214	\$ 32,015,043	\$ 82,689,477	\$ 84,829,788
Deferred outflows of resources	\$ 355,983	\$ 404,957	\$ 38,218	\$ 35,401	\$ 394,201	\$ 440,358
Liabilities:						
Long-term liabilities	\$ 28,243,482	\$ 30,833,843	\$ 11,536,259	\$ 11,808,818	\$ 39,779,741	\$ 42,642,661
Current liabilities	797,574	778,923	34,531	184,530	832,105	963,453
Total liabilities	\$ 29,041,056	\$ 31,612,766	\$ 11,570,790	\$ 11,993,348	\$ 40,611,846	\$ 43,606,114
Deferred inflows of resources	\$ 6,269,080	\$ 6,670,003	\$ 77,470	\$ 115,374	\$ 6,346,550	\$ 6,785,377
Net position:						
Net investment in capital assets	\$ 5,223,079	\$ 5,003,894	\$ 15,487,592	\$ 15,827,794	\$ 20,710,671	\$ 20,831,688
Restricted	21,595	14,647	434,129	378,436	455,724	393,083
Unrestricted	11,079,436	9,918,392	3,879,451	3,735,492	14,958,887	13,653,884
Total net position	\$ 16,324,110	\$ 14,936,933	\$ 19,801,172	\$ 19,941,722	\$ 36,125,282	\$ 34,878,655

At the end of the current fiscal year, the County's investment in capital assets net of related debt used to acquire those assets was \$20,710,671. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net capital assets decreased \$2,852,604 during the current fiscal year. Depreciation outweighed capital acquisitions in governmental activities in addition to the transfer of debt financed assets to the School Board. The change in business-type activity capital assets was largely related to depreciation expense, which exceeded current year additions.

## Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$1,387,177 during the fiscal year, and business-type activities decreased the County's net position by \$140,550. This resulted in a net increase of \$1,246,627. Key elements of this increase are as follows:

### Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 200,833	\$ 341,766	\$ 1,755,511	\$ 1,629,882	\$ 1,956,344	\$ 1,971,648
Operating grants and contributions	4,762,701	4,436,609	-	-	4,762,701	4,436,609
Capital grants and contributions	454,620	421,431	112,096	506,475	566,716	927,906
General revenues:						
General property taxes	15,282,463	15,316,841	-	-	15,282,463	15,316,841
Other local taxes	1,812,988	1,667,879	-	-	1,812,988	1,667,879
Grants and other contributions not restricted	1,615,875	1,587,349	-	-	1,615,875	1,587,349
Use of money and property	156,576	114,514	1,041	95	157,617	114,609
Miscellaneous	17,544	39,657	-	3,696	17,544	43,353
Gain on disposal of capital assets	-	5,211	-	-	-	5,211
Total revenues	\$ 24,303,600	\$ 23,931,257	\$ 1,868,648	\$ 2,140,148	\$ 26,172,248	\$ 26,071,405
Expenses:						
General government administration	\$ 1,788,696	\$ 1,601,653	\$ -	\$ -	\$ 1,788,696	\$ 1,601,653
Judicial administration	989,861	1,001,768	-	-	989,861	1,001,768
Public safety	3,920,161	3,922,202	-	-	3,920,161	3,922,202
Public works	1,798,682	1,866,685	-	-	1,798,682	1,866,685
Health and welfare	3,600,983	3,427,967	-	-	3,600,983	3,427,967
Education	8,944,546	9,317,443	-	-	8,944,546	9,317,443
Parks, recreation, and cultural	468,722	437,508	-	-	468,722	437,508
Community development	255,855	282,258	-	-	255,855	282,258
Interest on long-term debt	1,142,741	1,269,360	-	-	1,142,741	1,269,360
Water and Sewer	-	-	2,015,374	1,543,224	2,015,374	1,543,224
Total expenses	\$ 22,910,247	\$ 23,126,844	\$ 2,015,374	\$ 1,543,224	\$ 24,925,621	\$ 24,670,068
Increase (decrease) in net position before transfers	\$ 1,393,353	\$ 804,413	\$ (146,726)	\$ 596,924	\$ 1,246,627	\$ 1,401,337
Transfers	(6,176)	(30,787)	6,176	30,787	-	-
Increase (decrease) in net position	\$ 1,387,177	\$ 773,626	\$ (140,550)	\$ 627,711	\$ 1,246,627	\$ 1,401,337
Net position, July 1	14,936,933	14,163,307	19,941,722	19,314,011	34,878,655	33,477,318
Net position, June 30	\$ 16,324,110	\$ 14,936,933	\$ 19,801,172	\$ 19,941,722	\$ 36,125,282	\$ 34,878,655

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

Revenues increased by \$100,843 in fiscal year 2019 compared to a decrease of \$1,448,914 in fiscal year 2018. The prior year decrease is a result of the sewer treatment plant construction project nearing completion. The capital grant funding the project decreased by \$1,517,332 from 2017 and another \$394,379 from 2018. Expenses closely paralleled the growth in demand and inflation and showed an increase of \$255,553. The functions with the more significant changes were general government administration and education costs showing increases of \$187,043 and \$372,897, respectively. Water and sewer expenses increased by \$472,150, largely due to an increase of \$250,618 in depreciation expense as a result of completion of the sewer treatment plant construction.

## **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 \$11,219,945, an increase of \$741,853 in comparison with the prior year. Approximately 85% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reflected as nonspendable, restricted, committed, or assigned as appropriate to indicate that it is not available for new spending.

## **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was an increase of \$1,233,376 in expenditures and can be briefly summarized as follows:

- \$367,610 in increases for public safety
- \$233,559 in increases for education
- \$465,682 in increases for capital projects
- \$166,525 in other net increases

A portion of this increase (\$78,085) was due to a change in anticipated funding from intergovernmental state revenues and an additional increase of \$24,675 due to miscellaneous revenue and recovered costs for insurance proceeds. The remainder was to be budgeted from available fund balance. During the year, revenues exceeded budgetary estimates by \$398,423 and budgetary estimates exceeded expenditures by \$343,088 eliminating the need to draw on existing fund balance. In addition, commitments of \$1,192,034 were unspent resulting in unspent items totaling \$1,535,122.

## **Capital Asset and Debt Administration**

**Capital assets** - The County's investment in capital assets for its governmental operations as of June 30, 2019 amounts to \$32,019,663 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The County's net capital assets for governmental activities decreased \$2,091,942. Although new vehicles and other equipment were acquired in the current year, there was an offsetting increase of \$862,647 in accumulated depreciation. There are future plans to add concession stands and other improvements to Gene Dixon Park. In addition, fund balance is committed to the library/community center and solid waste sites. The preliminary phases of the library project and work on solid waste sites were underway near the end of fiscal year 2019.

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

The County's investment in capital assets for its proprietary funds was \$26,880,803 (net of accumulated depreciation) at year-end. This investment in capital assets includes land, construction in progress, water and sewer systems, and machinery and equipment. The proprietary net capital assets decreased by \$760,662 from the prior fiscal year, including an increase of \$874,492 in accumulated depreciation. The most significant additions during fiscal year 2019 were related to equipment purchases.

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

**Long-term obligations** - At the end of the current fiscal year, the County had total long-term obligations outstanding of \$28,243,482 for its governmental operations. Of this amount \$27,688,482 comprises debt backed by the full faith and credit of the County, including compensated absences of \$583,192, net pension liability of \$554,586, and net OPEB liability of \$309,120. The remainder of the County's debt for governmental operations (\$555,000) represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds). Business-type obligations of \$11,536,259 is comprised of \$877,630 bonds secured solely by water and sewer revenues, loans totaling \$10,515,581 from the Virginia Resources Authority, compensated absences of \$59,513, net pension liability of \$56,655, and net OPEB liability of \$26,880.

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 3.0 percent, which is lower than the rate of 4.2 percent a year ago. This is higher than the state's average unemployment rate of 2.5 percent and lower than the national average rate of 3.6 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County budget for fiscal year 2020.

The fiscal year 2020 budget amounted to \$28,490,938 (does not include School Funds). The budget includes capital improvements.

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

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## **Government-wide Financial Statements**

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Statement of Net Position  
June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,310,694	\$ 3,839,480	\$ 14,150,174	\$ 1,140,294
Receivables (net of allowance for uncollectibles):				
Taxes receivable	7,238,922	-	7,238,922	-
Accounts receivable	65,303	249,430	314,733	20,866
Due from component unit	549,772	-	549,772	-
Due from other governmental units	931,445	-	931,445	654,175
Inventories	159,433	-	159,433	-
Prepaid items	3,031	-	3,031	-
Restricted assets:				
Cash and cash equivalents	-	441,501	441,501	-
Other assets:				
Net pension asset	-	-	-	230,063
Capital assets (net of accumulated depreciation):				
Land	616,382	170,974	787,356	257,165
Intangibles	-	712,100	712,100	-
Buildings, improvements, and systems	29,630,639	25,573,838	55,204,477	15,878,209
Improvements other than buildings	-	18,239	18,239	88,625
Machinery, equipment, and vehicles	1,337,730	263,735	1,601,465	2,491,108
Construction in progress	434,912	141,917	576,829	129,943
Total assets	<u>\$ 51,278,263</u>	<u>\$ 31,411,214</u>	<u>\$ 82,689,477</u>	<u>\$ 20,890,448</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 320,695	\$ 34,904	\$ 355,599	\$ 2,134,351
OPEB related items	35,288	3,314	38,602	234,384
Total deferred outflows of resources	<u>\$ 355,983</u>	<u>\$ 38,218</u>	<u>\$ 394,201</u>	<u>\$ 2,368,735</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 412,136	\$ 14,146	\$ 426,282	\$ 112,476
Accrued liabilities	-	-	-	861,067
Customers' deposits payable from restricted assets	-	7,372	7,372	-
Accrued interest payable	385,438	13,013	398,451	25,208
Due to primary government	-	-	-	549,772
Long-term liabilities:				
Due within one year	2,452,044	276,384	2,728,428	151,808
Due in more than one year	25,791,438	11,259,875	37,051,313	19,794,281
Total liabilities	<u>\$ 29,041,056</u>	<u>\$ 11,570,790</u>	<u>\$ 40,611,846</u>	<u>\$ 21,494,612</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 5,632,516	\$ -	\$ 5,632,516	\$ -
Pension related items	602,524	74,510	677,034	2,639,022
OPEB related items	34,040	2,960	37,000	236,000
Total deferred inflows of resources	<u>\$ 6,269,080</u>	<u>\$ 77,470</u>	<u>\$ 6,346,550</u>	<u>\$ 2,875,022</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 5,223,079	\$ 15,487,592	\$ 20,710,671	\$ 17,687,158
Restricted:				
Sheriff's fund - DCJS	9,376	-	9,376	-
Commonwealth's Attorney - DCJS	4,503	-	4,503	-
Courthouse security	7,716	-	7,716	-
Debt service and bond covenants	-	434,129	434,129	-
Unrestricted (deficit)	11,079,436	3,879,451	14,958,887	(18,797,609)
Total net position	<u>\$ 16,324,110</u>	<u>\$ 19,801,172</u>	<u>\$ 36,125,282</u>	<u>\$ (1,110,451)</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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,788,696	\$ 81,206	\$ 247,083	\$ -
Judicial administration	989,861	57,235	433,387	-
Public safety	3,920,161	26,709	1,186,895	-
Public works	1,798,682	15,625	-	-
Health and welfare	3,600,983	-	2,890,836	-
Education	8,944,546	-	-	454,620
Parks, recreation, and cultural	468,722	20,058	4,500	-
Community development	255,855	-	-	-
Interest on long-term debt	1,142,741	-	-	-
Total governmental activities	\$ 22,910,247	\$ 200,833	\$ 4,762,701	\$ 454,620
Business-type activities:				
Water and Sewer Funds	\$ 2,015,374	\$ 1,755,511	\$ -	\$ 112,096
Total business-type activities	\$ 2,015,374	\$ 1,755,511	\$ -	\$ 112,096
Total primary government	\$ 24,925,621	\$ 1,956,344	\$ 4,762,701	\$ 566,716
COMPONENT UNIT:				
School Board	\$ 24,810,028	\$ 194,643	\$ 16,643,605	\$ -
Total component unit	\$ 24,810,028	\$ 194,643	\$ 16,643,605	\$ -

General revenues:

General property taxes

Local sales and use taxes

Consumers' utility taxes

Motor vehicle licenses

Other local taxes

Payment from County of Buckingham - Education

Unrestricted revenues from use of money and property

Miscellaneous

Grants and contributions not restricted to specific programs

Transfers

Total general revenues and transfers

Change in net position

Net position (deficit) - beginning

Net position (deficit) - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (1,460,407)	\$ -	\$ (1,460,407)	
(499,239)	-	(499,239)	
(2,706,557)	-	(2,706,557)	
(1,783,057)	-	(1,783,057)	
(710,147)	-	(710,147)	
(8,489,926)	-	(8,489,926)	
(444,164)	-	(444,164)	
(255,855)	-	(255,855)	
(1,142,741)	-	(1,142,741)	
<u>\$ (17,492,093)</u>	<u>\$ -</u>	<u>\$ (17,492,093)</u>	
<u>\$ -</u>	<u>\$ (147,767)</u>	<u>\$ (147,767)</u>	
<u>\$ -</u>	<u>\$ (147,767)</u>	<u>\$ (147,767)</u>	
<u>\$ (17,492,093)</u>	<u>\$ (147,767)</u>	<u>\$ (17,639,860)</u>	
			\$ (7,971,780)
			<u>\$ (7,971,780)</u>
\$ 15,282,463	\$ -	\$ 15,282,463	\$ -
920,812	-	920,812	-
358,463	-	358,463	-
343,810	-	343,810	-
189,903	-	189,903	-
-	-	-	8,889,025
156,576	1,041	157,617	9,433
17,544	-	17,544	252,656
1,615,875	-	1,615,875	748,674
(6,176)	6,176	-	-
<u>\$ 18,879,270</u>	<u>\$ 7,217</u>	<u>\$ 18,886,487</u>	<u>\$ 9,899,788</u>
<u>\$ 1,387,177</u>	<u>\$ (140,550)</u>	<u>\$ 1,246,627</u>	<u>\$ 1,928,008</u>
14,936,933	19,941,722	34,878,655	(3,038,459)
<u>\$ 16,324,110</u>	<u>\$ 19,801,172</u>	<u>\$ 36,125,282</u>	<u>\$ (1,110,451)</u>

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## **Fund Financial Statements**

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Balance Sheet  
 Governmental Funds  
 June 30, 2019

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 9,544,733	\$ 723,933	\$ -	\$ 42,028	\$ 10,310,694
Receivables (net of allowance for uncollectibles):					
Taxes receivable	7,238,922	-	-	-	7,238,922
Accounts receivable	65,041	262	-	-	65,303
Due from other funds	837,187	-	-	-	837,187
Due from component unit	549,772	-	-	-	549,772
Due from other governmental units	818,453	112,992	-	-	931,445
Prepaid items	3,031	-	-	-	3,031
Total assets	<u>\$ 19,057,139</u>	<u>\$ 837,187</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 19,936,354</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 412,136	\$ -	\$ -	\$ -	\$ 412,136
Due to other funds		837,187	-	-	837,187
Total liabilities	<u>\$ 412,136</u>	<u>\$ 837,187</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,249,323</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>\$ 7,467,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,467,086</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	\$ 3,031	\$ -	\$ -	\$ -	\$ 3,031
Restricted:					
Sheriff's fund - DCJS	9,376	-	-	-	9,376
Commonwealth's Attorney - DCJS	4,503	-	-	-	4,503
Courthouse security	7,716	-	-	-	7,716
Committed:					
Economic Development	676,385	-	-	-	676,385
Gene Dixon park expansion	394,914	-	-	42,028	436,942
Fire/rescue training	30,000	-	-	-	30,000
Animal control facility	200,000	-	-	-	200,000
Solid waste plan	300,000	-	-	-	300,000
Sheriff's fund - non-DCJS	23,240	-	-	-	23,240
Unassigned	9,528,752	-	-	-	9,528,752
Total fund balances	<u>\$ 11,177,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 11,219,945</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,057,139</u>	<u>\$ 837,187</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 19,936,354</u>

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

Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2019

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 11,219,945
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Jointly owned assets are included in the total for buildings and improvements.

Land	\$ 616,382	
Buildings and improvements	29,630,639	
Machinery, equipment and vehicles	1,337,730	
Construction in progress	<u>434,912</u>	32,019,663

Inventory held for sale is not a financial resource and, therefore, is not reported in the funds. This represents the book value of Gold Hill Elementary School assets transferred from the Component Unit School Board.	159,433
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable in the funds.	1,834,570
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 320,695	
OPEB related items	<u>35,288</u>	355,983

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	\$ (555,000)	
Refunding bonds	(4,890,000)	
Plus: Issuance premium (to be amortized against interest expense)	(795,808)	
General obligation bonds	(19,922,107)	
Plus: Issuance premium (to be amortized against interest expense)	(633,669)	
Net pension liability	(554,586)	
Net OPEB liability	(309,120)	
Compensated absences	<u>(583,192)</u>	(28,243,482)

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

Accrued interest payable	(385,438)
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Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (602,524)	
OPEB related items	<u>(34,040)</u>	(636,564)

Net position of governmental activities	<u>\$ 16,324,110</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, 2019

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Total
<b>REVENUES</b>					
General property taxes	\$ 15,416,355	\$ -	\$ -	\$ -	\$ 15,416,355
Other local taxes	1,812,988	-	-	-	1,812,988
Permits, privilege fees, and regulatory licenses	84,651	-	-	-	84,651
Fines and forfeitures	41,662	-	-	-	41,662
Revenue from the use of money and property	156,576	-	-	-	156,576
Charges for services	74,520	-	-	-	74,520
Miscellaneous	16,969	575	-	-	17,544
Recovered costs	23,475	-	-	-	23,475
Intergovernmental:					
Commonwealth	4,772,293	507,065	-	-	5,279,358
Federal	146,625	952,593	423,667	-	1,522,885
Total revenues	<u>\$ 22,546,114</u>	<u>\$ 1,460,233</u>	<u>\$ 423,667</u>	<u>\$ -</u>	<u>\$ 24,430,014</u>
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 1,556,018	\$ -	\$ -	\$ -	\$ 1,556,018
Judicial administration	861,657	-	-	-	861,657
Public safety	4,115,478	-	-	-	4,115,478
Public works	1,696,635	-	-	-	1,696,635
Health and welfare	2,013,661	1,646,687	-	-	3,660,348
Education	6,972,060	-	-	-	6,972,060
Parks, recreation, and cultural	439,265	-	-	-	439,265
Community development	214,648	-	-	-	214,648
Nondepartmental	247,185	-	-	-	247,185
Capital projects	465,682	-	-	-	465,682
Debt service:					
Principal retirement	-	-	2,116,909	-	2,116,909
Interest and other fiscal charges	-	-	1,367,053	-	1,367,053
Total expenditures	<u>\$ 18,582,289</u>	<u>\$ 1,646,687</u>	<u>\$ 3,483,962</u>	<u>\$ -</u>	<u>\$ 23,712,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,963,825</u>	<u>\$ (186,454)</u>	<u>\$ (3,060,295)</u>	<u>\$ -</u>	<u>\$ 717,076</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ 207,621	\$ 186,454	\$ 3,061,963	\$ -	\$ 3,456,038
Transfers out	(3,429,593)	-	(32,621)	-	(3,462,214)
Advance refunding of bonds - VPSA	-	-	30,953	-	30,953
Total other financing sources (uses)	<u>\$ (3,221,972)</u>	<u>\$ 186,454</u>	<u>\$ 3,060,295</u>	<u>\$ -</u>	<u>\$ 24,777</u>
Net change in fund balances	\$ 741,853	\$ -	\$ -	\$ -	\$ 741,853
Fund balances - beginning	10,436,064	-	-	42,028	10,478,092
Fund balances - ending	<u>\$ 11,177,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,028</u>	<u>\$ 11,219,945</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, 2019

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

Net change in fund balances - total governmental funds	\$	741,853
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$	764,852	
Depreciation expense		(1,397,906)	
Adjustment for jointly owned assets		<u>(1,458,888)</u>	(2,091,942)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in unavailable property taxes is reported as revenues in the governmental funds.	(133,892)
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Payment of principal	\$	2,116,909	
Amortization of premium		<u>194,218</u>	2,311,127

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	\$	45,896	
Pension expense		464,259	
OPEB expense		19,782	
Accrued interest payable		<u>30,094</u>	560,031

Change in net position of governmental activities	\$	<u><u>1,387,177</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position  
Proprietary Funds  
June 30, 2019

	Enterprise Funds			
	Water Fund	Sewer Fund	IDA	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 4,066,966	\$ -	\$ 100	\$ 4,067,066
Accounts receivable	215,764	33,666	-	249,430
Total current assets	\$ 4,282,730	\$ 33,666	\$ 100	\$ 4,316,496
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	\$ 324,407	\$ 117,094	\$ -	\$ 441,501
Capital assets:				
Land	\$ 135,757	\$ 35,217	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	-	141,917	-	141,917
Buildings and systems	19,044,279	13,919,557	-	32,963,836
Land improvements	22,634	-	-	22,634
Machinery, equipment, and vehicles	691,918	279,393	-	971,311
Less accumulated depreciation	(6,026,205)	(2,075,764)	-	(8,101,969)
Total capital assets	\$ 14,580,483	\$ 12,300,320	\$ -	\$ 26,880,803
Total noncurrent assets	\$ 14,904,890	\$ 12,417,414	\$ -	\$ 27,322,304
Total assets	\$ 19,187,620	\$ 12,451,080	\$ 100	\$ 31,638,800
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 27,277	\$ 7,627	\$ -	\$ 34,904
OPEB related items	2,928	386	-	3,314
Total deferred outflows of resources	\$ 30,205	\$ 8,013	\$ -	\$ 38,218
<b>LIABILITIES</b>				
Current liabilities:				
Reconciled overdraft	\$ -	\$ 227,586	\$ -	\$ 227,586
Accounts payable	12,172	1,974	-	14,146
Customers' deposits payable from restricted assets	6,103	1,269	-	7,372
Accrued interest payable	4,895	8,118	-	13,013
Compensated absences - current portion	4,694	1,257	-	5,951
Bonds payable - current portion	31,011	-	-	31,011
Loans payable - current portion	130,770	108,652	-	239,422
Total current liabilities	\$ 189,645	\$ 348,856	\$ -	\$ 538,501
Noncurrent liabilities:				
Bonds payable - net of current portion	\$ 846,619	\$ -	\$ -	\$ 846,619
Loans payable - net of current portion	4,927,326	5,348,833	-	10,276,159
Compensated absences - net of current portion	42,251	11,311	-	53,562
Net pension liability	49,169	7,486	-	56,655
Net OPEB liability	23,520	3,360	-	26,880
Total noncurrent liabilities	\$ 5,888,885	\$ 5,370,990	\$ -	\$ 11,259,875
Total liabilities	\$ 6,078,530	\$ 5,719,846	\$ -	\$ 11,798,376
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	\$ 70,055	\$ 4,455	\$ -	\$ 74,510
OPEB related items	2,590	370	-	2,960
Total deferred inflows of resources	\$ 72,645	\$ 4,825	\$ -	\$ 77,470
<b>NET POSITION</b>				
Net investment in capital assets	\$ 8,644,757	\$ 6,842,835	\$ -	\$ 15,487,592
Restricted:				
Debt service and bond covenants	318,304	115,825	-	434,129
Unrestricted (deficit)	4,103,589	(224,238)	100	3,879,451
Total net position	\$ 13,066,650	\$ 6,734,422	\$ 100	\$ 19,801,172

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

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2019

	Enterprise Funds			
	Water Fund	Sewer Fund	IDA	Total
<b>OPERATING REVENUES</b>				
Charges for services:				
Water revenues	\$ 1,453,632	\$ -	\$ -	\$ 1,453,632
Sewer revenues	-	278,872	-	278,872
Tap fees	6,000	7,500	-	13,500
Other revenues	9,507	-	-	9,507
Total operating revenues	<u>\$ 1,469,139</u>	<u>\$ 286,372</u>	<u>\$ -</u>	<u>\$ 1,755,511</u>
<b>OPERATING EXPENSES</b>				
Water	\$ 648,270	\$ -	\$ -	\$ 648,270
Sewer	-	202,783	-	202,783
Depreciation	505,458	369,034	-	874,492
Total operating expenses	<u>\$ 1,153,728</u>	<u>\$ 571,817</u>	<u>\$ -</u>	<u>\$ 1,725,545</u>
Operating income (loss)	<u>\$ 315,411</u>	<u>\$ (285,445)</u>	<u>\$ -</u>	<u>\$ 29,966</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	\$ 30	\$ 11	\$ -	\$ 41
Rental income	1,000	-	-	1,000
Interest expense	(153,739)	(136,090)	-	(289,829)
Total nonoperating revenues (expenses)	<u>\$ (152,709)</u>	<u>\$ (136,079)</u>	<u>\$ -</u>	<u>\$ (288,788)</u>
Income (loss) before contributions and transfers	<u>\$ 162,702</u>	<u>\$ (421,524)</u>	<u>\$ -</u>	<u>\$ (258,822)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Capital contributions and construction grants	\$ -	\$ 112,096	\$ -	\$ 112,096
Transfers in	-	181,176	181,176	362,352
Transfers out	(175,000)	-	(181,176)	(356,176)
Net capital contributions and transfers	<u>\$ (175,000)</u>	<u>\$ 293,272</u>	<u>\$ -</u>	<u>\$ 118,272</u>
Change in net position	<u>\$ (12,298)</u>	<u>\$ (128,252)</u>	<u>\$ -</u>	<u>\$ (140,550)</u>
Total net position - beginning	13,078,948	6,862,674	100	19,941,722
Total net position - ending	<u>\$ 13,066,650</u>	<u>\$ 6,734,422</u>	<u>\$ 100</u>	<u>\$ 19,801,172</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, 2019

	Enterprise Funds			
	Water Fund	Sewer Fund	IDA	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 1,451,092	\$ 284,252	\$ -	\$ 1,735,344
Payments to suppliers	(199,774)	(138,420)	-	(338,194)
Payments to and for employees	(484,006)	(54,599)	-	(538,605)
Net cash provided by (used for) operating activities	\$ 767,312	\$ 91,233	\$ -	\$ 858,545
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	\$ (175,000)	\$ -	\$ (181,176)	\$ (356,176)
Transfers from other funds	-	181,176	181,176	362,352
Rental income	1,000	-	-	1,000
Net cash provided by (used for) noncapital financing activities	\$ (174,000)	\$ 181,176	\$ -	\$ 7,176
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Additions to utility plant	\$ -	\$ (172,534)	\$ -	\$ (172,534)
Purchase of equipment	-	(97,884)	-	(97,884)
Principal payments on bonds	(29,601)	-	-	(29,601)
Principal payments on loans	(128,183)	(106,090)	-	(234,273)
Contributions in aid of construction	-	264,583	-	264,583
Interest payments	(153,936)	(136,250)	-	(290,186)
Net cash provided by (used for) capital and related financing activities	\$ (311,720)	\$ (248,175)	\$ -	\$ (559,895)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	\$ 30	\$ 11	\$ -	\$ 41
Net increase (decrease) in cash and cash equivalents	\$ 281,622	\$ 24,245	\$ -	\$ 305,867
Cash and cash equivalents - beginning - including restricted	4,109,751	92,849	100	4,202,700
Cash and cash equivalents - ending - including restricted	\$ 4,391,373	\$ 117,094	\$ 100	\$ 4,508,567
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 315,411	\$ (285,445)	\$ -	\$ 29,966
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	\$ 505,458	\$ 369,034	\$ -	\$ 874,492
(Increase) decrease in accounts receivable	(20,646)	(2,120)	-	(22,766)
(Increase) decrease in deferred outflows - pension related	3,353	(4,605)	-	(1,252)
(Increase) decrease in deferred outflows - OPEB related	(1,398)	(167)	-	(1,565)
Increase (decrease) in overdraft	-	19,313	-	19,313
Increase (decrease) in compensated absences	3,761	2,715	-	6,476
Increase (decrease) in accounts payable	4,962	(615)	-	4,347
Increase (decrease) in customer deposits	2,599	-	-	2,599
Increase (decrease) in net pension liability	(14,031)	(1,290)	-	(15,321)
Increase (decrease) in net OPEB liability	140	20	-	160
Increase (decrease) in deferred inflows - pension related	(31,807)	(5,537)	-	(37,344)
Increase (decrease) in deferred inflows - OPEB related	(490)	(70)	-	(560)
Total adjustments	\$ 451,901	\$ 376,678	\$ -	\$ 828,579
Net cash provided by (used for) operating activities	\$ 767,312	\$ 91,233	\$ -	\$ 858,545
<b>Schedule of noncash capital and related financing activities:</b>				
Acquisition of assets on account (change in accts payable)	\$ -	\$ (156,586)	\$ -	\$ (156,586)

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

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 240,347
Total assets	<u>\$ 240,347</u>
<b>LIABILITIES</b>	
Amounts held for social services clients	\$ 35,247
Amounts held for others	205,100
Total liabilities	<u>\$ 240,347</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, 2019

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

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

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

#### Financial Statement Presentation

##### Government-wide and Fund Financial Statements

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

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

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget and the actual activity of the major governmental funds.

#### **A. Financial Reporting Entity**

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

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

##### *Blended Component Unit*

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



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### 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 \$189,136 to the regional library, \$435,681 to Piedmont Regional Jail Authority, \$36,694 to Piedmont Regional Juvenile Detention Center and \$37,000 to the Crossroads Community Services Board.

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

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

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

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

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

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

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

##### 1. Governmental Funds

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

##### a. General Fund

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

##### b. Special Revenue Fund

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

##### c. Debt Service Fund

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

##### d. Capital Projects Fund

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

##### 2. Proprietary Funds

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

##### Enterprise Funds

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

##### 3. Fiduciary Funds (Trust and Agency Funds)

Fiduciary Funds (Trust and Agency Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds, which consist of the Special Welfare Fund and 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 School Board

The Buckingham County School Board has the following funds:

##### Governmental Funds:

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

Special Revenue Fund: 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.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

##### **4. Component Unit School Board: (Continued)**

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

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital facilities. This fund had no activity in fiscal year 2019.

#### **E. Budgets and Budgetary Accounting**

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### F. Use of Estimates

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

#### G. Cash and Cash Equivalents

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

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

#### H. Investments

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

#### I. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$226,000 at June 30, 2019 and is comprised solely of property taxes. In addition, water and sewer receivables are reported net of a \$61,354 reserve.

#### J. Inventory and Prepaid Items

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### K. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County's deferred outflows of resources are comprised of certain items related to the measurement of the net pension asset/liabilities and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB liability measurement date. For more detailed information on these items, reference the related notes.



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

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

#### **M. Pensions**

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

#### **N. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### **O. Long-term Obligations**

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

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

#### **P. Compensated Absences**

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

#### **Q. Net Position**

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### R. Net Position Flow Assumption

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

#### S. Fund Balance

The following classifications of fund balance 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, 2019 (Continued)

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

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#### S. Fund Balance: (Continued)

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

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

### Note 2—Deposits and Investments:

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#### Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"), Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

#### Investments

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

The County's investments at June 30, 2019 were held in the County's name by the County's custodial banks.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2019 were rated by Standard & Poor's and/or an equivalent national rating organization and the ratings are presented below using the Standard & Poor's rating scale.

Rated Debt Investments' Values	
Rated Debt Investments	Ratings
	AAAm
Local Government Investment Pool	\$ 4,438,826

#### Interest Rate Risk

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

Investment Maturities (in years)		
Investment Type	Value	Less Than 1 Year
Local Government Investment Pool	\$ 4,438,826	\$ 4,438,826

#### External Investment Pool

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

### Note 3—Property Taxes:

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

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

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

## Note 3—Property Taxes: (Continued)

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

Property taxes for calendar year 2018 were levied by the County Board of Supervisors on April 23, 2018, on the assessed values listed as of January 1, 2018. The second half of 2018 real estate taxes was due on December 5, 2018. The first half of 2019 real estate and public service corporation taxes was due on June 5, 2019. The 2019 taxes were levied by the County Board of Supervisors on April 22, 2019 on the assessed value listed as of January 1, 2019.

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

## Note 4—Receivables:

The following is a summary of accounts receivable at June 30, 2019:

	Primary Government				Component Unit
	General	Special Revenue	Governmental Activities	Business-type Activities	School Board
Property taxes	\$ 7,464,922	\$ -	\$ 7,464,922	\$ -	\$ -
Allowance for uncollectibles	(226,000)	-	(226,000)	-	-
Net taxes receivable	<u>\$ 7,238,922</u>	<u>\$ -</u>	<u>\$ 7,238,922</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:					
Utility taxes	\$ 29,376	\$ -	\$ 29,376	\$ -	\$ -
Grantee tax	5,814	-	5,814	-	-
Solid waste	10,053	-	10,053	-	-
Recycling revenue	4,772	-	4,772	-	-
Other	15,026	-	15,026	-	3,088
Water and Sewer	-	-	-	249,430	-
Rebates and Refunds	-	262	262	-	17,778
Total accounts receivable	<u>\$ 65,041</u>	<u>\$ 262</u>	<u>\$ 65,303</u>	<u>\$ 249,430</u>	<u>\$ 20,866</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

**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
<b>Commonwealth of Virginia:</b>				
Local sales taxes	\$ 129,452	\$ -	\$ 129,452	\$ -
State sales taxes	-	-	-	291,459
Communication taxes	57,329	-	57,329	-
Public assistance	-	41,771	41,771	-
Comprehensive services	301,215	-	301,215	-
Shared expenses and grants	219,995	-	219,995	-
Forest land management	28,236	-	28,236	-
Motor vehicle carrier tax	10,500	-	10,500	-
Mobile home tax	10,677	-	10,677	-
Other	25,122	-	25,122	4,324
<b>Federal government:</b>				
Bulletproof vest	1,899	-	1,899	-
Selective enforcement	10,754	-	10,754	-
Victim witness	23,274	-	23,274	-
Public assistance	-	71,221	71,221	-
Title I	-	-	-	174,320
Vocational Education	-	-	-	27,689
Title IV - Student Support	-	-	-	24,525
Title II Part A	-	-	-	15,366
Special Education - Title IV-B	-	-	-	94,183
Other	-	-	-	22,309
<b>Total</b>	<b>\$ 818,453</b>	<b>\$ 112,992</b>	<b>\$ 931,445</b>	<b>\$ 654,175</b>

**Note 6—Interfund Obligations:**

Details of interfund receivables and payables as of June 30, 2019 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 837,187	\$ -
Virginia Public Assistance	-	837,187
<b>Total</b>	<b>\$ 837,187</b>	<b>\$ 837,187</b>

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

## Note 6—Interfund Obligations: (Continued)

Details of obligations between the primary government and component unit School Board as of June 30, 2019 are as follows:

Receivable Entity	Payable Entity	Amount
Primary government general fund	Component Unit - School Board	\$ <u>549,772</u>

## Note 7—Unavailable Revenue and Deferred Revenue:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
<b>Primary Government:</b>		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 1,834,570
2nd half assessments due in December 2019	5,029,382	5,029,382
Prepaid property taxes due in December 2019, but paid in advance by the taxpayers	<u>603,134</u>	<u>603,134</u>
Total deferred revenue/unavailable revenue	\$ <u>5,632,516</u>	\$ <u>7,467,086</u>

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

## Note 8—Capital Assets:

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

### Primary Government: Governmental Activities:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 616,382	\$ -	\$ -	\$ 616,382
Construction in progress	23,753	411,159	-	434,912
Total capital assets not being depreciated	\$ 640,135	\$ 411,159	\$ -	\$ 1,051,294
Other capital assets:				
Buildings and improvements	\$ 18,773,877	\$ -	\$ -	\$ 18,773,877
Machinery, equipment and vehicles	5,078,351	353,693	26,275	5,405,769
Jointly owned assets	22,362,631	-	1,967,872	20,394,759
Total other capital assets	\$ 46,214,859	\$ 353,693	\$ 1,994,147	\$ 44,574,405
Accumulated depreciation:				
Buildings and improvements	\$ 5,931,746	\$ 504,503	\$ -	\$ 6,436,249
Machinery, equipment and vehicles	3,714,509	379,805	26,275	4,068,039
Jointly owned assets	3,097,134	513,598	508,984	3,101,748
Total accumulated depreciation	\$ 12,743,389	\$ 1,397,906	\$ 535,259	\$ 13,606,036
Other capital assets, net	\$ 33,471,470	\$ (1,044,213)	\$ 1,458,888	\$ 30,968,369
Net capital assets	\$ 34,111,605	\$ (633,054)	\$ 1,458,888	\$ 32,019,663
Depreciation is allocated to:				
General government administration		\$ 189,005		
Judicial administration		230,015		
Public safety		256,803		
Public works		73,780		
Health and welfare		38,951		
Education		513,598		
Parks and recreation		44,251		
Community Development		51,503		
Total		\$ 1,397,906		



COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

**Primary Government: (Continued)**

**Business-type Activities:**

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 170,974	\$ -	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	<u>9,783,042</u>	<u>15,946</u>	<u>9,657,071</u>	<u>141,917</u>
Total capital assets not being depreciated	<u>\$ 10,666,116</u>	<u>\$ 15,946</u>	<u>\$ 9,657,071</u>	<u>\$ 1,024,991</u>
Other capital assets:				
Buildings and systems	\$ 23,306,765	\$ 9,657,071	\$ -	\$ 32,963,836
Land improvements	22,634	-	-	22,634
Machinery, equipment and vehicles	<u>873,427</u>	<u>97,884</u>	<u>-</u>	<u>971,311</u>
Total other capital assets	<u>\$ 24,202,826</u>	<u>\$ 9,754,955</u>	<u>\$ -</u>	<u>\$ 33,957,781</u>
Accumulated depreciation:				
Buildings and systems	\$ 6,573,764	\$ 816,234	\$ -	\$ 7,389,998
Land improvements	3,121	1,274	-	4,395
Machinery, equipment and vehicles	<u>650,592</u>	<u>56,984</u>	<u>-</u>	<u>707,576</u>
Total accumulated depreciation	<u>\$ 7,227,477</u>	<u>\$ 874,492</u>	<u>\$ -</u>	<u>\$ 8,101,969</u>
Other capital assets, net	<u>\$ 16,975,349</u>	<u>\$ 8,880,463</u>	<u>\$ -</u>	<u>\$ 25,855,812</u>
Net capital assets	<u>\$ 27,641,465</u>	<u>\$ 8,896,409</u>	<u>\$ 9,657,071</u>	<u>\$ 26,880,803</u>
Depreciation is allocated to:				
Water operations		\$ 505,458		
Sewer operations		<u>369,034</u>		
		<u>\$ 874,492</u>		

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

## Note 8—Capital Assets: (Continued)

### Component Unit-School Board:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 257,165	\$ -	\$ -	\$ 257,165
Construction in progress	-	129,943	-	129,943
Total capital assets not being depreciated	\$ 257,165	\$ 129,943	\$ -	\$ 387,108
Other capital assets:				
Buildings and improvements	\$ 16,785,966	\$ -	\$ -	\$ 16,785,966
Improvements other than buildings	528,483	-	-	528,483
Machinery, equipment and vehicles	7,552,857	631,034	189,252	7,994,639
Jointly owned assets	14,367,690	1,967,872	-	16,335,562
Total other capital assets	\$ 39,234,996	\$ 2,598,906	\$ 189,252	\$ 41,644,650
Accumulated depreciation:				
Buildings and improvements	\$ 11,026,081	\$ 242,264	\$ -	\$ 11,268,345
Improvements other than buildings	413,498	26,360	-	439,858
Machinery, equipment and vehicles	5,021,562	668,821	186,852	5,503,531
Jointly owned assets	5,057,601	917,373	-	5,974,974
Total accumulated depreciation	\$ 21,518,742	\$ 1,854,818	\$ 186,852	\$ 23,186,708
Other capital assets, net	\$ 17,716,254	\$ 744,088	\$ 2,400	\$ 18,457,942
Net capital assets	\$ 17,973,419	\$ 874,031	\$ 2,400	\$ 18,845,050
Depreciation is allocated to education		\$ 1,854,818		

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, 2019, is that school financed assets in the amount of \$17,293,011 net are reported in the Primary Government for financial reporting purposes.

## Note 9—Compensated Absences:

The County has accrued the liability arising from outstanding claims and judgments and compensated absences. County employees earn vacation and sick leave at various rates.

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

## Note 10—Long-Term Obligations:

The following is a summary of long-term obligation transactions for the County for the year ended June 30, 2019:

	Balance July 1, 2018	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2019
Primary Government:				
Governmental activities:				
Direct borrowings and direct placements:				
Lease revenue bonds	\$ 810,000	\$ -	\$ 255,000	\$ 555,000
Refunding bonds	4,890,000	-	-	4,890,000
Premium on issuance	884,062	-	88,254	795,808
General obligation school bonds	21,784,016	-	1,861,909	19,922,107
Premium on issuance	739,633	-	105,964	633,669
Net pension liability	789,764	1,564,936	1,800,114	554,586
Net OPEB liability	307,280	55,200	53,360	309,120
Compensated absences	629,088	-	45,896	583,192
Total obligations from governmental activities	<u>\$ 30,833,843</u>	<u>\$ 1,620,136</u>	<u>\$ 4,210,497</u>	<u>\$ 28,243,482</u>
Business-type activities:				
Direct borrowings and direct placements:				
Revenue bonds	\$ 907,231	\$ -	\$ 29,601	\$ 877,630
Revolving loans	10,749,854	-	234,273	10,515,581
Net pension liability	71,976	167,766	183,087	56,655
Net OPEB liability	26,720	4,800	4,640	26,880
Compensated absences	53,037	6,476	-	59,513
Total obligations from business-type activities	<u>\$ 11,808,818</u>	<u>\$ 179,042</u>	<u>\$ 451,601</u>	<u>\$ 11,536,259</u>
Long-term obligations from component unit activities:				
School Board:				
Energy improvement lease	\$ 1,246,504	\$ -	\$ 88,612	\$ 1,157,892
Net pension liability	16,705,000	3,961,000	5,037,000	15,629,000
Net OPEB liabilities	2,655,000	369,000	427,000	2,597,000
Compensated absences	574,910	-	12,713	562,197
Total obligations from component unit activities	<u>\$ 21,181,414</u>	<u>\$ 4,330,000</u>	<u>\$ 5,565,325</u>	<u>\$ 19,946,089</u>
Total long-term obligations	<u>\$ 63,824,075</u>	<u>\$ 6,129,178</u>	<u>\$ 10,227,423</u>	<u>\$ 59,725,830</u>
Reconciliation to Exhibit 1:				
	Governmental Activities	Business- Type Activities	Component Unit School Board	Total
Long-term liabilities:				
Due within one year	\$ 2,452,044	276,384	\$ 151,808	\$ 2,880,236
Due in more than one year	25,791,438	11,259,875	19,794,281	56,845,594
Total long-term obligations	<u>\$ 28,243,482</u>	<u>\$ 11,536,259</u>	<u>\$ 19,946,089</u>	<u>\$ 59,725,830</u>

# COUNTY OF BUCKINGHAM, VIRGINIA

## Notes to Financial Statements As of June 30, 2019 (Continued)

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

#### Details of Long-term Obligations:

Type/ Project	Issue Date	Amount of Original Issue	Interest Rates	Amount of Principal Installments	Final Maturity Date	Balance	Amount Due Within One Year
<b>Primary Government:</b>							
Governmental activities:							
Lease revenue bonds:							
County projects	11/23/2010	\$ 9,255,000	2.357%-5.200%	SA \$230,000-\$590,000	A 10/1/2033	\$ 555,000	\$ 270,000
Total lease revenue bonds						\$ 555,000	\$ 270,000
Refunding bonds:							
County refunding bonds	11/15/2017	\$ 4,890,000	3.822%-5.125%	SA \$275,000-\$495,000	A 10/1/2033	\$ 4,890,000	\$ -
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	795,808	88,254
Total refunding bonds						\$ 5,685,808	\$ 88,254
General obligation school bonds:							
School bonds	11/7/2002	\$ 5,930,000	2.35%-5.10%	SA \$295,000-\$300,000	A 7/15/2022	\$ 1,180,000	\$ 295,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	59,355	11,871
School bonds	11/10/2005	\$ 5,856,256	4.60%-5.10%	SA \$222,289-\$370,235	A 7/15/2025	2,393,107	314,222
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	41,870	11,033
School bonds	12/1/2011	\$ 10,000,000	4.5% *	SA \$186,000-\$784,600	A 6/1/2027	6,264,000	747,000
School bonds	11/9/2011	\$ 13,325,000	2.05%-5.05%	SA \$320,000-\$985,000	A 7/15/2031	10,085,000	580,000
Unamortized premium on Issuance	n/a	n/a	n/a	n/a	n/a	532,444	76,345
Net general obligation school bonds						\$ 20,555,776	\$ 2,035,471
* Interest to be refunded by Federal Tax Credit							
Other obligations:							
Net pension liability (payable from general fund)						\$ 554,586	\$ -
Net OPEB liability (payable from general fund)						309,120	-
Compensated absences (payable from general fund)						583,192	58,319
Total other obligations						\$ 1,446,898	\$ 58,319
Total long-term obligations from governmental activities						\$ 28,243,482	\$ 2,452,044
Business-type activities:							
Revenue bonds:							
Water system revenue bonds	4/16/1998	\$ 1,268,000	4.500%	M \$5,822 (P&I)	M 3/31/2038	\$ 877,630	\$ 31,011
Total revenue bonds						\$ 877,630	\$ 31,011
Revolving loans:							
VRA revolving fund loan	10/30/2004	\$ 1,056,863	1.000%	SA \$20,729 (P&I)	SA 3/1/2034	\$ 576,149	\$ 35,786
Rural Development loan	10/15/2007	\$ 1,171,700	4.125%	M \$5,097 (P&I)	M 10/13/2044	940,277	22,639
Rural Development loan	7/25/2011	\$ 5,000,000	2.375%	M \$16,700 (P&I)	M 8/25/2051	4,481,947	94,984
Rural Development loan **	1/6/2015	\$ 4,718,000	2.125%	M \$15,098 (P&I)	M 10/1/2033	4,517,208	86,013
Total revolving loans						\$ 10,515,581	\$ 239,422
** The IDA has pledged availability fees of up to \$256,068 annually or \$21,339 monthly as security for the loan.							
Other obligations:							
Net pension liability (payable from water and sewer funds)						\$ 56,655	\$ -
Net OPEB liability (payable from water and sewer funds)						26,880	-
Compensated absences (payable from water and sewer funds)						59,513	5,951
Total other obligations						\$ 143,048	\$ 5,951
Total long-term obligations from business-type activities						\$ 11,536,259	\$ 276,384
Total long-term obligations, Primary Government						\$ 39,779,741	\$ 2,728,428
<b>Component Unit School Board:</b>							
Other Obligations:							
Energy Improvement Lease	9/5/2012	\$ 1,596,421	2.75%	\$102,491-\$170,261	A 9/5/2027	\$ 1,157,892	\$ 95,588
Net pension liabilities (payable from school operating fund)						15,629,000	-
Net OPEB liabilities (payable from school operating fund)						2,597,000	-
Compensated absences (payable from school operating fund)						562,197	56,220
Total Other Obligations						\$ 19,946,089	\$ 151,808
Total long-term obligations, Component Unit School Board						\$ 19,946,089	\$ 151,808
Total long-term obligations						\$ 59,725,830	\$ 2,880,236

A = annual installments

M = monthly installments

SA = semi-annual installments

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

Year Ending June 30,	Primary Government		Component Unit School Board	
	Direct Borrowings and Placements		Direct Borrowings and Placements	
	Principal	Interest	Principal	Interest
2020	\$ 2,664,158	\$ 1,575,827	\$ 95,588	\$ 31,842
2021	2,748,849	1,493,824	102,922	29,213
2022	2,813,142	1,410,087	110,630	26,383
2023	2,835,972	1,324,630	118,728	23,341
2024	2,594,370	1,244,058	127,234	20,076
2025-2029	10,961,219	4,267,414	602,790	42,796
2030-2034	7,060,515	1,364,407	-	-
2035-2039	1,786,608	674,584	-	-
2040-2044	1,735,885	444,735	-	-
2045-2049	1,665,021	242,859	-	-
2050-2054	1,225,824	66,165	-	-
2055	98,232	959	-	-
Total	\$ 38,189,795	\$ 14,109,549	\$ 1,157,892	\$ 173,651

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

### IDA Agreement

The County entered into an agreement with the Buckingham Industrial Development Authority (IDA) in 2013 pledged as security for the USDA Rural Development loan for construction of the new sewer plant. The IDA has agreed to pay an availability fee up to \$256,068 annually or \$21,339 per month to help fund loan payments. The first payment will be due when the 1<sup>st</sup> installment is made on the loan or the new sewer plant becomes operational, whichever occurs first. In fiscal year 2019, the County made payments of \$181,176 for debt service (principal payments of \$84,210 and interest of \$96,966) to the IDA. However, the debt is reflected on the County's financial statements and not the IDA's.

### Advance Refunding

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### Moral Obligations

If the Piedmont Regional Jail Authority lacks sufficient funds to pay scheduled Debt Service on the Bonds, or to pay any debt service reserve funding requirements, the Authority will promptly notify the Member Jurisdictions of the amount of such insufficiency. Upon such notification, the Member Jurisdictions each agree to pay, subject to certain conditions, an equal portion of such deficit. Any such payment will be subject to the appropriation of funds by the governing body of each Member Jurisdiction and shall constitute a non-binding moral payment obligation. The obligations of the Members shall expire only upon the payment of the Bonds or such earlier date provided therefore, if any, in the documents under which the bonds are issued. In no event shall the obligation of any Member Jurisdiction be deemed to constitute a debt within the meaning of the Constitution of Virginia. The balance of outstanding debt at 6/30/19 was \$3,381,800.

#### Events of Default

Upon the occurrence and continuation of an Event of Default for lease revenue bonds, the entire unpaid amount due can be demanded and with a possibility of the lender taking possession of the associated real estate and improvements.

In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

In the event of default on revenue bonds, the Lender may declare the entire unpaid principal and interest on the issuance as due and payable.

### Note 11—Pension Plans:

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#### *Plan Description*

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 11—Pension Plans: (Continued)

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#### ***Benefit Structures***

The System administers three different benefit structures for covered employees - Plan 1, Plan 2, and Hybrid. Each of these benefit structures has different eligibility criteria, as detailed below.

- a. Employees hired before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of creditable service or age 50 with at least 30 years of creditable service. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of creditable service or age 50 with at least 10 years of creditable service. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of creditable service or age 50 with at least 25 years of creditable service. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of creditable service.
- b. Employees hired on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013 are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of creditable service or when the sum of their age and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of creditable service. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of creditable service or age 50 with at least 25 years of creditable service. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of creditable service.
- c. Non-hazardous duty employees hired on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of creditable service, or when the sum of their age and service equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of creditable service. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

#### ***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total creditable service. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

### Note 11—Pension Plans:

#### *Cost-of-Living Adjustment (COLA) in Retirement and Death and Disability Benefits*

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of creditable service are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

#### *Employees Covered by Benefit Terms*

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	52	45
Inactive members:		
Vested inactive members	13	13
Non-vested inactive members	18	17
Inactive members active elsewhere in VRS	38	22
Total inactive members	69	52
Active members	93	50
Total covered employees	214	147

#### *Contributions*

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

The County's contractually required employer contribution rate for the year ended June 30, 2019 was 8.02% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$338,486 and \$373,457 for the years ended June 30, 2019 and June 30, 2018, respectively.



COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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**Note 11—Pension Plans: (Continued)**

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***Contributions (Continued)***

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2019 was 4.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$35,439 and \$38,992 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension liability (asset) were measured as of June 30, 2018. The total pension liabilities used to calculate the net pension liability (asset) were determined by an actuarial valuation performed as of June 30, 2017, and rolled forward to the measurement date of June 30, 2018.

***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 11—Pension Plans: (Continued)

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#### *Actuarial Assumptions - General Employees (Continued)*

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 - Non-Hazardous Duty:

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 11—Pension Plans: (Continued)

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#### *Actuarial Assumptions - General Employees (Continued)*

Mortality rates: (Continued)

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

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

#### *Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits*

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 11—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 11—Pension Plans: (Continued)

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

##### Largest 10 - Hazardous Duty:

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

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

### Note 11—Pension Plans: (Continued)

#### *Long-Term Expected Rate of Return*

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

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

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

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY 2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2018, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2018 on, participating employers

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

Note 11—Pension Plans: (Continued)

*Discount Rate: (Continued)*

and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability (Asset)*

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 18,195,049	\$ 17,333,309	\$ 861,740
Changes for the year:			
Service cost	\$ 460,741	\$ -	\$ 460,741
Interest	1,251,987	-	1,251,987
Differences between expected and actual experience	(110,542)	-	(110,542)
Contributions - employer	-	372,656	(372,656)
Contributions - employee	-	206,589	(206,589)
Net investment income	-	1,285,517	(1,285,517)
Benefit payments, including refunds of employee contributions	(619,030)	(619,030)	-
Administrative expenses	-	(10,925)	10,925
Other changes	-	(1,152)	1,152
Net changes	\$ 983,156	\$ 1,233,655	\$ (250,499)
Balances at June 30, 2018	\$ 19,178,205	\$ 18,566,964	\$ 611,241

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

Note 11—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset) (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2017	\$ 3,361,151	\$ 3,481,064	\$ (119,913)
Changes for the year:			
Service cost	\$ 83,525	\$ -	\$ 83,525
Interest	230,217	-	230,217
Differences between expected and actual experience	(89,756)	-	(89,756)
Contributions - employer	-	38,697	(38,697)
Contributions - employee	-	41,184	(41,184)
Net investment income	-	256,712	(256,712)
Benefit payments, including refunds of employee contributions	(144,665)	(144,665)	-
Administrative expenses	-	(2,229)	2,229
Other changes	-	(228)	228
Net changes	\$ 79,321	\$ 189,471	\$ (110,150)
Balances at June 30, 2018	\$ 3,440,472	\$ 3,670,535	\$ (230,063)

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

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

	Rate		
	Current Discount		
	1% Decrease (6.00%)	Rate (7.00%)	1% Increase (8.00%)
County's Net Pension Liability (Asset)	\$ 3,041,939	\$ 611,241	\$ (1,410,845)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 185,964	\$ (230,063)	\$ (578,398)



COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

**Note 11—Pension Plans: (Continued)**

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

For the year ended June 30, 2019, the County and Component Unit School Board (nonprofessional) recognized pension expense of (\$180,492) and (\$60,376), respectively. At June 30, 2019, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 542	\$ 281,412	\$ 527	\$ 50,389
Change in assumptions	-	215,513	-	2,614
Net difference between projected and actual earnings on pension plan investments	-	163,538	-	31,019
Change in proportionate share	16,571	16,571	-	-
Employer contributions subsequent to the measurement date	338,486	-	35,439	-
Total	<u>\$ 355,599</u>	<u>\$ 677,034</u>	<u>\$ 35,966</u>	<u>\$ 84,022</u>

\$338,486 and \$35,439 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability or addition to the Net Pension Asset in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2020	\$ (280,675)	\$ (30,162)
2021	(174,256)	(14,261)
2022	(190,190)	(35,993)
2023	(14,800)	(3,079)
2024	-	-
Thereafter	-	-

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### **Note 11—Pension Plans: (Continued)**

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#### ***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

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

##### ***Plan Description***

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

##### ***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2019 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,651,385 and \$1,708,817 for the years ended June 30, 2019 and June 30, 2018, respectively.

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

At June 30, 2019, the school division reported a liability of \$15,629,000 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2018 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division's proportion was .13290% as compared to .13584% at June 30, 2017.

For the year ended June 30, 2019, the school division recognized pension expense of \$935,000. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

**Note 11—Pension Plans: (Continued)**

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

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

At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,337,000
Change in assumptions	187,000	-
Net difference between projected and actual earnings on pension plan investments	-	331,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	260,000	887,000
Employer contributions subsequent to the measurement date	<u>1,651,385</u>	<u>-</u>
Total	<u>\$ 2,098,385</u>	<u>\$ 2,555,000</u>

\$1,651,385 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2020	\$ (315,000)
2021	(521,000)
2022	(842,000)
2023	(333,000)
Thereafter	(97,000)

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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**Note 11—Pension Plans: (Continued)**

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

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

**Mortality rates:**

- Pre-Retirement:  
RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.
- Post-Retirement:  
RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.
- Post-Disablement:  
RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

### Note 11—Pension Plans: (Continued)

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

##### *Actuarial Assumptions: (Continued)*

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

##### *Net Pension Liability*

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2018, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$ 46,679,555
Plan Fiduciary Net Position	<u>34,919,563</u>
Employers' Net Pension Liability	<u>\$ 11,759,992</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%

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

The long-term expected rate of return and discount rate information previously described also apply to this plan.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

**Note 11—Pension Plans: (Continued)**

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

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

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

	Rate		
	(6.00%)	(7.00%)	(8.00%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 23,874,000	\$ 15,629,000	\$ 8,805,000

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	VRS Pension Plans:			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
<b>Primary Government</b>				
Primary Government	\$ 355,599	\$ 677,034	\$ 611,241	\$ (180,492)
Totals	\$ 355,599	\$ 677,034	\$ 611,241	\$ (180,492)
<b>Component Unit School Board</b>				
School Board Nonprofessional	\$ 35,966	\$ 84,022	\$ (230,063)	\$ (60,376)
School Board Professional	2,098,385	2,555,000	15,629,000	935,000
Totals	\$ 2,134,351	\$ 2,639,022	\$ 15,398,937	\$ 874,624

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

### Note 12—Commitments and Contingencies:

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

At June 30, 2019, the County had several major projects underway, which are presented in the financial statements as construction in progress. Presented is a list of major projects, contract amounts, expenditures to date, and balances of contracts remaining:

Project	Contract Amount	Expenditures to Date	Balance of Contract
Sprouse's Corner - Sewer Line Extension	\$ 174,410	\$ 104,592	\$ 69,818
Library/Community Center Project - Dillwyn Primary School	287,905	259,924	27,981
Bates Market Solid Waste Site	146,000	40,020	105,980
In addition, the School Board has the following project outstanding:			
Middle School Chiller	\$ 219,993	\$ 129,943	\$ 90,050

### Note 13—Surety Bonds:

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

In June 2018, the County entered into a settlement agreement with the Environmental Protection Agency (EPA) in the amount of \$125,000. This was paid in fiscal year 2019 and related to costs associated with the Love Landfill "Superfund" site for monitoring and oversight.

### **Note 15—Risk Management:**

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

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

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

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

### **Note 16—Litigation:**

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At June 30, 2019, 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 17—Expenditures and Appropriations:**

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Expenditures exceeded appropriations in the following functions of the General Fund: Public Safety (\$26,829), Public Works (\$197,296); Health and Welfare (\$206,454); and Parks, Recreation, and Cultural (\$33,293). However, all disbursements were approved in accordance with operating policies.



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

### Note 18—Interfund Transfers:

Interfund transfers for the year ended June 30, 2019 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
Governmental Activities:			
General Fund	\$ 207,621	\$ 3,429,593	\$ (3,221,972)
VPA Fund	186,454	-	186,454
Debt Service Fund	<u>3,061,963</u>	<u>32,621</u>	<u>3,029,342</u>
Total interfund transfers	<u>\$ 3,456,038</u>	<u>\$ 3,462,214</u>	<u>\$ (6,176)</u>
Business-type Activities:			
Water Fund	\$ -	\$ 175,000	\$ (175,000)
Sewer Fund	181,176	-	181,176
IDA	<u>181,176</u>	<u>181,176</u>	<u>-</u>
Total interfund transfers	<u>\$ 362,352</u>	<u>\$ 356,176</u>	<u>\$ 6,176</u>
Net interfund transfers			<u>\$ -</u>

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

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

#### Health Insurance

The County offers postemployment medical coverage to their retired employees. Retirees and their spouses are permitted to remain on the respective County plan until they are eligible for Medicare benefits. Premiums are paid by the retirees. At June 30, 2019, the County has elected not to obtain an actuarial valuation to determine liability for this benefit in accordance with the financial reporting requirements of GASB 75. Any liability at June 30, 2019 is not believed to be material to the financial statements. The School Board had no participants on its plan during the year and the benefit is no longer offered so there is minimal impact to the financial statements.

#### Line of Duty Act (LODA)

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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#### **Line of Duty Act (LODA): (Continued)**

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2019 was \$15,920.

### **Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans:**

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#### **Group Life Insurance (GLI) Program:**

##### ***Plan Description***

The Group Life Insurance (GLI) Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the state agencies, teachers, and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

The specific information for GLI Program OPEB, including eligibility, coverage and benefits is described below:

##### ***Eligible Employees***

The GLI Program was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the program. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

##### ***Benefit Amounts***

The GLI Program is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### **Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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#### **Group Life Insurance (GLI) Program: (Continued)**

##### ***Benefit Amounts: (Continued)***

program provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and was increased to \$8,279 effective July 1, 2018.

##### ***Contributions***

The contribution requirements for the Group Life Insurance Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% x 60%) and the employer component was 0.52% (1.31% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2019 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) were \$22,602 and \$21,854, \$4,548 and \$4,432, and \$55,909 and \$55,515 for the years ended June 30, 2019 and June 30, 2018, respectively.

##### ***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB***

At June 30, 2019, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) reported a liability of \$336,000, \$68,000, and \$853,000, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2018 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation as of that date. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the County's, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) proportion was .02210%, .00448%, and .05615%, respectively as compared to .02219%, .00462%, and .05785% at June 30, 2017.

For the year ended June 30, 2019, the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional) recognized GLI OPEB expense of \$0, \$(2,000), and \$(4,000), respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

**Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

**Group Life Insurance (GLI) Program: (Continued)**

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

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Primary Government</b>		
Differences between expected and actual experience	\$ 16,000	\$ 6,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	11,000
Change in assumptions	-	14,000
Changes in proportion	-	6,000
Employer contributions subsequent to the measurement date	22,602	-
Total	<u>\$ 38,602</u>	<u>\$ 37,000</u>
<b>School Board - Nonprofessional</b>		
Differences between expected and actual experience	\$ 3,000	\$ 1,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,000
Change in assumptions	-	3,000
Employer contributions subsequent to the measurement date	4,548	-
Total	<u>\$ 7,548</u>	<u>\$ 6,000</u>
<b>School Board - Professional</b>		
Differences between expected and actual experience	\$ 42,000	\$ 15,000
Net difference between projected and actual earnings on GLI OPEB program investments	-	28,000
Change in assumptions	-	36,000
Changes in proportion	-	44,000
Employer contributions subsequent to the measurement date	55,909	-
Total	<u>\$ 97,909</u>	<u>\$ 123,000</u>

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

## Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)

### Group Life Insurance (GLI) Program: (Continued)

#### *GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB (Continued)*

\$22,602, \$4,548, and \$55,909 reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board (nonprofessional), and Component Unit School Board (professional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	School Board (nonprofessional)	School Board (professional)
2020	\$ (6,000)	\$ (1,000)	\$ (23,000)
2021	(6,000)	(1,000)	(23,000)
2022	(6,000)	(1,000)	(23,000)
2023	(3,000)	-	(15,000)
2024	(1,000)	-	(1,000)
Thereafter	1,000	-	4,000

### Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018. The assumptions include several employer groups as noted below. Mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)

#### Group Life Insurance (GLI) Program: (Continued)

##### *Actuarial Assumptions: (Continued)*

##### **Mortality Rates - Teachers**

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### **Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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#### **Group Life Insurance (GLI) Program: (Continued)**

##### ***Actuarial Assumptions: (Continued)***

#### **Mortality Rates - Largest Ten Locality Employers - General Employees**

##### **Pre-Retirement:**

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

##### **Post-Retirement:**

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

##### **Post-Disablement:**

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

##### **Pre-Retirement:**

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

##### **Post-Retirement:**

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



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### **Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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#### **Group Life Insurance (GLI) Program: (Continued)**

##### ***Actuarial Assumptions: (Continued)***

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

###### **Post-Disablement:**

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

##### **Mortality Rates - Largest Ten Locality Employers - Hazardous Duty Employees**

###### **Pre-Retirement:**

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

###### **Post-Retirement:**

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

###### **Post-Disablement:**

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



## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### **Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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#### **Group Life Insurance (GLI) Program: (Continued)**

##### ***Actuarial Assumptions: (Continued)***

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

###### **Pre-Retirement:**

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

###### **Post-Retirement:**

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

###### **Post-Disablement:**

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

### Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)

#### Group Life Insurance (GLI) Program: (Continued)

##### *Actuarial Assumptions: (Continued)*

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

##### **NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2018, NOL amounts for the GLI Program is as follows (amounts expressed in thousands):

		<b>Group Life Insurance OPEB Program</b>
Total GLI OPEB Liability	\$	3,113,508
Plan Fiduciary Net Position		1,594,773
Employers' Net GLI OPEB Liability (Asset)	\$	<u>1,518,735</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		51.22%

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### **Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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#### **Teacher Employee Health Insurance Credit (HIC) Program:**

##### ***Plan Description***

The Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee HIC Program. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

The specific information for the Teacher HIC Program OPEB, including eligibility, coverage, and benefits is described below:

##### ***Eligible Employees***

The Teacher Employee Retiree HIC Program was established July 1, 1993 for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit. Eligible employees include full-time permanent (professional) salaried employees of public school divisions covered under VRS. These employees are enrolled automatically upon employment.

##### ***Benefit Amounts***

The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is either: \$4.00 per month, multiplied by twice the amount of service credit, or \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

##### ***HIC Program Notes***

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### **Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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#### **Teacher Employee Health Insurance Credit (HIC) Program: (Continued)**

##### ***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2019 was 1.20% of covered employee compensation for employees in the VRS Teacher Employee HIC Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Program were \$128,927 and \$131,261 for the years ended June 30, 2019 and June 30, 2018, respectively.

##### ***Teacher Employee HIC Program OPEB Liabilities, Teacher Employee HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC Program OPEB***

At June 30, 2019, the school division reported a liability of \$1,676,000 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Program OPEB Liability was measured as of June 30, 2018 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Program OPEB Liability was determined by an actuarial valuation as of that date. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2018 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2018, the school division's proportion of the VRS Teacher Employee HIC Program was .13195% as compared to .13517% at June 30, 2017.

For the year ended June 30, 2019, the school division recognized VRS Teacher Employee HIC Program OPEB expense of \$123,000. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

**Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

**Teacher Employee Health Insurance Credit (HIC) Program: (Continued)**

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

At June 30, 2019, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Program OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 8,000
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,000
Change in assumptions	-	15,000
Changes in proportionate share	-	83,000
Employer contributions subsequent to the measurement date	<u>128,927</u>	<u>-</u>
Total	<u>\$ 128,927</u>	<u>\$ 107,000</u>

\$128,927 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2020	\$ (18,000)
2021	(18,000)
2022	(18,000)
2023	(18,000)
2024	(18,000)
Thereafter	(17,000)

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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**Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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**Teacher Employee Health Insurance Credit (HIC) Program: (Continued)**

*Actuarial Assumptions*

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Program was based on an actuarial valuation as of June 30, 2017, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2018.

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

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

**Mortality Rates - Teachers**

- Pre-Retirement:  
    RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.
- Post-Retirement:  
    RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.
- Post-Disablement:  
    RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

### Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)

#### Teacher Employee Health Insurance Credit (HIC) Program: (Continued)

##### *Actuarial Assumptions: (Continued)*

##### **Mortality Rates - Teachers: (Continued)**

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

##### **Net Teacher Employee HIC OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee HIC Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2018, NOL amounts for the VRS Teacher Employee HIC Program is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,381,313
Plan Fiduciary Net Position		111,639
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,269,674</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		
		8.08%

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

# COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

## Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)

### Long-Term Expected Rate of Return

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

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

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

### Discount Rate

The discount rate used to measure the total GLI and teacher employee HIC OPEB liabilities was 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2018, the rate contributed by the entity for the GLI OPEB and by each school division for the VRS teacher employee HIC program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2018 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI and Teacher Employee HIC OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI and teacher employee HIC OPEB liability.



COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

**Note 20—Other Postemployment Benefits (OPEB) - VRS Cost-Sharing Plans: (Continued)**

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

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

Proportionate Share of GLI Program Net OPEB Liability	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Primary Government	\$ 439,000	\$ 336,000	\$ 252,000
School Board (nonprofessional)	89,000	68,000	52,000
School Board (professional)	1,115,000	853,000	641,000

	Rate		
	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,872,000	\$ 1,676,000	\$ 1,509,000

***Group Life Insurance and Teacher HIC Program Fiduciary Net Position***

Detailed information about the GLI and Teacher HIC Program's Fiduciary Net Position is available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

***Aggregate OPEB Information***

	VRS OPEB Plans:			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability (Asset)	OPEB Expense
<b>Primary Government</b>				
Primary Government - GLI	\$ 38,602	\$ 37,000	\$ 336,000	\$ -
Totals	\$ 38,602	\$ 37,000	\$ 336,000	\$ -
<b>Component Unit School Board</b>				
School Board Nonprofessional - GLI	\$ 7,548	\$ 6,000	\$ 68,000	\$ (2,000)
School Board Professional - GLI	97,909	123,000	853,000	(4,000)
School Board Professional - HIC	128,927	107,000	1,676,000	123,000
Totals	\$ 234,384	\$ 236,000	\$ 2,597,000	\$ 117,000

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 21—Operating Leases:

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

<u>Year Ending June 30,</u>	<u>Health Dept</u>	<u>DSS</u>
2020	\$ 50,000	\$ 24,210
2021	50,000	-
2022	50,000	-
2023	50,000	-
2024	50,000	-
2025-2028	191,666	-
Total	<u>\$ 441,666</u>	<u>\$ 24,210</u>

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

<u>Year Ending June 30,</u>	<u>Land</u>
2020	\$ 7,200
2021	7,200
2022	7,200
2023	7,380
2024	7,416
2025-2029	37,080
2030-2033	23,484
Total	<u>\$ 96,960</u>

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

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

The construction and operation of the Facility will

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

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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

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

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

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

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

### **Note 23—Tax Incentives:**

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On February 7, 2019, the County IDA entered into an agreement with Central Virginia Electric Cooperative (CVEC) and Central Virginia Services, Inc. (CVSI) granting tax incentives. CVEC began a project to install fiber optic cable for the purpose of making broadband available in 2018 at an estimated cost of \$100,000,000 with an estimated completion date five years from the beginning of work.

The IDA agreed to grant to CVSI annually, subject to certain terms and conditions, for a period of five years a sum equal to the County machinery and tools and personal property taxes attributable to each year’s construction costs of the Project in the County (the "Local Taxes Grant"). For example, if CVEC expends \$1,000,000 in construction costs in the County in calendar year 2019, then the machinery and tools and personal property taxes attributable to \$1,000,000 shall be payable to CVSI by the IDA during the calendar years 2020, 2021, 2022, 2023, and 2024. If an additional \$2,000,000.00 is expended in construction costs in the County in 2020, then the Local Taxes Grant shall be increased to include the machinery and tools and personal property taxes attributable to \$2,000,000 and shall be payable to CVSI during the calendar years 2021, 2022, 2023, 2024, and 2025. For each subsequent year of the construction of the Project the Local Taxes Grant shall be so calculated until the installation is complete. No construction after 2023 shall qualify for a grant.

The IDA shall make payment of the Local Taxes Grant to CVSI within ninety days of each semi-annual tax due date provided that CVEC shall have paid all local taxes to the County as they fall due. The grants shall be discontinued should CVSI and CVEC discontinue, suspend or otherwise not pursue the project to completion.

CVEC shall report, document, and verify to the IDA the construction cost and the price of its related new equipment and personal property for the Project installed in the County by no later than January 31st for the preceding year.

## COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements  
As of June 30, 2019 (Continued)

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### Note 24—Upcoming Pronouncements:

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Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

### Note 25—Adoption of Accounting Principles:

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The County implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* during the fiscal year ended June 30, 2019. This Statement clarifies which liabilities governments should include when disclosing information related to debt. It also requires that additional essential information related to debt be disclosed in notes to financial statements. No restatement was required as a result of this implementation.

The County early implemented provisions of Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* during the fiscal year ended June 30, 2019. This Statement simplifies accounting for interest cost incurred before the end of a construction period. Interest cost incurred during construction is expensed and no longer capitalized as part of project costs. No restatement was required as a result of this implementation.

### Note 26—Subsequent Events:

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In July 2019, the Board of Supervisors accepted a bid of \$1,254,547 for the Sprouse's Corner project.

In August 2019, the County accepted a \$230,000 grant from the Petco Foundation for the new Animal Control shelter.

In September 2019, the Board of Supervisors accepted a bid of \$5,026,000 for repurposing of the Dillwyn Primary School to a Library and Community Center. Financing related to the Library closed in the amount of \$5,150,000 on August 15, 2019.

In October 2019, the County approved sale of 3.5 acres to HNH, Inc. in the amount of \$35,000 for the purpose of developing, constructing and operating at least a \$6,200,000 investment Sleep Inn Hotel with a Conference Center and up to four years of tax incentives.

### **REQUIRED SUPPLEMENTARY INFORMATION**

Note to Required Supplementary Information:

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

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## General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 15,499,000	\$ 15,499,000	\$ 15,416,355	\$ (82,645)
Other local taxes	1,697,000	1,697,000	1,812,988	115,988
Permits, privilege fees, and regulatory licenses	66,500	66,500	84,651	18,151
Fines and forfeitures	27,100	27,100	41,662	14,562
Revenue from the use of money and property	125,500	125,500	156,576	31,076
Charges for services	58,100	58,100	74,520	16,420
Miscellaneous	42,000	43,200	16,969	(26,231)
Recovered costs	-	23,475	23,475	-
Intergovernmental:				
Commonwealth	4,529,731	4,565,322	4,772,293	206,971
Federal	-	42,494	146,625	104,131
Total revenues	\$ 22,044,931	\$ 22,147,691	\$ 22,546,114	\$ 398,423
EXPENDITURES				
Current:				
General government administration	\$ 1,444,585	\$ 1,578,047	\$ 1,556,018	\$ 22,029
Judicial administration	884,473	910,228	861,657	48,571
Public safety	3,721,039	4,088,649	4,115,478	(26,829)
Public works	1,392,960	1,499,339	1,696,635	(197,296)
Health and welfare	1,807,207	1,807,207	2,013,661	(206,454)
Education	7,327,523	7,561,082	6,972,060	589,022
Parks, recreation, and cultural	379,690	405,972	439,265	(33,293)
Community development	246,524	247,735	214,648	33,087
Nondepartmental	488,000	361,436	247,185	114,251
Capital projects	-	465,682	465,682	-
Total expenditures	\$ 17,692,001	\$ 18,925,377	\$ 18,582,289	\$ 343,088
Excess (deficiency) of revenues over (under) expenditures				
	\$ 4,352,930	\$ 3,222,314	\$ 3,963,825	\$ 741,511
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 207,621	\$ 207,621
Transfers out	(3,730,097)	(3,744,750)	(3,429,593)	315,157
Total other financing sources (uses)	\$ (3,730,097)	\$ (3,744,750)	\$ (3,221,972)	\$ 522,778
Net change in fund balance				
	\$ 622,833	\$ (522,436)	\$ 741,853	\$ 1,264,289
Fund balance - beginning	(814,470)	330,799	10,436,064	10,105,265
Fund balance - ending	\$ (191,637)	\$ (191,637)	\$ 11,177,917	\$ 11,369,554

## Virginia Public Assistance Fund

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

For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 575	\$ (4,425)
Intergovernmental:				
Commonwealth	550,961	558,509	507,065	(51,444)
Federal	1,005,425	1,005,425	952,593	(52,832)
Total revenues	<u>\$ 1,561,386</u>	<u>\$ 1,568,934</u>	<u>\$ 1,460,233</u>	<u>\$ (108,701)</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 1,973,452	\$ 1,995,653	\$ 1,646,687	\$ 348,966
Total expenditures	<u>\$ 1,973,452</u>	<u>\$ 1,995,653</u>	<u>\$ 1,646,687</u>	<u>\$ 348,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (412,066)</u>	<u>\$ (426,719)</u>	<u>\$ (186,454)</u>	<u>\$ 240,265</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 412,066	\$ 426,719	\$ 186,454	\$ (240,265)
Total other financing sources (uses)	<u>\$ 412,066</u>	<u>\$ 426,719</u>	<u>\$ 186,454</u>	<u>\$ (240,265)</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



Schedule Changes in Net Pension Liability and Related Ratios  
Primary Government  
For the Measurement Dates of June 30, 2014 through June 30, 2018

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 460,741	\$ 443,105	\$ 458,107	\$ 464,384	\$ 460,562
Interest	1,251,987	1,231,009	1,179,405	1,102,964	1,033,309
Changes in assumptions	-	(490,053)	-	-	-
Differences between expected and actual experience	(110,542)	(272,201)	(335,084)	43,830	-
Benefit payments, including refunds of employee contributions	(619,030)	(605,297)	(525,169)	(513,164)	(484,431)
<b>Net change in total pension liability</b>	<b>\$ 983,156</b>	<b>\$ 306,563</b>	<b>\$ 777,259</b>	<b>\$ 1,098,014</b>	<b>\$ 1,009,440</b>
<b>Total pension liability - beginning</b>	<b>18,195,049</b>	<b>17,888,486</b>	<b>17,111,227</b>	<b>16,013,213</b>	<b>15,003,773</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 19,178,205</b>	<b>\$ 18,195,049</b>	<b>\$ 17,888,486</b>	<b>\$ 17,111,227</b>	<b>\$ 16,013,213</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 372,656	\$ 366,099	\$ 468,270	\$ 455,429	\$ 502,256
Contributions - employee	206,589	202,249	202,312	197,041	210,098
Net investment income	1,285,517	1,895,714	272,613	661,502	1,940,568
Benefit payments, including refunds of employee contributions	(619,030)	(605,297)	(525,169)	(513,164)	(484,431)
Administrative expense	(10,925)	(10,770)	(9,247)	(8,779)	(10,150)
Other	(1,152)	(1,694)	(113)	(141)	102
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,233,655</b>	<b>\$ 1,846,301</b>	<b>\$ 408,666</b>	<b>\$ 791,888</b>	<b>\$ 2,158,443</b>
<b>Plan fiduciary net position - beginning</b>	<b>17,333,309</b>	<b>15,487,008</b>	<b>15,078,342</b>	<b>14,286,454</b>	<b>12,128,011</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 18,566,964</b>	<b>\$ 17,333,309</b>	<b>\$ 15,487,008</b>	<b>\$ 15,078,342</b>	<b>\$ 14,286,454</b>
<b>County's net pension liability - ending (a) - (b)</b>	<b>\$ 611,241</b>	<b>\$ 861,740</b>	<b>\$ 2,401,478</b>	<b>\$ 2,032,885</b>	<b>\$ 1,726,759</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>96.81%</b>	<b>95.26%</b>	<b>86.58%</b>	<b>88.12%</b>	<b>89.22%</b>
<b>Covered payroll</b>	<b>\$ 4,202,658</b>	<b>\$ 4,093,208</b>	<b>\$ 4,066,784</b>	<b>\$ 3,950,804</b>	<b>\$ 3,874,861</b>
<b>County's net pension liability as a percentage of covered payroll</b>	<b>14.54%</b>	<b>21.05%</b>	<b>59.05%</b>	<b>51.45%</b>	<b>44.56%</b>

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

Schedule Changes in Net Pension Liability (Asset) and Related Ratios  
Component Unit School Board (nonprofessional)  
For the Measurement Dates of June 30, 2014 through June 30, 2018

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 83,525	\$ 82,904	\$ 82,952	\$ 88,072	\$ 89,530
Interest	230,217	220,434	213,652	207,919	198,288
Changes in assumptions	-	(21,292)	-	-	-
Differences between expected and actual experience	(89,756)	4,293	(52,634)	(70,545)	-
Benefit payments, including refunds of employee contributions	(144,665)	(148,483)	(145,680)	(141,428)	(159,042)
<b>Net change in total pension liability</b>	<b>\$ 79,321</b>	<b>\$ 137,856</b>	<b>\$ 98,290</b>	<b>\$ 84,018</b>	<b>\$ 128,776</b>
<b>Total pension liability - beginning</b>	<b>3,361,151</b>	<b>3,223,295</b>	<b>3,125,005</b>	<b>3,040,987</b>	<b>2,912,211</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 3,440,472</b>	<b>\$ 3,361,151</b>	<b>\$ 3,223,295</b>	<b>\$ 3,125,005</b>	<b>\$ 3,040,987</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 38,697	\$ 39,046	\$ 68,989	\$ 66,646	\$ 68,290
Contributions - employee	41,184	41,222	41,524	40,260	39,920
Net investment income	256,712	383,857	55,416	139,344	418,583
Benefit payments, including refunds of employee contributions	(144,665)	(148,483)	(145,680)	(141,428)	(159,042)
Administrative expense	(2,229)	(2,240)	(1,962)	(1,915)	(2,281)
Other	(228)	(340)	(23)	(29)	22
<b>Net change in plan fiduciary net position</b>	<b>\$ 189,471</b>	<b>\$ 313,062</b>	<b>\$ 18,264</b>	<b>\$ 102,878</b>	<b>\$ 365,492</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,481,064</b>	<b>3,168,002</b>	<b>3,149,738</b>	<b>3,046,860</b>	<b>2,681,368</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 3,670,535</b>	<b>\$ 3,481,064</b>	<b>\$ 3,168,002</b>	<b>\$ 3,149,738</b>	<b>\$ 3,046,860</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (230,063)</b>	<b>\$ (119,913)</b>	<b>\$ 55,293</b>	<b>\$ (24,733)</b>	<b>\$ (5,873)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>106.69%</b>	<b>103.57%</b>	<b>98.28%</b>	<b>100.79%</b>	<b>100.19%</b>
<b>Covered payroll</b>	<b>\$ 852,394</b>	<b>\$ 843,268</b>	<b>\$ 844,944</b>	<b>\$ 814,326</b>	<b>\$ 799,196</b>
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	<b>-26.99%</b>	<b>-14.22%</b>	<b>6.54%</b>	<b>-3.04%</b>	<b>-0.73%</b>

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

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan  
For the Measurement Dates of June 30, 2014 through June 30, 2018

	2018	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.13290%	0.13584%	0.14033%	0.13779%	0.14235%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 15,629,000	\$ 16,705,000	\$ 19,666,000	\$ 17,343,000	\$ 17,202,000
Employer's Covered Payroll	10,887,129	10,667,516	9,980,456	10,294,522	10,268,842
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	143.55%	156.60%	197.05%	168.47%	167.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%	72.92%	68.28%	70.68%	70.88%

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

## Schedule of Employer Contributions

## Pension Plans

For the Years Ended June 30, 2010 through June 30, 2019

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2019	\$ 338,486	\$ 338,486	\$ -	\$ 4,346,613	7.79%
2018	373,457	373,457	-	4,202,658	8.89%
2017	366,096	366,096	-	4,093,208	8.94%
2016	469,307	469,307	-	4,066,784	11.54%
2015	455,923	455,923	-	3,950,804	11.54%
2014	502,569	502,569	-	3,874,861	12.97%
2013	486,908	486,908	-	3,754,106	12.97%
2012	361,872	361,872	-	3,423,572	10.57%
2011	349,819	349,819	-	3,309,545	10.57%
2010	270,535	270,535	-	3,243,826	8.34%
<b>Component Unit School Board (nonprofessional)</b>					
2019	\$ 35,439	\$ 35,439	\$ -	\$ 874,540	4.05%
2018	38,992	38,992	-	852,394	4.57%
2017	36,777	36,777	-	843,268	4.36%
2016	69,623	69,623	-	844,944	8.24%
2015	67,100	67,100	-	814,326	8.24%
2014	68,331	68,331	-	799,196	8.55%
2013	64,905	64,905	-	759,122	8.55%
2012	48,989	48,989	-	796,563	6.15%
2011	53,330	53,330	-	867,158	6.15%
2010	57,957	57,957	-	911,266	6.36%
<b>Component Unit School Board (professional)</b>					
2019	\$ 1,651,385	\$ 1,651,385	\$ -	\$ 10,743,884	15.37%
2018	1,708,817	1,708,817	-	10,887,129	15.70%
2017	1,465,897	1,465,897	-	10,667,516	13.74%
2016	1,485,652	1,485,652	-	9,980,456	14.89%
2015	1,448,771	1,448,771	-	10,294,522	14.07%
2014	1,197,347	1,197,347	-	10,268,842	11.66%
2013	1,101,172	1,101,172	-	9,444,014	11.66%
2012	645,888	645,888	-	10,203,602	6.33%
2011	413,912	413,912	-	10,532,112	3.93%
2010	722,889	722,889	-	10,913,067	6.62%

Notes to Required Supplementary Information  
Pension Plans  
For the Year Ended June 30, 2019

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

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

**Largest 10 - Non-Hazardous Duty:**

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

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

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

**Largest 10 - Hazardous Duty:**

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

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

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

**Component Unit School Board - Professional Employees**

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

Schedule of County's and School Board's Share of Net OPEB Liability  
 Cost-Sharing OPEB Plans  
 For the Measurement Dates of June 30, 2018 and 2017

Date (1)	Employer's Proportion of the Net OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total OPEB Liability (6)
Group Life Insurance Program					
<b>Primary Government</b>					
2018	0.02210% \$	336,000 \$	4,202,658	7.99%	51.22%
2017	0.02219%	334,000	4,093,208	8.16%	48.86%
<b>Component Unit School Board (nonprofessional)</b>					
2018	0.00448% \$	68,000 \$	852,394	7.98%	51.22%
2017	0.00462%	70,000	852,080	8.22%	48.86%
<b>Component Unit School Board (professional)</b>					
2018	0.05615% \$	853,000 \$	10,675,973	7.99%	51.22%
2017	0.05785%	870,000	10,669,622	8.15%	48.86%
Teacher Employee Health Insurance Credit Program					
<b>Component Unit School Board (professional)</b>					
2018	0.13195% \$	1,676,000 \$	10,671,599	15.71%	8.08%
2017	0.13517%	1,715,000	10,667,720	16.08%	7.04%

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

## Schedule of Employer Contributions

VRS OPEB Plan - Group Life Insurance Program

For the Years Ended June 30, 2010 through June 30, 2019

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2019	\$ 22,602	\$ 22,602	\$ -	\$ 4,346,613	0.52%
2018	21,854	21,854	-	4,202,658	0.52%
2017	21,285	21,285	-	4,093,208	0.52%
2016	19,521	19,521	-	4,066,784	0.48%
2015	18,964	18,964	-	3,950,804	0.48%
2014	18,599	18,599	-	3,874,861	0.48%
2013	18,020	18,020	-	3,754,106	0.48%
2012	9,586	9,586	-	3,423,572	0.28%
2011	9,267	9,267	-	3,309,545	0.28%
2010	6,589	6,589	-	3,243,826	0.20%
<b>Component Unit School Board (nonprofessional)</b>					
2019	\$ 4,548	\$ 4,548	\$ -	\$ 874,540	0.52%
2018	4,432	4,432	-	852,394	0.52%
2017	4,431	4,431	-	852,080	0.52%
2016	4,056	4,056	-	844,944	0.48%
2015	3,909	3,909	-	814,326	0.48%
2014	3,844	3,844	-	800,764	0.48%
2013	3,644	3,644	-	759,122	0.48%
2012	2,250	2,250	-	803,445	0.28%
2011	2,457	2,457	-	877,338	0.28%
2010	1,850	1,850	-	913,348	0.20%
<b>Component Unit School Board (professional)</b>					
2019	\$ 55,909	\$ 55,909	\$ -	\$ 10,751,719	0.52%
2018	55,515	55,515	-	10,675,973	0.52%
2017	55,482	55,482	-	10,669,622	0.52%
2016	51,359	51,359	-	10,699,857	0.48%
2015	49,173	49,173	-	10,244,402	0.48%
2014	49,969	49,969	-	10,410,173	0.48%
2013	46,324	46,324	-	9,650,930	0.48%
2012	28,887	28,887	-	10,316,733	0.28%
2011	29,633	29,633	-	10,583,078	0.28%
2010	22,223	22,223	-	10,954,043	0.20%

## Schedule of Employer Contributions

VRS OPEB Plan - Teacher Employee Health Insurance Credit (HIC) Program

For the Years Ended June 30, 2010 through June 30, 2019

Date	Contributions in Relation to				Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	
Component Unit School Board (professional)					
2019	\$ 128,927	\$ 128,927	\$ -	\$ 10,743,884	1.20%
2018	131,261	131,261	-	10,671,599	1.23%
2017	118,412	118,412	-	10,667,720	1.11%
2016	113,418	113,418	-	10,699,857	1.06%
2015	108,591	108,591	-	10,244,402	1.06%
2014	115,553	115,553	-	10,410,173	1.11%
2013	105,914	105,914	-	9,541,789	1.11%
2012	61,222	61,222	-	10,203,598	0.60%
2011	63,193	63,193	-	10,532,202	0.60%
2010	85,332	85,332	-	10,912,761	0.78%



Notes to Required Supplementary Information  
VRS OPEB Plan - Group Life Insurance Program  
For the Year Ended June 30, 2019

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

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

**Teachers**

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

**Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Largest Ten Locality Employers - Hazardous Duty Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

## Notes to Required Supplementary Information

## VRS OPEB Plan - Teacher Employee Health Insurance Credit (HIC) Program

For the Year Ended June 30, 2019

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

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

**Component Unit School Board - Professional Employees (Teacher HIC)**

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

**OTHER SUPPLEMENTARY INFORMATION**

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

## Debt Service Fund

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

For the Year Ended June 30, 2019

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
Federal	\$ 422,000	\$ 422,000	\$ 423,667	\$ 1,667
Total revenues	<u>\$ 422,000</u>	<u>\$ 422,000</u>	<u>\$ 423,667</u>	<u>\$ 1,667</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 2,125,909	\$ 2,125,909	\$ 2,116,909	\$ 9,000
Interest and other fiscal charges	1,358,054	1,358,054	1,367,053	(8,999)
Total expenditures	<u>\$ 3,483,963</u>	<u>\$ 3,483,963</u>	<u>\$ 3,483,962</u>	<u>\$ 1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (3,061,963)</u>	<u>\$ (3,061,963)</u>	<u>\$ (3,060,295)</u>	<u>\$ 1,668</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,061,963	\$ 3,061,963	\$ 3,061,963	\$ -
Transfers out	-	-	(32,621)	(32,621)
Advance refunding of bonds - VPSA	-	-	30,953	30,953
Total other financing sources (uses)	<u>\$ 3,061,963</u>	<u>\$ 3,061,963</u>	<u>\$ 3,060,295</u>	<u>\$ (1,668)</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## County Capital Improvements Fund

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

For the Year Ended June 30, 2019

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

## Combining Statement of Changes in Assets and Liabilities

## Agency Funds

For the Year Ended June 30, 2019

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>Special Welfare Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,960	\$ 5,100	\$ 3,813	\$ 35,247
Other receivables	750	-	750	-
Total assets	<u>\$ 34,710</u>	<u>\$ 5,100</u>	<u>\$ 4,563</u>	<u>\$ 35,247</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 34,710	\$ 5,100	\$ 4,563	\$ 35,247
Total liabilities	<u>\$ 34,710</u>	<u>\$ 5,100</u>	<u>\$ 4,563</u>	<u>\$ 35,247</u>
<b>Surety Bond Fund:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 205,100	\$ -	\$ 205,100
Total assets	<u>\$ -</u>	<u>\$ 205,100</u>	<u>\$ -</u>	<u>\$ 205,100</u>
<b>LIABILITIES</b>				
Amounts held for others	\$ -	\$ 205,100	\$ -	\$ 205,100
Total liabilities	<u>\$ -</u>	<u>\$ 205,100</u>	<u>\$ -</u>	<u>\$ 205,100</u>
<b>Totals - All Agency Funds:</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,960	\$ 210,200	\$ 3,813	\$ 240,347
Other receivables	750	-	750	-
Total assets	<u>\$ 34,710</u>	<u>\$ 210,200</u>	<u>\$ 4,563</u>	<u>\$ 240,347</u>
<b>LIABILITIES</b>				
Amounts held for social services clients	\$ 34,710	\$ 5,100	\$ 4,563	\$ 35,247
Amounts held for others	-	205,100	-	205,100
Total liabilities	<u>\$ 34,710</u>	<u>\$ 210,200</u>	<u>\$ 4,563</u>	<u>\$ 240,347</u>



**Discretely Presented Component Unit-School Board**

Combining Balance Sheet  
Discretely Presented Component Unit - School Board  
June 30, 2019

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 830,929	\$ 309,365	\$ 1,140,294
Receivables (net of allowance for uncollectibles):			
Accounts receivable	20,866	-	20,866
Due from other governmental units	641,382	12,793	654,175
Total assets	<u>\$ 1,493,177</u>	<u>\$ 322,158</u>	<u>\$ 1,815,335</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 112,476	\$ -	\$ 112,476
Accrued liabilities	830,929	30,138	861,067
Due to primary government	549,772	-	549,772
Total liabilities	<u>\$ 1,493,177</u>	<u>\$ 30,138</u>	<u>\$ 1,523,315</u>
<b>FUND BALANCES</b>			
Committed:			
Cafeteria operations	\$ -	\$ 292,020	\$ 292,020
Total fund balances	<u>\$ -</u>	<u>\$ 292,020</u>	<u>\$ 292,020</u>
Total liabilities and fund balances	<u>\$ 1,493,177</u>	<u>\$ 322,158</u>	<u>\$ 1,815,335</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total fund balances per above		\$ 292,020	
The net pension asset is not available to pay for current-period expenditures and, therefore, is not reported in the funds.			230,063
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Land	\$ 257,165		
Construction in progress	129,943		
Buildings and improvements	5,517,621		
Improvements other than buildings	88,625		
Machinery, equipment, and vehicles	2,491,108		
Jointly owned assets	<u>10,360,588</u>		18,845,050
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.			
Pension related items	\$ 2,134,351		
OPEB related items	<u>234,384</u>		2,368,735
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.			
Energy improvement lease	\$ (1,157,892)		
Compensated absences	(562,197)		
Net pension liabilities	(15,629,000)		
Net OPEB liabilities	(2,597,000)		
Accrued interest payable	<u>(25,208)</u>		(19,971,297)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$ (2,639,022)		
OPEB related items	<u>(236,000)</u>		(2,875,022)
Net position of governmental activities			<u>\$ (1,110,451)</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2019

	School Operating Fund	School Cafeteria Fund	Total Governmental Funds
<b>REVENUES</b>			
Revenue from the use of money and property	\$ 9,433	\$ -	\$ 9,433
Charges for services	17,900	176,743	194,643
Miscellaneous	252,656	-	252,656
Intergovernmental:			
Local government	6,916,539	-	6,916,539
Commonwealth	14,613,145	28,043	14,641,188
Federal	1,754,634	996,457	2,751,091
Total revenues	<u>\$ 23,564,307</u>	<u>\$ 1,201,243</u>	<u>\$ 24,765,550</u>
<b>EXPENDITURES</b>			
Current:			
Education	\$ 23,441,416	\$ 1,141,384	\$ 24,582,800
Debt service:			
Principal retirement	88,612	-	88,612
Interest and other fiscal charges	34,279	-	34,279
Total expenditures	<u>\$ 23,564,307</u>	<u>\$ 1,141,384</u>	<u>\$ 24,705,691</u>
Net change in fund balances	\$ -	\$ 59,859	\$ 59,859
Fund balances - beginning	-	232,161	232,161
Fund balances - ending	<u>\$ -</u>	<u>\$ 292,020</u>	<u>\$ 292,020</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 \$ 59,859

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

Capital asset additions	\$ 760,977	
Depreciation in current year	(937,445)	
Adjustment for jointly owned assets	<u>1,050,499</u>	874,031

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (2,400)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. It represents principal payments on the energy improvement lease. 88,612

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

Compensated absences	\$ 12,713	
Pension expense	821,088	
OPEB expense	72,176	
Accrued interest payable	<u>1,929</u>	907,906

Change in net position of governmental activities \$ 1,928,008

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, 2019

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 3,500	\$ 3,500	\$ 9,433	\$ 5,933
Charges for services	13,000	13,000	17,900	4,900
Miscellaneous	332,592	344,340	252,656	(91,684)
Intergovernmental:				
Local government	7,271,002	7,504,561	6,916,539	(588,022)
Commonwealth	14,008,733	14,578,245	14,613,145	34,900
Federal	2,267,293	2,467,094	1,754,634	(712,460)
Total revenues	<u>\$ 23,896,120</u>	<u>\$ 24,910,740</u>	<u>\$ 23,564,307</u>	<u>\$ (1,346,433)</u>
EXPENDITURES				
Current:				
Education	\$ 23,773,228	\$ 24,787,848	\$ 23,441,416	\$ 1,346,432
Debt service:				
Principal retirement	86,359	88,613	88,612	1
Interest and other fiscal charges	36,533	34,279	34,279	-
Total expenditures	<u>\$ 23,896,120</u>	<u>\$ 24,910,740</u>	<u>\$ 23,564,307</u>	<u>\$ 1,346,433</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 28

School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
350,000	(32,161)	176,743	208,904
-	-	-	-
-	-	-	-
44,370	28,043	28,043	-
797,362	860,000	996,457	136,457
<u>\$ 1,191,732</u>	<u>\$ 855,882</u>	<u>\$ 1,201,243</u>	<u>\$ 345,361</u>
\$ 1,251,732	\$ 1,320,204	\$ 1,141,384	\$ 178,820
-	-	-	-
-	-	-	-
<u>\$ 1,251,732</u>	<u>\$ 1,320,204</u>	<u>\$ 1,141,384</u>	<u>\$ 178,820</u>
\$ (60,000)	\$ (464,322)	\$ 59,859	\$ 524,181
60,000	464,322	232,161	(232,161)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,020</u>	<u>\$ 292,020</u>

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## **Supporting Schedules**

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2019

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,312,000	\$ 8,312,000	\$ 8,060,743	\$ (251,257)
Real and personal public service corporation taxes	3,600,000	3,600,000	3,281,441	(318,559)
Personal property taxes	2,800,000	2,800,000	3,131,920	331,920
Mobile home taxes	50,000	50,000	51,504	1,504
Machinery and tools taxes	210,000	210,000	227,148	17,148
Merchants' capital taxes	185,000	185,000	184,116	(884)
Aircraft taxes	2,000	2,000	907	(1,093)
Penalties	170,000	170,000	222,511	52,511
Interest	170,000	170,000	256,065	86,065
Total general property taxes	<u>\$ 15,499,000</u>	<u>\$ 15,499,000</u>	<u>\$ 15,416,355</u>	<u>\$ (82,645)</u>
Other local taxes:				
Local sales and use taxes	\$ 850,000	\$ 850,000	\$ 920,812	\$ 70,812
Consumers' utility taxes	348,000	348,000	358,463	10,463
Franchise license taxes	50,000	50,000	48,827	(1,173)
Transient occupancy taxes	4,000	4,000	3,758	(242)
Motor vehicle licenses	335,000	335,000	343,810	8,810
Bank stock taxes	40,000	40,000	58,334	18,334
Taxes on recordation and wills	70,000	70,000	78,984	8,984
Total other local taxes	<u>\$ 1,697,000</u>	<u>\$ 1,697,000</u>	<u>\$ 1,812,988</u>	<u>\$ 115,988</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 4,000	\$ 4,000	\$ 3,445	\$ (555)
Permits and other licenses	62,500	62,500	81,206	18,706
Total permits, privilege fees, and regulatory licenses	<u>\$ 66,500</u>	<u>\$ 66,500</u>	<u>\$ 84,651</u>	<u>\$ 18,151</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 20,000	\$ 20,000	\$ 31,624	\$ 11,624
Other fines and forfeitures	7,100	7,100	10,038	2,938
Total fines and forfeitures	<u>\$ 27,100</u>	<u>\$ 27,100</u>	<u>\$ 41,662</u>	<u>\$ 14,562</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 15,000	\$ 15,000	\$ 76,247	\$ 61,247
Revenue from use of property	110,500	110,500	80,329	(30,171)
Total revenue from use of money and property	<u>\$ 125,500</u>	<u>\$ 125,500</u>	<u>\$ 156,576</u>	<u>\$ 31,076</u>
Charges for services:				
Sheriff's fees	\$ 1,200	\$ 1,200	\$ 976	\$ (224)
Charges for law library	2,400	2,400	2,681	281
Excess fees of clerk	3,000	3,000	5,332	2,332
Charges for courthouse maintenance	6,000	6,000	5,313	(687)
Charges for parks and recreation	-	-	20,058	20,058
Miscellaneous jail and inmate fees	1,000	1,000	952	(48)
Courthouse security fees	25,000	25,000	21,336	(3,664)
Charges for Commonwealth's Attorney	2,000	2,000	2,127	127
Charges for local court appointed attorney	1,500	1,500	120	(1,380)
Charges for sanitation and waste removal	16,000	16,000	15,625	(375)
Total charges for services	<u>\$ 58,100</u>	<u>\$ 58,100</u>	<u>\$ 74,520</u>	<u>\$ 16,420</u>



Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2019 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 32,000	\$ 33,200	\$ 5,886	\$ (27,314)
Service charge on tax exempt properties	10,000	10,000	4,758	(5,242)
Sale of salvage and surplus	-	-	5,025	5,025
Donations, etc (Sheriff)	-	-	1,300	1,300
Total miscellaneous	<u>\$ 42,000</u>	<u>\$ 43,200</u>	<u>\$ 16,969</u>	<u>\$ (26,231)</u>
Recovered costs:				
Insurance recovery	\$ -	\$ 23,475	\$ 23,475	\$ -
Total recovered costs	<u>\$ -</u>	<u>\$ 23,475</u>	<u>\$ 23,475</u>	<u>\$ -</u>
Total revenue from local sources	<u>\$ 17,515,200</u>	<u>\$ 17,539,875</u>	<u>\$ 17,627,196</u>	<u>\$ 87,321</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications taxes	\$ 400,000	\$ 400,000	\$ 359,181	\$ (40,819)
Motor vehicle carriers' tax	10,000	10,000	21,004	11,004
Animal friendly plates - DMV	-	-	12	12
Mobile home titling tax	30,000	30,000	41,695	11,695
Grantor's tax on deeds	20,000	20,000	25,405	5,405
Auto rental tax	1,000	1,000	3,393	2,393
Forest product sales	15,000	15,000	28,271	13,271
Personal property tax relief funds	1,136,914	1,136,914	1,136,914	-
Total noncategorical aid	<u>\$ 1,612,914</u>	<u>\$ 1,612,914</u>	<u>\$ 1,615,875</u>	<u>\$ 2,961</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 208,339	\$ 208,339	\$ 222,989	\$ 14,650
Sheriff	855,173	855,173	895,060	39,887
Commissioner of revenue	78,296	78,296	85,962	7,666
Treasurer	92,669	92,669	99,169	6,500
Registrar/electoral board	40,000	40,000	37,500	(2,500)
Clerk of the Circuit Court	189,913	189,913	210,398	20,485
Total shared expenses	<u>\$ 1,464,390</u>	<u>\$ 1,464,390</u>	<u>\$ 1,551,078</u>	<u>\$ 86,688</u>
Other categorical aid:				
Recordation tax	\$ 16,000	\$ 16,000	\$ 24,452	\$ 8,452
Fire program funds	55,000	55,000	57,800	2,800
Arts grant	4,500	4,500	4,500	-

## Schedule of Revenues - Budget and Actual

## Governmental Funds

For the Year Ended June 30, 2019 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
4 for life	\$ -	\$ -	\$ 16,191	\$ 16,191
E-911 grants	46,000	65,400	72,966	7,566
Miscellaneous grants	7,100	23,291	13,329	(9,962)
Comprehensive Services Act program	1,254,544	1,254,544	1,395,860	141,316
Victim and witness assistance	69,283	69,283	15,945	(53,338)
Asset forfeiture DCJS	-	-	4,297	4,297
Total other categorical aid	\$ 1,452,427	\$ 1,488,018	\$ 1,605,340	\$ 117,322
Total categorical aid	\$ 2,916,817	\$ 2,952,408	\$ 3,156,418	\$ 204,010
Total revenue from the Commonwealth	\$ 4,529,731	\$ 4,565,322	\$ 4,772,293	\$ 206,971
Revenue from the federal government:				
Categorical aid:				
State and community highway safety	\$ -	\$ -	\$ 41,098	\$ 41,098
Local law enforcement block grant	-	42,494	42,494	-
Emergency management grants	-	-	7,500	7,500
Victim Witness	-	-	47,836	47,836
Comprehensive Services Act program - SSBG	-	-	5,798	5,798
Other grants	-	-	1,899	1,899
Total categorical aid	\$ -	\$ 42,494	\$ 146,625	\$ 104,131
Total revenue from the federal government	\$ -	\$ 42,494	\$ 146,625	\$ 104,131
Total General Fund	\$ 22,044,931	\$ 22,147,691	\$ 22,546,114	\$ 398,423
<b>Special Revenue Fund:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ 5,000	\$ 5,000	\$ 575	\$ (4,425)
Total revenue from local sources	\$ 5,000	\$ 5,000	\$ 575	\$ (4,425)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 550,961	\$ 558,509	\$ 507,065	\$ (51,444)
Total categorical aid	\$ 550,961	\$ 558,509	\$ 507,065	\$ (51,444)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,005,425	\$ 1,005,425	\$ 952,593	\$ (52,832)
Total categorical aid	\$ 1,005,425	\$ 1,005,425	\$ 952,593	\$ (52,832)
Total Virginia Public Assistance Fund	\$ 1,561,386	\$ 1,568,934	\$ 1,460,233	\$ (108,701)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2019 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
Revenue from the federal government:				
Categorical aid:				
Federal tax credit	\$ 422,000	\$ 422,000	\$ 423,667	\$ 1,667
Total revenue from the federal government	\$ 422,000	\$ 422,000	\$ 423,667	\$ 1,667
 Total Debt Service Fund	 \$ 422,000	 \$ 422,000	 \$ 423,667	 \$ 1,667
 Total Primary Government	 \$ 24,028,317	 \$ 24,138,625	 \$ 24,430,014	 \$ 291,389
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 3,500	\$ 3,500	\$ 9,433	\$ 5,933
 Charges for services:				
Tuition and other payments	\$ 13,000	\$ 13,000	\$ 17,900	\$ 4,900
 Miscellaneous:				
Other miscellaneous	\$ 332,592	\$ 344,340	\$ 252,656	\$ (91,684)
 Total revenue from local sources	 \$ 349,092	 \$ 360,840	 \$ 279,989	 \$ (80,851)
 Intergovernmental:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ 7,271,002	\$ 7,504,561	\$ 6,916,539	\$ (588,022)
Total revenues from local governments	\$ 7,271,002	\$ 7,504,561	\$ 6,916,539	\$ (588,022)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2019 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,839,666	\$ 2,454,814	\$ 2,461,128	\$ 6,314
Basic school aid	6,245,510	6,691,702	6,691,702	-
ISAP	7,859	8,355	8,355	-
Remedial summer education	52,866	49,464	49,464	-
Regular foster care	11,010	7,906	25,893	17,987
Gifted and talented	60,146	63,211	63,211	-
Remedial education	348,348	361,208	361,208	-
Special education- SOQ	890,919	863,029	863,029	-
Textbooks	137,560	129,893	129,893	-
Vocational standards of quality payments	219,284	295,417	295,417	-
Social security fringe benefits	380,927	401,199	401,199	-
Retirement fringe benefits	874,629	886,250	886,250	-
Group life fringe benefits	26,314	27,091	27,091	-
Early reading intervention	45,221	157,188	157,188	-
Project Graduation	3,824	3,969	3,969	-
Homebound education	10,462	11,022	11,021	(1)
Vocational education - equipment	7,710	4,357	4,357	-
Vocational occupational preparedness	31,643	30,372	26,299	(4,073)
Safe and stable families	2,100	2,100	2,100	-
At risk payments	449,283	461,868	461,961	93
Primary class size/K-3 initiative	429,093	501,718	409,924	(91,794)
Virginia Preschool Initiative	258,524	258,524	350,318	91,794
Standards of Learning algebra readiness	37,080	37,601	37,601	-
Supplemental lottery per pupil allocation	343,486	471,237	469,764	(1,473)
VPSA technology funds	154,000	297,373	299,982	2,609
Other state funds	141,269	101,377	114,821	13,444
Total categorical aid	\$ 14,008,733	\$ 14,578,245	\$ 14,613,145	\$ 34,900
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,375,143	\$ 1,565,956	\$ 893,615	\$ (672,341)
Title VI-B, special education flow-through	529,131	563,918	561,541	(2,377)
Title VI-B, special education pre-school	10,184	10,184	10,184	-
Vocational education	-	-	49,811	49,811
Title II, Part A	180,109	109,595	102,933	(6,662)
ROTC	60,000	62,867	57,126	(5,741)
Rural and low-income schools	68,526	40,919	37,516	(3,403)
Perkins VOC	44,200	49,697	-	(49,697)
Other federal funds	-	63,958	41,908	(22,050)
Total categorical aid	\$ 2,267,293	\$ 2,467,094	\$ 1,754,634	\$ (712,460)
Total School Operating Fund	\$ 23,896,120	\$ 24,910,740	\$ 23,564,307	\$ (1,346,433)

Schedule of Revenues - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2019 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 350,000	(32,161)	\$ 176,743	\$ 208,904
Total revenue from local sources	<u>\$ 350,000</u>	<u>(32,161)</u>	<u>\$ 176,743</u>	<u>\$ 208,904</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,347	\$ 11,534	\$ 11,534	\$ -
Breakfast After the Bell	6,187	-	-	-
School breakfast program	<u>26,836</u>	<u>16,509</u>	<u>16,509</u>	<u>-</u>
Total revenue from the Commonwealth	<u>\$ 44,370</u>	<u>\$ 28,043</u>	<u>\$ 28,043</u>	<u>\$ -</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 772,362	\$ 845,000	\$ 905,452	\$ 60,452
Summer feeding program - USDA	25,000	15,000	12,793	(2,207)
Commodities	<u>-</u>	<u>-</u>	<u>78,212</u>	<u>78,212</u>
Total revenue from the federal government	<u>\$ 797,362</u>	<u>\$ 860,000</u>	<u>\$ 996,457</u>	<u>\$ 136,457</u>
Total School Cafeteria Fund	<u>\$ 1,191,732</u>	<u>\$ 855,882</u>	<u>\$ 1,201,243</u>	<u>\$ 345,361</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 25,087,852</u>	<u>\$ 25,766,622</u>	<u>\$ 24,765,550</u>	<u>\$ (1,001,072)</u>

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2019

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 92,609	\$ 94,609	\$ 85,114	\$ 9,495
General and financial administration:				
County administrator	\$ 232,940	\$ 237,010	\$ 256,868	\$ (19,858)
Accounting and Auditing Services	45,000	45,000	50,000	(5,000)
Cost allocation plan	4,000	4,000	4,000	-
Commissioner of revenue	257,585	261,564	268,143	(6,579)
Assessor	-	100,527	100,527	-
Treasurer	296,619	300,883	302,111	(1,228)
Finance/Human Resource	227,541	230,583	218,267	12,316
Information Technology	121,464	135,795	131,698	4,097
Total general and financial administration	\$ 1,185,149	\$ 1,315,362	\$ 1,331,614	\$ (16,252)
Board of elections:				
Electoral board and officials	\$ 67,755	\$ 67,755	\$ 42,977	\$ 24,778
Registrar	99,072	100,321	96,313	4,008
Total board of elections	\$ 166,827	\$ 168,076	\$ 139,290	\$ 28,786
Total general government administration	\$ 1,444,585	\$ 1,578,047	\$ 1,556,018	\$ 22,029
Judicial administration:				
Courts:				
Circuit court	\$ 20,077	\$ 20,077	\$ 18,887	\$ 1,190
General district court	9,242	9,242	8,334	908
Special magistrates	2,500	2,500	-	2,500
Court appointed attorney	-	-	240	(240)
Clerk of the circuit court	374,623	380,666	356,969	23,697
Victim and witness assistance	69,283	70,903	63,781	7,122
Total courts	\$ 475,725	\$ 483,388	\$ 448,211	\$ 35,177
Commonwealth's attorney:				
Commonwealth's attorney	\$ 408,748	\$ 426,840	\$ 413,446	\$ 13,394
Total commonwealth's attorney	\$ 408,748	\$ 426,840	\$ 413,446	\$ 13,394
Total judicial administration	\$ 884,473	\$ 910,228	\$ 861,657	\$ 48,571
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,110,295	\$ 2,254,257	\$ 2,339,108	\$ (84,851)
Selective enforcement	-	-	43,913	(43,913)
Sheriff's fund	-	-	3,000	(3,000)
Triad	2,500	2,500	2,500	-
Total law enforcement and traffic control	\$ 2,112,795	\$ 2,256,757	\$ 2,388,521	\$ (131,764)

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2019 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 514,337	\$ 520,804	\$ 513,371	\$ 7,433
Ambulance and rescue services	1,200	167,391	166,591	800
Forest fire prevention	27,000	27,000	27,601	(601)
Emergency services	222,306	242,748	214,518	28,230
Total fire and rescue services	<u>\$ 764,843</u>	<u>\$ 957,943</u>	<u>\$ 922,081</u>	<u>\$ 35,862</u>
Correction and detention:				
Piedmont Regional Jail Authority	\$ 500,000	\$ 500,000	\$ 435,681	\$ 64,319
Piedmont Regional Juvenile Detention Center	50,000	50,000	36,694	13,306
Total correction and detention	<u>\$ 550,000</u>	<u>\$ 550,000</u>	<u>\$ 472,375</u>	<u>\$ 77,625</u>
Inspections:				
Building	\$ 128,750	\$ 155,839	\$ 157,664	\$ (1,825)
Total inspections	<u>\$ 128,750</u>	<u>\$ 155,839</u>	<u>\$ 157,664</u>	<u>\$ (1,825)</u>
Other protection:				
Animal control	\$ 159,451	\$ 162,910	\$ 169,657	\$ (6,747)
Medical Examiner	200	200	180	20
Southside Center for Violence Prevention	5,000	5,000	5,000	-
Total other protection	<u>\$ 164,651</u>	<u>\$ 168,110</u>	<u>\$ 174,837</u>	<u>\$ (6,727)</u>
Total public safety	<u>\$ 3,721,039</u>	<u>\$ 4,088,649</u>	<u>\$ 4,115,478</u>	<u>\$ (26,829)</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 4,200	\$ 4,200	\$ 5,023	\$ (823)
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 4,200</u>	<u>\$ 4,200</u>	<u>\$ 5,023</u>	<u>\$ (823)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 807,125	\$ 826,115	\$ 987,065	\$ (160,950)
Anti-Litter	7,100	7,100	240	6,860
Total sanitation and waste removal	<u>\$ 814,225</u>	<u>\$ 833,215</u>	<u>\$ 987,305</u>	<u>\$ (154,090)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 574,535	\$ 661,924	\$ 704,307	\$ (42,383)
Total maintenance of general buildings and grounds	<u>\$ 574,535</u>	<u>\$ 661,924</u>	<u>\$ 704,307</u>	<u>\$ (42,383)</u>
Total public works	<u>\$ 1,392,960</u>	<u>\$ 1,499,339</u>	<u>\$ 1,696,635</u>	<u>\$ (197,296)</u>
Health and welfare:				
Health:				
Health Department	\$ 121,179	\$ 121,179	\$ 120,255	\$ 924
Total health	<u>\$ 121,179</u>	<u>\$ 121,179</u>	<u>\$ 120,255</u>	<u>\$ 924</u>
Mental health and mental retardation:				
Crossroads Board	\$ 37,000	\$ 37,000	\$ 37,000	\$ -
Total mental health and mental retardation	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ -</u>

## Schedule of Expenditures - Budget and Actual

## Governmental Funds

For the Year Ended June 30, 2019 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Welfare:				
Piedmont Sr Resources Area on Aging	\$ 11,000	\$ 11,000	\$ 11,000	\$ -
Tax relief for the elderly	-	-	23,996	(23,996)
Jaunt Inc transportation service	28,740	28,740	28,740	-
Piedmont area transit	10,000	10,000	10,000	-
VA legal aid	6,827	6,827	6,827	-
Comprehensive services	1,592,461	1,592,461	1,775,843	(183,382)
Total welfare	<u>\$ 1,649,028</u>	<u>\$ 1,649,028</u>	<u>\$ 1,856,406</u>	<u>\$ (207,378)</u>
Total health and welfare	<u>\$ 1,807,207</u>	<u>\$ 1,807,207</u>	<u>\$ 2,013,661</u>	<u>\$ (206,454)</u>
Education:				
Other instructional costs:				
Contributions to colleges and agencies	\$ 56,521	\$ 56,521	\$ 55,521	\$ 1,000
Contribution to Buckingham County School Board	7,271,002	7,504,561	6,916,539	588,022
Total education	<u>\$ 7,327,523</u>	<u>\$ 7,561,082</u>	<u>\$ 6,972,060</u>	<u>\$ 589,022</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 167,991	\$ 184,273	\$ 185,915	\$ (1,642)
Programs	-	-	31,651	(31,651)
Ellis Acres Memorial Park	5,000	5,000	5,000	-
Total parks and recreation	<u>\$ 172,991</u>	<u>\$ 189,273</u>	<u>\$ 222,566</u>	<u>\$ (33,293)</u>
Cultural enrichment:				
Arts Council	\$ 9,000	\$ 9,000	\$ 9,000	\$ -
Longwood Center For the Visual Arts	1,063	1,063	1,063	-
Hatton ferry fund	2,000	2,000	2,000	-
VA Retreat	4,500	4,500	4,500	-
Piedmont Area Veterans Council	-	10,000	10,000	-
4-H	1,000	1,000	1,000	-
Total cultural enrichment	<u>\$ 17,563</u>	<u>\$ 27,563</u>	<u>\$ 27,563</u>	<u>\$ -</u>
Library:				
Regional library	\$ 189,136	\$ 189,136	\$ 189,136	\$ -
Total library	<u>\$ 189,136</u>	<u>\$ 189,136</u>	<u>\$ 189,136</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 379,690</u>	<u>\$ 405,972</u>	<u>\$ 439,265</u>	<u>\$ (33,293)</u>
Community development:				
Planning and community development:				
Planning	\$ 103,831	\$ 105,042	\$ 80,003	\$ 25,039
Planning District Commission	19,000	19,000	19,000	-
Longwood Small Business Development Center	5,849	5,849	5,849	-
Virginia's Growth Alliance	17,146	17,146	17,146	-
Total planning and community development	<u>\$ 145,826</u>	<u>\$ 147,037</u>	<u>\$ 121,998</u>	<u>\$ 25,039</u>
Environmental management:				
Peter Francisco Soil and Water Conservation	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total environmental management	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>



Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2019 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Community development: (Continued)				
Cooperative extension program:				
Cooperative extension office	\$ 90,698	\$ 90,698	\$ 82,650	\$ 8,048
Total cooperative extension program	\$ 90,698	\$ 90,698	\$ 82,650	\$ 8,048
Total community development	\$ 246,524	\$ 247,735	\$ 214,648	\$ 33,087
Nondepartmental:				
Proposed salary increase	\$ 175,000	\$ 48,436	\$ -	\$ 48,436
Unemployment insurance	3,000	3,000	1,117	1,883
Worker's compensation	50,000	50,000	56,028	(6,028)
General liability insurance	150,000	150,000	84,110	65,890
LODA insurance	20,000	20,000	15,920	4,080
School sewer contract	90,000	90,000	90,000	-
Unclaimed Property	-	-	10	(10)
Total nondepartmental	\$ 488,000	\$ 361,436	\$ 247,185	\$ 114,251
Capital projects:				
Library renovation	\$ -	\$ 261,808	\$ 261,808	\$ -
Solid Waste site	-	149,351	149,351	-
Radio system upgrade	-	54,523	54,523	-
Total capital projects	\$ -	\$ 465,682	\$ 465,682	\$ -
Total General Fund	\$ 17,692,001	\$ 18,925,377	\$ 18,582,289	\$ 343,088
<b>Special Revenue Fund:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,473,049	\$ 1,495,250	\$ 1,282,514	\$ 212,736
Public assistance	500,403	500,403	364,173	136,230
Total welfare and social services	\$ 1,973,452	\$ 1,995,653	\$ 1,646,687	\$ 348,966
Total Virginia Public Assistance Fund	\$ 1,973,452	\$ 1,995,653	\$ 1,646,687	\$ 348,966
<b>Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 2,125,909	\$ 2,125,909	\$ 2,116,909	\$ 9,000
Interest and other fiscal charges	1,358,054	1,358,054	1,367,053	(8,999)
Total Debt Service Fund	\$ 3,483,963	\$ 3,483,963	\$ 3,483,962	\$ 1
Total Primary Government	\$ 23,149,416	\$ 24,404,993	\$ 23,712,938	\$ 692,055

## Schedule of Expenditures - Budget and Actual

## Governmental Funds

For the Year Ended June 30, 2019 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Administration, attendance and health	\$ 1,255,849	\$ 1,267,378	\$ 1,161,334	\$ 106,044
Instruction	17,281,506	17,400,643	16,357,472	1,043,171
Operation and maintenance services	2,087,313	2,325,449	2,297,078	28,371
Pupil transportation	2,188,092	2,440,092	2,377,572	62,520
Facilities	-	220,000	129,943	90,057
Total administration of schools	<u>\$ 22,812,760</u>	<u>\$ 23,653,562</u>	<u>\$ 22,323,399</u>	<u>\$ 1,330,163</u>
Capital Projects:				
Technology	\$ 960,468	\$ 1,134,286	\$ 1,118,017	\$ 16,269
Total Capital Projects	<u>\$ 960,468</u>	<u>\$ 1,134,286</u>	<u>\$ 1,118,017</u>	<u>\$ 16,269</u>
Total education	<u>\$ 23,773,228</u>	<u>\$ 24,787,848</u>	<u>\$ 23,441,416</u>	<u>\$ 1,346,432</u>
Debt service:				
Principal retirement	\$ 86,359	\$ 88,613	\$ 88,612	\$ 1
Interest and other fiscal charges	36,533	34,279	34,279	-
Total debt service	<u>\$ 122,892</u>	<u>\$ 122,892</u>	<u>\$ 122,891</u>	<u>\$ 1</u>
Total School Operating Fund	<u>\$ 23,896,120</u>	<u>\$ 24,910,740</u>	<u>\$ 23,564,307</u>	<u>\$ 1,346,433</u>
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,251,732	\$ 1,320,204	\$ 1,063,172	\$ 257,032
Commodities	-	-	78,212	(78,212)
Total school food services	<u>\$ 1,251,732</u>	<u>\$ 1,320,204</u>	<u>\$ 1,141,384</u>	<u>\$ 178,820</u>
Total education	<u>\$ 1,251,732</u>	<u>\$ 1,320,204</u>	<u>\$ 1,141,384</u>	<u>\$ 178,820</u>
Total School Cafeteria Fund	<u>\$ 1,251,732</u>	<u>\$ 1,320,204</u>	<u>\$ 1,141,384</u>	<u>\$ 178,820</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 25,147,852</u>	<u>\$ 26,230,944</u>	<u>\$ 24,705,691</u>	<u>\$ 1,525,253</u>

## Statistical Information

COUNTY OF BUCKINGHAM, VIRGINIA

Table 1

Government-Wide Expenses by Function

Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Administration		Public Safety		Public Works		Health and Welfare		Parks, Recreation, and Cultural		Community Development		Interest on Long-Term Debt		Water and Sewer Funds		Total
	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration	Administration		
2009-10	\$ 1,559,861	\$ 896,908	\$ 2,670,689	\$ 1,422,145	\$ 2,612,133	\$ 4,994,689	\$ 291,273	\$ 189,236	\$ 780,565	\$ 1,203,612	\$ 16,621,111								
2010-11	1,384,736	917,801	2,762,662	1,408,760	2,737,450	6,040,884	325,171	201,937	1,165,465	1,207,953	18,152,819								
2011-12	1,257,550	985,318	2,690,813	1,451,262	2,939,399	6,306,702	348,226	188,906	1,569,248	1,268,953	19,006,377								
2012-13	2,595,482	1,035,208	3,363,851	1,498,252	2,239,623	7,749,790	387,451	193,740	1,569,221	1,267,501	21,900,119								
2013-14	1,685,556	1,060,639	3,842,550	1,529,098	3,294,797	8,147,210	389,563	207,163	1,553,742	1,580,946	23,291,264								
2014-15	1,565,410	1,002,077	4,017,264	1,646,492	3,523,182	8,427,308	432,069	218,033	1,436,287	1,615,778	23,883,900								
2015-16	1,700,580	987,071	3,653,291	1,653,036	3,555,122	8,666,368	413,473	220,325	1,382,617	1,662,310	23,894,193								
2016-17	1,463,715	1,061,769	3,594,958	1,706,511	3,512,614	8,998,345	438,922	411,948	1,326,584	1,521,786	24,037,152								
2017-18	1,601,653	1,001,768	3,922,202	1,866,685	3,427,967	9,317,443	437,508	282,258	1,269,360	1,543,224	24,670,068								
2018-19	1,788,696	989,861	3,920,161	1,798,682	3,600,983	8,944,546	468,722	255,855	1,142,741	2,015,374	24,925,621								

COUNTY OF BUCKINGHAM, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years

PROGRAM REVENUES					GENERAL REVENUES					Gain on Disposal of Assets	Total
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes (1)	Other Local Taxes (2)	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs			
2009-10	\$ 1,831,477	\$ 3,452,561	\$ 860,616	\$ 12,489,199	\$ 3,129,756	\$ 114,255	\$ 110,822	\$ 1,650,350	\$ -	\$ 23,639,036	
2010-11	1,802,334	3,593,877	313,505	10,616,164	1,558,471	114,818	105,766	1,643,192	-	19,748,127	
2011-12	1,720,579	3,680,538	463,673	11,745,730	1,405,633	94,894	56,144	1,617,869	-	20,785,060	
2012-13	1,762,976	3,900,775	5,911,322	12,678,306	1,440,590	75,566	56,263	1,652,039	-	27,477,837	
2013-14	1,898,194	4,315,514	723,746	12,986,630	1,604,503	85,167	87,704	1,673,742	-	23,375,200	
2014-15	1,902,629	4,299,529	970,564	13,631,179	1,663,458	83,592	71,861	1,626,021	-	24,248,833	
2015-16	1,811,877	4,446,058	2,190,206	15,796,716	1,531,218	88,822	32,599	1,604,344	-	27,501,840	
2016-17	1,805,861	4,517,168	2,652,093	15,240,213	1,544,266	97,973	41,055	1,621,690	-	27,520,319	
2017-18	1,971,648	4,436,609	927,906	15,316,841	1,667,879	114,609	43,353	1,587,349	5,211	26,071,405	
2018-19	1,956,344	4,762,701	566,716	15,282,463	1,812,988	157,617	17,544	1,615,875	-	26,172,248	

(1) General property taxes increased in fiscal year 2010 due to a change in presentation in accordance with GASB 33.

(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.

COUNTY OF BUCKINGHAM, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Administration	Public Safety		Public Works	Health and Welfare		Education (2)	Parks, Recreation, and Cultural		Community Development	Non-departmental	Debt Service (3)		Total
	Administration															
2009-10	\$ 1,456,324	\$ 632,614	\$ 2,616,176	\$ 1,277,735	\$ 2,619,740	\$ 22,756,388	\$ 474,857	\$ 178,977	\$ 1,866,657	\$ 34,054,051						
2010-11	1,153,471	654,802	2,587,032	1,268,721	2,745,685	21,371,496	337,377	191,679	1,812,632	32,299,153						
2011-12	1,228,193	726,999	2,519,559	1,541,936	2,933,693	21,963,359	337,794	178,648	2,593,520	34,198,378						
2012-13	1,429,691	737,529	3,316,080	1,385,267	3,139,453	21,565,379	373,627	183,482	3,944,365	36,234,567						
2013-14	1,521,630	802,694	3,528,585	1,409,089	3,237,366	22,805,455	402,645	196,905	4,811,303	38,887,907						
2014-15	1,352,741	765,866	3,994,971	1,532,059	3,535,951	23,693,675	420,234	210,616	3,203,387	38,883,101						
2015-16	1,456,920	780,627	3,616,697	1,537,630	3,584,376	24,182,516	398,855	212,814	3,194,871	39,135,257						
2016-17	1,368,455	832,656	3,495,764	1,588,409	3,470,753	23,282,800	385,309	360,841	3,591,459	38,513,293						
2017-18	1,435,902	823,038	3,908,298	1,851,969	3,540,904	24,203,403	391,698	236,136	3,660,339	40,334,820						
2018-19	1,556,018	861,657	4,115,478	1,696,635	3,660,348	24,638,321	439,265	214,648	3,606,853	41,036,408						

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 4

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (2)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of			Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (3)	Total
					Money and Property							
2009-10	\$ 9,741,625	\$ 3,129,756	\$ 84,822	\$ 58,038	\$ 77,656	\$ 357,233	\$ 714,329	\$ 30,929	\$ 21,705,834	\$ 35,900,222		
2010-11	10,563,656	1,558,471	61,439	56,670	69,642	338,340	906,055	22,447	20,923,637	34,500,357		
2011-12	11,465,915	1,405,633	58,249	44,598	62,663	350,436	784,144	3,034	21,201,190	35,375,862		
2012-13	12,443,638	1,440,590	85,392	78,760	67,085	336,213	926,178	-	21,294,948	36,672,804		
2013-14	13,147,771	1,604,503	60,746	54,451	84,140	328,259	852,561	-	22,217,446	38,349,877		
2014-15	13,495,901	1,663,458	57,211	48,488	86,870	310,933	815,594	-	22,662,073	39,140,528		
2015-16	15,710,523	1,531,218	63,097	37,720	94,724	303,587	511,867	-	23,225,245	41,477,981		
2016-17	15,179,208	1,544,266	80,714	34,051	101,148	283,853	291,014	-	22,881,258	40,395,512		
2017-18	15,324,281	1,667,879	219,657	34,513	116,362	260,264	248,070	15,875	23,088,994	40,975,895		
2018-19	15,416,355	1,812,988	84,651	41,662	166,009	269,163	270,200	23,475	24,194,522	42,279,025		

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 5

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Collected within the Fiscal Year of the Levy										Percent of		Percent of Delinquent Taxes to Tax Levy
	Total Tax Levy (1)	Amount Collected (1,3)		Percent of Levy Collected	Delinquent Tax Collections (1)		Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)				
2009-10	\$ 10,589,590	\$ 9,923,038		93.71%	\$ 565,851	\$ 10,488,889	99.05%	\$ 100,701	0.95%				
2010-11	11,439,032	10,550,992		92.24%	788,603	11,339,595	99.13%	99,437	0.87%				
2011-12	12,433,137	11,649,756		93.70%	663,532	12,313,288	99.04%	119,849	0.96%				
2012-13	13,446,472	12,776,284		95.02%	540,141	13,316,425	99.03%	130,047	0.97%				
2013-14	13,805,588	13,240,204		95.90%	422,839	13,663,043	98.97%	142,545	1.03%				
2014-15	14,467,711	13,743,751		95.00%	562,433	14,306,184	98.88%	161,527	1.12%				
2015-16	16,658,592	15,801,943		94.86%	655,421	16,457,364	98.79%	201,228	1.21%				
2016-17	16,015,659	15,123,883		94.43%	638,087	15,761,970	98.42%	253,689	1.58%				
2017-18	15,983,840	15,084,303		94.37%	519,795	15,604,098	97.62%	379,742	2.38%				
2018-19	16,012,888	15,169,420		94.73%	-	15,169,420	94.73%	843,468	5.27%				

(1) Exclusive of penalties and interest.

(2) Includes all delinquent taxes.

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



COUNTY OF BUCKINGHAM, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property		Machinery and Tools	Merchants' Capital	Public		Aircraft	Total
		Homes (1)	and Mobile			Service (2,3,4)			
2009-10	\$ 1,431,613,499	\$ 104,059,189	\$ 7,949,090	\$ 10,486,865	\$ 76,947,351	\$ 2,073,500	\$	1,633,129,494	
2010-11	1,445,038,406	102,709,557	7,411,150	11,029,035	274,324,587	147,150		1,840,659,885	
2011-12	1,452,096,856	104,942,505	7,685,500	12,406,003	466,323,519	151,500		2,043,605,883	
2012-13	1,461,765,706	107,585,400	8,184,860	17,701,611	647,876,531	139,400		2,243,253,508	
2013-14	1,447,598,003	108,393,316	7,216,720	17,311,230	647,182,004	135,200		2,227,836,473	
2014-15	1,419,142,650	101,741,211	7,016,330	17,054,639	641,413,099	134,400		2,186,502,329	
2015-16	1,412,731,450	103,671,456	7,255,010	18,854,949	962,370,653	130,400		2,505,013,918	
2016-17	1,418,184,000	109,294,993	7,425,880	19,487,757	673,628,750	126,400		2,228,147,780	
2017-18	1,425,087,600	112,131,988	7,479,530	19,318,250	640,842,630	99,000		2,204,958,998	
2018-19	1,432,653,300	115,490,423	7,654,800	19,081,530	614,469,116	165,000		2,189,514,169	

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 7

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate		Mobile Homes	Personal Property (2)	Machinery and Tools (2)	Merchants' Capital	Aircraft (3)
	1st Half	2nd Half					
2009-10	\$ 0.44	\$ 0.44	\$ 0.44	\$ 4.05	\$ 2.90	\$ 1.00	0.55
2010-11	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2011-12	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2012-13	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2013-14	0.44	0.50	0.44	4.05	2.90	1.00	0.55
2014-15	0.50	0.50	0.50	4.05	2.90	1.00	0.55
2015-16	0.50	0.55	0.50	4.05	2.90	1.00	0.55
2016-17	0.55	0.55	0.55	4.05	2.90	1.00	0.55
2017-18	0.55	0.55	0.55	4.05	2.90	1.00	0.55
2018-19	0.55	0.55	0.55	4.05	2.90	1.00	0.55

(1) Per \$100 of assessed value.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Less:		Gross Bonded Debt (3)	Ratio of		Net Bonded Debt per Capita
			Debt Service Monies Available	Net Bonded Debt		Net Bonded Debt to Assessed Value		
2009-10	16,814	\$ 1,633,129	\$ -	-	18,395,228	1.13%	\$ 1,094	
2010-11	17,182	1,840,660	-	-	42,076,504	2.29%	2,449	
2011-12	17,143	2,043,606	-	-	39,714,254	1.94%	2,317	
2012-13	17,296	2,243,254	-	-	37,684,292	1.68%	2,179	
2013-14	17,185	2,227,836	-	-	34,763,484	1.56%	2,023	
2014-15	17,152	2,186,502	-	-	33,345,895	1.53%	1,944	
2015-16	16,988	2,186,502	-	-	31,853,527	1.46%	1,875	
2016-17	16,913	2,505,014	-	-	31,272,870	1.25%	1,849	
2017-18	16,957	2,228,148	-	-	29,107,711	1.31%	1,717	
2018-19	16,952	2,204,959	-	-	26,796,584	1.22%	1,581	

(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
2009-10	\$ 1,030,872	\$ 835,785	\$ 1,866,657	\$ 34,054,051	5.48%
2010-11	830,343	982,289	1,812,632	32,299,153	5.61%
2011-12	1,343,921	1,249,599	2,593,520	34,198,378	7.58%
2012-13	2,029,962	1,914,403	3,944,365	36,234,567	10.89%
2013-14	2,979,397	1,831,906	4,811,303	38,887,907	12.37%
2014-15	1,508,581	1,694,806	3,203,387	38,883,101	8.24%
2015-16	1,562,051	1,632,820	3,194,871	39,135,257	8.16%
2016-17	2,025,176	1,756,691	3,781,867	38,513,293	9.82%
2017-18	2,111,988	1,476,261	3,588,249	40,334,820	8.90%
2018-19	2,205,521	1,401,332	3,606,853	41,036,408	8.79%

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

## **COMPLIANCE**





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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of Buckingham, Virginia as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise County of Buckingham, Virginia's basic financial statements and have issued our report thereon dated January 13, 2020.

**Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

*Robinson Taven Cox Associates*

Charlottesville, Virginia  
January 13, 2020





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

---

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

**Report on Compliance for Each Major Federal Program**

We have audited County of Buckingham, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Buckingham, Virginia's major federal programs for the year ended June 30, 2019. County of Buckingham, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

## ***Opinion on Each Major Federal Program***

In our opinion, County of Buckingham, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

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

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

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

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

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

*Robinson Taven Cox Associates*  
Charlottesville, Virginia  
January 13, 2020

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

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	0950117/0950118	\$ 7,667
TANF Cluster:			
Temporary Assistance for Needy Families (TANF)	93.558	0400118/0400119	154,098
Refugee and Entrant Assistance - State Administered Programs	93.566	0500118/0500119	94
Low-Income Home Energy Assistance	93.568	0600418/0600419	25,140
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760118/0760119	27,631
Stephanie Tubbs Jones Child Welfare Services Program	93.645	900118	181
Foster Care - Title IV-E	93.658	1100118/1100119	112,596
Adoption Assistance	93.659	1120118/1120119	84,573
Social Services Block Grant	93.667	1000118/1000119	113,032
Chafee Foster Care Independence Program	93.674	9150118	1,892
Children's Health Insurance Program (CHIP)	93.767	0540118/0540119	4,557
Medicaid Cluster:			
Medical Assistance Program	93.778	1200118/1200119	224,248
Total Department of Health and Human Services			\$ 755,709
Department of Agriculture:			
Direct Payments:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 112,096
Total Department of Agriculture - direct payments			\$ 112,096
Pass Through Payments:			
Child Nutrition Cluster:			
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - School Nutrition Program	10.555	402540	\$ 77,379
Virginia Department of Education:			
National School Lunch Program	10.555	402540	593,682 \$ 671,061
Virginia Department of Agriculture and Consumer Services:			
Food Distribution - Summer Food Service Program for Children	10.559	Unknown	\$ 833
Virginia Department of Health:			
Summer Food Service Program for Children	10.559	58857	12,793 13,626
Virginia Department of Education:			
School Breakfast Program	10.553	402530	311,770 \$ 996,457
Virginia Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010118/ 0010119/0040118/0040119	202,682
Total Department of Agriculture - pass-through payments			\$ 1,199,139
Total Department of Agriculture			\$ 1,311,235

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2019

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Defense:			
Direct Payments:			
ROTC	12.U00	N/A	\$ 57,126
Total Department of Defense			\$ 57,126
Department of Homeland Security:			
Pass Through Payments:			
Virginia Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMP-2018-EP-00007	\$ 7,500
Total Department of Homeland Security			\$ 7,500
Department of Justice:			
Direct payments:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 1,899
Total Department of Justice - direct payments			\$ 1,899
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	17VAGX0018	\$ 47,836
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12DJBX0272	42,494
Total Department of Justice - pass-through			\$ 90,330
Total Department of Justice			\$ 92,229
Department of Transportation:			
Pass Through Payments:			
Virginia Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	FSC-2018-58267-8267 FSC-2019-59247-9247	\$ 16,887
National Priority Safety Programs	20.616	M6OT-2018-58388-8388 M6OT-2019-59245-9245	24,211 41,098
Total Department of Transportation			\$ 41,098
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	429010/428920	\$ 893,615
Special Education Cluster:			
Special Education - Grants to States	84.027	430710	\$ 561,541
Special Education - Preschool Grants	84.173	625210	10,184 571,725
Career and Technical Education - Basic Grants to States:	84.048	610950/866510	49,811
Rural Education	84.358	434810	37,516
Improving Teacher Quality State Grants	84.367	614800	102,933
Student Support and Academic Enrichment Program	84.424	602810	41,908
Total Department of Education			\$ 1,697,508
Total Expenditures of Federal Awards			\$ 3,962,405

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, 2019

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#### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of County of Buckingham, Virginia under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County of Buckingham, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Buckingham, Virginia.

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

(1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

#### Note 3 - Food Donation

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

#### Note 4 - Indirect Costs

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

#### 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	\$ 146,625
Special Revenue Fund:	
Virginia Public Assistance Fund	952,593
Debt Service Fund	423,667
Proprietary Funds:	
Water and Sewer Funds (including loan proceeds)	112,096
Total primary government	\$ <u>1,634,981</u>

Component Unit School Board:

School Operating Fund	\$ 1,754,634
School Cafeteria Fund	996,457
Total component unit school board	\$ <u>2,751,091</u>

Total federal expenditures per basic financial statements \$ 4,386,072

BABs interest subsidy \$ (423,667)

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 3,962,405

## COUNTY OF BUCKINGHAM, VIRGINIA

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2019

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#### Section I - Summary of Auditors' Results

##### Financial Statements

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

##### Federal Awards

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

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)
84.010	Title I - Grants to Local Educational Agencies

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

#### Section II - Financial Statement Findings

There are no financial statement findings to report.

#### Section III - Federal Award Findings and Questioned Costs

There are no federal award findings to report.

**COUNTY OF BUCKINGHAM, VIRGINIA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2019

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There were no findings reported for the year ended June 30, 2018.

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