

COUNTY OF BUCKINGHAM, VIRGINIA



FINANCIAL REPORT
YEAR ENDED JUNE 30, 2012

County of Buckingham, Virginia

Financial Report

Year Ended June 30, 2012

COUNTY OF BUCKINGHAM, VIRGINIA

Financial Report
Year Ended June 30, 2012

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BOARD OF SUPERVISORS

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

BOARD OF SOCIAL SERVICES

Betty Toney, Chairman
Ophelia Washington
I. Monroe Snoddy

COUNTY SCHOOL BOARD

David Christian	F. Acie Allen, Jr., Chairman H. Ed Wise, Vice-Chairman	Thomas Hutcherson, Jr.
Russell P. Gowin	Sherry Ragland	Kathy Midkiff

OTHER OFFICIALS

Judge of the Circuit Court	Vacant
Clerk of the Circuit Court	Malcolm A. Booker, Jr.
Judge of the General District Court	Robert Woodson, Jr.
Commonwealth's Attorney	E.M. Wright, Jr.
Commissioner of the Revenue	Stephanie L. Midkiff
Treasurer	Christy L. Christian
Sheriff	William G. Kidd, Jr.
Superintendent of Schools	Gary Blair
Director of Social Services	Braxton L. Apperson
County Administrator	Rebecca S. Carter
Finance Director	Karl Carter

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Buckingham, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Buckingham, Virginia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Buckingham, Virginia, as of June 30, 2012, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2013, on our consideration of the County of Buckingham, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Buckingham, Virginia's financial statements as a whole. The combining and individual fund statements and schedules, supporting schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund statements and schedules, supporting schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 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.

Robinson, Turner, Co. Associates
Charlottesville, Virginia
February 22, 2013

COUNTY OF BUCKINGHAM, VIRGINIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Citizens of County of Buckingham, Virginia

As management of the County of Buckingham, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012.

Financial Highlights

Government-wide Financial Statements

- On a government-wide basis for governmental activities, the assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$13,912,765 (net assets). For business-type activities, assets exceeded liabilities by \$9,489,969.

Fund Financial Statements

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

- As of the close of the current fiscal year, the County's governmental funds reported ending fund balances of \$12,844,608, a decrease of \$12,501,299 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,244,058 or 50% of total general fund expenditures.
- Combined long-term obligations for the governmental funds decreased \$1,198,159 during the current fiscal year.

The Proprietary Funds, on an accrual basis, reported revenues and other financing sources in excess of expenses by \$56,378.

- As of the close of the current fiscal year, the County's proprietary funds reported ending net assets of \$9,489,969, an increase of \$56,378.
- Combined long-term obligations in the proprietary funds increased \$4,123,762 during the current fiscal year.

Overview of the Financial Statements

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

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

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

Overview of the Financial Statements: (Continued)

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

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

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

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

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

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

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

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

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

Overview of the Financial Statements: (Continued)

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County's governmental activities, assets exceeded liabilities by \$13,912,765 at the close of the most recent fiscal year.

Summary Statement of Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets:						
Current and other assets	\$ 20,259,246	\$ 32,757,332	\$ 4,115,094	\$ 2,670,195	\$ 24,374,340	\$ 35,427,527
Capital assets	<u>42,266,438</u>	<u>29,184,029</u>	<u>14,708,095</u>	<u>10,353,467</u>	<u>56,974,533</u>	<u>39,537,496</u>
Total assets	<u>\$ 62,525,684</u>	<u>\$ 61,941,361</u>	<u>\$ 18,823,189</u>	<u>\$ 13,023,662</u>	<u>\$ 81,348,873</u>	<u>\$ 74,965,023</u>
Liabilities:						
Long-term liabilities	\$ 42,443,676	\$ 43,641,835	\$ 7,690,858	\$ 3,567,096	\$ 50,134,534	\$ 47,208,931
Current liabilities	<u>6,169,243</u>	<u>6,109,251</u>	<u>1,642,362</u>	<u>22,975</u>	<u>7,811,605</u>	<u>6,132,226</u>
Total liabilities	<u>\$ 48,612,919</u>	<u>\$ 49,751,086</u>	<u>\$ 9,333,220</u>	<u>\$ 3,590,071</u>	<u>\$ 57,946,139</u>	<u>\$ 53,341,157</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 5,379,305	\$ 4,163,156	\$ 7,070,053	\$ 6,836,592	\$ 12,449,358	\$ 10,999,748
Restricted	51,955	67,292	1,041,080	1,018,333	1,093,035	1,085,625
Unrestricted	<u>8,481,505</u>	<u>7,959,827</u>	<u>1,378,836</u>	<u>1,578,666</u>	<u>9,860,341</u>	<u>9,538,493</u>
Total net assets	<u>\$ 13,912,765</u>	<u>\$ 12,190,275</u>	<u>\$ 9,489,969</u>	<u>\$ 9,433,591</u>	<u>\$ 23,402,734</u>	<u>\$ 21,623,866</u>

At the end of the current fiscal year, the County's investment in capital assets net of related debt used to acquire those assets was \$12,449,358. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's net capital assets increased by \$17,437,037 during the current fiscal year, which was somewhat offset by depreciation. The increase is attributable to the new County administration building, renovations to the old County administration building, the school renovation project, which must be reported on the County's books because it is being funded by debt, and water and sewer projects.

Government-wide Financial Analysis: (Continued)

Governmental Activities - Governmental activities increased the County's net assets by \$1,722,490 during the fiscal year, while business-type activities increased the County's net assets by \$56,378. This resulted in a total increase of \$1,778,868. Key elements of this increase are as follows:

Summary Statement of Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 192,856	\$ 204,217	\$ 1,527,723	\$ 1,598,117	\$ 1,720,579	\$ 1,802,334
Operating grants and contributions	3,680,538	3,593,877	-	-	3,680,538	3,593,877
Capital grants and contributions	416,250	94,808	47,423	218,697	463,673	313,505
General revenues:						
General property taxes	11,745,730	10,616,164	-	-	11,745,730	10,616,164
Other local taxes	1,405,633	1,558,471	-	-	1,405,633	1,558,471
Grants and other contributions not restricted	1,617,869	1,643,192	-	-	1,617,869	1,643,192
Use of money and property	94,894	114,566	185	252	95,079	114,818
Miscellaneous	56,144	105,766	-	-	56,144	105,766
Gain on disposal of capital assets	-	-	-	-	-	-
Total revenues	\$ 19,209,914	\$ 17,931,061	\$ 1,575,331	\$ 1,817,066	\$ 20,785,245	\$ 19,748,127
Expenses:						
General government administration	\$ 1,257,550	\$ 1,384,736	\$ -	\$ -	\$ 1,257,550	\$ 1,384,736
Judicial administration	985,318	917,801	-	-	985,318	917,801
Public safety	2,690,813	2,762,662	-	-	2,690,813	2,762,662
Public works	1,451,262	1,408,760	-	-	1,451,262	1,408,760
Health and welfare	2,939,399	2,737,450	-	-	2,939,399	2,737,450
Education	6,306,702	6,040,884	-	-	6,306,702	6,040,884
Parks, recreation, and cultural	348,226	325,171	-	-	348,226	325,171
Community development	188,906	201,937	-	-	188,906	201,937
Interest on long-term debt	1,569,248	1,165,465	-	-	1,569,248	1,165,465
Water and Sewer	-	-	1,268,953	1,207,953	1,268,953	1,207,953
Total expenses	\$ 17,737,424	\$ 16,944,866	\$ 1,268,953	\$ 1,207,953	\$ 19,006,377	\$ 18,152,819
Increase (decrease) in net assets before transfers	\$ 1,472,490	\$ 986,195	\$ 306,378	\$ 609,113	\$ 1,778,868	\$ 1,595,308
Transfers	250,000	436	(250,000)	-	-	436
Increase (decrease) in net assets	\$ 1,722,490	\$ 986,631	\$ 56,378	\$ 609,113	\$ 1,778,868	\$ 1,595,744
Net assets, July 1-as restated	12,190,275	11,203,644	9,433,591	8,824,478	21,623,866	20,028,122
Net assets, June 30	\$ 13,912,765	\$ 12,190,275	\$ 9,489,969	\$ 9,433,591	\$ 23,402,734	\$ 21,623,866

Government-wide Financial Analysis: (Continued)

Revenues increased by \$1,037,118 in fiscal year 2012 due to several factors. The increase in property taxes is attributable to the reporting of taxes receivable in accordance with GASB 33. Business-type activities showed a decrease in capital grants, due to the completion of the sewer project that was funded by a Rural Development grant. The County contribution to the School Board has been adjusted for debt service. Debt service payments were shown as being made from the General Fund as opposed to the School Operating Fund. The effect of this presentation is an adjustment to the local contribution to School Board. For the most part, expenses were relatively constant. Although interest on long-term debt increased due to new debt incurred during the fiscal year.

Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$12,844,608, a decrease of \$12,501,299 in comparison with the prior year. Approximately 46% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reflected as nonspendable, restricted, or committed as appropriate to indicate that it is not available for new spending.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of \$1,417,050 in expenditures and can be briefly summarized as follows:

- \$122,898 in increases for general government administration
- \$218,754 in increases for public works
- \$954,596 in increases for education
- \$120,802 in other net increases

A portion of this increase (\$29,294) was due to a change in anticipated funding from intergovernmental revenues. The remainder was to be budgeted from available fund balance. During the year, however, expenditures were less than budgetary estimates by \$352,437, thus eliminating the need to use existing fund balance. In addition, commitments of \$2,613,452 were unspent resulting in unspent items totaling \$2,965,889.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2012 amounts to \$42,266,438 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and construction in progress. The County's net capital assets increased by \$13,082,409 during the current fiscal year, which includes an increase of \$297,767 in accumulated depreciation. The county government complex (including the new administration building and renovations to the old administration building to house the departments of health and social services), Gene Dixon Park expansion, the Streetscape project, an E911 system upgrade, and school renovation projects are reflected as construction in progress as the projects were not complete at year end.

Capital Asset and Debt Administration: (Continued)

The County's investment in capital assets for its proprietary funds amounts to \$14,708,095 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, water and sewer systems, and machinery and equipment. The proprietary net capital assets increased by \$4,354,628 during the current fiscal year, including an increase of \$312,308 in accumulated depreciation. Additions during fiscal year 2012 were limited to construction in progress, including design costs for the new sewer plant and construction and related costs for the water plant. The design phase of the new sewer plant is still underway at year end.

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

Long-term debt - At the end of the current fiscal year, the County had total long-term debt outstanding of \$42,443,676 for its governmental operations. Of this amount \$32,852,464 comprises debt backed by the full faith and credit of the County, including compensated absences of \$384,381. The remainder of the County's debt for governmental operations (\$8,760,000) represents bonds secured solely by specified revenue sources (i.e., lease revenue bonds). To replace interim financing, permanent financing was obtained for the school renovation project. Business-type debt of \$7,690,858 is comprised of \$1,451,466 bonds secured solely by water and sewer revenues, loans totaling \$1,934,239 from the Virginia Resources Authority, drawdowns on loans of \$4,252,337 (related to construction in progress), and compensated absences of \$52,816.

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 7.6 percent, which is a slight decrease from a rate of 8.0 percent a year ago. This is higher than the state's average unemployment rate of 5.4 percent and favors comparably to the national average rate of 7.8 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2013 fiscal year.

The fiscal year 2013 budget amounted to \$19,790,156 (does not include School Fund). The budget includes capital improvements.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Assets

June 30, 2012

	Primary Government			Component
	Governmental	Business-type		Unit
	Activities	Activities	Total	School Board
ASSETS				
Cash and cash equivalents	\$ 8,238,267	\$ 2,325,586	\$ 10,563,853	\$ 1,913,694
Investments in custody of others	5,172,162	-	5,172,162	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	5,012,928	-	5,012,928	-
Accounts receivable	65,668	109,412	175,080	45,647
Due from component unit	848,491	-	848,491	-
Due from other governmental units	580,824	635,717	1,216,541	862,847
Prepaid expenses	1,461	-	1,461	121,721
Restricted assets:				
Temporarily restricted:				
Cash and cash equivalents	33,332	1,044,379	1,077,711	-
Other assets:				
Unamortized bond issue costs	306,113	-	306,113	-
Capital assets (net of accumulated depreciation):				
Land	571,884	170,974	742,858	277,809
Intangibles	-	712,100	712,100	-
Buildings, improvements, and systems	15,387,748	7,603,368	22,991,116	9,866,154
Improvements other than buildings	-	-	-	754,129
Machinery, equipment, and vehicles	999,133	407,179	1,406,312	1,184,209
Construction in progress	25,307,673	5,814,474	31,122,147	-
Total assets	<u>\$ 62,525,684</u>	<u>\$ 18,823,189</u>	<u>\$ 81,348,873</u>	<u>\$ 15,026,210</u>
LIABILITIES				
Accounts payable	\$ 210,437	\$ 5,181	\$ 215,618	\$ 167,030
Accrued liabilities	-	-	-	1,563,403
Contracts payable	714,686	1,367,133	2,081,819	-
Retainage payable	1,042,477	220,273	1,262,750	18,282
Customers' deposits payable from restricted assets	-	3,299	3,299	-
Accrued interest payable	680,617	46,476	727,093	-
Due to primary government	-	-	-	848,491
Unearned revenue	3,521,026	-	3,521,026	-
Long-term liabilities:				
Due within one year	2,295,587	137,443	2,433,030	51,635
Due in more than one year	40,148,089	7,553,415	47,701,504	464,716
Total liabilities	<u>\$ 48,612,919</u>	<u>\$ 9,333,220</u>	<u>\$ 57,946,139</u>	<u>\$ 3,113,557</u>
NET ASSETS				
Invested in capital assets, net of related debt	\$ 5,379,305	\$ 7,070,053	\$ 12,449,358	\$ 12,082,301
Restricted:				
Sheriff's fund - DCJS	21,024	-	21,024	-
Courthouse security	30,931	-	30,931	-
Debt service and bond covenants	-	325,080	325,080	-
Water plant capital improvements	-	716,000	716,000	-
Unrestricted (deficit)	8,481,505	1,378,836	9,860,341	(169,648)
Total net assets	<u>\$ 13,912,765</u>	<u>\$ 9,489,969</u>	<u>\$ 23,402,734</u>	<u>\$ 11,912,653</u>

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

COUNTY OF BUCKINGHAM, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 1,257,550	\$ 53,748	\$ 230,601	\$ -
Judicial administration	985,318	60,524	374,665	-
Public safety	2,690,813	29,667	870,678	-
Public works	1,451,262	19,495	5,617	-
Health and welfare	2,939,399	-	2,152,597	-
Education	6,306,702	-	-	416,250
Parks, recreation, and cultural	348,226	29,422	41,029	-
Community development	188,906	-	5,351	-
Interest on long-term debt	1,569,248	-	-	-
Total governmental activities	<u>\$ 17,737,424</u>	<u>\$ 192,856</u>	<u>\$ 3,680,538</u>	<u>\$ 416,250</u>
Business-type activities:				
Water and Sewer Funds	<u>\$ 1,268,953</u>	<u>\$ 1,527,723</u>	<u>\$ -</u>	<u>\$ 47,423</u>
Total business-type activities	<u>\$ 1,268,953</u>	<u>\$ 1,527,723</u>	<u>\$ -</u>	<u>\$ 47,423</u>
Total primary government	<u><u>\$ 19,006,377</u></u>	<u><u>\$ 1,720,579</u></u>	<u><u>\$ 3,680,538</u></u>	<u><u>\$ 463,673</u></u>
COMPONENT UNIT:				
School Board	<u>\$ 22,938,757</u>	<u>\$ 260,427</u>	<u>\$ 15,486,533</u>	<u>\$ -</u>
Total component unit	<u><u>\$ 22,938,757</u></u>	<u><u>\$ 260,427</u></u>	<u><u>\$ 15,486,533</u></u>	<u><u>\$ -</u></u>
General revenues:				
General property taxes				
Local sales and use taxes				
Consumers' utility taxes				
Motor vehicle licenses				
Other local taxes				
Payment from County of Buckingham - Education				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets - beginning, as restated				
Net assets - ending				

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (973,201)	\$ -	\$ (973,201)	
(550,129)	-	(550,129)	
(1,790,468)	-	(1,790,468)	
(1,426,150)	-	(1,426,150)	
(786,802)	-	(786,802)	
(5,890,452)	-	(5,890,452)	
(277,775)	-	(277,775)	
(183,555)	-	(183,555)	
(1,569,248)	-	(1,569,248)	
<u>\$ (13,447,780)</u>	<u>\$ -</u>	<u>\$ (13,447,780)</u>	
\$ -	\$ 306,193	\$ 306,193	
\$ -	\$ 306,193	\$ 306,193	
<u>\$ (13,447,780)</u>	<u>\$ 306,193</u>	<u>\$ (13,141,587)</u>	
			\$ (7,191,797)
			<u>\$ (7,191,797)</u>
\$ 11,745,730	\$ -	\$ 11,745,730	\$ -
586,753	-	586,753	-
325,341	-	325,341	-
319,088	-	319,088	-
174,451	-	174,451	-
-	-	-	6,233,710
94,894	185	95,079	475
56,144	-	56,144	728,000
1,617,869	-	1,617,869	-
250,000	(250,000)	-	-
<u>\$ 15,170,270</u>	<u>\$ (249,815)</u>	<u>\$ 14,920,455</u>	<u>\$ 6,962,185</u>
\$ 1,722,490	\$ 56,378	\$ 1,778,868	\$ (229,612)
12,190,275	9,433,591	21,623,866	12,142,265
<u>\$ 13,912,765</u>	<u>\$ 9,489,969</u>	<u>\$ 23,402,734</u>	<u>\$ 11,912,653</u>

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Fund Financial Statements

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Balance Sheet
Governmental Funds
June 30, 2012

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects Fund	Total
ASSETS						
Cash and cash equivalents	\$ 8,100,256	\$ 90,271	\$ -	\$ 47,740	\$ -	\$ 8,238,267
Investments in custody of others	-	-	-	-	5,172,162	5,172,162
Receivables (net of allowance for uncollectibles):						
Taxes receivable	5,012,928	-	-	-	-	5,012,928
Accounts receivable	64,217	1,451	-	-	-	65,668
Due from other funds	349,312	-	-	-	-	349,312
Due from component unit	848,491	-	-	-	-	848,491
Due from other governmental units	323,234	257,590	-	-	-	580,824
Prepaid items	1,461	-	-	-	-	1,461
Restricted assets:						
Temporarily restricted:						
Cash and cash equivalents	-	-	-	33,332	-	33,332
Total assets	<u>\$ 14,699,899</u>	<u>\$ 349,312</u>	<u>\$ -</u>	<u>\$ 81,072</u>	<u>\$ 5,172,162</u>	<u>\$ 20,302,445</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 143,618	\$ -	\$ -	\$ 38,477	\$ 28,342	\$ 210,437
Contracts payable	-	-	-	89,633	625,053	714,686
Retainage payable	-	-	-	182,523	859,954	1,042,477
Due to other funds	-	349,312	-	-	-	349,312
Deferred revenue	5,140,925	-	-	-	-	5,140,925
Total liabilities	<u>\$ 5,284,543</u>	<u>\$ 349,312</u>	<u>\$ -</u>	<u>\$ 310,633</u>	<u>\$ 1,513,349</u>	<u>\$ 7,457,837</u>
Fund balances:						
Nonspendable:						
Prepays	\$ 1,461	\$ -	\$ -	\$ -	\$ -	\$ 1,461
Restricted:						
Sheriff's fund - DCJS	21,024	-	-	-	-	21,024
Courthouse security	30,931	-	-	-	-	30,931
Committed:						
Upper and Lower Elementary renovation	-	-	-	-	3,658,813	3,658,813
New Admin building	200,929	-	-	-	-	200,929
Existing Admin Building Renovation	834,286	-	-	-	-	834,286
Economic Development	681,385	-	-	-	-	681,385
Emergency communication system	500,000	-	-	-	-	500,000
Gene Dixon park expansion	845,309	-	-	42,028	-	887,337
Fire/rescue training	38,095	-	-	-	-	38,095
Sheriff's fund - non-DCJS	17,878	-	-	-	-	17,878
Unassigned:						
General fund	6,244,058	-	-	(271,589)	-	5,972,469
Total fund balances	<u>\$ 9,415,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (229,561)</u>	<u>\$ 3,658,813</u>	<u>\$ 12,844,608</u>
Total liabilities and fund balances	<u>\$ 14,699,899</u>	<u>\$ 349,312</u>	<u>\$ -</u>	<u>\$ 81,072</u>	<u>\$ 5,172,162</u>	<u>\$ 20,302,445</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Assets
 June 30, 2012

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 12,844,608
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Jointly owned assets are included in the total for buildings and improvements.

Land	\$ 571,884	
Buildings and improvements	15,387,748	
Machinery, equipment and vehicles	999,133	
Construction in progress	<u>25,307,673</u>	42,266,438

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,619,899
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Issuance costs are recorded as other assets and amortized over the life of the debt and, therefore, are not reported in the funds.	306,113
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Lease revenue bonds	\$ (8,760,000)	
Plus: Issuance premium (to be amortized against interest expense)	(831,212)	
General obligation bonds	(30,954,254)	
Plus: Issuance premium (to be amortized against interest expense)	(1,513,829)	
Compensated absences	(384,381)	
Accrued interest payable	<u>(680,617)</u>	<u>(43,124,293)</u>

Net assets of governmental activities	<u>\$ 13,912,765</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, 2012

	General	Virginia Public Assistance	Debt Service	County Capital Improvements	Debt Financed School Capital Projects Fund	Total
REVENUES						
General property taxes	\$ 11,465,915	\$ -	\$ -	\$ -	\$ -	\$ 11,465,915
Other local taxes	1,405,633	-	-	-	-	1,405,633
Permits, privilege fees, and regulatory licenses	58,249	-	-	-	-	58,249
Fines and forfeitures	44,598	-	-	-	-	44,598
Revenue from the use of money and property	62,188	-	-	1,308	31,398	94,894
Charges for services	90,009	-	-	-	-	90,009
Miscellaneous	29,163	26,981	-	-	-	56,144
Recovered costs	3,034	-	-	-	-	3,034
Intergovernmental revenues:						
Commonwealth	3,111,419	1,341,877	-	-	-	4,453,296
Federal	34,391	810,720	416,250	-	-	1,261,361
Total revenues	<u>\$ 16,304,599</u>	<u>\$ 2,179,578</u>	<u>\$ 416,250</u>	<u>\$ 1,308</u>	<u>\$ 31,398</u>	<u>\$ 18,933,133</u>
EXPENDITURES						
Current:						
General government administration	\$ 1,228,193	\$ -	\$ -	\$ -	\$ -	\$ 1,228,193
Judicial administration	726,999	-	-	-	-	726,999
Public safety	2,519,559	-	-	-	-	2,519,559
Public works	1,541,936	-	-	-	-	1,541,936
Health and welfare	201,247	2,732,446	-	-	-	2,933,693
Education	5,519,869	-	-	-	-	5,519,869
Parks, recreation, and cultural	337,794	-	-	-	-	337,794
Community development	178,648	-	-	-	-	178,648
Nondepartmental	174,677	-	-	-	-	174,677
Capital projects	-	-	-	1,983,918	12,045,635	14,029,553
Debt service:						
Principal retirement	-	-	1,343,921	-	14,343,329	15,687,250
Interest and other fiscal charges	-	-	1,249,599	-	91,786	1,341,385
Total expenditures	<u>\$ 12,428,922</u>	<u>\$ 2,732,446</u>	<u>\$ 2,593,520</u>	<u>\$ 1,983,918</u>	<u>\$ 26,480,750</u>	<u>\$ 46,219,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,875,677</u>	<u>\$ (552,868)</u>	<u>\$ (2,177,270)</u>	<u>\$ (1,982,610)</u>	<u>\$ (26,449,352)</u>	<u>\$ (27,286,423)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 250,000	\$ 552,868	\$ 2,177,270	\$ 959,819	\$ -	\$ 3,939,957
Transfers out	(3,689,957)	-	-	-	-	(3,689,957)
Issuance of general obligation bonds	-	-	-	-	13,325,000	13,325,000
Premium on issuance of bonds	-	-	-	-	1,210,124	1,210,124
Total other financing sources (uses)	<u>\$ (3,439,957)</u>	<u>\$ 552,868</u>	<u>\$ 2,177,270</u>	<u>\$ 959,819</u>	<u>\$ 14,535,124</u>	<u>\$ 14,785,124</u>
Net change in fund balances	\$ 435,720	\$ -	\$ -	\$ (1,022,791)	\$ (11,914,228)	\$ (12,501,299)
Fund balances - beginning	8,979,636	-	-	793,230	15,573,041	25,345,907
Fund balances - ending	<u>\$ 9,415,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (229,561)</u>	<u>\$ 3,658,813</u>	<u>\$ 12,844,608</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, 2012

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

Net change in fund balances - total governmental funds \$ (12,501,299)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.

Capital asset additions	\$	2,352,334		
Depreciation expense		(726,754)		
Adjustment for jointly owned assets		11,456,829		13,082,409

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

279,815

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.

Issuance of bonds	\$	(13,325,000)		
Plus: Issuance premium (to be amortized against interest expense)		(1,210,124)		
Payment of principal		15,687,250		
Issuance costs		55,705		
Amortization of premium		108,731		
Amortization of issuance costs		(19,235)		1,297,327

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	\$	(62,698)		
Accrued interest payable		(373,064)		(435,762)

Change in net assets of governmental activities	\$	1,722,490		
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The notes to the financial statements are an integral part of this statement.

Statement of Net Assets

Proprietary Funds

June 30, 2012

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,401,289	\$ -	\$ 2,401,289
Accounts receivable	93,509	15,903	109,412
Due from other governmental units	635,717	-	635,717
Total current assets	<u>\$ 3,130,515</u>	<u>\$ 15,903</u>	<u>\$ 3,146,418</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	\$ 1,013,982	\$ 30,397	\$ 1,044,379
Capital assets:			
Land	\$ 135,757	\$ 35,217	\$ 170,974
Intangibles	712,100	-	712,100
Construction in progress	5,417,702	396,772	5,814,474
Utility plant in service	6,848,312	4,262,485	11,110,797
Machinery, equipment, and vehicles	536,315	181,512	717,827
Less accumulated depreciation	(2,838,881)	(979,196)	(3,818,077)
Total capital assets	<u>\$ 10,811,305</u>	<u>\$ 3,896,790</u>	<u>\$ 14,708,095</u>
Total noncurrent assets	<u>\$ 11,825,287</u>	<u>\$ 3,927,187</u>	<u>\$ 15,752,474</u>
Total assets	<u>\$ 14,955,802</u>	<u>\$ 3,943,090</u>	<u>\$ 18,898,892</u>
LIABILITIES			
Current liabilities:			
Reconciled overdraft	\$ -	\$ 75,703	\$ 75,703
Accounts payable	2,834	2,347	5,181
Contracts payable	1,367,133	-	1,367,133
Retainage payable	220,273	-	220,273
Customers' deposits payable from restricted assets	2,030	1,269	3,299
Accrued interest payable	41,505	4,971	46,476
Compensated absences - current portion	3,768	1,514	5,282
Bonds payable - current portion	54,327	-	54,327
Loans payable - current portion	33,373	44,461	77,834
Total current liabilities	<u>\$ 1,725,243</u>	<u>\$ 130,265</u>	<u>\$ 1,855,508</u>
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 1,397,139	\$ -	\$ 1,397,139
Loans payable - net of current portion	783,529	1,072,876	1,856,405
Drawdowns on loans	4,252,337	-	4,252,337
Compensated absences - net of current portion	33,912	13,622	47,534
Total noncurrent liabilities	<u>\$ 6,466,917</u>	<u>\$ 1,086,498</u>	<u>\$ 7,553,415</u>
Total liabilities	<u>\$ 8,192,160</u>	<u>\$ 1,216,763</u>	<u>\$ 9,408,923</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 4,290,600	\$ 2,779,453	\$ 7,070,053
Restricted:			
Debt service and bond covenants	295,952	29,128	325,080
Water plant capital improvements	716,000	-	716,000
Unrestricted (deficit)	1,461,090	(82,254)	1,378,836
Total net assets	<u>\$ 6,763,642</u>	<u>\$ 2,726,327</u>	<u>\$ 9,489,969</u>

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Proprietary Funds
 For the Year Ended June 30, 2012

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 1,251,373	\$ -	\$ 1,251,373
Sewer revenues	-	243,295	243,295
Tap fees	10,800	4,000	14,800
Other revenues	18,255	-	18,255
Total operating revenues	<u>\$ 1,280,428</u>	<u>\$ 247,295</u>	<u>\$ 1,527,723</u>
OPERATING EXPENSES			
Water	\$ 603,298	\$ -	\$ 603,298
Sewer	-	195,191	195,191
Depreciation	185,372	126,936	312,308
Total operating expenses	<u>\$ 788,670</u>	<u>\$ 322,127</u>	<u>\$ 1,110,797</u>
Operating income (loss)	<u>\$ 491,758</u>	<u>\$ (74,832)</u>	<u>\$ 416,926</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	\$ 157	\$ 28	\$ 185
Interest expense	(111,112)	(47,044)	(158,156)
Total nonoperating revenues (expenses)	<u>\$ (110,955)</u>	<u>\$ (47,016)</u>	<u>\$ (157,971)</u>
Income (loss) before contributions and transfers	<u>\$ 380,803</u>	<u>\$ (121,848)</u>	<u>\$ 258,955</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions and construction grants	\$ -	\$ 47,423	\$ 47,423
Transfers out	(250,000)	-	(250,000)
Net Contributions and Transfers	<u>\$ (250,000)</u>	<u>\$ 47,423</u>	<u>\$ (202,577)</u>
Change in net assets	<u>\$ 130,803</u>	<u>\$ (74,425)</u>	<u>\$ 56,378</u>
Total net assets - beginning	<u>6,632,839</u>	<u>2,800,752</u>	<u>9,433,591</u>
Total net assets - ending	<u><u>\$ 6,763,642</u></u>	<u><u>\$ 2,726,327</u></u>	<u><u>\$ 9,489,969</u></u>

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

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2012

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,271,037	\$ 247,295	\$ 1,518,332
Payments to suppliers	(183,351)	(81,449)	(264,800)
Payments to and for employees	(441,268)	(114,085)	(555,353)
Net cash provided by (used for) operating activities	\$ 646,418	\$ 51,761	\$ 698,179
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	\$ (250,000)	\$ -	\$ (250,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Additions to utility plant	\$ (3,013,326)	\$ (66,204)	\$ (3,079,530)
Principal payments on bonds	(51,790)	-	(51,790)
Principal payments on loans	(33,040)	(46,340)	(79,380)
Contributions in aid of construction	-	47,423	47,423
Proceeds from indebtedness	3,616,620	-	3,616,620
Interest payments	(78,174)	(46,431)	(124,605)
Net cash provided by (used for) capital and related financing activities	\$ 440,290	\$ (111,552)	\$ 328,738
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	\$ 157	\$ 28	\$ 185
Net increase (decrease) in cash and cash equivalents	\$ 836,865	\$ (59,763)	\$ 777,102
Cash and cash equivalents - beginning - including restricted	2,578,406	14,457	2,592,863
Cash and cash equivalents - ending - including restricted	\$ 3,415,271	\$ (45,306)	\$ 3,369,965
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 491,758	\$ (74,832)	\$ 416,926
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	\$ 185,372	\$ 126,936	\$ 312,308
(Increase) decrease in accounts receivable	(9,633)	-	(9,633)
Increase (decrease) in due to other funds	(22,447)	-	(22,447)
Increase (decrease) in compensated absences	2,595	-	2,595
Increase (decrease) in accounts payable	(1,469)	(343)	(1,812)
Increase (decrease) in customer deposits	242	-	242
Total adjustments	\$ 154,660	\$ 126,593	\$ 281,253
Net cash provided by (used for) operating activities	\$ 646,418	\$ 51,761	\$ 698,179

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

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements As of June 30, 2012

Note 1—Summary of Significant Accounting Policies:

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

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

Financial Statement Presentation

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

Government-wide and Fund Financial Statements

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

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

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

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, 2012 (Continued)

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

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units to be included for the fiscal year ended June 30, 2012.

Discretely Presented Component Unit

Buckingham County School Board The School Board members are elected by the citizens of Buckingham County and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

C. Other Related Organizations

Included in the County's Financial Report

None

Excluded from the County's Financial Report

Related Organizations

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Buckingham County Industrial Development Authority.

Jointly Governed Organizations

The County, in conjunction with other localities, has created the Central Virginia Regional Library, the Piedmont Regional Jail, the Piedmont Juvenile Detention Center, and the Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$144,113 to the regional library and \$32,960 to the Crossroads Community Services Board.

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

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

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

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

When both restricted and unrestricted resources are available for use, the County generally first uses restricted assets. The County may defer the use of restricted assets based on a review of the specific transaction.

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.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

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.

1. Governmental Funds

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

1. Governmental Funds: (Continued)

a. General Fund

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

b. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The only special revenue fund is the Virginia Public Assistance Fund, which is considered a major fund at June 30, 2012.

c. Debt Service Fund

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

d. Capital Projects Funds

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

2. Proprietary Funds

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

Enterprise Funds

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

3. Fiduciary Funds (Trust and Agency Funds)

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

4. Component Unit

The Buckingham County School Board has the following funds:

Governmental Funds:

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

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

4. Component Unit: (Continued)

Governmental Funds: (Continued)

Capital Projects Fund: (Continued)

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

E. Budgets and Budgetary Accounting

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

F. Cash and Cash Equivalents

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

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

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

G. Investments

Investments are stated at fair value.

H. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$434,511 at June 30, 2012 and is comprised solely of property taxes.

I. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest attributable to capital assets for the year ended June 30, 2012 was immaterial.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

I. Capital Assets: (Continued)

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

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

J. Compensated Absences

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

K. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

L. Fund Equity

Beginning with fiscal year 2011, the County implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

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

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

A fund balance policy has not been formally adopted by the Board of Supervisors as of June 30, 2012.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

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

M. Prepaid Expenses

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

N. Use of Estimates

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

O. Net Assets

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

Note 2—Deposits and Investments:

Deposits

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

Investments

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

Custodial Credit Risk (Investments)

The County's investments at June 30, 2012 were held in the County's name by the County's custodial banks, except for \$8,876,237 of investments in repurchase agreements, where the underlying securities were uninsured and held by the investment's counterparty's trust department or agent but not in the name of the County.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 2—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2012 were rated by *Standard & Poor's* and/or an equivalent national rating organization and the ratings are presented below using the *Standard & Poor's* rating scale.

Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAA
Local Government Investment Pool	\$ 3,965,201
Virginia State Non-Arbitrage Pool	5,285,913
Repurchase Agreements - Underlying: U.S. Agency Securities	<u>8,876,237</u>
Total	<u>\$ 18,127,351</u>

Interest Rate Risk

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

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Repurchase Agreements	\$ <u>8,876,237</u>	\$ <u>8,876,237</u>
Total	<u>\$ 8,876,237</u>	<u>\$ 8,876,237</u>

External Investment Pools

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 3—Property Taxes:

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

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

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

Property taxes for calendar year 2011 were levied by the County Board of Supervisors on April 25, 2011, on the assessed values listed as of January 1, 2011. The second half of 2011 real estate taxes was due on December 5, 2011. The first half of 2011 real estate taxes was due on June 5, 2012. The 2012 taxes were levied by the County Board of Supervisors on April 23, 2012 on the assessed value listed as of January 1, 2012.

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

Note 4—Receivables:

The following is a summary of accounts receivable at June 30, 2012:

	Primary Government				Component Unit
	General	Special Revenue	Governmental Activities	Business-Type Activities	School Board
Property taxes	\$ 5,447,439	\$ -	\$ 5,447,439	\$ -	\$ -
Allowance for uncollectibles	(434,511)	-	(434,511)	-	-
Net taxes receivable	<u>\$ 5,012,928</u>	<u>\$ -</u>	<u>\$ 5,012,928</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:					
Utility taxes	\$ 27,971	\$ -	\$ 27,971	\$ -	\$ -
Grantee tax	4,364	-	4,364	-	-
Solid waste	8,716	-	8,716	-	-
Other	23,166	-	23,166	-	16,519
Water and Sewer	-	-	-	109,412	-
Rebates and Refunds	-	1,451	1,451	-	29,128
Total accounts receivable	<u>\$ 64,217</u>	<u>\$ 1,451</u>	<u>\$ 65,668</u>	<u>\$ 109,412</u>	<u>\$ 45,647</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 5—Due From Other Governmental Units:

Amounts due from other governments are detailed as follows:

	Governmental Activities			Business- Type Activities	Component Unit School Board
	General	Special Revenue	Total		
Commonwealth of Virginia:					
Local sales taxes	\$ 93,822	\$ -	\$ 93,822	\$ -	\$ -
State sales taxes	-	-	-	-	363,937
Communication taxes	73,810	-	73,810	-	-
Public assistance	-	40,909	40,909	-	-
Comprehensive services	-	157,662	157,662	-	-
Shared expenses and grants	100,689	-	100,689	-	-
Forest product sales	18,489	-	18,489	-	-
Fire programs	6,308	-	6,308	-	-
Other	16,446	-	16,446	-	-
Federal government:					
Sheriff's grants	13,670	-	13,670	-	-
Public assistance	-	59,019	59,019	-	-
Rural Development	-	-	-	635,717	-
Title I	-	-	-	-	157,187
Title VI-B	-	-	-	-	212,863
Other school funds	-	-	-	-	128,860
Total	\$ 323,234	\$ 257,590	\$ 580,824	\$ 635,717	\$ 862,847

Note 6—Interfund Obligations:

Details of interfund receivables and payables as of June 30, 2012 are as follows:

Fund	Interfund Receivable	Interfund Payable
General	\$ 349,312	\$ -
Virginia Public Assistance	-	349,312
Total	\$ 349,312	\$ 349,312

Details of obligations between the primary government and its component unit as of June 30, 2012 are as follows:

Receivable Entity	Payable Entity	Amount
Primary government general fund	Component Unit - School Board	\$ 848,491

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 7—Other Assets:

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

		Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
<i>Costs of Issuance:</i>					
2010 Lease Revenue Bond	\$	148,505	\$ -	\$ 12,199	\$ 136,306
2011 VPSA		121,138	-	7,036	114,102
2011B VPSA		-	55,705	-	55,705
Total bond issuance costs	\$	<u>269,643</u>	\$ <u>55,705</u>	\$ <u>19,235</u>	\$ <u>306,113</u>

Note 8—Capital Assets:

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

Primary Government:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 571,884	\$ -	\$ -	\$ 571,884
Construction in progress	2,842,779	1,645,791	-	4,488,570
Construction in progress-jointly owned assets	8,829,171	11,989,932	-	20,819,103
Total capital assets not being depreciated	\$ <u>12,243,834</u>	\$ <u>13,635,723</u>	\$ -	\$ <u>25,879,557</u>
Other capital assets:				
Buildings and improvements	\$ 11,838,443	\$ 20,176	\$ -	\$ 11,858,619
Machinery, equipment and vehicles	2,571,310	686,367	78,828	3,178,849
Jointly owned assets	8,804,349	-	883,262	7,921,087
Total other capital assets	\$ <u>23,214,102</u>	\$ <u>706,543</u>	\$ <u>962,090</u>	\$ <u>22,958,555</u>
Accumulated depreciation:				
Buildings and improvements	\$ 3,005,211	\$ 303,970	\$ -	\$ 3,309,181
Machinery, equipment and vehicles	2,033,787	224,757	78,828	2,179,716
Jointly owned assets	1,234,909	198,027	350,159	1,082,777
Total accumulated depreciation	\$ <u>6,273,907</u>	\$ <u>726,754</u>	\$ <u>428,987</u>	\$ <u>6,571,674</u>
Other capital assets, net	\$ <u>16,940,195</u>	\$ <u>(20,211)</u>	\$ <u>533,103</u>	\$ <u>16,386,881</u>
Net capital assets	\$ <u>29,184,029</u>	\$ <u>13,615,512</u>	\$ <u>533,103</u>	\$ <u>42,266,438</u>
Depreciation is allocated to:				
General government administration		\$ 64,161		
Judicial administration		264,169		
Public safety		147,818		
Public works		33,181		
Education		198,027		
Parks and recreation		9,140		
Community Development		10,258		
Total		\$ <u>726,754</u>		

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8—Capital Assets: (Continued)

Business-Type Activities:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 170,974	\$ -	\$ -	\$ 170,974
Intangibles	712,100	-	-	712,100
Construction in progress	<u>1,147,538</u>	<u>4,666,936</u>	<u>-</u>	<u>5,814,474</u>
Total capital assets not being depreciated	\$ <u>2,030,612</u>	\$ <u>4,666,936</u>	\$ <u>-</u>	\$ <u>6,697,548</u>
Other capital assets:				
Buildings and systems	\$ 11,110,797	\$ -	\$ -	\$ 11,110,797
Machinery, equipment and vehicles	<u>717,827</u>	<u>-</u>	<u>-</u>	<u>717,827</u>
Total other capital assets	\$ <u>11,828,624</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>11,828,624</u>
Accumulated depreciation:				
Buildings and systems	\$ 3,152,247	\$ 269,909	\$ -	\$ 3,422,156
Machinery, equipment and vehicles	<u>353,522</u>	<u>42,399</u>	<u>-</u>	<u>395,921</u>
Total accumulated depreciation	\$ <u>3,505,769</u>	\$ <u>312,308</u>	\$ <u>-</u>	\$ <u>3,818,077</u>
Other capital assets, net	\$ <u>8,322,855</u>	\$ <u>(312,308)</u>	\$ <u>-</u>	\$ <u>8,010,547</u>
Net capital assets	<u>\$ 10,353,467</u>	<u>\$ 4,354,628</u>	<u>\$ -</u>	<u>\$ 14,708,095</u>
Depreciation is allocated to:				
Water and sewer operations		<u>\$ 312,308</u>		

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 8—Capital Assets: (Continued)

Component Unit-School Board:

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Capital assets not being depreciated:				
Land	\$ 277,809	\$ -	\$ -	\$ 277,809
Construction in progress	1,970,754	11,903	1,982,657	-
Total capital assets not being depreciated	\$ 2,248,563	\$ 11,903	\$ 1,982,657	\$ 277,809
Other capital assets:				
Buildings	\$ 10,711,856	\$ 1,982,657	\$ -	\$ 12,694,513
Improvements other than buildings	1,610,422	-	-	1,610,422
Machinery, equipment and vehicles	4,511,595	76,057	-	4,587,652
Jointly owned assets	7,667,765	883,262	-	8,551,027
Total other capital assets	\$ 24,501,638	\$ 2,941,976	\$ -	\$ 27,443,614
Accumulated depreciation:				
Buildings	\$ 7,304,062	\$ 265,017	\$ -	\$ 7,569,079
Improvements other than buildings	718,021	138,272	-	856,293
Machinery, equipment and vehicles	3,094,999	308,444	-	3,403,443
Jointly owned assets	3,246,373	563,934	-	3,810,307
Total accumulated depreciation	\$ 14,363,455	\$ 1,275,667	\$ -	\$ 15,639,122
Other capital assets, net	\$ 10,138,183	\$ 1,666,309	\$ -	\$ 11,804,492
Net capital assets	\$ 12,386,746	\$ 1,678,212	\$ 1,982,657	\$ 12,082,301
Depreciation is allocated to education		\$ 1,275,667		

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, 2012, is that school financed assets in the amount of \$27,657,413 net are reported in the Primary Government for financial reporting purposes.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 9—Compensated Absences:

In accordance with GASB statement 16, *“Accounting for Compensated Absences,”* the County has accrued the liability arising from outstanding claims and judgments and compensated absences.

County employees earn vacation and sick leave at various rates.

Note 10—Long-Term Obligations:

The following is a summary of long-term obligation transactions for the County for the year ended June 30, 2012:

	<u>Balance July 1, 2011</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2012</u>
Primary Government:				
Governmental activities:				
Lease revenue bonds	\$ 9,255,000	\$ -	\$ 495,000	\$ 8,760,000
Premium on issuance	905,603	-	74,391	831,212
General obligation school bonds	18,478,175	13,325,000	848,921	30,954,254
Premium on issuance	338,045	1,210,124	34,340	1,513,829
Interim Financing (Build America Bond)	14,343,329	-	14,343,329	-
Compensated absences	<u>321,683</u>	<u>62,698</u>	<u>-</u>	<u>384,381</u>
Total obligations from governmental activities	<u>\$ 43,641,835</u>	<u>\$ 14,597,822</u>	<u>\$ 15,795,981</u>	<u>\$ 42,443,676</u>
Business-type activities:				
Revenue bonds	\$ 1,503,256	\$ -	\$ 51,790	\$ 1,451,466
Revolving loans	2,009,869	-	75,630	1,934,239
Drawdowns on loan	-	4,252,337	-	4,252,337
Intergovernmental loan	3,750	-	3,750	-
Compensated absences	<u>50,221</u>	<u>2,595</u>	<u>-</u>	<u>52,816</u>
Total obligations from business-type activities	<u>\$ 3,567,096</u>	<u>\$ 4,254,932</u>	<u>\$ 131,170</u>	<u>\$ 7,690,858</u>
Long-term obligations from component unit activities:				
School Board:				
Compensated absences	<u>\$ 571,141</u>	<u>\$ -</u>	<u>\$ 54,790</u>	<u>\$ 516,351</u>
Total long-term obligations	<u>\$ 47,780,072</u>	<u>\$ 18,852,754</u>	<u>\$ 15,981,941</u>	<u>\$ 50,650,885</u>
Reconciliation to Exhibit 1:				
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Component Unit</u>	<u>Total</u>
Long-term liabilities:				
Due within one year	\$ 2,295,587	\$ 137,443	\$ 51,635	\$ 2,484,665
Due in more than one year	<u>40,148,089</u>	<u>7,553,415</u>	<u>464,716</u>	<u>48,166,220</u>
Total long-term obligations	<u>\$ 42,443,676</u>	<u>\$ 7,690,858</u>	<u>\$ 516,351</u>	<u>\$ 50,650,885</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 10—Long-Term Obligations: (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,389,310	\$ 2,032,770
2014	2,519,159	1,860,386
2015	2,077,233	1,787,180
2016	2,161,217	1,706,635
2017	2,243,467	1,628,630
2018-2022	12,427,549	7,012,485
2023-2027	12,051,359	5,057,666
2028-2032	7,540,075	1,257,780
2033-2037	1,651,924	191,896
2038-2042	297,168	46,503
2043-2044	86,539	2,763
Total	<u>\$ 45,445,000</u>	<u>\$ 22,584,694</u>

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

Details of Long-term Obligations:

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities:</u>		
<u>Lease Revenue Bonds:</u>		
\$9,255,000 lease revenue bonds, issued November 23, 2010 payable in various annual installments ranging from \$230,000 to \$590,000, due on October 1, 2011 through 2033, interest payable semi-annually at 2.357%-5.200%	\$ 8,760,000	\$ 510,000
Plus: Premium on issuance	<u>831,212</u>	<u>71,363</u>
Total Lease Revenue Bonds	<u>\$ 9,591,212</u>	<u>\$ 581,363</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 10—Long-Term Obligations: (Continued)**Details of Long-term Obligations: (Continued)**

	<u>Amount Outstanding</u>	<u>Due within One year</u>
<u>Governmental Activities: (Continued)</u>		
<u>General Obligation School Bonds:</u>		
\$5,930,000 School Bonds, 2002, issued November 7, 2002, maturing in various annual installments of \$295,000 to \$300,000 through July 15, 2022, interest payable semi-annually at 2.35%-5.10%	\$ 3,245,000	\$ 295,000
Plus: Premium on issuance	142,452	11,871
\$5,856,256 School Bonds, 2005, issued November 10, 2005, maturing in various annual installments of \$222,289 to \$370,235 through July 15, 2025, interest payable semi-annually at 4.60%-5.10%	4,384,254	265,962
Plus: Premium on issuance	161,253	21,184
\$10,000,000 School Bonds, 2011, issued June 28, 2011, maturing in various annual installments of \$186,000 to \$784,600, due on June 1, 2013 through June 1, 2027, interest payable semi-annually at 4.50%. However, the bonds were issued as qualified tax credit bonds allowing a direct payment of a refundable credit to the issuer, which will completely offset interest payments.	10,000,000	639,000
\$13,325,000 School Bonds, 2011B, issued November 9, 2011, maturing in various annual installments of \$320,000 to \$985,000, due on July 15, 2012 through July 15, 2031, interest payable semi-annually at 2.05%-5.05%	13,325,000	320,000
Plus: Premium on issuance	1,210,124	122,769
Total General Obligation School Bonds	\$ <u>32,468,083</u>	\$ <u>1,675,786</u>
<u>Compensated absences (payable from general fund)</u>	\$ <u>384,381</u>	\$ <u>38,438</u>
Total long-term obligations from governmental activities	\$ <u><u>42,443,676</u></u>	\$ <u><u>2,295,587</u></u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 10—Long-Term Obligations: (Continued)

Details of Long-term Obligations: (Continued)

Business-Type Activities:

Revenue bonds:

\$861,000 Water System Revenue Bonds issued August 20, 1982, due in monthly installments of \$4,228 including interest, through 2022, interest at 5%

\$ 391,862 \$ 31,682

\$1,268,000 Water System Revenue Bonds authorized April 16, 1998, due in monthly installments of \$5,822 including interest at 4.5%, beginning March 31, 2000 through 2038

1,059,604 22,645

Total Revenue Bonds

\$ 1,451,466 \$ 54,327

Revolving loans:

\$571,435 VRA revolving fund loan originated January 1, 2002. The loan has a 0% interest rate, but an imputed interest of 4% was considered reasonable. After imputation of interest the net proceeds of the loan amounted to \$396,161. The County assumed this indebtedness as a part of its acquisition of the Town of Dillwyn's sewer system. The loan is due in semi-annual installments of \$14,403 including interest through October 1, 2013

\$ 41,537 \$ 27,416

\$1,056,863 VRA revolving fund loan originated October 30, 2004. The loan is due in semi-annual installments of \$20,729 including interest at 1%, beginning March 1, 2005 through 2034

816,902 33,373

\$1,170,700 Rural Development loan due in monthly installments of \$5,097 including interest at 4.125%, beginning October 13, 2007

1,075,800 17,045

Drawdowns on loans - \$5,000,000 Rural Development loan due in monthly installments of \$16,700 including interest at 2.375%, beginning August 25, 2012. Interest only payments are due July 25, 2012 and July 25, 2013. The full amount has not yet been drawn down

4,252,337 -

Total Revolving Loans

\$ 6,186,576 \$ 77,834

Compensated absences

\$ 52,816 \$ 5,282

Total long-term obligations from business-type activities

\$ 7,690,858 \$ 137,443

Component Unit Activities:

Compensated absences (payable from school operating fund)

\$ 516,351 \$ 51,635

Total long-term obligations

\$ 50,650,885 \$ 2,484,665

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 11—Defined Benefit Pension Plan:

A. Plan Description

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

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 11—Defined Benefit Pension Plan: (Continued)

A. Plan Description (Continued)

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

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS website at <http://www.varetire.org/Pdf/publications/2011-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5.00% of their compensation toward their retirement. The employer has assumed this 5.00% member contribution. In addition, the County and its component unit are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The County and School Board non-professional employee contribution rates for the fiscal year ended 2012 were 10.57% and 6.15%, respectively, of annual covered payroll.

C. Annual Pension Cost

For fiscal year 2012, the County's annual pension cost of \$361,872 (does not include the portion of the employee share assumed by County which was \$171,179) was equal to the County's required and actual contributions.

For fiscal year 2012, the School Board's annual pension cost for the Board's non-professional employees was \$51,382 (does not include the employee share assumed by the Board which was \$41,774) which was equal to the Board's required and actual contributions.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC) ¹	Percentage of APC Contributed	Net Pension Obligation
County:			
June 30, 2012	\$ 361,872	100%	\$ -
June 30, 2011	349,819	100%	-
June 30, 2010	270,368	100%	-
School Board Non-Professional:			
June 30, 2012	\$ 51,382	100%	\$ -
June 30, 2011	53,330	100%	-
June 30, 2010	57,957	100%	-

¹ Employer Portion Only

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 11—Defined Benefit Pension Plan: (Continued)

C. Annual Pension Cost (Continued)

The FY 2012 required contribution was determined as part of the June 30, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2009 included (a) an investment rate of return (net of administrative expenses) of 7.50%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees and 3.50% to 4.75% per year for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) a cost-of-living adjustment of 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The County's and School Board's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2009 for the Unfunded Actuarial Accrued Liability (UAAL) was 20 years.

D. Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the County's plan was 76.92% funded. The actuarial accrued liability for benefits was \$13,795,446, and the actuarial value of assets was \$10,612,123, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,183,323. The covered payroll (annual payroll of active employees covered by the plan) was \$3,407,805, and ratio of the UAAL to the covered payroll was 93.41%.

As of June 30, 2011, the most recent actuarial valuation date, the School Board's plan was 81.08% funded. The actuarial accrued liability for benefits was \$3,083,569, and the actuarial value of assets was \$2,500,275, resulting in an unfunded actuarial accrued liability (UAAL) of \$583,294. The covered payroll (annual payroll of active employees covered by the plan) was \$831,998, and ratio of the UAAL to the covered payroll was 70.11%.

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

E. Discretely Presented Component Unit School Board

PROFESSIONAL EMPLOYEES:

Plan Description

The Buckingham County School Board contributes to the Virginia Retirement System (VRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System. VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be downloaded from their website at <http://www.varetire.org/Pdf/publications/2011-annual-report.pdf> or obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 11—Defined Benefit Pension Plan: (Continued)

E. Discretely Presented Component Unit School Board (Continued)

PROFESSIONAL EMPLOYEES: (Continued)

Funding Policy

Plan members are required to contribute 5.00% of their compensation toward the retirement and Buckingham County School Board is required to contribute at an actuarially determined rate. The rates for fiscal years 2012, 2011, and 2010 were 6.33%, 3.93%, and 8.81%, respectively, of annual covered payroll. The contribution requirements of plan members and Buckingham County School Board are established and may be amended by the VRS Board of Trustees. The School Board's contributions to VRS for the years ending June 30, 2012, 2011, and 2010 were \$645,888, \$413,912, and \$722,889, respectively, and equaled the required contributions for each year.

Note 12—Unearned/Deferred Revenue:

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

	<u>Government-wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Primary Government:		
Deferred property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures.	\$ -	\$ 1,619,899
2nd half assessments due in December 2012	3,202,616	3,202,616
Prepaid property taxes due in December 2012, but paid in advance by the taxpayers.	<u>318,410</u>	<u>318,410</u>
Total unearned/deferred revenue	<u>\$ 3,521,026</u>	<u>\$ 5,140,925</u>

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 13—Commitments and Contingencies:

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

The County has authorized water and wastewater upgrades for Buckingham County. The estimated costs of these projects are \$11,200,000 and \$9,500,000, respectively. The water project will be funded primarily with loans and grants through the Rural Development division of the U.S. Department of Agriculture. In December 2010, a loan agreement in the amount of \$5,000,000 was entered into with Rural Development. Details of funding for the sewer plant have not yet been determined. Engineering work on the new sewer plant began in fiscal year 2011. In May 2011, a contract was awarded for the construction of the new water plant and construction began in fiscal year 2012.

At June 30, 2012, the County had several major projects underway, which are presented in the financial statements as construction in progress. Presented is a list of major projects, contract amounts, expenditures to date, and balances of contracts remaining:

Project	Contract Amount	Expenditures to Date	Balance of Contract
Various water and sewer engineering and design work	\$ 2,030,652	\$ 1,338,587	\$ 692,065
Water treatment plant construction	10,660,000	4,185,187	6,474,813
County government complex	4,446,769	3,411,554	1,035,215

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

Bus Garage	\$ 1,947,331	\$ 1,928,515	\$ 18,816
Upper and Lower Elementary School renovation	20,379,081	18,336,367	2,042,714

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 14—Surety Bonds:

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

Note 15—Landfill Closure and Postclosure Care Cost:

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

Note 16—Risk Management:

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 17—Litigation:

At June 30, 2012, there were no matters of litigation involving the County which would materially affect the County's financial position should any court decisions on pending matters not be favorable.

Note 18—Expenditures and Appropriations:

Expenditures exceeded appropriations in the public works; health and welfare; and parks, recreation and cultural functions of the General Fund and in the Virginia Public Assistance, Debt Service, County Capital Improvements Fund, and Debt Financed School Capital Projects Fund at June 30, 2012; however, all disbursements were approved in accordance with operating policies.

Note 19—Interfund Transfers:

Interfund transfers for the year ended June 30, 2012 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net</u>
Primary Government:			
Governmental Activities:			
General Fund	\$ 250,000	\$ 3,689,957	\$ (3,439,957)
VPA Fund	552,868	-	552,868
Debt Service Fund	2,177,270	-	2,177,270
County Capital Improvements Fund	<u>959,819</u>	<u>-</u>	<u>959,819</u>
Total interfund transfers	<u>\$ 3,939,957</u>	<u>\$ 3,689,957</u>	<u>\$ 250,000</u>
Business-type Activities:			
Water Fund	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ (250,000)</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.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 20–Other Postemployment Benefits-Health Insurance:

The County and School Board offer postemployment medical coverage to their retired employees. Retirees and their spouses are permitted to remain on the respective County or School Board plan until they are eligible for Medicare benefits. Premiums are paid by the retirees. At June 30, 2012, the County has elected not to obtain an actuarial valuation to determine liability for this benefit in accordance with the financial reporting requirements of GASB 45. Any liability at June 30, 2012 is not believed to be material to the financial statements.

Note 21–Other Postemployment Benefits–VRS Health Insurance Credit:

A. Plan Description

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

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

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

B. Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is .60% of annual covered payroll. The School Board's contributions to VRS for the years ended June 30, 2012, 2011, and 2010 were \$61,222, \$63,193, and \$85,332, respectively and equaled the required contributions for each year.

COUNTY OF BUCKINGHAM, VIRGINIA

Notes to Financial Statements
As of June 30, 2012 (Continued)

Note 22–Restatement of Beginning Net Assets:

Beginning net assets were restated as follows:

	<u>Primary Government</u>
	<u>Governmental Activities</u>
Beginning balance, as originally reported	\$ 15,078,578
2nd half real estate collections not reported as unearned revenue	<u>(2,888,303)</u>
Beginning balance, as restated	<u><u>\$ 12,190,275</u></u>

Note 23–Subsequent Events:

On August 28, 2012, the School Board approved an equipment lease/purchase agreement with Banc of America Public Capital Corp in the amount of \$1,596,421 at an interest rate of 2.75% for 15 years.

On November 13, 2012, the Board of Supervisors approved JIREH Construction Company as the low bidder for the Streetscape Project in the amount of \$166,556 pending VDOT approval.

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 11,355,900	\$ 11,355,900	\$ 11,465,915	\$ 110,015
Other local taxes	1,468,000	1,468,000	1,405,633	(62,367)
Permits, privilege fees, and regulatory licenses	71,200	71,200	58,249	(12,951)
Fines and forfeitures	52,400	52,400	44,598	(7,802)
Revenue from the use of money and property	68,328	68,328	62,188	(6,140)
Charges for services	65,516	65,516	90,009	24,493
Miscellaneous	13,200	13,200	29,163	15,963
Recovered costs	-	-	3,034	3,034
Intergovernmental revenues:				
Commonwealth	3,165,052	3,187,970	3,111,419	(76,551)
Federal	-	6,376	34,391	28,015
Total revenues	<u>\$ 16,259,596</u>	<u>\$ 16,288,890</u>	<u>\$ 16,304,599</u>	<u>\$ 15,709</u>
EXPENDITURES				
Current:				
General government administration	\$ 1,125,120	\$ 1,248,018	\$ 1,228,193	\$ 19,825
Judicial administration	710,975	736,590	726,999	9,591
Public safety	2,511,535	2,604,347	2,519,559	84,788
Public works	1,238,014	1,456,768	1,541,936	(85,168)
Health and welfare	186,277	186,277	201,247	(14,970)
Education	4,975,444	5,930,040	5,519,869	410,171
Parks, recreation, and cultural	304,066	306,441	337,794	(31,353)
Community development	177,878	177,878	178,648	(770)
Nondepartmental	135,000	135,000	174,677	(39,677)
Total expenditures	<u>\$ 11,364,309</u>	<u>\$ 12,781,359</u>	<u>\$ 12,428,922</u>	<u>\$ 352,437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,895,287</u>	<u>\$ 3,507,531</u>	<u>\$ 3,875,677</u>	<u>\$ 368,146</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 16,637	\$ 266,637	\$ 250,000	\$ (16,637)
Transfers out	(644,637)	(664,637)	(3,689,957)	(3,025,320)
Total other financing sources (uses)	<u>\$ (628,000)</u>	<u>\$ (398,000)</u>	<u>\$ (3,439,957)</u>	<u>\$ (3,041,957)</u>
Net change in fund balances	\$ 4,267,287	\$ 3,109,531	\$ 435,720	\$ (2,673,811)
Fund balances - beginning	(2,090,053)	(691,542)	8,979,636	9,671,178
Fund balances - ending	<u>\$ 2,177,234</u>	<u>\$ 2,417,989</u>	<u>\$ 9,415,356</u>	<u>\$ 6,997,367</u>

Virginia Public Assistance Fund

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

For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Miscellaneous	\$ 24,500	\$ 24,500	\$ 26,981	\$ 2,481
Intergovernmental revenues:				
Commonwealth	1,241,735	1,241,735	1,341,877	100,142
Federal	896,447	896,447	810,720	(85,727)
Total revenues	<u>\$ 2,162,682</u>	<u>\$ 2,162,682</u>	<u>\$ 2,179,578</u>	<u>\$ 16,896</u>
EXPENDITURES				
Current:				
Health and welfare	\$ 2,652,039	\$ 2,652,039	\$ 2,732,446	\$ (80,407)
Total expenditures	<u>\$ 2,652,039</u>	<u>\$ 2,652,039</u>	<u>\$ 2,732,446</u>	<u>\$ (80,407)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (489,357)</u>	<u>\$ (489,357)</u>	<u>\$ (552,868)</u>	<u>\$ (63,511)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 489,357</u>	<u>\$ 489,357</u>	<u>\$ 552,868</u>	<u>\$ 63,511</u>
Total other financing sources (uses)	<u>\$ 489,357</u>	<u>\$ 489,357</u>	<u>\$ 552,868</u>	<u>\$ 63,511</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Virginia Retirement System
Schedule of Pension Funding Progress

County:

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)	Funded Ratio (a/b) (d)	Annual Covered Payroll (e)	UAAL as % of Covered Payroll (c/e) (f)
June 30, 2007	\$ 9,191,106	\$ 9,966,432	\$ 775,326	92.22%	\$ 2,979,330	26.02%
June 30, 2008	10,166,194	11,216,590	1,050,396	90.64%	3,257,041	32.25%
June 30, 2009	10,201,639	11,844,058	1,642,419	86.13%	3,259,520	50.39%
June 30, 2010	10,307,316	12,914,504	2,607,188	79.81%	3,203,481	81.39%
June 30, 2011	10,612,123	13,795,446	3,183,323	76.92%	3,407,805	93.41%

School Board Non-Professional:

Actuarial Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a) (c)	Funded Ratio (a/b) (d)	Annual Covered Payroll (e)	UAAL as % of Covered Payroll (c/e) (f)
June 30, 2007	\$ 2,113,882	\$ 2,355,720	\$ 241,838	89.73%	\$ 840,924	28.76%
June 30, 2008	2,355,877	2,586,401	230,524	91.09%	927,205	24.86%
June 30, 2009	2,424,856	2,691,998	267,142	90.08%	945,058	28.27%
June 30, 2010	2,449,614	2,986,997	537,383	82.01%	903,040	59.51%
June 30, 2011	2,500,275	3,083,569	583,294	81.08%	831,998	70.11%

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OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

Debt Service Fund

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

For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental revenues:				
Federal	\$ -	\$ -	\$ 416,250	\$ 416,250
Total revenues	\$ -	\$ -	\$ 416,250	\$ 416,250
EXPENDITURES				
Debt service:				
Principal retirement	\$ 1,744,531	\$ 1,744,531	\$ 1,343,921	\$ 400,610
Interest and other fiscal charges	432,703	432,703	1,249,599	(816,896)
Total expenditures	\$ 2,177,234	\$ 2,177,234	\$ 2,593,520	\$ (416,286)
Excess (deficiency) of revenues over (under) expenditures	\$ (2,177,234)	\$ (2,177,234)	\$ (2,177,270)	\$ (36)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 2,177,270	\$ 2,177,270
Total other financing sources (uses)	\$ -	\$ -	\$ 2,177,270	\$ 2,177,270
Net change in fund balances	\$ (2,177,234)	\$ (2,177,234)	\$ -	\$ 2,177,234
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (2,177,234)	\$ (2,177,234)	\$ -	\$ 2,177,234

County Capital Improvements Fund

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

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,308	\$ 1,308
Total revenues	\$ -	\$ -	\$ 1,308	\$ 1,308
EXPENDITURES				
Capital projects	\$ 155,280	\$ 146,035	\$ 1,983,918	\$ (1,837,883)
Total expenditures	\$ 155,280	\$ 146,035	\$ 1,983,918	\$ (1,837,883)
Excess (deficiency) of revenues over (under) expenditures	\$ (155,280)	\$ (146,035)	\$ (1,982,610)	\$ (1,836,575)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 155,280	\$ 155,280	\$ 959,819	\$ 804,539
Total other financing sources (uses)	\$ 155,280	\$ 155,280	\$ 959,819	\$ 804,539
Net change in fund balances	\$ -	\$ 9,245	\$ (1,022,791)	\$ (1,032,036)
Fund balances - beginning	-	-	793,230	793,230
Fund balances - ending	\$ -	\$ 9,245	\$ (229,561)	\$ (238,806)

Debt Financed School Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 31,398	\$ 31,398
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,398</u>	<u>\$ 31,398</u>
EXPENDITURES				
Current:				
Capital projects	\$ -	\$ -	\$ 12,045,635	\$ (12,045,635)
Debt service:				
Principal retirement	-	-	14,343,329	(14,343,329)
Interest and other fiscal charges	-	-	91,786	(91,786)
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,480,750</u>	<u>\$ (26,480,750)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,449,352)</u>	<u>\$ (26,449,352)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation bonds	\$ -	\$ -	\$ 13,325,000	\$ 13,325,000
Premium on Issuance of bonds	-	-	1,210,124	1,210,124
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,535,124</u>	<u>\$ 14,535,124</u>
Net change in fund balances	\$ -	\$ -	\$ (11,914,228)	\$ (11,914,228)
Fund balances - beginning	-	-	15,573,041	15,573,041
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,658,813</u></u>	<u><u>\$ 3,658,813</u></u>

Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2012

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Special Welfare Fund:				
ASSETS				
Cash and cash equivalents	\$ 31,393	\$ 4,029	\$ 4,029	\$ 31,393
Total assets	<u>\$ 31,393</u>	<u>\$ 4,029</u>	<u>\$ 4,029</u>	<u>\$ 31,393</u>
LIABILITIES				
Amounts held for social services clients	\$ 31,393	\$ 4,029	\$ 4,029	\$ 31,393
Total liabilities	<u>\$ 31,393</u>	<u>\$ 4,029</u>	<u>\$ 4,029</u>	<u>\$ 31,393</u>
Totals - All Agency Funds:				
ASSETS				
Cash and cash equivalents	\$ 31,393	\$ 4,029	\$ 4,029	\$ 31,393
Total assets	<u>\$ 31,393</u>	<u>\$ 4,029</u>	<u>\$ 4,029</u>	<u>\$ 31,393</u>
LIABILITIES				
Amounts held for social services clients	\$ 31,393	\$ 4,029	\$ 4,029	\$ 31,393
Total liabilities	<u>\$ 31,393</u>	<u>\$ 4,029</u>	<u>\$ 4,029</u>	<u>\$ 31,393</u>

Combining Balance Sheet

Discretely Presented Component Unit - School Board

June 30, 2012

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,490,614	\$ 389,749	\$ 33,331	\$ 1,913,694
Receivables (net of allowance for uncollectibles):				
Accounts receivable	41,140	4,507	-	45,647
Due from other governmental units	839,180	23,667	-	862,847
Prepaid items	121,721	-	-	121,721
Total assets	<u>\$ 2,492,655</u>	<u>\$ 417,923</u>	<u>\$ 33,331</u>	<u>\$ 2,943,909</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 153,549	\$ -	\$ 13,481	\$ 167,030
Accrued liabilities	1,490,615	72,788	-	1,563,403
Retainage payable	-	-	18,282	18,282
Due to primary government	848,491	-	-	848,491
Total liabilities	<u>\$ 2,492,655</u>	<u>\$ 72,788</u>	<u>\$ 31,763</u>	<u>\$ 2,597,206</u>
Fund balances:				
Nonspendable:				
Prepays	\$ 121,721	\$ -	\$ -	\$ 121,721
Committed:				
Cafeteria operations	-	345,135	-	345,135
School bus garage	-	-	1,568	1,568
Unassigned	(121,721)	-	-	(121,721)
Total fund balances	<u>\$ -</u>	<u>\$ 345,135</u>	<u>\$ 1,568</u>	<u>\$ 346,703</u>
Total liabilities and fund balances	<u>\$ 2,492,655</u>	<u>\$ 417,923</u>	<u>\$ 33,331</u>	<u>\$ 2,943,909</u>

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

Total fund balances per above \$ 346,703

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

Land	\$ 277,809	
Buildings	5,125,434	
Improvements other than buildings	754,129	
Machinery, equipment, and vehicles	1,184,209	
Jointly owned assets	<u>4,740,720</u>	12,082,301

Long-term liabilities, including accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds. (516,351)

Net assets of governmental activities \$ 11,912,653

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2012

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 475	\$ -	\$ -	\$ 475
Charges for services	8,000	252,427	-	260,427
Miscellaneous	728,000	-	-	728,000
Intergovernmental revenues:				
Local government	5,499,600	-	2,980	5,502,580
Commonwealth	12,378,512	17,522	-	12,396,034
Federal	2,282,731	807,768	-	3,090,499
Total revenues	<u>\$ 20,897,318</u>	<u>\$ 1,077,717</u>	<u>\$ 2,980</u>	<u>\$ 21,978,015</u>
EXPENDITURES				
Current:				
Education	\$ 20,897,318	\$ 1,048,752	\$ -	\$ 21,946,070
Capital projects	-	-	11,902	11,902
Total expenditures	<u>\$ 20,897,318</u>	<u>\$ 1,048,752</u>	<u>\$ 11,902</u>	<u>\$ 21,957,972</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 28,965	\$ (8,922)	\$ 20,043
Net change in fund balances	\$ -	\$ 28,965	\$ (8,922)	\$ 20,043
Fund balances - beginning	-	316,170	10,490	326,660
Fund balances - ending	<u>\$ -</u>	<u>\$ 345,135</u>	<u>\$ 1,568</u>	<u>\$ 346,703</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 \$ 20,043

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	\$ 87,960	
Depreciation in current year	(711,733)	
Adjustment for jointly owned assets	319,328	(304,445)

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. This is the
 change in compensated absences.

Change in net assets of governmental activities \$ (229,612)

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, 2012

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 1,052	\$ 1,052	\$ 475	\$ (577)
Charges for services	11,557	11,557	8,000	(3,557)
Miscellaneous	439,634	480,159	728,000	247,841
Intergovernmental revenues:				
Local government	4,956,561	5,911,157	5,499,600	(411,557)
Commonwealth	12,370,514	12,388,750	12,378,512	(10,238)
Federal	2,511,905	2,632,523	2,282,731	(349,792)
Total revenues	<u>\$ 20,291,223</u>	<u>\$ 21,425,198</u>	<u>\$ 20,897,318</u>	<u>\$ (527,880)</u>
EXPENDITURES				
Current:				
Education	\$ 20,291,223	\$ 21,425,198	\$ 20,897,318	\$ 527,880
Capital projects	-	-	-	-
Total expenditures	<u>\$ 20,291,223</u>	<u>\$ 21,425,198</u>	<u>\$ 20,897,318</u>	<u>\$ 527,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Cafeteria Fund				School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
346,657	346,657	252,427	(94,230)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,980	2,980	-
16,601	16,601	17,522	921	-	-	-	-
515,226	653,586	807,768	154,182	-	-	-	-
<u>\$ 878,484</u>	<u>\$ 1,016,844</u>	<u>\$ 1,077,717</u>	<u>\$ 60,873</u>	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ 2,980</u>	<u>\$ -</u>
\$ 1,178,257	\$ 1,332,286	\$ 1,048,752	\$ 283,534	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	2,980	11,902	(8,922)
<u>\$ 1,178,257</u>	<u>\$ 1,332,286</u>	<u>\$ 1,048,752</u>	<u>\$ 283,534</u>	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ 11,902</u>	<u>\$ (8,922)</u>
\$ (299,773)	\$ (315,442)	\$ 28,965	\$ 344,407	\$ -	\$ -	\$ (8,922)	\$ (8,922)
\$ (299,773)	\$ (315,442)	\$ 28,965	\$ 344,407	\$ -	\$ -	\$ (8,922)	\$ (8,922)
299,773	315,442	316,170	728	-	-	10,490	10,490
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345,135</u>	<u>\$ 345,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568</u>	<u>\$ 1,568</u>

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Supporting Schedules

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Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,400,000	\$ 6,400,000	\$ 6,374,369	\$ (25,631)
Real and personal public service corporation taxes	1,930,000	1,930,000	2,051,823	121,823
Personal property taxes	2,300,000	2,300,000	2,321,008	21,008
Mobile home taxes	70,000	70,000	67,616	(2,384)
Machinery and tools taxes	250,000	250,000	225,900	(24,100)
Merchants' capital taxes	105,000	105,000	124,767	19,767
Aircraft taxes	900	900	1,637	737
Penalties	150,000	150,000	166,337	16,337
Interest	150,000	150,000	132,458	(17,542)
Total general property taxes	<u>\$ 11,355,900</u>	<u>\$ 11,355,900</u>	<u>\$ 11,465,915</u>	<u>\$ 110,015</u>
Other local taxes:				
Local sales and use taxes	\$ 600,000	\$ 600,000	\$ 586,753	\$ (13,247)
Consumers' utility taxes	335,000	335,000	325,341	(9,659)
Franchise license taxes	60,000	60,000	77,113	17,113
Transient occupancy taxes	10,000	10,000	6,956	(3,044)
Motor vehicle licenses	360,000	360,000	319,088	(40,912)
Bank stock taxes	20,000	20,000	30,583	10,583
Taxes on recordation and wills	83,000	83,000	59,799	(23,201)
Total other local taxes	<u>\$ 1,468,000</u>	<u>\$ 1,468,000</u>	<u>\$ 1,405,633</u>	<u>\$ (62,367)</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 4,501	\$ (499)
Permits and other licenses	66,200	66,200	53,748	(12,452)
Total permits, privilege fees, and regulatory licenses	<u>\$ 71,200</u>	<u>\$ 71,200</u>	<u>\$ 58,249</u>	<u>\$ (12,951)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 50,000	\$ 50,000	\$ 41,395	\$ (8,605)
Other fines and forfeitures	2,400	2,400	3,203	803
Total fines and forfeitures	<u>\$ 52,400</u>	<u>\$ 52,400</u>	<u>\$ 44,598</u>	<u>\$ (7,802)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 13,000	\$ 13,000	\$ 6,859	\$ (6,141)
Revenue from use of property	55,328	55,328	55,329	1
Total revenue from use of money and property	<u>\$ 68,328</u>	<u>\$ 68,328</u>	<u>\$ 62,188</u>	<u>\$ (6,140)</u>
Charges for services:				
Sheriff's fees	\$ 2,116	\$ 2,116	\$ 1,196	\$ (920)
Charges for law library	2,000	2,000	2,846	846
Excess fees of clerk	5,000	5,000	5,006	6
Charges for courthouse maintenance	6,500	6,500	5,751	(749)
Charges for parks and recreation	-	-	29,422	29,422
Miscellaneous jail and inmate fees	1,700	1,700	1,027	(673)
Courthouse security fees	27,000	27,000	22,943	(4,057)
Charges for Commonwealth's Attorney	400	400	1,130	730
Charges for local court appointed attorney	800	800	1,193	393
Charges for sanitation and waste removal	20,000	20,000	19,495	(505)
Total charges for services	<u>\$ 65,516</u>	<u>\$ 65,516</u>	<u>\$ 90,009</u>	<u>\$ 24,493</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous revenue:				
Miscellaneous	\$ 5,200	\$ 5,200	\$ 6,059	\$ 859
Service charge on tax exempt properties	8,000	8,000	12,554	4,554
Sale of salvage and surplus	-	-	5,550	5,550
Donations, etc (Sheriff)	-	-	5,000	5,000
Total miscellaneous revenue	<u>\$ 13,200</u>	<u>\$ 13,200</u>	<u>\$ 29,163</u>	<u>\$ 15,963</u>
Recovered costs:				
Care of prisoners	\$ -	\$ -	\$ 3,034	\$ 3,034
Total recovered costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,034</u>	<u>\$ 3,034</u>
Total revenue from local sources	<u>\$ 13,094,544</u>	<u>\$ 13,094,544</u>	<u>\$ 13,158,789</u>	<u>\$ 64,245</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications taxes	\$ 440,000	\$ 440,000	\$ 432,185	\$ (7,815)
Motor vehicle carriers' tax	10,000	10,000	9,329	(671)
Animal friendly plates - DMV	110	110	11	(99)
Mobile home titling tax	40,000	40,000	22,137	(17,863)
Grantor's tax on deeds	20,000	20,000	16,099	(3,901)
Auto rental tax	500	500	1,194	694
Personal property tax relief funds	1,136,914	1,136,914	1,136,914	-
Total noncategorical aid	<u>\$ 1,647,524</u>	<u>\$ 1,647,524</u>	<u>\$ 1,617,869</u>	<u>\$ (29,655)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 190,000	\$ 190,000	\$ 186,592	\$ (3,408)
Sheriff	814,892	814,892	736,362	(78,530)
Commissioner of revenue	67,371	67,371	71,957	4,586
Treasurer	82,819	82,819	75,400	(7,419)
Registrar/electoral board	43,538	51,930	42,729	(9,201)
Clerk of the Circuit Court	162,108	162,108	188,073	25,965
Total shared expenses	<u>\$ 1,360,728</u>	<u>\$ 1,369,120</u>	<u>\$ 1,301,113</u>	<u>\$ (68,007)</u>
Other categorical aid:				
Recordation tax	\$ 20,000	\$ 20,000	\$ 22,026	\$ 2,026
Fire program funds	40,000	45,910	50,550	4,640
Forest products sales	30,000	30,000	18,489	(11,511)
Arts grant	5,000	5,000	5,000	-

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
4 for life	\$ -	\$ -	\$ 14,726	\$ 14,726
E-911 grants	49,883	49,883	40,000	(9,883)
Litter control grant	6,917	5,617	5,617	-
Miscellaneous grants	5,000	5,000	-	(5,000)
Item conservation grant	-	9,916	9,916	-
Leisure and rec services	-	-	26,113	26,113
Total other categorical aid	<u>\$ 156,800</u>	<u>\$ 171,326</u>	<u>\$ 192,437</u>	<u>\$ 21,111</u>
Total categorical aid	<u>\$ 1,517,528</u>	<u>\$ 1,540,446</u>	<u>\$ 1,493,550</u>	<u>\$ (46,896)</u>
Total revenue from the Commonwealth	<u>\$ 3,165,052</u>	<u>\$ 3,187,970</u>	<u>\$ 3,111,419</u>	<u>\$ (76,551)</u>
Revenue from the federal government:				
Categorical aid:				
State and community highway safety	\$ -	\$ -	\$ 20,042	\$ 20,042
VDOT transportation enhancement	-	-	5,351	5,351
State homeland security grant	-	6,376	8,998	2,622
Total categorical aid	<u>\$ -</u>	<u>\$ 6,376</u>	<u>\$ 34,391</u>	<u>\$ 28,015</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 6,376</u>	<u>\$ 34,391</u>	<u>\$ 28,015</u>
Total General Fund	<u><u>\$ 16,259,596</u></u>	<u><u>\$ 16,288,890</u></u>	<u><u>\$ 16,304,599</u></u>	<u><u>\$ 15,709</u></u>
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ 24,500	\$ 24,500	\$ 26,981	\$ 2,481
Total revenue from local sources	<u>\$ 24,500</u>	<u>\$ 24,500</u>	<u>\$ 26,981</u>	<u>\$ 2,481</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 395,000	\$ 395,000	\$ 448,242	\$ 53,242
Comprehensive Services Act program	846,735	846,735	893,635	46,900
Total categorical aid	<u>\$ 1,241,735</u>	<u>\$ 1,241,735</u>	<u>\$ 1,341,877</u>	<u>\$ 100,142</u>
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 896,447	\$ 896,447	\$ 810,720	\$ (85,727)
Total categorical aid	<u>\$ 896,447</u>	<u>\$ 896,447</u>	<u>\$ 810,720</u>	<u>\$ (85,727)</u>
Total Virginia Public Assistance Fund	<u><u>\$ 2,162,682</u></u>	<u><u>\$ 2,162,682</u></u>	<u><u>\$ 2,179,578</u></u>	<u><u>\$ 16,896</u></u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
Intergovernmental revenues:				
Revenue from the federal government:				
Categorical aid:				
Federal tax credit	\$ -	\$ -	\$ 416,250	\$ 416,250
Total revenue from the federal government	\$ -	\$ -	\$ 416,250	\$ 416,250
Total Debt Service Fund	\$ -	\$ -	\$ 416,250	\$ 416,250
Capital Projects Funds:				
County Capital Improvements Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,308	\$ 1,308
Total revenue from local sources	\$ -	\$ -	\$ 1,308	\$ 1,308
Total County Capital Improvements Fund	\$ -	\$ -	\$ 1,308	\$ 1,308
Debt Financed School Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 31,398	\$ 31,398
Total revenue from local sources	\$ -	\$ -	\$ 31,398	\$ 31,398
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 31,398	\$ 31,398
Total Primary Government	\$ 18,422,278	\$ 18,451,572	\$ 18,933,133	\$ 481,561
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 1,052	\$ 1,052	\$ 475	\$ (577)
Charges for services:				
Tuition and other payments	\$ 11,557	\$ 11,557	\$ 8,000	\$ (3,557)
Miscellaneous revenue:				
Other miscellaneous	\$ 439,634	\$ 480,159	\$ 728,000	\$ 247,841
Total revenue from local sources	\$ 452,243	\$ 492,768	\$ 736,475	\$ 243,707

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ 4,956,561	\$ 5,911,157	\$ 5,499,600	\$ (411,557)
Total revenues from local governments	<u>\$ 4,956,561</u>	<u>\$ 5,911,157</u>	<u>\$ 5,499,600</u>	<u>\$ (411,557)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 1,957,235	\$ 1,957,235	\$ 2,000,186	\$ 42,951
Basic school aid	6,135,406	6,135,406	6,320,004	184,598
Remedial summer education	104,436	104,436	94,126	(10,310)
Regular foster care	27,707	27,707	2,727	(24,980)
Adult secondary education	46,266	88,396	-	(88,396)
Gifted and talented	62,195	62,195	63,765	1,570
Remedial education	236,613	236,613	242,582	5,969
Special education- SOQ	1,176,306	1,176,306	1,205,981	29,675
Vocational standards of quality payments	281,232	281,232	288,326	7,094
Social security fringe benefits	413,735	413,735	424,173	10,438
Retirement fringe benefits	374,525	374,525	383,973	9,448
Group life fringe benefits	14,873	14,873	15,248	375
Early reading intervention	41,923	41,923	28,684	(13,239)
ISAEF	7,859	7,859	7,859	-
Homebound education	5,180	5,180	13,849	8,669
Mentor teaching	2,424	2,424	1,689	(735)
Vocational education - equipment	6,656	6,656	6,505	(151)
Vocational occupational preparedness	24,838	24,838	19,781	(5,057)
At risk payments	291,834	291,834	299,405	7,571
Textbooks	54,840	54,840	56,224	1,384
Primary class size/K-3 initiative	207,269	207,269	217,712	10,443
Virginia Preschool Initiative	234,788	204,788	204,788	-
Standards of Learning algebra readiness	29,344	29,344	31,659	2,315
Supplemental support	175,256	175,256	179,677	4,421
Hold harmless sales tax	40,974	40,974	40,974	-
VPSA technology funds	412,000	412,000	206,000	(206,000)
Other state funds	4,800	10,906	22,615	11,709
Total categorical aid	<u>\$ 12,370,514</u>	<u>\$ 12,388,750</u>	<u>\$ 12,378,512</u>	<u>\$ (10,238)</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 711,261	\$ 762,945	\$ 600,816	\$ (162,129)
Title I (ARRA)	-	12,133	12,122	(11)
Title VI-B, special education flow-through	531,677	507,306	511,771	4,465
Vocational education	49,000	51,622	47,819	(3,803)
Title VI-B, special education pre-school	10,414	10,412	10,412	-
Title VI-B, special education pre-school (ARRA)	-	11,027	1,610	(9,417)
Drug free schools	4,066	6,475	2,409	(4,066)
Title II, Part A	166,274	136,125	99,379	(36,746)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental revenues: (Continued)				
Revenue from the federal government: (Continued)				
Categorical aid: (Continued)				
Education technology	\$ -	\$ -	\$ 6,215	\$ 6,215
Education technology (ARRA)	-	-	9,417	9,417
ROTC	53,555	53,555	56,548	2,993
USDA	-	-	26,967	26,967
Childcare food program	35,000	35,000	23,348	(11,652)
Rural and low-income schools	56,586	141,188	121,076	(20,112)
Education Job Funds	570,011	570,011	578,079	8,068
Twenty-first century community learning centers	304,919	315,582	174,743	(140,839)
Other federal funds	19,142	19,142	-	(19,142)
Total categorical aid	<u>\$ 2,511,905</u>	<u>\$ 2,632,523</u>	<u>\$ 2,282,731</u>	<u>\$ (349,792)</u>
Total School Operating Fund	<u>\$ 20,291,223</u>	<u>\$ 21,425,198</u>	<u>\$ 20,897,318</u>	<u>\$ (527,880)</u>
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 346,657	\$ 346,657	\$ 252,427	\$ (94,230)
Total revenue from local sources	<u>\$ 346,657</u>	<u>\$ 346,657</u>	<u>\$ 252,427</u>	<u>\$ (94,230)</u>
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 11,464	\$ 11,464	\$ 11,184	\$ (280)
School breakfast program	5,137	5,137	6,338	1,201
Total revenue from the Commonwealth	<u>\$ 16,601</u>	<u>\$ 16,601</u>	<u>\$ 17,522</u>	<u>\$ 921</u>
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 495,650	\$ 628,586	\$ 710,580	\$ 81,994
Fresh fruit and vegetables - FFV	19,576	25,000	26,394	1,394
Summer feeding program	-	-	16,453	16,453
USDA	-	-	1,690	1,690
Commodities	-	-	52,651	52,651
Total revenue from the federal government	<u>\$ 515,226</u>	<u>\$ 653,586</u>	<u>\$ 807,768</u>	<u>\$ 154,182</u>
Total School Cafeteria Fund	<u>\$ 878,484</u>	<u>\$ 1,016,844</u>	<u>\$ 1,077,717</u>	<u>\$ 60,873</u>
Capital Projects Fund:				
School Capital Projects Fund:				
Intergovernmental revenues:				
Revenues from local governments:				
Contribution from County of Buckingham, Virginia	\$ -	\$ 2,980	\$ 2,980	\$ -
Total revenues from local governments	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ 2,980</u>	<u>\$ -</u>
Total School Capital Projects Fund	<u>\$ -</u>	<u>\$ 2,980</u>	<u>\$ 2,980</u>	<u>\$ -</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 21,169,707</u>	<u>\$ 22,445,022</u>	<u>\$ 21,978,015</u>	<u>\$ (467,007)</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 71,562	\$ 124,351	\$ 119,572	\$ 4,779
General and financial administration:				
County administrator	\$ 164,634	\$ 175,748	\$ 178,119	\$ (2,371)
Accounting and Auditing Services	35,000	50,300	50,300	-
Cost allocation plan	3,500	3,500	3,500	-
Commissioner of revenue	205,665	205,665	216,864	(11,199)
Assessor	-	-	1,414	(1,414)
Treasurer	255,380	262,961	237,803	25,158
Finance/Human Resource	172,277	183,391	176,949	6,442
Information Technology	90,100	106,708	108,101	(1,393)
Total general and financial administration	\$ 926,556	\$ 988,273	\$ 973,050	\$ 15,223
Board of elections:				
Electoral board and officials	\$ 46,291	\$ 54,683	\$ 54,786	\$ (103)
Registrar	80,711	80,711	80,785	(74)
Total board of elections	\$ 127,002	\$ 135,394	\$ 135,571	\$ (177)
Total general government administration	\$ 1,125,120	\$ 1,248,018	\$ 1,228,193	\$ 19,825
Judicial administration:				
Courts:				
Circuit court	\$ 13,280	\$ 13,280	\$ 11,960	\$ 1,320
General district court	7,570	7,570	9,107	(1,537)
Court appointed attorney	-	-	1,036	(1,036)
Special magistrates	3,000	3,000	350	2,650
Clerk of the circuit court	304,642	314,558	323,998	(9,440)
Total courts	\$ 328,492	\$ 338,408	\$ 346,451	\$ (8,043)
Commonwealth's attorney:				
Commonwealth's attorney	\$ 382,483	\$ 398,182	\$ 380,548	\$ 17,634
Total commonwealth's attorney	\$ 382,483	\$ 398,182	\$ 380,548	\$ 17,634
Total judicial administration	\$ 710,975	\$ 736,590	\$ 726,999	\$ 9,591
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,633,429	\$ 1,722,135	\$ 1,732,585	\$ (10,450)
Selective enforcement	-	-	18,846	(18,846)
Cadre	2,500	2,500	2,500	-
Triad	2,500	2,500	2,500	-
Total law enforcement and traffic control	\$ 1,638,429	\$ 1,727,135	\$ 1,756,431	\$ (29,296)

Schedule of Expenditures - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2012 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 175,067	\$ 182,882	\$ 186,085	\$ (3,203)
Ambulance and rescue services	141,250	141,250	14,726	126,524
Forest fire prevention	25,000	25,000	26,859	(1,859)
Emergency services	235,296	231,230	223,119	8,111
Total fire and rescue services	<u>\$ 576,613</u>	<u>\$ 580,362</u>	<u>\$ 450,789</u>	<u>\$ 129,573</u>
Correction and detention:				
Piedmont Regional Jail	\$ -	\$ -	\$ 18,020	\$ (18,020)
Regional Juvenile Detention	40,000	40,000	45,887	(5,887)
Total correction and detention	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 63,907</u>	<u>\$ (23,907)</u>
Inspections:				
Building	\$ 132,838	\$ 107,931	\$ 110,826	\$ (2,895)
Total inspections	<u>\$ 132,838</u>	<u>\$ 107,931</u>	<u>\$ 110,826</u>	<u>\$ (2,895)</u>
Other protection:				
Animal control	\$ 118,455	\$ 143,719	\$ 137,526	\$ 6,193
Medical Examiner	200	200	80	120
Southside Center for Violence Prevention	5,000	5,000	-	5,000
Total other protection	<u>\$ 123,655</u>	<u>\$ 148,919</u>	<u>\$ 137,606</u>	<u>\$ 11,313</u>
Total public safety	<u>\$ 2,511,535</u>	<u>\$ 2,604,347</u>	<u>\$ 2,519,559</u>	<u>\$ 84,788</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Streetlights	\$ 3,900	\$ 3,900	\$ 5,018	\$ (1,118)
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 3,900</u>	<u>\$ 3,900</u>	<u>\$ 5,018</u>	<u>\$ (1,118)</u>
Sanitation and waste removal:				
Refuse collection and disposal	\$ 790,768	\$ 1,007,179	\$ 1,023,589	\$ (16,410)
Anti-Litter	6,917	9,035	6,732	2,303
Total sanitation and waste removal	<u>\$ 797,685</u>	<u>\$ 1,016,214</u>	<u>\$ 1,030,321</u>	<u>\$ (14,107)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 436,429	\$ 436,654	\$ 506,597	\$ (69,943)
Total maintenance of general buildings and grounds	<u>\$ 436,429</u>	<u>\$ 436,654</u>	<u>\$ 506,597</u>	<u>\$ (69,943)</u>
Total public works	<u>\$ 1,238,014</u>	<u>\$ 1,456,768</u>	<u>\$ 1,541,936</u>	<u>\$ (85,168)</u>
Health and welfare:				
Health:				
Health Department	\$ 104,298	\$ 104,298	\$ 97,484	\$ 6,814
Total health	<u>\$ 104,298</u>	<u>\$ 104,298</u>	<u>\$ 97,484</u>	<u>\$ 6,814</u>
Mental health and mental retardation:				
Crossroads Board	\$ 32,960	\$ 32,960	\$ 32,960	\$ -
Special Olympics	250	250	-	250
Total mental health and mental retardation	<u>\$ 33,210</u>	<u>\$ 33,210</u>	<u>\$ 32,960</u>	<u>\$ 250</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds

For the Year Ended June 30, 2012 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Local hospitalization program	\$ 4,374	\$ 4,374	\$ -	\$ 4,374
Area Agency on Aging	1,249	1,249	1,249	-
Tax Relief for the Elderly	-	-	26,408	(26,408)
Jaunt Inc transportation service	22,519	22,519	22,519	-
Piedmont area transit	10,000	10,000	10,000	-
VA legal aid	4,627	4,627	4,627	-
Meals on Wheels of Buckingham	6,000	6,000	6,000	-
Total welfare	<u>\$ 48,769</u>	<u>\$ 48,769</u>	<u>\$ 70,803</u>	<u>\$ (22,034)</u>
Total health and welfare	<u>\$ 186,277</u>	<u>\$ 186,277</u>	<u>\$ 201,247</u>	<u>\$ (14,970)</u>
Education:				
Other instructional costs:				
Contributions to colleges and agencies	\$ 18,883	\$ 18,883	\$ 17,289	\$ 1,594
Contribution to Buckingham County School Board	4,956,561	5,911,157	5,502,580	408,577
Total education	<u>\$ 4,975,444</u>	<u>\$ 5,930,040</u>	<u>\$ 5,519,869</u>	<u>\$ 410,171</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 143,890	\$ 146,265	\$ 146,786	\$ (521)
Programs	-	-	32,395	(32,395)
Total parks and recreation	<u>\$ 143,890</u>	<u>\$ 146,265</u>	<u>\$ 179,181</u>	<u>\$ (32,916)</u>
Cultural enrichment:				
Arts Council	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Longwood Center For the Visual Arts	1,063	1,063	-	1,063
VA Retreat	4,500	4,500	4,500	-
Total cultural enrichment	<u>\$ 15,563</u>	<u>\$ 15,563</u>	<u>\$ 14,500</u>	<u>\$ 1,063</u>
Library:				
Reading is Fundamental	\$ 500	\$ 500	\$ -	\$ 500
Regional library	144,113	144,113	144,113	-
Total library	<u>\$ 144,613</u>	<u>\$ 144,613</u>	<u>\$ 144,113</u>	<u>\$ 500</u>
Total parks, recreation, and cultural	<u>\$ 304,066</u>	<u>\$ 306,441</u>	<u>\$ 337,794</u>	<u>\$ (31,353)</u>
Community development:				
Planning and community development:				
Planning	\$ 78,920	\$ 78,920	\$ 81,545	\$ (2,625)
Planning District Commission	15,700	15,700	15,700	-
Economic Development	-	-	446	(446)
Longwood Small Business Development Center	5,849	5,849	5,849	-
Southeast RCAP	1,000	1,000	1,000	-
Total planning and community development	<u>\$ 101,469</u>	<u>\$ 101,469</u>	<u>\$ 104,540</u>	<u>\$ (3,071)</u>
Environmental management:				
Peter Francisco Soil and Water Conservation	\$ 9,500	\$ 9,500	\$ 9,500	\$ -
RC&D	1,406	1,406	1,406	-
Total environmental management	<u>\$ 10,906</u>	<u>\$ 10,906</u>	<u>\$ 10,906</u>	<u>\$ -</u>

Schedule of Expenditures - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2012 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Cooperative extension office	\$ 65,503	\$ 65,503	\$ 63,202	\$ 2,301
Total cooperative extension program	\$ 65,503	\$ 65,503	\$ 63,202	\$ 2,301
Total community development	\$ 177,878	\$ 177,878	\$ 178,648	\$ (770)
Nondepartmental:				
Bank Charges - Bank of America	\$ 20,000	\$ 20,000	\$ 32,320	\$ (12,320)
Unemployment insurance	5,000	5,000	12,439	(7,439)
Worker's compensation	50,000	50,000	39,372	10,628
School sewer contract	60,000	60,000	90,546	(30,546)
Total nondepartmental	\$ 135,000	\$ 135,000	\$ 174,677	\$ (39,677)
Total General Fund	\$ 11,364,309	\$ 12,781,359	\$ 12,428,922	\$ 352,437
Special Revenue Fund:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 1,158,393	\$ 1,158,393	\$ 1,129,543	\$ 28,850
Public assistance	413,200	413,200	396,598	16,602
Comprehensive services	1,080,446	1,080,446	1,206,305	(125,859)
Total welfare and social services	\$ 2,652,039	\$ 2,652,039	\$ 2,732,446	\$ (80,407)
Total Virginia Public Assistance Fund	\$ 2,652,039	\$ 2,652,039	\$ 2,732,446	\$ (80,407)
Debt Service Fund:				
Debt service:				
Principal retirement	\$ 1,744,531	\$ 1,744,531	\$ 1,343,921	\$ 400,610
Interest and other fiscal charges	432,703	432,703	1,249,599	(816,896)
Total Debt Service Fund	\$ 2,177,234	\$ 2,177,234	\$ 2,593,520	\$ (416,286)
Capital Projects Funds:				
County Capital Improvements Fund:				
Capital projects expenditures:				
Fire departments	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Rescue squad	50,000	50,000	-	50,000
Solid waste recycling centers	15,000	5,755	-	5,755
Recreation department - storage building	10,280	10,280	10,931	(651)
County admin project	-	-	1,649,909	(1,649,909)
County ss/health dept renovation project	-	-	243,078	(243,078)
Total capital projects	\$ 155,280	\$ 146,035	\$ 1,983,918	\$ (1,837,883)
Total County Capital Improvements Fund	\$ 155,280	\$ 146,035	\$ 1,983,918	\$ (1,837,883)

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2012 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Funds: (Continued)				
Debt Financed School Capital Projects Fund:				
Capital projects expenditures:				
Elementary school renovation	\$ -	\$ -	\$ 12,045,635	\$ (12,045,635)
Total capital projects	\$ -	\$ -	\$ 12,045,635	\$ (12,045,635)
Debt service:				
Principal retirement	\$ -	\$ -	\$ 14,343,329	\$ (14,343,329)
Interest and other fiscal charges	-	-	91,786	(91,786)
Total debt service	\$ -	\$ -	\$ 14,435,115	\$ (14,435,115)
Total Debt Financed School Capital Projects Fund	\$ -	\$ -	\$ 26,480,750	\$ (26,480,750)
Total Primary Government	\$ 16,348,862	\$ 17,756,667	\$ 46,219,556	\$ (28,462,889)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, attendance and health	\$ 877,763	\$ 1,085,339	\$ 1,114,582	\$ (29,243)
Instruction	15,016,673	15,104,151	14,734,737	369,414
Operation and maintenance services	1,794,454	2,011,198	1,997,931	13,267
Pupil transportation	1,486,735	2,071,473	1,956,399	115,074
Child care food and community service	44,258	44,258	54,862	(10,604)
Total administration of schools	\$ 19,219,883	\$ 20,316,419	\$ 19,858,511	\$ 457,908
Capital Projects:				
School capital outlay/capital projects	\$ 870	\$ 870	\$ 44,071	\$ (43,201)
Technology	1,070,470	1,107,909	994,736	113,173
Total Capital Projects	\$ 1,071,340	\$ 1,108,779	\$ 1,038,807	\$ 69,972
Total education	\$ 20,291,223	\$ 21,425,198	\$ 20,897,318	\$ 527,880
Total School Operating Fund	\$ 20,291,223	\$ 21,425,198	\$ 20,897,318	\$ 527,880
Special Revenue Fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,178,257	\$ 1,332,286	\$ 996,101	\$ 336,185
Commodities	-	-	52,651	(52,651)
Total school food services	\$ 1,178,257	\$ 1,332,286	\$ 1,048,752	\$ 283,534
Total education	\$ 1,178,257	\$ 1,332,286	\$ 1,048,752	\$ 283,534
Total School Cafeteria Fund	\$ 1,178,257	\$ 1,332,286	\$ 1,048,752	\$ 283,534
School Capital Projects Fund:				
Capital projects expenditures:				
School repairs	\$ -	\$ 2,980	\$ -	\$ 2,980
School bus garage	-	-	11,902	(11,902)
Total capital projects	\$ -	\$ 2,980	\$ 11,902	\$ (8,922)
Total School Capital Projects Fund	\$ -	\$ 2,980	\$ 11,902	\$ (8,922)
Total Discretely Presented Component Unit - School Board	\$ 21,469,480	\$ 22,760,464	\$ 21,957,972	\$ 802,492

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Statistical Information

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COUNTY OF BUCKINGHAM, VIRGINIA

Table 1

Government-Wide Expenses by Function
Last Ten Fiscal Years

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 3

General Governmental Expenditures by Function (1)

Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Non-departmental	Debt Service (3)	Total
2002-03	\$ 754,145	\$ 297,018	\$ 1,860,215	\$ 795,216	\$ 1,989,795	\$ 17,205,984	\$ 153,757	\$ 160,108	\$ 253,947	\$ 357,400	\$ 23,827,585
2003-04	719,335	339,804	1,944,028	960,951	1,923,270	18,412,766	190,125	144,389	437,159	1,135,817	26,207,644
2004-05	792,339	344,726	1,962,848	991,456	2,262,954	19,576,309	195,647	119,916	312,203	1,051,617	27,610,015
2005-06	1,012,110	481,403	2,637,375	1,092,758	2,434,159	19,210,783	208,743	145,759	132,266	1,374,382	28,729,738
2006-07	1,134,174	478,940	2,446,075	1,297,576	2,440,479	21,053,222	250,021	168,603	117,448	1,980,474	31,367,012
2007-08	1,082,319	541,288	2,734,527	1,327,749	2,318,517	22,069,288	288,233	164,538	153,775	2,051,733	32,731,967
2008-09	1,205,801	600,952	3,281,609	1,290,292	2,844,876	22,981,348	320,903	181,164	148,315	1,896,398	34,751,658
2009-10	1,456,324	632,614	2,616,176	1,277,735	2,619,740	22,756,388	474,857	178,977	174,583	1,866,657	34,054,051
2010-11	1,153,471	654,802	2,587,032	1,268,721	2,745,685	21,371,496	337,377	191,679	176,258	1,812,632	32,299,153
2011-12	1,228,193	726,999	2,519,559	1,541,936	2,933,693	21,963,359	337,794	178,648	174,677	2,593,520	34,198,378

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 4

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (2)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (3)	Total
2002-03	\$ 6,184,209	\$ 2,085,720	\$ 51,021	\$ 2,070	\$ 225,922	\$ 335,499	\$ 302,998	\$ -	\$ 17,359,549	\$ 26,546,988
2003-04	6,091,061	1,704,896	56,682	2,207	95,081	353,331	351,310	-	18,666,442	27,321,010
2004-05	6,286,375	1,842,990	58,830	9,297	174,274	395,909	407,738	-	19,005,727	28,181,140
2005-06	6,661,461	1,870,553	105,963	29,580	326,564	402,581	389,918	-	20,824,727	30,611,347
2006-07	7,166,185	1,869,757	79,173	33,535	363,992	419,510	582,653	45,262	20,908,339	31,468,406
2007-08	8,165,190	1,972,396	89,059	32,426	268,844	421,092	688,166	19,738	20,835,242	32,492,153
2008-09	9,451,458	1,865,115	75,292	68,577	127,372	409,788	850,476	37,901	22,393,726	35,279,705
2009-10	9,741,625	3,129,756	84,822	58,038	77,656	357,233	714,329	30,929	21,705,834	35,900,222
2010-11	10,563,656	1,558,471	61,439	56,670	69,642	338,340	906,055	22,447	20,923,637	34,500,357
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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total		Current		Percent of Levy Collected	Delinquent		Percent of		Percent of	
	Tax Levy (1)	Tax Collections (1)	Tax Collections (1)	Tax Collections (1)		Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Delinquent Taxes to Tax Levy			
2002-03	\$ 7,126,299	\$ 6,762,018	\$ 94.89%	\$ 285,680	\$ 7,047,698	98.90%	\$ 574,458	8.06%			
2003-04	7,303,679	6,822,595	93.41%	220,063	7,042,658	96.43%	1,044,210	14.30%			
2004-05	7,247,208	6,842,466	94.42%	299,643	7,142,109	98.55%	1,347,240	18.59%			
2005-06	7,627,643	7,178,830	94.12%	414,961	7,593,791	99.56%	1,349,168	17.69%			
2006-07	7,978,350	7,598,725	95.24%	441,133	8,039,858	100.77%	1,590,644	19.94%			
2007-08	9,261,316	8,944,524	96.58%	325,943	9,270,467	100.10%	1,725,865	18.64%			
2008-09	10,777,878	9,787,442	90.81%	542,113	10,329,555	95.84%	2,080,149	19.30%			
2009-10	10,589,590	9,923,038	93.71%	619,631	10,542,669	99.56%	1,715,573	16.20%			
2010-11	11,439,032	10,550,992	92.24%	851,970	11,402,962	99.68%	1,670,822	14.61%			
2011-12	12,433,137	11,649,756	93.70%	654,278	12,304,034	98.96%	2,229,361	17.93%			

(1) Exclusive of penalties and interest.

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years

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

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

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

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Mobile Homes	Personal Property (2)	Machinery and Tools (2)	Merchants' Capital	Aircraft (3)
	1st Half	2nd Half					
2002-03	\$ 0.58	\$ 0.58	\$ 0.58	4.05	\$ 2.90	1.00	-
2003-04	0.58	0.58	0.58	4.05	2.90	1.00	-
2004-05	0.58	0.58	0.58	4.05	2.90	1.00	-
2005-06	0.58	0.58	0.58	4.05	2.90	1.00	-
2006-07	0.58	0.58	0.58	4.05	2.90	1.00	-
2007-08	0.58	0.44	0.58	4.05	2.90	1.00	-
2008-09	0.44	0.44	0.44	4.05	2.90	1.00	-
2009-10	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2010-11	0.44	0.44	0.44	4.05	2.90	1.00	0.55
2011-12	0.44	0.44	0.44	4.05	2.90	1.00	0.55

(1) Per \$100 of assessed value.

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

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

COUNTY OF BUCKINGHAM, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Less:		Gross Bonded Debt (3)	Net Bonded Debt	Ratio of	
			Debt Service Monies Available	Net Bonded Debt			Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2002-03	15,700	\$ 813,180	\$ -	-	15,904,220	15,904,220	1.96%	\$ 1,013
2003-04	15,900	826,540	-	-	24,930,012	24,930,012	3.02%	1,568
2004-05	16,100	831,433	-	-	24,399,791	24,399,791	2.93%	1,516
2005-06	15,977	851,724	-	-	22,537,793	22,537,793	2.65%	1,411
2006-07	16,341	877,017	-	-	21,539,200	21,539,200	2.46%	1,318
2007-08	16,342	1,236,166	-	-	20,511,736	20,511,736	1.66%	1,255
2008-09	16,547	1,632,911	-	-	19,463,062	19,463,062	1.19%	1,176
2009-10	16,814	1,633,129	-	-	18,395,228	18,395,228	1.13%	1,094
2010-11	17,182	1,840,660	-	-	42,076,504	42,076,504	2.29%	2,449
2011-12	17,143	2,043,606	-	-	39,714,254	39,714,254	1.94%	2,317

(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
2002-03	\$ 202,684	\$ 154,716	\$ 357,400	\$ 23,827,585	1.50%
2003-04	511,208	624,609	1,135,817	26,207,644	4.33%
2004-05	518,350	533,267	1,051,617	27,610,015	3.81%
2005-06	527,049	847,333	1,374,382	28,729,738	4.78%
2006-07	952,629	1,027,845	1,980,474	31,367,012	6.31%
2007-08	1,115,489	936,244	2,051,733	32,731,967	6.27%
2008-09	1,010,442	885,956	1,896,398	34,751,658	5.46%
2009-10	1,030,872	835,785	1,866,657	34,054,051	5.48%
2010-11	830,343	982,289	1,812,632	32,299,153	5.61%
2011-12	1,343,921	1,249,599	2,593,520	34,198,378	7.58%

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

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COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Buckingham, Virginia, as of and for the year ended June 30, 2012, which collectively comprise the County of Buckingham, Virginia's basic financial statements and have issued our report thereon dated February 22, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted other matters involving the internal control and its operation that we have reported to management of the County of Buckingham, Virginia in a separate letter dated February 22, 2013.

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

Robinson, Turner, Co. Associates
Charlottesville, Virginia
February 22, 2013

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

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

Compliance

We have audited County of Buckingham, Virginia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of County of Buckingham, Virginia's major federal programs for the year ended June 30, 2012. County of Buckingham, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County of Buckingham, Virginia's management. Our responsibility is to express an opinion on the County of Buckingham, Virginia's compliance based on our audit.

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

In our opinion, County of Buckingham, Virginia complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

Robinson, Turner, & Associates
Charlottesville, Virginia

February 22, 2013

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

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	0950111	\$ 11,260
Temporary Assistance for Needy Families (TANF)	93.558	0400111/0400112	173,492
Refugee and Entrant Assistance - State Administered Programs	93.566	0500111/0500112	268
Low-Income Home Energy Assistance	93.568	0600411/0600412	15,311
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	93.575	0770110/0770111	61,763
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760111/0760112	29,701
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900111/0900112	496
Foster Care - Title IV-E	93.658	1100111/1100112	75,044
Adoption Assistance	93.659	1120111/1120112	40,612
Social Services Block Grant	93.667	1000111/1000112	104,089
Chafee Foster Care Independence Program	93.674	9150111/9150112	1,354
Children's Health Insurance Program	93.767	0540111/0540112	5,207
Medical Assistance Program	93.778	1200111/1200112	110,054
Total Department of Health and Human Services			\$ 628,651
Department of Agriculture:			
Direct Payments:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 4,252,337
Total Department of Agriculture - direct payments			\$ 4,252,337
Pass Through Payments:			
Child Nutrition Cluster:			
Department of Agriculture:			
Food Distribution - School Nutrition Program	10.555	406230	\$ 52,316
Department of Education:			
National School Lunch Program	10.555	406230	509,156 \$ 561,472
Department of Agriculture:			
Food Distribution - Summer Food Service Program	10.559	Unknown	\$ 335
Department of Education:			
Summer Food Service Program for Children	10.559	Unknown	68,458 68,793
School Breakfast Program	10.553	405910	201,424
Department of Education:			
Fresh fruit and vegetable program	10.582	405990	26,394
Virginia Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010111/0010112/ 0040111/0040112	182,069
Total Department of Agriculture			\$ 5,292,489

COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2012

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Defense: Direct Payments: ROTC	12.000	N/A	\$ 56,548
Department of Homeland Security: Pass Through Payments: Department of Emergency Services: State Homeland Security Program (SHSP)	97.071	11-A2284HS10	\$ 6,376
Total Department of Homeland Security			\$ 6,376
Department of Justice: Pass Through Payments: Department of Criminal Justice Services: Edward Byrne Memorial Justice Assistance Grant Program	16.738	11-M1127L010	\$ 2,622
Total Department of Justice			\$ 2,622
Department of Transportation: Pass Through Payments: Virginia Department of Transportation: Highway Planning and Construction	20.205	EN05-014-110, P101	\$ 5,351
Department of Motor Vehicles: Alcohol Open Container Requirements	20.607	154AL-2012-52252- 4630/154AL-2011-51277- 4219	20,042
Total Department of Transportation			\$ 25,393
Department of Education: Pass Through Payments: Virginia Department of Education: Title I, Part A Cluster: Title I - Grants to Local Educational Agencies	84.010	429010	\$ 600,816
ARRA-Title I - Grants to Local Educational Agencies	84.389	429130	12,122
Special Education Cluster: Special Education - Grants to States (IDEA, Part B)	84.027	430710	511,771
Special Education - Preschool Grants (IDEA Preschool)	84.173	625210	10,412
ARRA-Special Education - Preschool Grants (IDEA Preschool)	84.392	612470	1,610
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	610950	47,819
Safe and Drug-Free Schools and Communities - State Grants	84.186	605110	2,409
Twenty-first Century Community Learning Centers	84.287	605650	174,743
Educational Technology State Grants Cluster: Education Technology State Grants	84.318	616000	6,215
ARRA-Education Technology State Grants	84.386	608970	9,417
Rural Education	84.358	434810	121,076
Improving Teacher Quality State Grants	84.367	614800/867390	99,379
ARRA-Education Jobs Funds	84.410	627000	578,079
Total Department of Education			\$ 2,175,868
Total Expenditures of Federal Awards			\$ 8,187,947

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, 2012

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Buckingham, Virginia under programs of the federal government for the year ended June 30, 2012. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the County of Buckingham, Virginia, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Buckingham, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - 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	\$ 34,391
Special Revenue Fund:	
Virginia Public Assistance Fund	810,720
Debt Service Fund	416,250
Proprietary Funds:	
Water and Sewer Funds (including loan proceeds)	4,252,337
Total primary government	<u>\$ 5,513,698</u>

Component Unit School Board:

School Operating Fund	\$ 2,282,731
School Cafeteria Fund	807,768
Total component unit school board	<u>\$ 3,090,499</u>

Total federal expenditures per basic financial statements	<u>\$ 8,604,197</u>
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BABs interest subsidy	<u>\$ (416,250)</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 8,187,947</u></u>
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COUNTY OF BUCKINGHAM, VIRGINIA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
10.760	Water and Waste Disposal Systems for Rural Communities
84.010/84.389	Title I, Part A Cluster
84.410	ARRA - Education Jobs Funds

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

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, 2012

There were no findings reported for the year ended June 30, 2011.

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