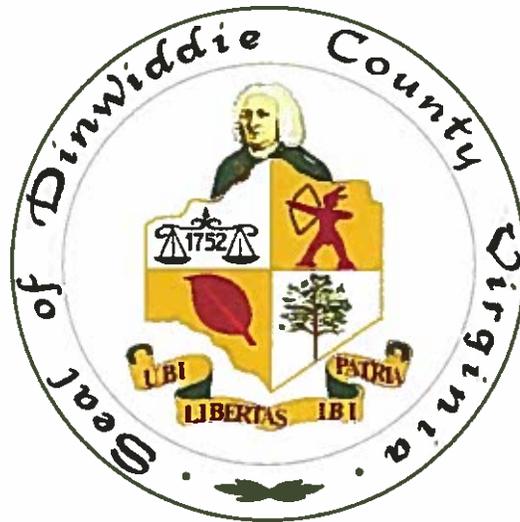


*Comprehensive Annual
Financial Report
Fiscal Year Ended
June 30, 2014*

County of Dinwiddie, Virginia



Prepared by:

**Finance Department
County of Dinwiddie, Virginia**



DIXON HUGHES GOODMAN^{LP}
Certified Public Accountants and Advisors

County of Dinwiddie, Virginia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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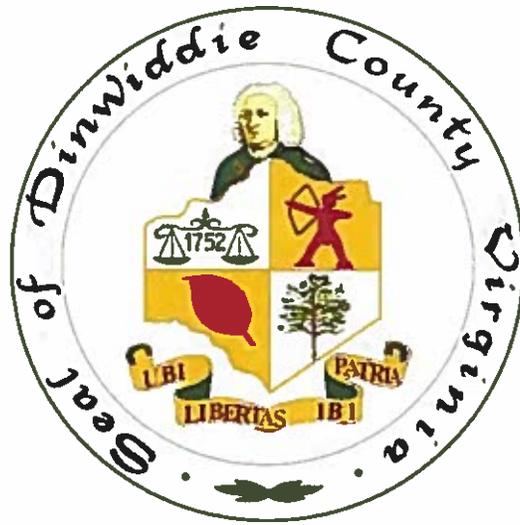
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County of Dinwiddie, Virginia

Introductory Section (Unaudited)

Year Ended June 30, 2014



County of Dinwiddie

BOARD OF SUPERVISORS

WILLIAM D. CHAVIS
BRINDA K. BRON-HONNER
DANIEL D. LEE
HARRISON A. MOODY
DR. MARK E. MOORE



COUNTY ADMINISTRATOR

W. KEVIN MASSENGILL

FOUNDED 1752

December 2, 2014

To the Honorable Members of the Board of Supervisors and the citizens of Dinwiddie County, Virginia:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for Dinwiddie County (the County) for the fiscal year ended June 30, 2014. The Code of Virginia (Section 15.2-2511) requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report has been prepared by the County's Accounting Department in accordance with standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the Auditor of Public Accounts (APA).

County management assumes full responsibility for the completeness and reliability of the information presented in this report. To this end, the County has established a comprehensive framework of internal controls to ensure compliance with applicable laws, regulations, and County policies; to safeguard the County's assets; and to compile sufficient reliable information for the preparation of GAAP financial statements. Because the cost of internal controls should not outweigh their benefits, this internal control framework has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of the various funds and component units of the County.

To provide the required, independent review and confirmation of management's representations, the County's financial statements have been audited by Dixon Hughes Goodman LLP, licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. Therefore, the independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2014 are fairly presented in all material respects and in conformity with GAAP. The auditors' report is presented as the first component of the financial section of the CAFR.

Immediately following the independent auditors' report in the CAFR is Management's Discussion and Analysis (MD&A). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and be read in conjunction with the MD&A.

The audited basic financial statements and notes to those financial statements then follow the MD&A in the CAFR. The supplementary information, supporting schedules, and statistical tables provided after the basic financial statements and notes contain more detailed information in support of the basic financial statements and are unaudited.

Dinwiddie County, as a recipient of federal funds, is also required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Amendments of 1996, U.S. Office of Management and Budget's Circular A-133, and the specifications of *Audits of Counties, Cities and Towns* issued by the APA. The standards governing Single Audit engagements require the independent auditor to report on the fair presentation of the financial statements as well as on the County's internal controls and compliance with legal requirements, especially those involving the administration of federal awards. Reports on the Single Audit are located in the Compliance Section at the end of the CAFR.

Profile of the Government

Dinwiddie County was established May 1, 1752, from Prince George County and was named after Robert Dinwiddie, Lieutenant Governor of Virginia from 1751 to 1758. Its first inhabitants can be traced back to the Paleolithic period, with early stone tools from this period having been discovered in various fields within the County. During the Civil War, Dinwiddie County had more battles fought within its boundaries than in any other location in the United States, and is home to Pamplin Historical Park and the National Museum of the Civil War Soldier.

Part of Virginia's Appomattox Basin, Dinwiddie County occupies 504 square miles in the southeastern section of Virginia, located within several hours of Washington, D.C., the Atlantic Ocean beaches, or the Blue Ridge mountains. It is bordered by the Nottoway and Appomattox Rivers and the counties of Chesterfield, Amelia, Nottoway, Brunswick, Greensville, Sussex, and Prince George. Interstates 85 and 95 provide north-south access, and U.S. Route 460 provides an east-west transportation route. The East Coast's main switching station for two major railroad lines, the Dinwiddie County Airport, and the Dinwiddie County Commerce Park help to promote economic opportunity for the County. Sports tourism and agri-tourism have also become important aspects of the County's economy in recent years.

Dinwiddie County offers a blend of suburban and rural living, with agriculture contributing significantly to the economy and the quality of life that its approximately 28,864 residents enjoy. Lake Chesdin, located along the northern rim of Dinwiddie County, provides numerous recreational opportunities. The Town of McKenney, with a population of approximately 477, is the only incorporated town located within the County.

Dinwiddie County has a traditional form of county government, guided by an elected five member Board of Supervisors and five elected Constitutional Officers – Commonwealth's Attorney, Commissioner of the Revenue, Treasurer, Sheriff, and Clerk of the Circuit Court. The County Administrator and his staff are responsible for carrying out the policies of the Board of Supervisors while providing a full range of services including general government administration; judicial administration; public safety; public works; health and welfare; and community development. Fire protection services are provided by volunteers who receive financial and administrative support from the County, and emergency medical services are provided through a combination of paid staff and volunteers.

Public education in the County is administered by the Dinwiddie County School Board. The School Board is a separate legal entity with five elected board members. However, since the School Board has no independent revenue-raising authority and is fiscally dependent on the local government, the County is financially accountable for the school system in its CAFR. In order to provide a comprehensive view of the County's financial status, school financial activities are reported separately within the financial statements as a component unit.

The Industrial Development Authority of Dinwiddie County, the Dinwiddie County Water Authority, and the Dinwiddie Airport and Industrial Authority are also legally separate entities, but financially dependent upon the County, and are therefore discretely presented as component units in the CAFR. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government (the County). More information on component units may be found in the Notes to the Financial Statements.

The Code of Virginia requires the County to maintain a balanced budget in each fiscal year, and Dinwiddie County's annual budget serves as the foundation for financial planning and control. These budgetary controls ensure compliance with provisions embodied in the annual appropriated budget approved by the Board of Supervisors. The budget process begins each fall with County departments, Constitutional Offices, and outside agencies submitting requests to County Administration by the date established in the budget calendar. After a series of work sessions with the Board of Supervisors, County Administration and staff, the County Administrator then submits to the Board of Supervisors a budget which includes proposed operating, capital, and debt service expenditures and the means of financing such expenditures. Public hearings are held to obtain citizen comments on the proposed tax rates and budget. After consideration of public comment, the Board of Supervisors sets the tax rates and approves the annual budget. The budget is implemented through annual appropriation, with supplemental appropriations approved by the Board of Supervisors as necessary during the fiscal year in accordance with the Code of Virginia (Section 15.2-2507). Budgetary compliance is monitored through on-line and monthly financial reports provided to County departments and the Board of Supervisors by County Administration.

Factors Affecting the Government's Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered in the broader perspective of the environment within which Dinwiddie County operates.

Local Economy

Despite challenging national economic conditions, Dinwiddie has maintained population growth, business investment and positive economic activity. When considering the population change from 2000 to 2010 within the overall Tri-Cities/Tri-County Region (Cities of Petersburg, Hopewell, Colonial Heights and Counties of Chesterfield, Dinwiddie, and Prince George), Dinwiddie County was the second fastest growing community with a 14.1% increase. This trend has also continued since 2010, with the population increasing from 28,001 to 28,864.

Based on available economic data, the FY 2014 local unemployment rate was 6.1%, 1.2% lower than the prior fiscal year's unemployment rate of 7.3%, and in between Virginia's FY 2014 rate of 5.3% and the national rate of 6.8%. This decline can be attributed in part to the expansion of several existing businesses and the location of several new businesses in the County during FY 2014. Predominant industries/employers in the County are distribution, government, advanced manufacturing, forestry, mining, and agriculture. With the County located between two military installations, national defense spending in the region has somewhat insulated the County from the sharp downturns in the economy over the past several years.

Local sales tax revenue, which can also be an indication of the overall condition of the County's economy, shows steady growth in FY 2014 with receipts 5.6% higher than FY 2013. New home construction in FY 2014 yielded 70 homes being added to the County's real estate tax book. That was a slight decrease from last fiscal year which yielded an additional 74 homes. FY 2014 experienced a very stable real estate market with the sales ratio finishing at approximately 96% overall. This is an indication that sales to assessments are holding very steady -- the County's last general tax reassessment was effective January 1, 2013. Additionally, 181 new business licenses were issued in FY 2014, which reflects an increase from the year before. Overall, Dinwiddie County has demonstrated an even real estate market and an increase in the business base over the course of the last fiscal year.

Long-term Financial Planning

Both County staff and external financial advisors, as needed, provide guidance in addressing the long term capital and operating needs of the County. One result of this guidance is the preparation of a five year Capital Improvements Plan (CIP). The CIP reflects the County's strategic initiatives and is adopted annually by the Board of Supervisors, with the first year funding appropriated and the remaining four years provided for planning purposes. The FY 2014-2018 CIP projects represent the Board of Supervisors' commitment to education, public safety and improving the quality of life in the County through recreational opportunities. The County utilizes a balanced approach to capital project funding, using a combination of debt financing, draws on unassigned fund balance, and pay-as-you-go current year appropriations.

Financial Policies

The larger the unassigned general fund balance, the greater the County's ability to cope with financial emergencies, fluctuations in revenues, and to maintain bond rating agencies' expectations. With the debt financing of a new high school and a new elementary school, the County received its first public credit rating of A+ from Standard & Poors in 2004, an upgraded rating to AA- in 2008, and most recently an upgraded rating to AA in 2014.

The County has established and maintained an unassigned general fund balance target rate of at least 15% of total budgeted expenditures less annual debt service payments and bonds proceeds expenditures. Funds in excess of the targeted 15% fund balance may be considered to supplement "pay as you go" capital outlay expenditures, other non-recurring expenditures or as additions to fund balance.

In addition, the County strives to maintain a diversified and stable revenue system to shelter the government from fluctuations in any one revenue source and ensure its ability to provide ongoing services. The County intends for ongoing expenditures to be funded through ongoing revenues, not one-time revenue sources. One-time or other special revenues will not be used to finance continuing County operations, but instead will be used for special projects such as CIP projects.

Major Initiatives in FY 2014

Designed to enhance levels of service provided to County residents while maintaining an effective and efficient government, the following projects were initiated and/or completed during FY 2014:

- ❖ Opened the Old Stage Road Manned Waste Convenience Site as a part of the County's waste management plan to eliminate unmanned dumpster sites.
- ❖ Purchased three tankers and two ambulances as a part of the County's Fire and EMS Apparatus Program.
- ❖ Replaced two volunteer fire department parking lots as part of the County's commitment to the volunteer fire system.
- ❖ Installed a state-of-the-art security system in the County Courthouse to address security concerns in today's environment.
- ❖ Took advantage of several grant opportunities to help fund public safety information technology and telecommunication upgrades – mobile data terminals in public safety vehicles; E911 phone system; and law enforcement records management and computer-aided dispatch (CAD) systems.
- ❖ Replaced vehicles and renovated a donated building into a training/investigations center for the Sheriff's Office.
- ❖ Completed renovation of the Animal Shelter to meet State Veterinarian regulations.
- ❖ Provided funding to the School system for school buses and football stadium restroom renovations.
- ❖ The findings of a space needs assessment for Health and Human Services, Administration, and Public Safety resulted in the commission of a Government Facilities Master Plan; the administration building roof replacement; and relocation of the Social Services Department to a recently vacated school.
- ❖ Sold a vacated school to an expanding County business and also sold a recently acquired piece of property to a new business, both of which increase the tax base and provide additional employment opportunities.
- ❖ Planned the renovation of a donated building to create the McKenney Recreation Center to address the recreational needs of residents in the southern part of the County.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the accounting staffs of the County, Schools, and Department of Social Services; the Treasurer's Office; and Commissioner of the Revenue. Additionally, this report reflects the results of the Board of Supervisors' commitment to financial excellence, and we appreciate their continued support of the financial management of Dinwiddie County.

Respectfully submitted,



W. Kevin Massengill
County Administrator



Anne R. Howerton, CPA
Division Chief, Finance and General Services

*County of Dinwiddie, Virginia
Official Directory*

June 30, 2014

Board of Supervisors

William D. Chavis, Chairperson
Daniel D. Lee, Vice-Chairperson

Brenda K. Ebron-Bonner
Dr. Mark E. Moore

Harrison A. Moody

School Board

Barbara T. Pittman, Chairperson
Sherilyn H. Merritt, Vice-Chairperson

Kelley B. Frakes
William R. Haney

Gregory K. McCammon

Board of Social Services

Cheryl P. Martinez, Chairperson
Kathy Young, Vice-Chairperson

Carla W. Brandon
Brenda K. Ebron-Bonner

Elois Evans
Yvonne Stewart

Industrial Development Authority

Franklin Zitta, Chairperson
Victoria Heller, Vice-Chairperson
Thomas Hooker, Treasurer

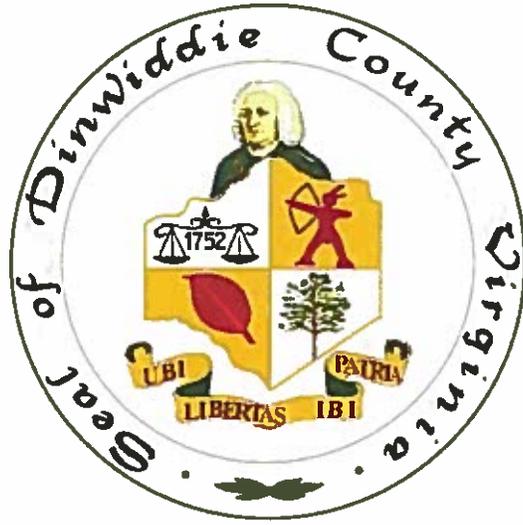
W. Alan Kissner
David Lyle

George M. Rapp
Maxwell Watkins

Other Officials

Chief Judge of the Circuit Court
Clerk of the Circuit Court
Commonwealth's Attorney
Chief Judge of the General District Court
Chief Judge of the Juvenile and Domestic Relations Court
Treasurer
Sheriff
Superintendent of Schools
Clerk of the School Board
Superintendent of Public Welfare
Commissioner of the Revenue
County Administrator
County Attorney
Division Chief: Finance and General Services
Division Chief: Fire and EMS Services
Division Chief: Planning and Community Development

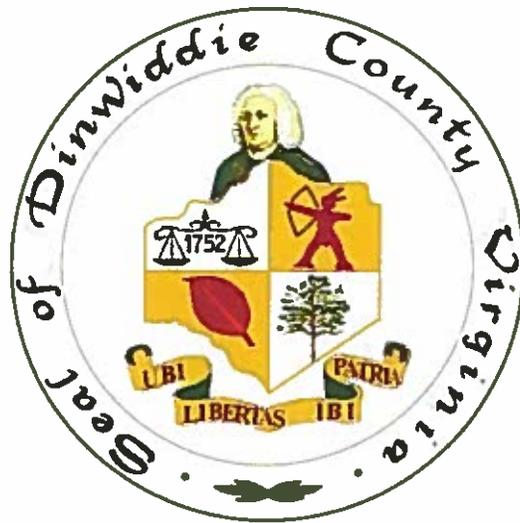
Pamela Baskervill
J. Barrett Chappell, Jr.
Lisa Caruso
Mayo K. Gravatt
Valentine Southall, Jr.
Jennifer C. Perkins
D. T. "Duck" Adams
W. David Clark
Bonnie Gholson
Rose Mastracco
Lori K. Stevens
W. Kevin Massengill
Tyler Southall
Anne Howerton
Dennis Hale
Tammie Collins



County of Dinwiddie, Virginia

Financial Section

Year Ended June 30, 2014





Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of Dinwiddie, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Dinwiddie, Virginia*, as of and for the year ended *June 30, 2014*, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Dinwiddie, Virginia*, as of *June 30, 2014*, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 3 to the financial statements, beginning net position was *restated* due to the implementation of GASB Statement 65, Items Previously Reported as Assets and Liabilities, and GASB Statement 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, in 2014. Our opinion is not modified with respect to these changes.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 13 through 17 and 59 and 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accompanying Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *County of Dinwiddie, Virginia's* basic financial statements. The introductory section, other supplementary information, and the statistical section as listed in the table of contents 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, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is also presented for purposes of additional analysis and is also not a required part of the basic financial statements of the *County of Dinwiddie, Virginia*.

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

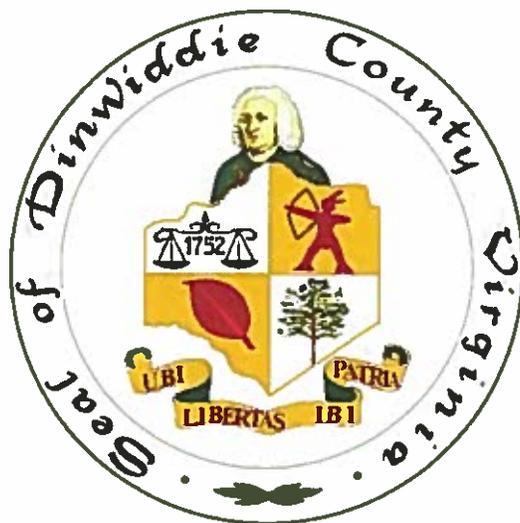
The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

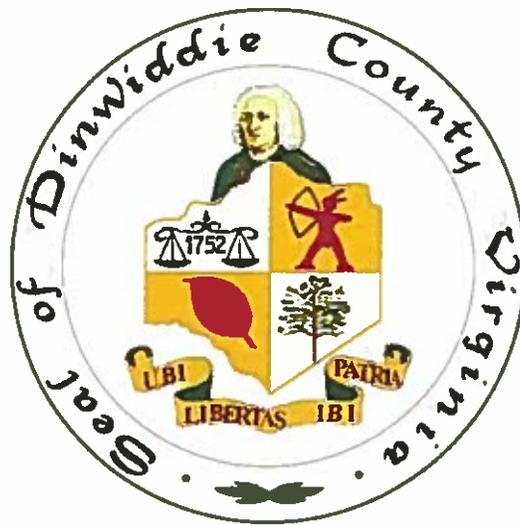
In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2014, on our consideration of *County of Dinwiddie, Virginia's* internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering *County of Dinwiddie, Virginia's* internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Chester, Virginia
November 19, 2014



County of Dinwiddie, Virginia
Management's Discussion and Analysis
Year Ended June 30, 2014



County of Dinwiddie, Virginia

Management's Discussion and Analysis

June 30, 2014

As management of County of Dinwiddie, Virginia, we offer readers of the County's FY 2014 financial statements this narrative overview and analysis for the purpose of assisting them with understanding significant financial issues, providing an overview of the County's financial activity, and identifying changes in the County's financial position. Readers are also encouraged to read the transmittal letter, the basic financial statements, and the notes to the financial statements.

Financial Highlights

Government-Wide Financial Statements

- Dinwiddie County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2014 by \$38,032,306 (net position). Of this amount, \$21,251,986 is unrestricted and may be used to meet the primary government's ongoing obligations to citizens and creditors.
- On the government-wide statement of activities, expenses net of program revenue totaled (\$35,224,781). This amount represents the amount by which expenses exceeded charges for services and operating grants. Expenses net of program revenues are less than the general revenues of \$37,014,316 by \$1,789,535 (change in net position). This is a good indicator of the government's reliance on tax revenues.

Fund Financial Statements

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$22,910,211, a decrease of \$436,654 in comparison with the prior year. This reduction in fund balance was primarily due to the completion of capital projects such as the Courthouse security system upgrade and the Old Stage Road Manned Convenience Center and the purchase of three fire engines. These projects had all been appropriated and funded by previous years' Capital Improvement Plans.
- At the end of FY 2014, unassigned fund balance for the general fund was \$19,631,444 or 45% of total general fund expenditures and other financing uses.

Using This Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The discussion and analysis is intended to serve as an introduction to the County's basic financial statements which are comprised of three components: government-wide financial statements; fund financial statements; and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances as a whole and include all assets and liabilities using accrual basis of accounting in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion

of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial administration, public safety, public works, health and welfare, education, parks and recreation, and community development.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate school district, Industrial Development Authority, Airport and Industrial Authority, and Water Authority, all of which Dinwiddie County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found in Exhibits A and B.

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. Dinwiddie County, 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 two categories: governmental funds 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 at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has two major governmental funds - the General Fund and the County Debt Service Fund and two non-major governmental funds - the Capital Projects Fund and the Special Revenue Fund. (See Exhibits C -F).

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

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. The notes to the financial statements can be found on pages 29 - 58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's component units - School Board, Industrial Development Authority, Water Authority, and Airport and Industrial Authority (See Exhibits I-J and R-U). Neither the School Board nor the IDA issue separate financial statements, whereas the Airport and Industrial Authority and the Water Authority both issue separate financial statements.

Presented as required supplementary information are budgetary comparison schedules for the General Fund and the County's progress in funding its obligation to provide pension and OPEB benefits to its employees (See Exhibits K-L).

Also presented as supplementary information and supporting schedules are combining financial statements for other governmental funds other than the General Fund and detailed budgetary comparison schedules for all funds (See Exhibits M-Q and Schedules 1-2).

Government-Wide Financial Statement Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources increased to exceed liabilities and deferred outflows of resources by \$38,032,306 at the close of the most recent fiscal year. The following table summarizes the County's Government-Wide Statement of Net Position:

County of Dinwiddie, Virginia's Summary Statement of Net Position

	Governmental Activities	
	(As Restated)	
	2014	2013
Current and other assets	\$ 39,524,051	\$ 40,652,404
Capital assets	72,469,019	73,785,967
Total assets	111,993,070	114,438,371
Deferred amount on bond refunding	2,371,319	2,608,790
Current liabilities	2,265,383	2,371,220
Long-term liabilities outstanding	61,382,264	66,159,120
Total liabilities	63,647,647	68,530,340
Deferred property taxes	12,684,436	12,274,050
Net position		
Net investment in capital assets	16,780,320	13,780,816
Restricted	-	-
Unrestricted	21,251,986	22,461,955
Total net position	\$ 38,032,306	\$ 36,242,771

Fiscal year 2013 amounts were restated to reflect a reduction in net position for bond issuance costs incurred in prior years and balance sheet reclassification for certain deferred amounts previously classified as liabilities as a result of the implementation of GASB 65, as well as a reduction in net position for the recognition of non-exchange financial guarantees as a result of the implementation of GASB 70. See note 3 to the financial statements.

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, net position was \$38,032,306 at the close of FY 2014, an increase of \$1,789,535 from FY 2013.

Approximately 44% of the County's net position reflect its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens, including education. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining net position balance of \$21,251,986 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. This represents a decrease of \$1,209,969 from the unrestricted net position at the end of FY 2013, which is primarily a result of making substantial capital investments and the required debt service payments in FY 2014.

Governmental activities increased the County's net position by \$1,789,535 during FY 2014. The following table summarizes the County's Government-Wide Statement of Activities:

County of Dinwiddie, Virginia's Summary of Changes in Net Position

	Governmental Activities	
	2014	(As Restated) 2013
Program revenues:		
Charges for services	\$ 2,051,214	\$ 2,783,950
Operating grants and contributions	6,586,412	6,620,851
Capital grants and contributions	-	295,603
General revenues:		
General property taxes	26,701,104	26,664,129
Other local taxes	4,545,306	4,502,267
Grants and other contributions not restricted	4,821,770	3,861,191
Other general revenues	1,451,028	402,016
Total revenues	46,156,834	45,130,007
General government administration	2,687,778	2,737,123
Judicial administration	1,244,284	1,204,496
Public safety	11,305,223	10,830,573
Public works	3,041,148	4,152,120
Health and welfare	4,378,704	3,910,976
Education	15,943,324	16,511,110
Parks, recreation and cultural	1,512,638	1,378,098
Community development	1,644,288	1,715,140
Interest and other fiscal charges	2,105,020	2,428,018
Loss on disposal of capital assets	504,892	52,661
Total expenses	44,367,299	44,920,315
Change in net position	1,789,535	209,692
Net position – beginning of year	36,242,771	36,033,079
Net position – end of year	\$ 38,032,306	\$ 36,242,771

Governmental activities revenues show an increase of \$1,026,827 (2.27%) in FY 2014 from FY 2013. This increase is primarily due to the sale of two pieces of property donated by the County to the Industrial Development Authority for economic development purposes in FY 2014. The proceeds from the sales of these properties was contributed to the County by the Industrial Development Authority and is included in other general revenues.

Governmental activities expenses show a decrease of \$553,016 (1.2%) in FY 2014 from FY 2013. This decrease is primarily due to partially funding the construction of the Meherrin River Regional Jail Authority satellite facility in FY 2013.

Financial Analysis of 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. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

General Fund

The general fund is the chief operating fund for the County – the County's basic services are reported in the general fund. The difference between the original expenditure budget and the final amended expenditure budget was a decrease of \$335,840 and was due primarily to the net effect of the return of the FY 2013 Schools operating fund balance of \$582,375 and the appropriation of miscellaneous grant funds received during the year.

During the year, revenues and other sources exceeded the budgetary estimates by \$2,525,180. This was primarily due to greater than expected real estate and personal property tax collections, particularly delinquent tax collections, and the sale of real property. Expenditures were less than budgetary estimates by \$659,168 - - \$116,693 from unexpended community development funds

(primarily grants); \$301,403 from salary and benefits due to vacancies; \$241,072 from savings related to waste disposal and other purchased services, repairs/maintenance, and utilities expenditures that were less than expected.

The final budget included an anticipated draw on beginning fund balance of \$1,694,068 for capital projects. However, the actual change in the general fund balance for FY 2014 was an increase of \$1,490,280. See Exhibit K for more details.

Capital Asset

The County's investment in capital assets for its governmental activities as of June 30, 2014 amounted to \$72,469,019 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment. The FY 2015 capital budget appropriated an additional \$1,855,000 primarily for school buses, public safety equipment/vehicles, and recreation facility improvements. Additional information on the County's capital assets can be found in Note 6 of this report.

Long Term Obligations

The County's combined total long-term obligations decreased \$4,776,856 during the current fiscal year due, \$3,854,758 of which due to scheduled principal payments being made. At the end of the current fiscal year, the County had total bonded debt outstanding of \$51,882,882. Of this amount, \$12,312,882 comprises debt backed by the full faith and credit of the County. The remainder of the County's bonded debt represents bonds secured solely by specified revenue sources - lease/revenue bonds. The County's credit rating from Standard & Poors was upgraded to AA in FY 2014, however no additional new debt was issued in FY 2014. Additional information on the County's long-term debt can be found in Note 8 of this report.

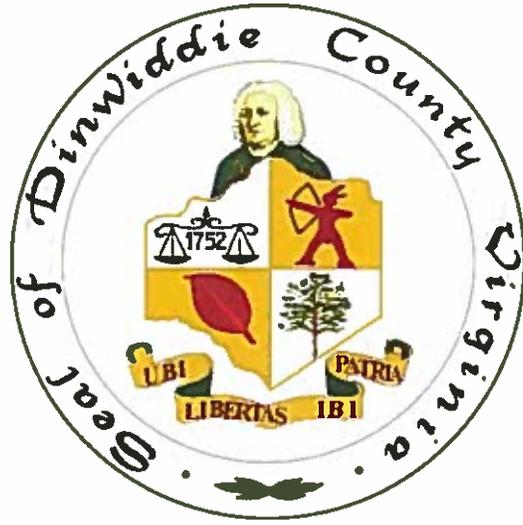
Economic Factors and Next Year's Budgets and Rates

As of June 30, 2014, the County's unemployment rate of 6.1% fell in between the state's average unemployment rate of 5.3% and the national average rate of 6.8%. Inflationary trends in the region compared favorably to national indices. These and other national and state economic factors were considered in preparing the County's budget for FY 2015.

County Administration typically takes a very conservative approach to revenue and expenditures projections, and the FY 2015 budget reflects that approach, showing an overall decrease of 3.4% from the FY 2014 budget. This decrease is due to fairly flat local economy-driven revenues, no tax rate increases, one-time grant revenues only available in FY 2014, and overall capital expenditure reductions as capital projects that had been approved in previous fiscal years have been completed. FY 2015 shows no cost-of-living salary adjustment and only a limited number of new positions, with other operating expenditures kept to a minimum. At the end of FY 2014, the unassigned fund balance in the general fund was \$19,631,444, and the County has appropriated \$1,804,570 of this amount towards capital projects in FY 2015.

Requests for Information

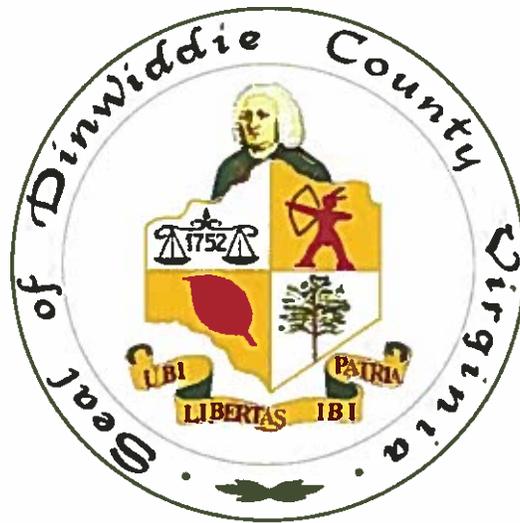
This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Dinwiddie County's finances and to show the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, Post Office Drawer 70, 14016 Boydton Plank Road, Dinwiddie, Virginia 23841.



County of Dinwiddie, Virginia

Basic Financial Statements

Year Ended June 30, 2014



Statement of Net Position

June 30, 2014

Assets	Primary Government Governmental Activities	Component Units	Total Reporting Entity
Current assets			
Cash and cash equivalents	\$ 5,870,232	\$ 5,972,437	\$ 11,842,669
Receivables, net of allowances for uncollectibles			
Taxes receivable, including penalties	15,542,497	-	15,542,497
Accounts receivable	393,786	1,346,338	1,740,124
Due from other governmental units	3,115,793	1,471,970	4,587,763
Due from component units	182,496	-	182,496
Due from primary government	-	36,381	36,381
Other current assets	-	92,893	92,893
Investments	14,419,247	-	14,419,247
Temporarily restricted assets:			
Cash and cash equivalents (in custody of others)	-	394,862	394,862
Total current assets	39,524,051	9,314,881	48,838,932
Noncurrent assets			
Other noncurrent assets	-	6,676,756	6,676,756
Capital assets, net of accumulated depreciation:			
Land and improvements	2,757,606	5,098,100	7,855,706
Buildings	63,573,621	43,870,778	107,444,399
Machinery and equipment	5,875,596	2,743,978	8,619,574
Infrastructure	-	17,068,658	17,068,658
Construction in progress	262,196	158,000	420,196
Total capital assets, net of accumulated depreciation	72,469,019	68,939,514	141,408,533
Total assets	\$ 111,993,070	\$ 84,931,151	\$ 196,924,221
Deferred Outflow of Resources			
Deferred amount on bond refunding	\$ 2,371,319	\$ 58,065	\$ 2,429,384
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	\$ 746,984	\$ 4,676,614	\$ 5,423,598
Other current liabilities	3,182	109,417	112,599
Due to component units	36,381	-	36,381
Due to primary government	-	182,496	182,496
Accrued interest payable	765,367	28,846	794,213
Prepaid taxes	713,469	875,207	1,588,676
Total current liabilities	2,265,383	5,872,580	8,137,963
Noncurrent liabilities			
Due within one year	4,974,868	824,234	5,799,102
Due in more than one year	56,407,396	12,841,986	69,249,382
Total noncurrent liabilities	61,382,264	13,666,220	75,048,484
Total liabilities	\$ 63,647,647	\$ 19,538,800	\$ 83,186,447
Deferred Inflow of Resources			
Deferred property taxes	\$ 12,684,436	\$ -	\$ 12,684,436
Net Position			
Net investment in capital assets	\$ 16,780,320	\$ 59,856,888	\$ 76,637,208
Restricted for bond covenants	-	394,862	394,862
Unrestricted	21,251,986	5,198,666	26,450,652
Total net position	\$ 38,032,306	\$ 65,450,416	\$ 103,482,722

The accompanying notes are an integral part of these financial statements.

County of Dinwiddie, Virginia
Statement of Activities

Exhibit B

Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary		
					Governmental Activities	Component Units	Total Reporting Entity
Primary government							
Governmental activities:							
General government administration	\$ 2,687,778	\$ -	\$ 246,257	\$ -	\$ (2,441,521)	\$ -	\$ (2,441,521)
Judicial administration	1,259,729	757,859	666,261	-	164,391	-	164,391
Public safety	11,289,778	487,342	2,096,533	-	(8,705,903)	-	(8,705,903)
Public works	3,041,148	616,209	10,237	-	(2,414,702)	-	(2,414,702)
Health and welfare	4,378,704	-	2,879,528	-	(1,499,176)	-	(1,499,176)
Education	15,943,324	-	-	-	(15,943,324)	-	(15,943,324)
Parks, recreation and cultural	1,512,638	189,355	-	-	(1,323,283)	-	(1,323,283)
Community development	1,644,288	449	687,596	-	(956,243)	-	(956,243)
Interest on long-term debt	2,105,020	-	-	-	(2,105,020)	-	(2,105,020)
Total primary government	\$ 43,862,407	\$ 2,051,214	\$ 6,586,412	\$ -	(35,224,781)	-	(35,224,781)
Component units	\$ 51,058,903	\$ 4,295,433	\$ 29,407,500	\$ 1,726,896	-	(15,629,074)	(15,629,074)
General revenues							
General property taxes					26,701,104	-	26,701,104
Local sales and use tax					1,503,579	-	1,503,579
Consumer utility tax					570,681	-	570,681
Other local taxes					2,471,046	-	2,471,046
Revenues from use of money and property					80,256	219,449	299,705
Miscellaneous					1,370,772	80,019	1,450,791
Grants and contributions not restricted to specific programs					4,821,770	-	4,821,770
Payments from Dinwiddie County					-	14,790,320	14,790,320
Gain (loss) on disposal of capital assets					(504,892)	646,234	141,342
Total general revenues					37,014,316	15,736,022	52,750,338
Change in net position					1,789,535	106,948	1,896,483
Net position - beginning of year, as restated					36,242,771	65,343,468	101,586,239
Net position - end of year					\$ 38,032,306	\$ 65,450,416	\$ 103,482,722

The accompanying notes are an integral part of these financial statements.

Balance Sheet
Governmental Funds

June 30, 2014

	Major Funds		Non-Major Funds		Total
	General	Debt Service	Capital Projects	Special Revenue	
Assets					
Cash and cash equivalents	\$ 4,256,150	\$ 119,643	\$ 1,013,874	\$ 480,565	\$ 5,870,232
Receivables, net of allowances for uncollectibles:					
Taxes receivable, including penalties	15,542,497	-	-	-	15,542,497
Accounts receivable	335,884	-	30	16,314	352,228
Due from other governmental units	2,801,579	-	179,892	134,322	3,115,793
Due from component units	182,496	-	-	-	182,496
Investments	14,419,247	-	-	-	14,419,247
	<u>\$ 37,537,853</u>	<u>\$ 119,643</u>	<u>\$ 1,193,796</u>	<u>\$ 631,201</u>	<u>\$ 39,482,493</u>
Liabilities					
Accounts payable	\$ 534,524	\$ -	\$ 31,075	\$ 105,008	\$ 670,607
Accrued liabilities	75,454	-	-	923	76,377
Other current liabilities	3,182	-	-	-	3,182
Due to component unit	-	15,423	20,958	-	36,381
Deferred revenue	15,785,735	-	-	-	15,785,735
	<u>16,398,895</u>	<u>15,423</u>	<u>52,033</u>	<u>105,931</u>	<u>16,572,282</u>
Fund Balances					
Nonspendable	3,182	-	-	-	3,182
Restricted	25,909	-	-	299,947	325,856
Committed	1,478,423	104,220	1,141,763	225,323	2,949,729
Unassigned	19,631,444	-	-	-	19,631,444
	<u>21,138,958</u>	<u>104,220</u>	<u>1,141,763</u>	<u>525,270</u>	<u>22,910,211</u>
	<u>\$ 37,537,853</u>	<u>\$ 119,643</u>	<u>\$ 1,193,796</u>	<u>\$ 631,201</u>	<u>\$ 39,482,493</u>

The accompanying notes are an integral part of these financial statements.

**Reconciliation of Balance Sheet to the Statement of Net Position
Governmental Funds**

June 30, 2014

Total fund balances per Exhibit C - Balance Sheet - Governmental Funds	\$ 22,910,211
Amounts reported for governmental activities in the statement of net position (Exhibit A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, cost	103,298,553
Less: accumulated depreciation	<u>(30,829,534)</u>
	<u>72,469,019</u>
Deferred outflows of resources are not financial resources and, therefore, are not reported in the funds:	
Deferred amounts on bond refunding	<u>2,371,319</u>
Other long-term assets (i.e. taxes levied) are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Deferred revenue	2,387,830
Accounts receivable	<u>41,558</u>
	<u>2,429,388</u>
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	(39,570,000)
General obligation bonds	(12,312,882)
Bond issuance premium	(6,177,136)
Landfill postclosure care	(947,775)
Interest payable	(765,367)
OPEB liability	(35,876)
Nonexchange financial guarantees	(1,862,362)
Compensated absences	<u>(476,233)</u>
	<u>(62,147,631)</u>
Net position of governmental activities	\$ 38,032,306

The accompanying notes are an integral part of these financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended June 30, 2014

	Major Funds		Non-Major Funds		Total
	General	Debt Service	Capital Projects	Special Revenue	
Revenues					
General property taxes	\$ 27,377,476	\$ -	\$ -	\$ -	\$ 27,377,476
Other local taxes	4,545,306	-	-	-	4,545,306
Permits, privilege fees, and regulatory licenses	230,379	-	-	-	230,379
Fines and forfeitures	611,900	-	-	-	611,900
Revenue from use of money and property	79,394	-	-	862	80,256
Charges for services	1,577,853	-	-	2,334	1,580,187
Miscellaneous	1,287,293	-	-	83,479	1,370,772
Recovered costs	282,675	-	-	-	282,675
Intergovernmental revenues:					
Commonwealth	8,205,177	-	629,892	886,548	9,721,617
Federal	1,403,110	-	-	283,455	1,686,565
Total revenues	45,600,563	-	629,892	1,256,678	47,487,133
Expenditures					
Current:					
General government administration	2,679,015	-	-	-	2,679,015
Judicial administration	1,074,352	-	-	17,724	1,092,076
Public safety	10,148,915	-	-	471,786	10,620,701
Public works	2,997,406	-	-	20,464	3,017,870
Health and welfare	2,967,953	-	-	1,427,550	4,395,503
Education	12,177,415	-	-	-	12,177,415
Parks, recreation, and cultural	1,380,267	-	-	-	1,380,267
Community development	1,750,070	492,891	-	2,660	2,245,621
Capital outlays and projects	-	-	3,842,471	-	3,842,471
Debt service:					
Principal retirement	-	3,854,758	-	-	3,854,758
Interest and other fiscal charges	-	2,618,090	-	-	2,618,090
Total expenditures	35,175,393	6,965,739	3,842,471	1,940,184	47,923,787
Excess (deficiency) of revenues over (under) expenditures	10,425,170	(6,965,739)	(3,212,579)	(683,506)	(436,654)
Other financing sources (uses)					
Transfers in	533,059	6,297,546	2,462,344	765,000	10,057,949
Transfers out	(9,467,949)	-	(590,000)	-	(10,057,949)
Total other financing sources (uses)	(8,934,890)	6,297,546	1,872,344	765,000	-
Net change in fund balances	1,490,280	(668,193)	(1,340,235)	81,494	(436,654)
Fund balances - beginning of year	19,648,678	772,413	2,481,998	443,776	23,346,865
Fund balances - end of year	\$ 21,138,958	\$ 104,220	\$ 1,141,763	\$ 525,270	\$ 22,910,211

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds**

Year Ended June 30, 2014

Net change in fund balances - total governmental funds \$ (436,654)

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

Governmental funds report capital outlays as expenditure. However, in the statements of activities, the cost of those assets is allocated over their estimated useful lives and reported as the cost of depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details supporting this adjustment are as follows:

Capital asset additions	4,112,049
Net book value of disposed assets	(504,892)
Depreciation expense	<u>(3,372,832)</u>
	<u>234,325</u>

Transfer of joint tenancy assets from Primary Government to the Component Unit (1,551,273)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as

Amortization on bond premium	461,694
Revenues not received within sixty days of year end	<u>(1,047,624)</u>
	<u>(585,930)</u>

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items. A summary of items supporting this adjustment is as follows:

Principal retired on revenue bonds	2,535,000
Principal retired on general obligation bonds	1,319,758
Payments made on nonexchange financial guarantees	183,813
Decrease in landfill postclosure liability	<u>49,227</u>
	<u>4,087,798</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

Change in accrued leave	(8,246)
Change in other post employment benefits	(1,861)
Change in interest payable	<u>51,376</u>
	<u>41,269</u>

Change in net position of governmental activities \$ 1,789,535

County of Dinwiddie, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds

Exhibit G

June 30, 2014

Assets	Private-Purpose Trust Funds	Agency Funds
Cash and cash equivalents	\$ 2,850,357	\$ 43,368
Investments	3,858,774	-
Other receivables	5,820	-
	\$ 6,714,951	\$ 43,368
Liabilities		
Amounts held for social services clients	\$ -	\$ 43,368
Net Position		
Amounts held in trust for scholarships and the disadvantaged	\$ 6,714,951	\$ -

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

June 30, 2014

	Private-Purpose Trust Funds
Additions	
Investment earnings	\$ 110,942
Private donations	652
Net unrealized gains	269,784
Total additions	<u>381,378</u>
Deductions	
Scholarships	<u>114,186</u>
Change in net position	267,192
Net position - beginning of year	<u>6,447,759</u>
Net position - end of year	<u>\$ 6,714,951</u>

The accompanying notes are an integral part of these financial statements.

Statement of Net Position
Component Units

June 30, 2014

	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
Assets					
Current assets					
Cash and cash equivalents	\$ 4,507,087	\$ 265,902	\$ 965,043	\$ 234,405	\$ 5,972,437
Accounts receivables, net allowances for uncollectibles	23,592	850,000	442,870	29,876	1,346,338
Due from other governmental units	1,408,273	-	-	63,697	1,471,970
Due from primary government	-	-	36,381	-	36,381
Other current assets	-	-	18,885	74,008	92,893
Temporarily restricted assets:					
Cash and cash equivalents (in custody of others)	-	-	394,862	-	394,862
Total current assets	5,938,952	1,115,902	1,858,041	401,986	9,314,881
Noncurrent assets					
Other noncurrent assets	-	-	6,676,756	-	6,676,756
Capital assets, net of accumulated depreciation:					
Land and improvements	1,349,053	721,349	321,244	2,706,454	5,098,100
Buildings	38,962,967	-	2,019,874	2,887,937	43,870,778
Machinery and equipment	1,800,080	-	897,537	46,361	2,743,978
Infrastructure	-	-	16,135,252	933,406	17,068,658
Construction in progress	-	-	30,764	127,236	158,000
Total capital assets, net of accumulated depreciation	42,112,100	721,349	19,404,671	6,701,394	68,939,514
Total assets	\$48,051,052	\$ 1,837,251	\$27,939,468	\$ 7,103,380	\$84,931,151
Deferred Outflow of Resources					
Deferred amount on bond refunding	\$ -	\$ -	\$ 58,065	\$ -	\$ 58,065
Liabilities					
Current liabilities					
Accounts payable	\$ 566,703	\$ -	\$ 75,115	\$ 105,102	\$ 746,920
Accrued liabilities	3,929,694	-	-	-	3,929,694
Deposits	-	-	109,417	-	109,417
Due to primary government	-	-	182,496	-	182,496
Accrued interest payable	-	-	28,846	-	28,846
Prepaid revenue	-	850,000	17,712	7,495	875,207
Total current liabilities	4,496,397	850,000	413,586	112,597	5,872,580
Noncurrent liabilities					
Due within one year	302,463	-	464,094	57,677	824,234
Due in more than one year	5,117,829	-	7,114,128	610,029	12,841,986
Total liabilities	9,916,689	850,000	7,991,808	780,303	19,538,800
Net Position					
Net investment in capital assets	38,073,084	-	15,750,116	6,033,688	59,856,888
Restricted for bond covenants	-	-	394,862	-	394,862
Unrestricted	61,279	987,251	3,860,747	289,389	5,198,666
Total net position	\$38,134,363	\$ 987,251	\$20,005,725	\$ 6,323,077	\$65,450,416

The accompanying notes are an integral part of these financial statements.

County of Dinwiddie, Virginia
Statement of Activities
Component Units

Exhibit J

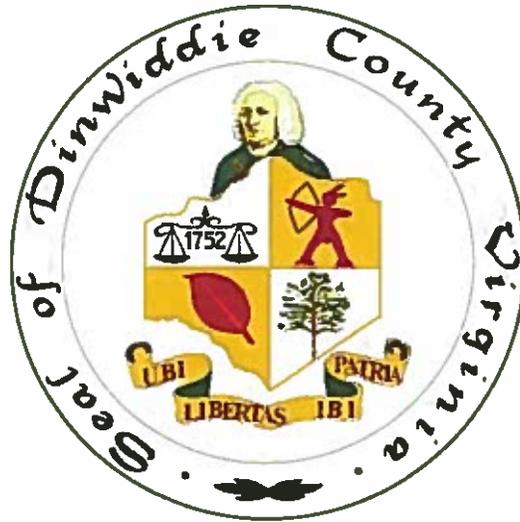
Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	School Board	Industrial Development Authority	Water Authority	Airport and Industrial Authority	Total Component Units
School Board	\$ 43,832,427	516,203	29,391,594	\$ 675,843	\$ (13,248,787)	\$ -	\$ -	\$ -	\$(13,248,787)
Industrial Development Authority	2,066,864	3,394	-	885,000	-	(1,178,470)	-	-	(1,178,470)
Water Authority	3,865,013	3,156,108	-	92,995	-	-	(615,910)	-	(615,910)
Airport and Industrial Authority	1,294,599	619,728	15,906	73,058	-	-	-	(585,907)	(585,907)
	<u>\$ 51,058,903</u>	<u>\$ 4,295,433</u>	<u>\$ 29,407,500</u>	<u>\$ 1,726,896</u>	<u>(13,248,787)</u>	<u>(1,178,470)</u>	<u>(615,910)</u>	<u>(585,907)</u>	<u>(15,629,074)</u>
General revenues									
Revenues from use of money and property					45,187	380	9,665	164,217	219,449
Miscellaneous					24,119	-	51,999	3,901	80,019
Gain (loss) on disposal of capital assets					(16,499)	662,733	-	-	646,234
Payments from Dinwiddie County					13,722,688	529,892	437,746	99,994	14,790,320
Total general revenues					<u>13,775,495</u>	<u>1,193,005</u>	<u>499,410</u>	<u>268,112</u>	<u>15,736,022</u>
Change in net position					526,708	14,535	(116,500)	(317,795)	106,948
Net position - beginning of year, as restated					37,607,655	972,716	20,122,225	6,640,872	65,343,468
Net position - end of year					<u>\$ 38,134,363</u>	<u>\$ 987,251</u>	<u>\$ 20,005,725</u>	<u>\$ 6,323,077</u>	<u>\$ 65,450,416</u>

The accompanying notes are an integral part of these financial statements.

County of Dinwiddie, Virginia

Notes to Financial Statements



County of Dinwiddie, Virginia

Notes to Financial Statements

June 30, 2014

1. Summary of Significant Accounting Policies

The *County of Dinwiddie, Virginia* (County) is governed by an elected five member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the *County of Dinwiddie, 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 Financial Statements

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

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

Statement of Net Position

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

Statement of Activities

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

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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 government's original budget with 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 Dinwiddie, Virginia* (the primary government) and its component units. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit

The County has no blended component units to be included for the fiscal year ended June 30, 2014.

Discretely Presented Component Units

The School Board members are elected by the citizens of Dinwiddie County. The School Board is responsible for the operations of the County's School System within the County boundaries. 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 does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2014. Fund financial statements of the School Board are included in the supplementary information section.

The Industrial Development Authority (IDA) of Dinwiddie County is responsible for industrial and commercial development in the County. The Authority consists of seven members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2014. The Authority does not issue a separate financial report. Fund financial statements are not included in the supplementary information section since there is limited activity for the IDA which is all reflected as part of the basic financial statements.

Dinwiddie County Water Authority (Water Authority) was created by the Board of Supervisors of Dinwiddie County under the provisions of the Virginia Water and Sewer Authorities Act. The Water Authority was established for the purpose of providing and maintaining water and sewer facilities to residential and commercial customers within Dinwiddie County and is constantly improving and expanding its facilities to serve a greater number of residents and businesses. The Authority's Board of Directors is appointed by the Board of Supervisors of Dinwiddie County. The Water Authority and Dinwiddie County have Support Agreements, whereby the County will, subject to appropriation, pay the Authority budgeted amounts for debt service of the Series 2005 and Series 2006 Water and Sewer Revenue Bonds and Series 1999 Water System Revenue Bonds,

for operation and maintenance of the Courthouse System and Church Road System, and for deficiencies in the operating revenues of the Authority's main water and sewer system. The Support Agreements also require the Director of the Water Authority to notify the County Administrator if in any month the Authority is unable to make its required debt service payment, and to request an appropriation from the Board of Directors to make up any deficiency. The existence of these Support Agreements makes the Water Authority financially dependent on the County, and therefore, it is discretely presented in the County's financial statements for the year ended June 30, 2014. The Water Authority issues a separate audited financial report which may be obtained at 23008 Airport Drive, North Dinwiddie, VA 23803.

The Dinwiddie Airport and Industrial Authority (Airport Authority) is a public body organized by the General Assembly of Virginia to construct, operate, and maintain a regional airport and to promote industry in Dinwiddie, Virginia. The Airport Authority is governed by seven directors. The Board of Supervisors of Dinwiddie County appoints four out of the seven of the Airport Authority's Board members, and all Board members are approved by the County. The Airport Authority and Dinwiddie County have a Support Agreement, whereby the County will, subject to appropriation, pay the Authority budgeted amounts for debt service of the Refunding Series 2011A and 2011B Airports Revolving Fund Revenue Bonds, for operation and maintenance expenses, and for deficiencies in the Authority's operating revenues. The Support Agreement also requires the Airport Authority to notify the County Administrator if in any month the Authority is unable to make its required debt service payment, and to request an appropriation from the Board of Directors to make up any deficiency. The existence of this Support Agreement makes the Authority financially dependent on the County, and therefore, it is discretely presented in the County's financial statements for the year ended June 30, 2014. The Airport Authority also issues a separate audited financial report which may be obtained at 6775 Beck-Chappell Drive, North Dinwiddie, VA 23803.

C. Other Related Organizations Included in the County's Financial Report

Related organizations that are excluded from the County's Comprehensive Annual Financial Report are as follows:

Appomattox Regional Library

The Appomattox Regional Library is a regional free library system that serves the localities of the City of Hopewell, Prince George County, Dinwiddie County, and Town of McKenney. The regional library system is jointly governed by a regional library Board of Trustees, which consists of nine members appointed by the Board of Supervisors of each County and the City Council of Hopewell. Annual appropriations are made in proportion to the service needs of each jurisdiction. The County's contribution for fiscal year 2014 was \$251,844.

Crater Youth Care Commission

The Crater Youth Care Commission was created in 1972 by resolutions of the governing bodies of the Member Jurisdictions for the purpose of owning, maintaining, and operating a regional facility for the secure detention of juvenile offenders. The Commission has also operated a non-secure juvenile shelter care facility and certain other alternative juvenile justice programs. Member jurisdictions are the Cities of Emporia, Hopewell, and Petersburg, and the Counties of Dinwiddie, Prince George, Sussex, and Surry. Annual contributions made by the Member Jurisdictions are based on the Member Jurisdictions' populations and average annual usage of secure detention by each of the Member Jurisdictions. Contributions help to fund operating expenses, capital expenditures, and debt obligations. The County's contribution for fiscal year 2014 was \$226,490.

Dinwiddie Health Department

The Dinwiddie Health Department (Department) serves the citizens of Dinwiddie County. The County, along with the Virginia Department of Health, makes an annual contribution for operating support, which is based on the needs of the Department. The County's contribution for fiscal year 2014 was \$236,030.

District 19 Community Services Board

The District 19 Community Services Board is a multi-jurisdictional, community-based organization whose mission is to improve the quality and productivity of the lives of individuals who experience or are at risk of experiencing mental disabilities and or substance abuse. The mission is accomplished through a fully integrated continuum of services in collaboration with the localities of Colonial Heights, Dinwiddie, Emporia, Greensville, Hopewell, Petersburg, Prince George, Surry, and Sussex (per <http://www.d19csb.com/>). Annual appropriations are made in proportion to the service needs of each locality. The County's contribution for fiscal year 2014 was \$69,128.

Meherrin River Regional Jail Authority

The Meherrin River Regional Jail Authority is a regional jail system that, beginning July 1, 2012, will serve the localities of Brunswick County, Dinwiddie County, and Mecklenburg County. The Authority is jointly governed by a Board consisting of three representatives from each of the Member Jurisdictions. Annually, the Jail Authority shall establish a per diem charge (including the operating and debt service components) for the care, maintenance, and subsistence of prisoners from Member Jurisdictions during the next fiscal year. Based on proportionate prisoner populations, Dinwiddie County's per diem percentage for fiscal year 2014 is 27.9%. The County's contribution for fiscal year 2014 was \$1,739,504.

Rowanty Technical Center

Rowanty Technical Center (Center) prepares high school students for employment and higher education in many fields. A jointly operated facility serving Dinwiddie, Prince George and Sussex County Public Schools, Rowanty Technical Center is located in Carson, Virginia, equidistant from each of the county high schools. The Center is governed by a Board made up of two representatives from each of the participating localities. The School Boards of the participating localities provide each year such funds as are necessary to establish, operate, and maintain the Center on a pro rata basis. The pro rata share of each member for operation is based upon average daily membership and the pro rata share for capital outlay projects is determined annually by unanimous consent of the members. The School Board's contribution for FY 2014 was \$598,539.

Appomattox Regional Governor's School

The Appomattox Regional Governor's School for the Arts and Technology provides gifted and talented students a differentiated and rigorous education, cultivates a supportive environment that inspires unique artistic and technological visions, promotes cultural tolerance, nurtures community partnerships, and produces active, engaged citizens. This school board is jointly governed by a representative from each of the following localities: the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Powhatan, Prince George, Southampton, Surry and Sussex and the cities of Colonial Heights, Franklin, Hopewell, Petersburg, and Richmond. The County of Dinwiddie pays the school a set rate for each student that attends. The School Board's contribution for FY 2014 was \$131,880.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) or a business-type activity.

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as deferred revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 County reports the General and Debt Service Funds as major governmental funds.

a. General Fund

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

b. 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 County Debt Service Fund accounts for debt service expenditures for the county and school system. Payment of principal and interest on the school system's general long-term debt financing is provided by appropriations from the General Fund.

2. The County reports the following non-major governmental funds

a. Capital Projects Fund

The Capital Projects Fund accounts for and reports 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. The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

b. Special Revenue Funds

The Special Revenue Funds account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administration action. Special Revenue Funds consist of the following funds: Cash Proffers, Drug Task Force, Asset Forfeiture, and Grants Fund.

3. Fiduciary Funds

The Fiduciary Funds (Trust and Agency Funds) account for assets held by the County unit 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 and Private Purpose Trust Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

E. 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.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

F. Investments

Investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposits and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. The Local Government Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

G. 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 either "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."

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 \$681,379 at June 30, 2014 and is comprised of personal property taxes in the amount of \$525,319 and real estate taxes in the amount of \$156,060.

Real and Personal Property Tax Data

The tax calendars for real and personal property taxes are summarized below.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due date	June 5 / December 5	December 5
Lien date	January 1	January 1

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Land improvements	20 years
Buildings	5 - 40 years
Machinery and equipment	5 - 20 years

I. Compensated Absences

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

J. Retirement Plan

Retirement plan contributions are actuarially determined and consist of current service costs and amortization of prior service cost over a 30-year period. The County's policy is to fund pension cost as it accrues.

K. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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 amounts of debt issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Uses 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.

M. Net position

Net position is the difference between assets / deferred outflows of resources and liabilities / deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation less any outstanding debt related to the acquisition, construction or improvement of those assets.

N. Fund Equity

The County has adopted GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which provides defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances transparent. The following classifications describe the relative strength of the spending constraints:

- 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 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 a resolution. This is typically done through the 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 purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 15% of the actual GAAP basis expenditures and other financing sources and uses.

	General	Debt Service	Capital Projects	Special Revenue	Total
Fund balances:					
Nonspendable:					
Deposits and overpayments	\$ 3,182	\$ -	\$ -	\$ -	\$ 3,182
Restricted for:					
Jail phone commission	3,533	-	-	-	3,533
Grant purposes	22,376	-	-	-	22,376
Forfeited assets	-	-	-	94,804	94,804
Fire programs	-	-	-	142,679	142,679
Community service	-	-	-	11,081	11,081
Community development block grant	-	-	-	45,861	45,861
Law library	-	-	-	5,522	5,522
Total restricted fund balance	25,909	-	-	299,947	325,856
Committed to:					
Annual debt service	109,204	-	-	-	109,204
Social Services	80,000	-	-	-	80,000
Community development	1,289,219	-	-	-	1,289,219
Comprehensive services	-	-	-	84,347	84,347
Litter grant	-	-	-	121,473	121,473
Sesquicentennial committee	-	-	-	19,503	19,503
County debt service	-	85,336	-	-	85,336
School debt service	-	18,884	-	-	18,884
School capital projects	-	-	232,322	-	232,322
County capital projects	-	-	909,441	-	909,441
Total committed fund balance	1,478,423	104,220	1,141,763	225,323	2,949,729
Unassigned fund balance	19,631,444	-	-	-	19,631,444
Total fund balances	\$ 21,138,958	\$ 104,220	\$ 1,141,763	\$ 525,270	\$ 22,910,211

O. Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 19, 2014, the date the financial statements were available to be issued.

2. Stewardship, Compliance and Accounting

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

- A. On or before March 30th, 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.
- B. Public hearings are conducted to obtain citizen comments.
- C. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- D. The Appropriations Resolution places legal restrictions on expenditures at the department 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.

E. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

F. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations

Expenditures did not exceed appropriations during the fiscal year ending June 30, 2014.

3. New GASB Standards

In the fiscal year ending June 30, 2014, the County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities (GASB 65)*. The objective of this Statement is to (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources and (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenue). GASB 65 was implemented retroactively. As a result of implementing GASB Statement No. 65, the 'Net position – beginning of year' balance has been restated to reflect a decrease of \$488,208 for the net amount of unamortized bond issuance costs as of that date. Further, the County has reclassified the deferred amount on bond refunding from a long-term liability contra-account to a deferred outflow of resources on the Statement of Net Position.

Effective July 1, 2013 the County implemented ASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees (GASB70)*, which applies to financial guarantees that are nonexchange transactions extended or received by a government ("nonexchange financial guarantees"). Nonexchange financial guarantees are guarantees of obligations of individuals or legally separate entities in which a guarantor agrees to indemnify a third-party obligation holder under specific conditions.

In prior years, the County entered into a series of support agreements with the Dinwiddie County Water Authority and the Dinwiddie County Airport and Industrial Authority. These support agreements related to certain bonds issued by those entities. At the time of issuance, neither of the entities had operating revenues adequate to fully cover the related bond payments. However, these bonds were originally issued for the purpose of advancing economic development initiatives which the County and the entities had in common. Therefore, in the interest of economic development, the County entered the aforementioned support agreements. Since the original issuances, the County has been supplementing a portion of the bond payments for these entities. As a result of implementing GASB No. 70, the 'Net position – beginning of year' balance has been restated to reflect a decrease of \$2,046,175 for the best estimate of the discounted present value of the future outflows expected to be incurred as a result of these support agreements.

4. Deposits and Investments

Deposits

All deposits of the primary government and its discretely presented component unit School Board 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 Bank (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).

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2014 were rated by *Standard & Poor's* and the ratings are presented below using *Standard & Poor's* rating scale. The County's investment policy has an emphasis on high credit quality and known marketability. Holdings of commercial paper are required to be rated no lower than *Standards and Poor's* A-1 and *Moody's* Investor Service P-1, pending that the issuing corporation has a net worth of \$50 million and its long term debt rating of A or better by *Moody's* and *Standard and Poor's*.

	Fair Quality Ratings											Totals
	AAA _m	AAA	AA	AA+	AA-	A	A-	BBB+	BBB	BBB-	BB	
Local Government Investment Pool	\$ 13,010,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,010,247
Corporate Debt	-	-	66,145	100,000	167,634	694,357	317,250	426,590	18,412	163,307	244,441	2,198,136
Municipal/Public Bonds	-	50,997	211,626	743,950	-	-	-	-	-	-	-	1,006,573
Total	\$ 13,010,247	\$ 50,997	\$ 277,771	\$ 843,950	\$ 167,634	\$ 694,357	\$ 317,250	\$ 426,590	\$ 18,412	\$ 163,307	\$ 244,441	\$ 16,214,956

Interest Rate Risk

The County's investment policy states that the County's investment maturities are to precede or coincide with the expected need of funds.

Investment Maturities (in years)

Investment Type	Fair Value	Less Than 1			Greater Than 10 years
		Year	1-5 Years	6-10 Years	
Corporate Debt	\$ 2,198,136	\$ 116,344	\$ 242,733	\$ -	\$ 1,839,059
Municipal/Public Bonds	1,006,573	578,947	427,626	-	-
Total	\$ 3,204,709	\$ 695,291	\$ 670,359	\$ -	\$ 1,839,059

External Investment Pools

The fair value of the positions in the Local Government Investment Pool (LGIP) is the same as the value of the pool shares. As these pools are 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.

Total Cash, Cash Equivalents and Investments

Following is a summary, as of June 30, 2014, of the Primary Government and Fiduciary Funds' cash, cash equivalents, and investments by asset type:

Government-Wide Accounts	Balance June 30, 2014
Cash and cash equivalents:	
Governmental Activities	\$ 5,870,232
Fiduciary Funds:	
Private-Purpose Trust Funds	2,850,357
Agency Funds	43,368
Investments:	
Governmental Activities	14,419,247
Fiduciary Funds – Private-Purpose Trust Funds	3,858,774
Total cash, cash equivalents and investments	\$ 27,041,978

<u>Asset Type</u>	
Petty cash	\$ 1,580
Deposit accounts	8,762,377
Investments:	
Local Government Investment Pool	13,010,247
Corporate Debt	2,198,136
Municipal / Public Bonds	1,006,573
Corporate Equity Stocks and Mutual Funds	<u>2,063,065</u>
Total cash, cash equivalents and investments	\$ 27,041,978

5. Due from Other Governmental Units

At June 30, 2014, the County has amounts due from other local governments as follows:

	<u>Component Units</u>		
	<u>Primary Government</u>	<u>School Board</u>	<u>Airport and Industrial Authority</u>
Commonwealth of Virginia:			
Local sales tax	242,242	-	-
Public assistance and welfare administration	58,957	-	-
Mobile home titling tax	12,243	-	-
Rolling stock tax	132,687	-	-
State sales tax	-	745,483	-
School fund grants	-	258,036	-
Constitutional officer reimbursements	180,912	-	-
Recordation tax	16,585	-	-
Personal property tax relief act	1,875,641	-	-
Communications tax	156,282	-	-
Wireless grant	11,125	-	-
Public Safety	150,000	-	-
Comprehensive service	134,322	-	-
Airport grants	-	-	63,697
Other state funds	204	-	-
Federal Government:			
School fund grants	-	404,754	-
Public assistance and welfare administration	99,288	-	-
Victim witness assistance	11,136	-	-
Criminal justice services grant	32,333	-	-
Other federal funds	1,836	-	-
Total due from other governmental units	\$ 3,115,793	\$ 1,408,273	\$ 63,697

6. Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2014:

Primary Government

	Balance at July 1, 2013	Additions	Deletions/ Transfers	Balance at June 30, 2014
Capital assets not subject to depreciation:				
Land	\$ 2,757,606	\$ 504,892	\$ (504,892)	\$ 2,757,606
Construction in process	570,308	1,085,421	(1,393,533)	262,196
Total capital assets not subject to depreciation	3,327,914	1,590,313	(1,898,425)	3,019,802
Capital assets subject to depreciation:				
Buildings	22,949,010	411,886	-	23,360,896
Machinery and equipment	14,256,365	3,503,383	(132,411)	17,627,337
Jointly owned assets	61,223,115	-	(1,932,597)	59,290,518
Total capital assets subject to depreciation	98,428,490	3,915,269	(2,065,008)	100,278,751
Less accumulated depreciation:				
Buildings	(6,794,033)	(585,051)	-	(7,379,084)
Machinery and equipment	(10,635,162)	(1,248,990)	132,411	(11,751,741)
Jointly owned assets	(10,541,242)	(1,538,791)	381,324	(11,698,709)
Total accumulated depreciation	(27,970,437)	(3,372,832)	513,735	(30,829,534)
Total capital assets subject to depreciation, net	70,458,053	542,437	(1,551,273)	69,449,217
Primary government capital assets, net	\$ 73,785,967	\$ 2,132,750	\$ (3,449,698)	\$ 72,469,019

Component Unit – School Board

	Balance at July 1, 2013	Additions	Deletions/ Transfers	Balance at June 30, 2014
Capital assets not subject to depreciation:				
Land	\$ 1,349,053	\$ -	\$ -	\$ 1,349,053
Construction in process	863,577	-	(863,577)	-
Total capital assets not subject to depreciation	2,212,630	-	(863,577)	1,349,053
Capital assets subject to depreciation:				
Buildings	5,075,066	1,065,929	-	6,140,995
Machinery and equipment	6,823,484	557,449	(158,424)	7,222,509
Jointly owned assets	39,483,161	1,932,597	-	41,415,758
Total capital assets subject to depreciation	51,381,711	3,555,975	(158,424)	54,779,262
Less accumulated depreciation:				
Buildings	(190,176)	(231,795)	-	(421,971)
Machinery and equipment	(5,056,440)	(507,914)	141,925	(5,422,429)
Jointly owned assets	(6,798,111)	(992,380)	(381,324)	(8,171,815)
Total accumulated depreciation	(12,044,727)	(1,732,089)	(239,399)	(14,016,215)
Total capital assets subject to depreciation, net	39,336,984	1,823,886	(397,823)	40,763,047
Component unit – School Board capital assets, net	\$ 41,549,614	\$ 1,823,886	\$ (1,261,400)	\$ 42,112,100

Depreciation expense was charged to functions/programs of the primary government as follows:

Government activities:	
General government administration	\$ 153,406
Judicial administration	166,853
Public safety	1,200,856
Public works	89,958
Health and welfare	11,150
Education	1,538,791
Parks, recreation and cultural	126,935
Community development	84,883
Total governmental activities	\$ 3,372,832
Component Unit School Board:	
Education	\$ 1,732,089
Accumulated depreciation on jointly owned assets transferred to School Board during the year	381,324
Total Component Unit School Board	\$ 2,113,413

Construction in process for the primary government is composed of the following:

	<u>Expended to</u> <u>June 30, 2014</u>	<u>Committed at</u> <u>June 30, 2014</u>
McKenney Community Center	\$ 44,276	\$ -
Sheriff's Office Training Facility	22,542	170,109
Records Management System / Computer Aided Dispatch System Upgrades	195,378	273,252
	<u>\$ 262,196</u>	<u>\$ 443,361</u>

Capital asset information for the Water Authority and the Airport and Industrial Authority are not disclosed here. That information can be found in their separately issued audited financial statements.

7. Interfund Transfers

Interfund transfers for the year ended June 30, 2014, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General fund	\$ 533,059	\$ 9,467,949
Debt service fund	6,297,546	-
Capital projects fund	2,462,344	590,000
Special revenue funds	765,000	-
Total Primary Government	<u>10,057,949</u>	<u>10,057,949</u>
Component Unit:		
School Board funds:		
Operating fund	54,337	168,137
Special revenue funds	113,800	-
Total Component Unit	<u>168,137</u>	<u>168,137</u>
Total – All funds	<u>\$ 10,226,086</u>	<u>\$ 10,226,086</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.

8. Long-Term Obligations

Prior Year Defeasance of Debt

In prior years, the County defeased certain lease revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. The remaining amount was redeemed during FY 2014.

Primary Government

The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2014:

	Amount Payable July 1, 2013	Increase	Decrease	Amount Payable June 30, 2014	Amounts Due Within One Year
Governmental Obligations:					
Incurred by County:					
Compensated absences payable	\$ 467,987	\$ 583,919	\$ (575,673)	\$ 476,233	\$ 47,623
Lease revenue bond	5,055,768	-	(764,693)	4,291,075	796,296
OPEB liability	34,015	49,251	(47,390)	35,876	-
Nonexchange financial guarantees	2,046,175	-	(183,813)	1,862,362	235,706
Landfill post-closure care	997,002	-	(49,227)	947,775	50,801
Add deferred amounts					
Issuance premium	658,077	-	(146,326)	511,751	125,573
Total incurred by County	9,259,024	633,170	(1,767,122)	8,125,072	1,255,999
Incurred by School Board:					
General obligation bonds	13,632,640	-	(1,319,758)	12,312,882	1,355,208
Lease revenue bond	37,049,232	-	(1,770,307)	35,278,925	1,833,704
Add deferred amounts					
Issuance premium	6,218,224	-	(552,839)	5,665,385	529,957
Total incurred by School Board	56,900,096	-	(3,642,904)	53,257,192	3,718,869
Total government obligations	\$ 66,159,120	\$ 633,170	\$ (5,410,026)	\$ 61,382,264	\$ 4,974,868

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

Year Ending June 30,	County Obligations		School Board Obligations			
	Lease Revenue Bond		General Obligation Bonds		Lease Revenue Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 796,296	\$ 184,132	\$ 1,355,208	\$ 590,542	\$ 1,833,704	\$ 1,671,136
2016	838,827	144,623	1,392,539	519,712	1,931,173	1,580,170
2017	876,071	104,598	1,431,847	434,045	2,023,929	1,487,876
2018	224,881	80,306	812,478	389,273	2,030,119	1,393,047
2019	230,000	69,625	833,962	347,288	1,200,000	1,312,050
2020 – 2024	1,325,000	167,115	3,660,496	1,138,002	6,760,000	5,638,350
2025 – 2029	-	-	2,826,352	293,649	8,575,000	3,789,503
2030 – 2034	-	-	-	-	10,925,000	1,424,509
Total	\$ 4,291,075	\$ 750,399	\$ 12,312,882	\$ 3,712,511	\$ 35,278,925	\$ 18,296,641

Incurred by County

Lease revenue bond:

\$5,832,266 VRA Series 2012A bonds, dated June 13, 2012, maturing annually in installments of varying amounts and at various interest rates through October 1, 2023; interest payable semi-annually. \$ 4,291,075

Incurring by School Board

General obligation bonds:

\$33,789,949 School Bonds, dated November 14, 1996, maturing annually in installments of varying amounts and at various interest rates through July 15, 2016; interest payable semi-annually at an average rate of 5.32%.	\$ 715,632
\$22,273,960 School Bonds, dated November 14, 1996, maturing annually in installments of varying amounts and at various interest rates through July 15, 2016; interest payable semi-annually at an average rate of 5.32%.	429,380
\$33,789,949 School Bonds, dated November 14, 1996, maturing annually in installments of varying amounts and at various interest rates through July 15, 2016; interest payable semi-annually at an average rate of 5.32%.	715,632
\$5,810,323 2007A Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%.	4,356,569
\$5,810,323 2007B Series School Bonds, maturing annually in installments of varying amounts through July 15, 2027; interest at 5.10%.	4,356,569
\$4,209,598 School VPSA Loan payable, maturing on July 15, 2021, interest payable at various rates semi-annually.	<u>1,739,100</u>
Total general obligation bonds	<u>\$ 12,312,882</u>

Lease revenue bond:

\$38,657,734 VRA Series 2012A Bonds, dated June 13, 2012, maturing annually in installments of varying amounts and at various interest rates through October 1, 2033; interest payable semi-annually.	<u>\$ 35,278,925</u>
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The following is a summary of long-term debt transactions of the component unit – School Board for the year ended June 30, 2014:

	Amount Payable July 1, 2013	Increase	Decrease	Amount Payable June 30, 2014	Amounts Due Within One Year
Component Unit-School Board:					
Compensated absences	\$ 900,989	\$ 1,797,337	\$ (1,737,405)	\$ 960,921	\$ 96,092
Capital lease	4,225,630	-	(186,614)	4,039,016	206,371
OPEB liability	336,125	299,145	(214,915)	420,355	-
Total incurred by School Board	<u>\$ 5,462,744</u>	<u>\$ 2,096,482</u>	<u>\$ (2,138,934)</u>	<u>\$ 5,420,292</u>	<u>\$ 302,463</u>

Long-term obligation information for the Water Authority and the Airport and Industrial Authority are not disclosed here. That information can be found in their separately issued audited financial statements.

9. Guarantee of Component Unit Debt

The County has guaranteed certain debt of the Water Authority and the Airport Authority, legally separate entities that are presented as component units of the County. These are the only nonexchange financial guarantees extended by the County.

In 2005, the County guaranteed the Water Authority's \$1,750,000, 3.82% interest, 15-year water and sewer system revenue bonds. The bonds mature annually through 2020 with semiannual interest payments. At June 30, 2014, the outstanding principal amount of the guaranteed debt is \$939,571. In the event the Water Authority's Courthouse Road System revenues are insufficient to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement.

In 2006, the County guaranteed the Water Authority's \$550,000, 4.65% interest 15-year water and sewer system revenue bonds. The bonds mature annually through 2021 with annual interest payments. At June 30, 2014, the outstanding principal amount of the guaranteed debt is \$304,984. In the event the Water Authority's Courthouse Road System revenues are insufficient to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement.

In 2012, the County guaranteed the Water Authority's \$2,640,000, variable interest, 12-year water and sewer system revenue bonds. The bonds mature annually through 2025 with semiannual interest payments. At June 30, 2014, the outstanding principal amount of the guaranteed debt is \$2,410,000. In the event the Water Authority's Church Road System revenues are insufficient to make a required payment on the bonds, the County would be required to make that payment. The Water Authority is not required to repay the County for any payments the County makes pursuant to the support agreement.

In 2011, the County guaranteed the Airport Authority's \$504,400, 3.18%, 11-year airport revolving fund revenue bonds. Payments are due in monthly installments of \$4,595 through 2022. At June 30, 2014, the outstanding principal amount of the guaranteed debt is \$427,566. In the event the Airport Authority is unable to make a required payment on the bonds, the County would be required to make that payment. The Airport Authority is not required to repay the county for any payments the County makes pursuant to the support agreement.

The County makes monthly payments to the Water Authority to supplement the Courthouse Road System fund and Church Road System fund revenues. The County makes quarterly payments to the airport Authority to supplement revenues. The total of these payments are presented as expenditures in the debt service fund.

A liability and expense have been recognized for an amount that is the County's best estimate of the discounted present value of the future outflows the County expects to incur as a result of the support agreements noted above. In determining its liability for such guarantees, the County considered its historic experience and various other qualitative factors. The liability recognized for nonexchange financial guarantees at June 30, 2014, is as follows:

	July 1, 2013	Increase	Decreases	June 30, 2014	Due Within One Year
Airport Authority	\$ 48,056	\$ -	\$ (4,863)	\$ 43,193	\$ 6,079
Water Authority					
Courthouse - 2005	549,672	-	(63,700)	485,972	75,861
Courthouse - 2006	199,303	-	(20,695)	178,608	30,292
Church Road	1,249,144	-	(94,555)	1,154,589	123,474
Total Water Authority	1,998,119	-	(178,950)	1,819,169	229,627
Total	\$ 2,046,175	\$ -	\$ (183,813)	\$ 1,862,362	\$ 235,706

10. Conduit Debt Obligations

To provide for the construction and equipping of student housing facilities and related parking facilities at Richard Bland College, the Industrial Development Authority of Dinwiddie County, VA, issued \$3,000,000 in Series 2006 Revenue Bonds on December 1, 2006. These bonds are special limited obligations of the Industrial Development Authority, payable solely from and secured by a Promissory Note between the Richard Bland College Foundation, Inc. and a Support and Operating Agreement between the Richard Bland College Foundation, Inc. and Richard Bland College. The bonds do not constitute a debt or pledge of the faith and credit of the Authority, the County, or the State, and accordingly have not been reported in the accompanying financial statements. At June 30, 2014, Revenue Bonds outstanding totaled \$2,682,927.

11. Closure and Postclosure Costs

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. The amount reported as landfill postclosure liability at June 30, 2014, represents the estimated liability for postclosure monitoring, of \$947,775 over a period of fifteen years. These amounts are based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The County demonstrated financial assurance requirements for closure, postclosure care, and corrective action costs through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9va c20-70 of the Virginia Administrative Code.

12. 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. Deferred revenue totaling \$15,785,735 is comprised of the following:

Deferred Property Tax Revenue - Deferred revenue representing uncollected tax billings not available for funding of current expenditures totaled \$15,072,086 at June 30, 2014.

Prepaid Property Taxes – Property taxes due subsequent to June 30, 2014 but paid in advance by the taxpayers totaled \$713,649 at June 30, 2014.

13. Commitments and Contingent Liabilities

Federal programs

Federal programs in which the County and discretely presented 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, any future disallowance of current grant program expenditures, if any, would be immaterial.

Economic development incentives

Periodically, the County and the Industrial Development Authority (IDA) will enter into agreements with various granting agencies and businesses that wish to locate or expand business within the County. As part of these agreements, the County or the IDA may be subject to certain 'clawback' provisions in which the County or the IDA will be required to refund grant monies back to the granting agency if the businesses do not meet certain requirements under the grant agreements. The County and the IDA have a policy to require businesses to place funds in escrow that would be adequate to cover any amounts subject to such provisions. As such, neither the County nor the IDA consider there to be a liability related to such agreements.

Operating leases

The County has an operating lease for a security system. Total future minimum lease commitments are considered insignificant.

14. Litigation

At June 30, 2014, there were no matters of litigation involving the County which would materially affect its financial position should any court decisions on pending matters not be favorable.

15. Risk Management

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

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

Each member jointly and severally agrees to assume, pay, and discharge any liability. The County pays the Association 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. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

16. Defined Benefit Pension Plan

Primary Government

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 service credit in their plan.

Within the VRS Plan, the System administers three different benefit plans for local government employees – Plan 1, Plan 2, and, Hybrid. Each plan has different eligibility and benefit structures as set out in the table below:

VRS PLAN 1:

About VRS Plan 1

VRS Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

Eligible Members

Employees are in VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.

Hybrid Opt-In Election

VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 1 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and had prior service under VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.

Retirement Contributions

Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some school divisions and political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.

Creditable Service

Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.

Vesting

Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.

Members are always 100% vested in the contributions that they make.

Calculating the Benefit

The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.

An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.

Average Final Compensation

A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.

Service Retirement Multiplier

The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.

Normal Retirement Age

Age 65.

Earliest Unreduced Retirement Eligibility

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

Earliest Reduced Retirement Eligibility

Members may retire with a reduced benefit as early as age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.

Cost-of-Living Adjustment (COLA) in Retirement

The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.

Eligibility

For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.

For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.

Exceptions to COLA Effective Dates

The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:

- The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
- The member retires on disability.
- The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).
- The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
- The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.

Disability Coverage

Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of Prior Service

Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

VRS PLAN 2:

About VRS Plan 2

VRS Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

Eligible Members

Employees are in VRS Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

Hybrid Opt-In Election

VRS Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.

The Hybrid Retirement Plan's effective date for eligible VRS Plan 2 members who opted in was July 1, 2014.

If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.

Members who were eligible for an optional retirement plan (ORP) and have prior service under VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 2 or ORP.

Retirement Contributions

Same as VRS Plan 1.

Creditable Service

Same as VRS Plan 1.

Vesting

Same as VRS Plan 1.

Calculating the Benefit

See definition under VRS Plan 1.

Average Final Compensation

A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.

Service Retirement Multiplier

Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.

Normal Retirement Age

Normal Social Security retirement age.

Earliest Unreduced Retirement Eligibility

Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Hazardous duty members are eligible for an unreduced retirement benefit at age 60 with at least five years of creditable service or age 50 with at least 25 years of creditable service.

Earliest Reduced Retirement Eligibility

Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Cost-of-Living Adjustment (COLA) in Retirement

The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.

Eligibility

Same as VRS Plan 1

Exceptions to COLA Effective Dates

Same as VRS Plan 1

Disability Coverage

Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.

Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of Prior Service

Same as VRS Plan 1.

HYBRID RETIREMENT PLAN**About the Hybrid Retirement Plan**

The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as VRS Plan 1 and VRS Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members")

- The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.
- The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
- In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Eligible Members

Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- State employees*
- School division employees
- Political subdivision employees*
- Judges appointed or elected to an original term on or after January 1, 2014
- Members in VRS Plan 1 or VRS Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014

***Non-Eligible Members**

Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:

- Members of the State Police Officers' Retirement System (SPORS)
- Members of the Virginia Law Officers' Retirement System (VaLORS)
- Political subdivision employees who are covered by enhanced benefits for hazardous duty employees

Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS Plan 2 (as applicable) or ORP.

Retirement Contributions

A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

Creditable Service

Defined Benefit Component

Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit.

Defined Contributions Component

Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.

Vesting

Defined Benefit Component

Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. VRS Plan 1 or VRS Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.

Defined Contributions Component

Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.

Members are always 100% vested in the contributions that they make.

Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.

- After two years, a member is 50% vested and may withdraw 50% of employer contributions.
- After three years, a member is 75% vested and may withdraw 75% of employer contributions.
- After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

Distribution is not required by law until age 70½.

Calculating the Benefit

Defined Benefit Component

See definition under VRS Plan 1

Defined Contribution Component

The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.

Average Final Compensation

Same as VRS Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

Service Retirement Multiplier

The retirement multiplier is 1.0%.

For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

Normal Retirement Age

Defined Benefit Component

Same as VRS Plan 2.

Defined Contribution Component

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Unreduced Retirement Eligibility

Defined Benefit Component

Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equal 90.

Defined Contribution Component

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Earliest Reduced Retirement Eligibility

Defined Benefit Component

Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.

Defined Contribution Component

Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Cost-of-Living Adjustment (COLA) in Retirement

Defined Benefit Component

Same as VRS Plan 2.

Defined Contribution Component

Not applicable.

Eligibility

Same as VRS Plan 1 and VRS Plan 2.

Exceptions to COLA Effective Dates

Same as VRS Plan 1 and VRS Plan 2.

Disability Coverage

Eligible political subdivision and school division (including VRS Plan 1 and VRS Plan2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.

State employees (including VRS Plan 1 and VRS Plan2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.

Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.

Purchase of Prior Service

Defined Benefit Component

Same as VRS Plan 1.

Defined Contribution Component:

Not applicable.

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/2013-annual-report.pdf> or by writing to the Chief Financial Officer at Post Office Box 2500, Richmond, Virginia 23218-2500.

B. Funding Policy

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the County and School Board 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's and School's nonprofessional employee contribution rates for the fiscal year ended 2014 were 13.79% and 11.47% of annual covered payroll, respectively.

The Dinwiddie County School Board professional employee's current rate is 11.66% of annual covered payroll. The contribution requirements of plan members and Dinwiddie 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, 2014, 2013, and 2012 were \$2,429,490, \$2,356,293, and \$2,352,810, respectively, and equal to the required contributions for each year.

C. Annual Pension Cost

For the fiscal year 2014, the County's annual pension cost of \$1,267,052 (which includes the portion of the employees share assumed by the County of \$174,105) was equal to the County's required and actual contributions.

For the fiscal year 2014, the School Board's annual pension cost for the Board's non-professional employees was \$228,040, which was equal to the Board's required and actual contributions.

Three-Year Trend Information for the County and School Board

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)(1)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
County:			
June 30, 2014	\$ 1,092,947	100%	\$ -
June 30, 2013	\$ 1,024,459	100%	\$ -
June 30, 2012	\$ 879,239	100%	\$ -
School Board Nonprofessional:			
June 30, 2014	\$ 228,040	100%	\$ -
June 30, 2013	\$ 226,810	100%	\$ -
June 30, 2012	\$ 128,931	100%	\$ -

(1) Includes Employer portion only

The fiscal year 2014 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7%, (b) projected salary increases ranging from 3.75% to 5.60% per year for general government employees, 3.75% to 6.20% per year for teachers, and 3.5% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters and sheriffs, and (c) a cost-of-living adjustment of 2.5% per year for Plan 1 employees and 2.25% for Plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.5%. The actuarial value of the County'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 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, 2014 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

D. Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the County’s plan was 77.34% funded. The actuarial accrued liability for benefits was \$30,826,442, and the actuarial value of assets was \$23,841,973, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,984,469. The covered payroll (annual payroll of active employees covered by the plan) was \$7,566,873, and ratio of the UAAL to the covered payroll was 92.3%.

As of June 30, 2013, the most recent actuarial valuation date, the School Board’s Non-Professions plan was 79.42% funded. The actuarial accrued liability for benefits was \$7,363,682 and the actuarial value of assets was \$5,848,480, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,515,202. The covered payroll (annual payroll of active employees covered by the plan) was \$2,005,003 and ratio of the UAAL to the covered payroll was 75.57%.

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

17. Surety Bonds

	<u>Amount</u>
Division of Risk Management Surety Bond:	
Commonwealth Funds:	
J. Barrett Chappell, Jr., Clerk of the Circuit Court	\$ 103,000
Jennifer C. Perkins, Treasurer	\$ 400,000
Lori K. Stevens, Commissioner of the Revenue	\$ 3,000
D T “Duck” Adams, Sheriff	\$ 30,000
United States Fidelity and Guaranty-Surety:	
All Social Services employees - blanket bond	\$ 100,000
School Board Clerk and Deputy Clerk	\$ 10,000

18. Postemployment Benefits Other Than Pensions

Plan Description

The County allows retirees to remain on their health insurance plan. Retirees must have been a full-time employee that retired directly from the County, and is eligible to receive an early or regular retirement benefit from the County (see Note 13). Health benefits include medical, dental and vision. The retiree is responsible for 100% of the premium and is paid directly to the County. Benefits end at the age of 65.

Dinwiddie County Public Schools retirees must have been employed by the School Board on a full-time basis immediately preceding their retirement in addition to meeting one of the following requirements to be eligible for health benefits.

Employees with membership prior to July 1, 2010 in the VRS:

- Attained the age of 65 with at least 5 years of service for unreduced pension benefits, or
- Attained the age of 50 with at least 30 years of service for unreduced pension benefits, or
- Attained age 50 with at least 10 years of service for reduced pension benefits.

Employees with membership after July 1, 2010 in the VRS:

- Attained the age plus service equal to 90 for unreduced pension benefits, or
- Attained normal Social Security Retirement age with at least 5 years of service for unreduced pension benefits, or
- Attained the age of 60 with at least 5 years of service for reduced pension benefits.

Health benefits include medical and dental. The retirees are responsible for 100% of the premiums and are paid directly to the School Board. Benefits end at the age of 65. Retirees over the age of 65 are only eligible to choose Anthem BCBS medicare supplement.

Funding Policy

The County and School Board's retirees pay 100% of the premiums directly to the County and School Board. As of June 30, 2014, the Schools currently have 71 retirees and 13 spouses on their plan and the County has 12 retirees and 5 spouses.

Annual OPEB Cost and Net OPEB Obligation

The County and School Board's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The County and School Board have elected to calculate the ARC as the normal cost plus amortization of the unfunded portion of actuarial accrued liability in compliance with GASB parameters. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The estimated contributions are based on projected medical premium payments and credit for the implicit rate subsidy made during the year for the retired employees by the County and School Board. The following table shows the components of the County and School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County and School Board's net OPEB obligation to the Retiree Health Plan:

	<u>County</u>	<u>School Board</u>
Annual required contribution	\$ 49,818	\$ 304,760
Interest on net OPEB obligation	1,361	13,445
Adjustment to annual required contribution	(1,928)	(19,060)
Annual OPEB cost (expense)	<u>49,251</u>	<u>299,145</u>
Estimated contributions made	(47,390)	(214,915)
Increase in net OPEB obligation	<u>1,861</u>	<u>84,230</u>
Net OPEB obligation – beginning of year	34,015	336,125
Net OPEB obligation – end of year	<u>\$ 35,876</u>	<u>\$ 420,355</u>

The County and School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and the preceding two years were as follows:

<u>Fiscal Year Ended June 30, 2014</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County			
6/30/2014	\$ 49,251	96.22%	\$ 35,875
6/30/2013	\$ 48,896	83.62%	\$ 34,015
6/30/2012	\$ 35,800	89.66%	\$ 26,006
Schools:			
6/30/2014	\$ 299,145	71.84%	\$ 420,355
6/30/2013	\$ 291,327	69.87%	\$ 336,125
6/30/2012	\$ 216,200	72.34%	\$ 248,348

Funded Status and Funding Progress

As of July 1, 2012, the County's actuarial accrued liability for benefits was \$601,884, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,460,861, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 8.07 percent.

As of July 1, 2012 the School Board's actuarial accrued liability for benefits was \$2,394,042, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$22,650,701, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 10.57 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

The projected unit credit actuarial cost method was used to calculate all of the expense amounts and the funded status of the plan. The calculations were performed in accordance with the methodologies set forth in GASB Statement No. 45. Under this method, projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Retirement age was estimated based on tables used for the VRS pension valuation and assumed that participants begin to retire when they become eligible to receive healthcare benefits.

Mortality - Life expectancies were based on 1994 Group Annuity Mortality Table for males and females with a one year set-back in age for males and females.

Coverage elections - The actuarial assumed that 30% of County and School Board retirees and 30% of that will also cover their spouses in retirement.

Based on the historical and expected returns of the County's short-term investment portfolio, a discount of 4.0% was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014 was thirty years.

19. Other Post-Employment Benefits - Health Insurance Credit Program - Schools

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 951.1 -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 16.

Funding Policy

The School Board is required to contribute, at an actuarially determined rate, the entire amount necessary to fund participation in the program. The current rate is 1.11% of annual covered payroll. The School Board's contributions to VRS for the years ended Year Ended June 30, 2014, 2013, and 2012 were \$231,336, \$224,317, and \$124,597, respectively, which equaled the required contributions for the year.

* * * * *

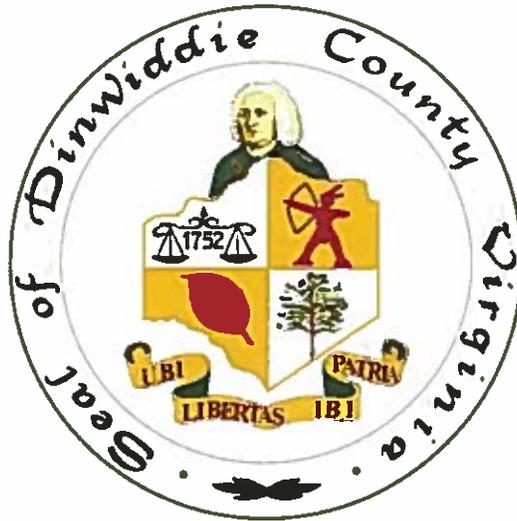
County of Dinwiddie, Virginia

Required Supplementary Information

Year Ended June 30, 2014

Note to Required Supplementary Information:

*Presented Budgets were Prepared in Accordance with
Accounting Principles Generally Accepted in the United States of America*



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

Year Ended June 30, 2014

	General Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
General property taxes	\$ 26,298,501	\$ 26,298,501	\$ 27,377,476	\$ 1,078,975
Other local taxes	4,227,500	4,227,500	4,545,306	317,806
Permits, privilege fees and regulatory licenses	183,300	183,300	230,379	47,079
Fines and forfeitures	610,200	610,200	611,900	1,700
Revenue from use of money and property	92,702	92,702	79,394	(13,308)
Charges for services	1,733,286	1,733,286	1,577,853	(155,433)
Miscellaneous	101,000	111,850	1,287,293	1,175,443
Recovered costs	71,000	71,000	282,675	211,675
Intergovernmental revenues:				
Commonwealth	8,236,702	8,512,815	8,205,177	(307,638)
Federal	1,169,411	1,234,229	1,403,110	168,881
Total revenues	42,723,602	43,075,383	45,600,563	2,525,180
Expenditures				
General government administration	2,833,319	2,768,319	2,679,015	89,304
Judicial administration	1,049,330	1,108,442	1,074,352	34,090
Public safety	10,375,403	10,361,557	10,148,915	212,642
Public works	3,257,487	3,087,487	2,997,406	90,081
Health and welfare	2,924,067	2,999,067	2,967,953	31,114
Education	12,759,790	12,177,415	12,177,415	-
Parks, recreation, and cultural	1,467,246	1,465,511	1,380,267	85,244
Community development	1,503,759	1,866,763	1,750,070	116,693
Total expenditures	36,170,401	35,834,561	35,175,393	659,168
Excess of revenues over expenditures	6,553,201	7,240,822	10,425,170	3,184,348
Other financing sources (uses)				
Transfers in	418,539	533,059	533,059	-
Transfers out	(8,908,429)	(9,467,949)	(9,467,949)	-
Other financing sources (uses)	(8,489,890)	(8,934,890)	(8,934,890)	-
Net change in fund balances	(1,936,689)	(1,694,068)	1,490,280	3,184,348
Fund balance - beginning of year	19,648,678	19,648,678	19,648,678	-
Fund balance - end of year	\$ 17,711,989	\$ 17,954,610	\$ 21,138,958	\$ 3,184,348

See independent auditors' report.

Schedule of Pension and OPEB Funding Progress

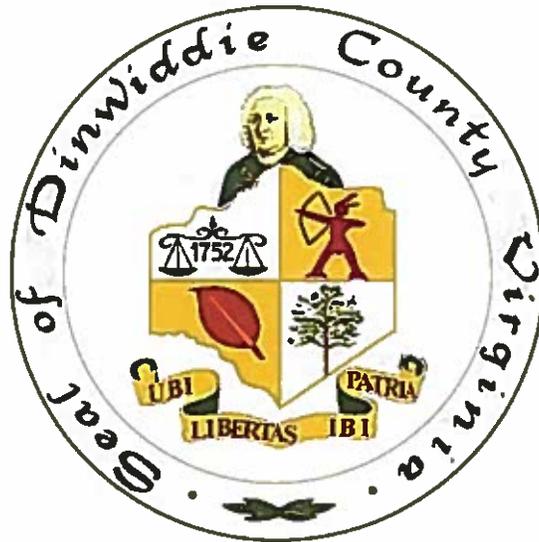
Virginia Retirement System						
Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Liability (AAL) (b)	Unfunded (Excess Unfunded) Actuarial Liability (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Payroll ((b-a)/c)
County						
6/30/2013	\$ 23,841,973	\$ 30,826,442	\$ 6,984,469	77.34%	\$ 7,566,873	92.30%
6/30/2012	22,851,902	31,442,481	8,590,579	72.68%	7,483,015	114.80%
6/30/2011	22,683,092	30,154,600	7,471,508	75.22%	7,796,934	95.83%
6/30/2010	22,186,685	29,848,118	7,661,433	74.33%	7,830,223	97.84%
6/30/2009	22,178,964	27,260,857	5,081,893	81.36%	7,835,381	64.86%
6/30/2008	22,112,742	25,096,944	2,984,202	88.11%	7,038,900	42.40%
6/30/2007	20,282,226	21,014,270	732,044	96.52%	6,799,634	10.77%
6/30/2006	17,964,988	19,343,879	1,378,891	92.87%	6,161,067	22.38%
6/30/2005	16,923,179	18,749,065	1,825,886	90.26%	5,655,563	32.28%
6/30/2004	16,408,648	15,178,548	(1,230,100)	108.10%	4,973,076	-24.74%
School Board						
Non-Professionals						
6/30/2013	5,848,480	7,363,682	1,515,202	79.42%	2,005,003	75.57%
6/30/2012	5,684,267	7,381,814	1,697,547	77.00%	1,449,736	117.09%
6/30/2011	5,780,068	7,298,806	1,518,738	79.19%	1,462,266	103.86%
6/30/2010	5,730,922	7,032,684	1,301,762	81.49%	1,487,998	87.48%
6/30/2009	5,800,169	6,612,125	811,956	87.72%	1,707,203	47.56%
6/30/2008	5,780,494	6,179,326	398,832	93.55%	1,775,809	22.46%
6/30/2007	5,265,478	6,043,507	778,029	87.13%	1,731,527	44.93%
6/30/2006	4,692,827	5,493,627	800,800	85.42%	1,712,154	46.77%
6/30/2005	4,478,406	5,264,508	786,102	85.07%	1,704,029	46.13%
6/30/2004	4,426,564	4,446,813	20,249	99.54%	1,637,840	1.24%
Retiree Healthcare Plan						
Valuation Date	Actuarial Value of Assets (AVA) (a)	Actuarial Liability (AAL) (b)	Unfunded (Excess Unfunded) Actuarial Liability (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as % of Payroll ((b-a)/c)
County						
7/1/2012	\$ -	\$ 601,884	\$ 601,884	0.00%	\$ 7,460,861	8.07%
1/1/2011	-	436,900	436,900	0.00%	7,803,100	5.60%
1/1/2009	-	317,700	317,700	0.00%	6,586,100	4.82%
School Board						
7/1/2012	\$ -	\$ 2,394,042	\$ 2,394,042	0.00%	\$ 22,650,701	10.57%
1/1/2011	-	1,750,300	1,750,300	0.00%	19,901,700	8.79%
1/1/2009	-	1,675,500	1,675,500	0.00%	21,492,200	7.80%

See independent auditors' report.

County of Dinwiddie, Virginia

Other Supplementary Information

Year Ended June 30, 2014



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

Year Ended June 30, 2014

	Debt Service Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures				
Community development	\$ 555,944	\$ 555,944	\$ 492,891	\$ 63,053
Debt service:				
Principal retirement	6,257,834	3,854,758	3,854,758	-
Interest and other fiscal charges	219,361	2,622,437	2,618,090	4,347
Total expenditures	7,033,139	7,033,139	6,965,739	67,400
Deficiency of revenues under expenditures	(7,033,139)	(7,033,139)	(6,965,739)	67,400
Other financing sources				
Transfers in	6,297,546	6,297,546	6,297,546	-
Net change in fund balances	(735,593)	(735,593)	(668,193)	67,400
Fund balance - beginning of year	772,413	772,413	772,413	-
Fund balance - end of year	\$ 36,820	\$ 36,820	\$ 104,220	\$ 67,400

See independent auditors' report.

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

Year Ended June 30, 2014

	Capital Projects Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Intergovernmental revenues				
Commonwealth	\$ 150,000	\$ 631,500	\$ 629,892	\$ (1,608)
Expenditures				
Capital outlays and projects	4,380,189	4,898,469	3,842,471	1,055,998
Deficiency of revenues under expenditures	(4,230,189)	(4,266,969)	(3,212,579)	1,054,390
Other financing sources (uses)				
Transfers in	2,347,344	2,462,344	2,462,344	-
Transfers out	(590,000)	(590,000)	(590,000)	-
Total other financing sources (uses)	1,757,344	1,872,344	1,872,344	-
Net change in fund balances	(2,472,845)	(2,394,625)	(1,340,235)	1,054,390
Fund balance - beginning of year	2,481,998	2,481,998	2,481,998	-
Fund balance - end of year	\$ 9,153	\$ 87,373	\$ 1,141,763	\$ 1,054,390

See independent auditors' report.

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Fund**

Year Ended June 30, 2014

	Special Revenue Fund			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 862	\$ 862
Charges for services	2,350	2,350	2,334	(16)
Miscellaneous	50,660	60,160	83,479	23,319
Intergovernmental revenues				
Commonwealth	794,827	789,746	886,548	96,802
Federal	7,500	283,325	283,455	130
Total revenues	855,337	1,135,581	1,256,678	121,097
Expenditures				
Judicial administration	8,020	7,817	17,724	(9,907)
Public safety	353,193	666,234	471,786	194,448
Public works	117,267	125,320	20,464	104,856
Health and welfare	1,109,000	1,446,682	1,427,550	19,132
Community development	66,931	67,364	2,660	64,704
Total expenditures	1,654,411	2,313,417	1,940,184	373,233
Deficiency of revenues under expenditures	(799,074)	(1,177,836)	(683,506)	494,330
Other financing sources				
Transfers in	435,000	765,000	765,000	-
Net change in fund balances	(364,074)	(412,836)	81,494	494,330
Fund balance - beginning of year	443,776	443,776	443,776	-
Fund balance - end of year	\$ 79,702	\$ 30,940	\$ 525,270	\$ 494,330

See independent auditors' report.

County of Dinwiddie, Virginia

Exhibit P

Combining Statement of Fiduciary Net
Fiduciary Funds

June 30, 2014

Assets	Agency Funds		Private Purpose Trust Funds						Total
	Special Welfare	Retired Teachers Scholarships	Butterworth Scholarship	Williamson Scholarship	Doyle Scholarship	Pamplin Endowment	Abrahams Scholarship		
Cash and cash equivalents	\$ 43,368	\$ 34,432	\$ 12,225	\$ 848	\$ 148,582	\$ 713,044	\$ 1,941,226	\$ 2,850,357	
Investments	-	-	-	-	287,709	1,778,114	1,792,951	3,858,774	
Other receivables	-	-	-	-	3,499	1,745	576	5,820	
	\$ 43,368	\$ 34,432	\$ 12,225	\$ 848	\$ 439,790	\$ 2,492,903	\$ 3,734,753	\$ 6,714,951	
Liabilities									
Amounts held for social services clients	\$ 43,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Position									
Amounts held in trust for scholarships and the disadvantaged	\$ -	\$ 34,432	\$ 12,225	\$ 848	\$ 439,790	\$ 2,492,903	\$ 3,734,753	\$ 6,714,951	

See independent auditors' report.

Combining Statement of Changes in Assets and Liabilities
Agency Funds

June 30, 2014

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Special Welfare Fund				
Assets:				
Cash and cash equivalents	\$ 35,854	\$ 24,397	\$ (16,883)	\$ 43,368
Liabilities:				
Amounts held for social services clients	\$ 35,854	\$ 24,397	\$ (16,883)	\$ 43,368
Jail Inmate Fund				
Assets:				
Cash and cash equivalents	\$ 6,228	\$ -	\$ (6,228)	\$ -
Liabilities:				
Amounts held for others	\$ 6,228	\$ -	\$ (6,228)	\$ -
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 42,082	\$ 24,397	\$ (23,111)	\$ 43,368
Liabilities:				
Amounts held for social services clients	\$ 35,854	\$ 24,397	\$ (16,883)	\$ 43,368
Amounts held for others	6,228	-	(6,228)	-
	\$ 42,082	\$ 24,397	\$ (23,111)	\$ 43,368

Combining Balance Sheet
Discretely Presented Component Unit - School Board

June 30, 2014

Assets	School Operating Fund	School Special Revenue Funds	Total Component Unit School Board
Cash and cash equivalents	\$ 3,362,954	\$ 1,144,133	\$ 4,507,087
Receivables, net of allowance for uncollectibles:			
Accounts receivable	14,352	9,240	23,592
Due from other governmental units	1,408,273	-	1,408,273
	<u>\$ 4,785,579</u>	<u>\$ 1,153,373</u>	<u>\$ 5,938,952</u>
Liabilities			
Accounts payable	\$ 476,537	\$ 90,166	\$ 566,703
Accrued liabilities	3,802,387	127,307	3,929,694
Total liabilities	<u>4,278,924</u>	<u>217,473</u>	<u>4,496,397</u>
Fund Balances			
Committed to:			
School operating expenses	506,655	-	506,655
Textbook purchases	-	676,186	676,186
School food	-	259,714	259,714
Total committed fund balances	<u>506,655</u>	<u>935,900</u>	<u>1,442,555</u>
	<u>\$ 4,785,579</u>	<u>\$ 1,153,373</u>	<u>\$ 5,938,952</u>

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

Total fund balances per above	\$ 1,442,555
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	42,112,100
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(5,420,292)</u>
Net position of governmental activities	<u>\$ 38,134,363</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Discretely Presented Component Unit - School Board

Year Ended June 30, 2014

	School Operating Fund	School Special Revenue Funds	Total Component Unit School Board
Revenues			
Revenue from use of money and property	\$ 45,043	\$ 144	\$ 45,187
Charges for services	21,005	495,198	516,203
Miscellaneous	16,489	5,569	22,058
Recovered costs	2,061	-	2,061
Intergovernmental revenues:			
Local government	12,171,415	-	12,171,415
Commonwealth	26,068,460	316,558	26,385,018
Federal	1,782,876	1,223,700	3,006,576
Total revenues	40,107,349	2,041,169	42,148,518
Expenditures			
Education	40,101,045	2,125,705	42,226,750
Excess (deficiency) of revenues over (under) expenditures	6,304	(84,536)	(78,232)
Other financing sources (uses)			
Transfers in	54,337	113,800	168,137
Transfers out	(168,137)	-	(168,137)
Total other financing sources (uses)	(113,800)	113,800	-
Changes in fund balances	(107,496)	29,264	(78,232)
Fund balances - beginning of year	614,151	906,636	1,520,787
Fund balances - end of year	\$ 506,655	\$ 935,900	\$ 1,442,555

Amounts reported for governmental activities in the statement of net position (Exhibit B)
are different because

Net change in fund balances - total governmental funds - per above		\$ (78,232)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 83,958	
Depreciation expense	(1,732,087)	
Loss on disposal of capital assets	(16,499)	
Allocation of jointly owned assets - original cost depreciation	1,551,273	(113,355)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		675,843
The repayment of capital leases consumes the current financial resources of governmental funds; however, they do not have any affect on net position.		186,614
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.		
Increase in compensated absences	\$ (59,932)	
Increase in OPEB liability	(84,230)	(144,162)
Change in net position of governmental activities		\$ 526,708

See independent auditors' report.

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Operating Fund
Discretely Presented Component Unit - School Board**

Year Ended June 30, 2014

	School Operating Fund			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 45,043	\$ 45,043
Charges for services	25,000	25,000	21,005	(3,995)
Miscellaneous	5,000	9,934	16,489	6,555
Recovered costs	20,000	20,000	2,061	(17,939)
Intergovernmental revenues:				
Local government	12,753,790	12,171,415	12,171,415	-
Commonwealth	25,890,667	26,523,250	26,068,460	(454,790)
Federal	2,105,863	2,166,301	1,782,876	(383,425)
Total revenues	40,800,320	40,915,900	40,107,349	(808,551)
Expenditures				
Education	40,696,826	41,416,251	40,101,045	1,315,206
Excess (deficiency) of revenues over (under) expenditures	103,494	(500,351)	6,304	506,655
Other financing sources (uses)				
Transfers in	-	-	54,337	54,337
Transfers out	(113,800)	(113,800)	(168,137)	(54,337)
Total other financing sources (uses)	(113,800)	(113,800)	(113,800)	-
Changes in fund balances	(10,306)	(614,151)	(107,496)	506,655
Fund balances - beginning of year	614,151	614,151	614,151	-
Fund balances - end of year	\$ 603,845	\$ -	\$ 506,655	\$ 506,655

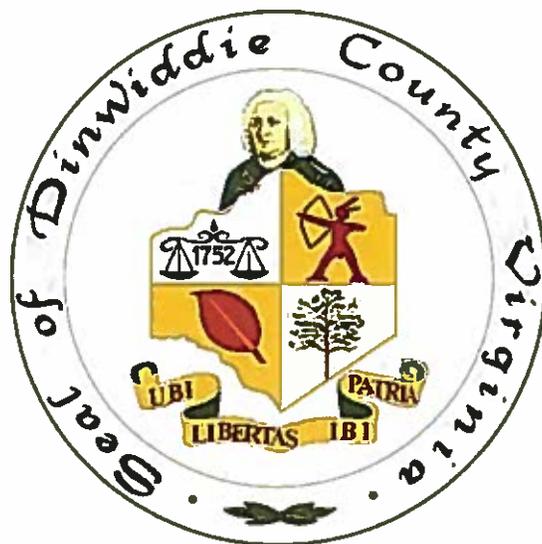
See independent auditors' report.

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
Special Revenue Funds
Discretely Presented Component Unit - School Board**

Year Ended June 30, 2014

	School Special Revenue Funds			Variance From Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from use of money and property	\$ 150	\$ 150	\$ 144	(6)
Charges for services	655,000	655,000	495,198	(159,802)
Miscellaneous	8,000	8,000	5,569	(2,431)
Intergovernmental revenues:				
Commonwealth	335,141	335,141	316,558	(18,583)
Federal	1,228,000	1,228,000	1,223,700	(4,300)
Total revenues	2,226,291	2,226,291	2,041,169	(185,122)
Expenditures				
Education	2,483,884	3,089,819	2,125,705	964,114
Deficiency of revenues under expenditures	(257,593)	(863,528)	(84,536)	778,992
Other financing sources				
Transfers in	113,800	113,800	113,800	-
Changes in fund balances	(143,793)	(749,728)	29,264	778,992
Fund balances - beginning of year	906,636	906,636	906,636	-
Fund balances - end of year	\$ 762,843	\$ 156,908	\$ 935,900	\$ 778,992

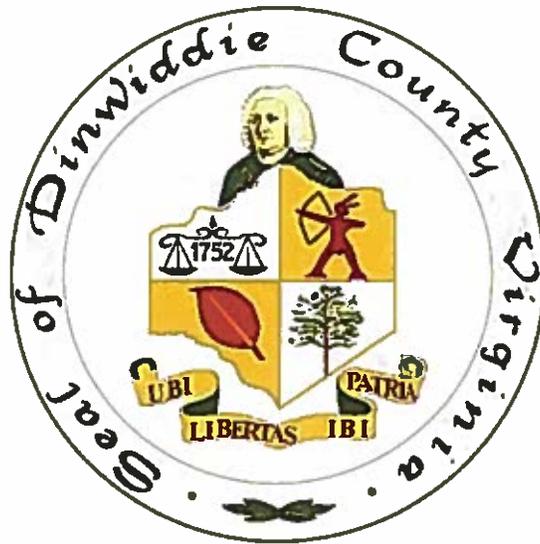
See independent auditors' report.



County of Dinwiddie, Virginia

Supporting Schedules

Year Ended June 30, 2014



Schedule of Revenues - Budget and Actual
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
Revenue from local sources				
General property taxes				
Real property tax	\$ 16,233,478	\$ 16,233,478	\$ 16,432,623	\$ 199,145
Real and personal PSC tax	1,053,876	1,053,876	1,157,692	103,816
Personal property tax	6,945,173	6,945,173	7,491,664	546,491
Mobile home tax	52,478	52,478	57,226	4,748
Machinery and tools tax	592,336	592,336	626,033	33,697
Pollution and recycling control	1,046,160	1,046,160	1,059,292	13,132
Penalties	200,000	200,000	301,703	101,703
Interest	175,000	175,000	251,243	76,243
Total general property taxes	26,298,501	26,298,501	27,377,476	1,078,975
Other local taxes				
Local sales and use tax	1,325,000	1,325,000	1,503,579	178,579
Bank stock tax	158,000	158,000	143,639	(14,361)
Consumption tax	150,000	150,000	178,601	28,601
Consumer utility tax	585,000	585,000	570,681	(14,319)
Business license tax	615,000	615,000	737,025	122,025
Admission tax	16,000	16,000	14,407	(1,593)
Motor vehicle licenses	546,000	546,000	547,572	1,572
Taxes on recordation and wills	155,000	155,000	119,494	(35,506)
Meals tax	600,000	600,000	666,348	66,348
Transient occupancy tax	77,500	77,500	63,960	(13,540)
Total other local taxes	4,227,500	4,227,500	4,545,306	317,806
Permits, privilege fees and regulatory licenses				
Animal licenses	16,000	16,000	20,265	4,265
Transfer fees	700	700	727	27
Other permits and licenses	166,600	166,600	209,387	42,787
Total permits, privilege fees and regulatory licenses	183,300	183,300	230,379	47,079
Fines and forfeitures				
Court fines and forfeitures	610,200	610,200	611,900	1,700
Revenue from use of money and property				
Revenue from use of money	25,000	25,000	33,735	8,735
Revenue from use of property	67,702	67,702	45,659	(22,043)
Total revenue from use of money and property	92,702	92,702	79,394	(13,308)

See independent auditors' report.

Schedule of Revenues - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from local sources (continued)				
Charges for services				
Ambulance and EMS services	\$ 615,000	\$ 615,000	\$ 601,083	\$ (13,917)
Law enforcement and traffic control	1,386	1,386	1,386	-
Courthouse security	145,000	145,000	114,771	(30,229)
Other court services	31,200	31,200	24,726	(6,474)
Commonwealth's Attorney	3,400	3,400	4,128	728
Correction and detention	3,200	3,200	6,945	3,745
Other protection	9,900	9,900	18,801	8,901
Community development	200	200	449	249
Sanitation and waste removal	55,500	55,500	59,733	4,233
Water and sewer services	650,000	650,000	556,476	(93,524)
Parks and recreation	218,500	218,500	189,355	(29,145)
Total charges for services	1,733,286	1,733,286	1,577,853	(155,433)
Miscellaneous				
Miscellaneous revenues	101,000	111,850	1,287,293	1,175,443
Recovered costs				
Security deputies	50,000	50,000	71,324	21,324
Other recovered costs	10,000	10,000	200,747	190,747
Prisoner extradition reimbursement	1,000	1,000	2,076	1,076
Social services insurance	10,000	10,000	8,528	(1,472)
Total recovered costs	71,000	71,000	282,675	211,675
Total revenue from local sources	33,317,489	33,328,339	35,992,276	2,663,937
Revenue from the Commonwealth				
Noncategorical aid				
Rolling stock tax	126,762	126,762	136,781	10,019
Mobile home titling tax	40,000	40,000	36,310	(3,690)
Taxes on deeds	32,000	32,000	27,782	(4,218)
Motor vehicle rental tax	-	-	1,846	1,846
Communications tax	960,000	960,000	927,462	(32,538)
State recordation tax	55,000	55,000	48,897	(6,103)
Personal property tax relief funds	3,642,692	3,642,692	3,642,692	-
Total noncategorical aid	4,856,454	4,856,454	4,821,770	(34,684)

See independent auditors' report.

Schedule of Revenues - Budget and Actual (Continued)
 Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Revenue from the Commonwealth (continued)				
Categorical aid				
Shared expenses				
Commonwealth's Attorney	343,356	343,356	321,881	(21,475)
Sheriff	1,354,220	1,354,220	1,333,482	(20,738)
Commissioner of revenue	120,045	120,045	120,370	325
Treasurer	84,945	84,945	84,450	(495)
Registrar/electoral board	42,763	42,763	41,437	(1,326)
Clerk of the Circuit Court	254,357	303,470	304,733	1,263
Total shared expenses	2,199,686	2,248,799	2,206,353	(42,446)
Other categorical aid				
Public assistance and welfare administration	\$ 964,669	\$ 964,669	\$ 825,906	\$ (138,763)
E-911 wireless grants	64,544	64,544	67,468	2,924
Tobacco commission	100,000	327,000	237,596	(89,404)
VJCCA grant	19,549	19,549	19,549	-
Pesticide recycling	1,800	1,800	1,569	(231)
Other state funds	30,000	30,000	24,966	(5,034)
Total other categorical aid	1,180,562	1,407,562	1,177,054	(230,508)
Total categorical aid	3,380,248	3,656,361	3,383,407	(272,954)
Total revenue from the Commonwealth	8,236,702	8,512,815	8,205,177	(307,638)
Revenue from the federal government				
Payments in lieu of taxes	850	850	879	29
Categorical aid				
Public assistance and welfare administration	1,097,118	1,097,118	1,304,407	207,289
Bulletproof vest grant	2,000	2,000	4,024	2,024
Homeland security grant	-	27,730	21,730	(6,000)
Highway safety grant	12,627	12,627	10,296	(2,331)
Victim witness assistance grant	54,116	54,116	53,851	(265)
Other federal funds	2,700	39,788	7,923	(31,865)
Total categorical aid	1,168,561	1,233,379	1,402,231	168,852
Total revenue from the federal government	1,169,411	1,234,229	1,403,110	168,881
Total General Fund	\$ 42,723,602	\$ 43,075,383	\$ 45,600,563	\$ 2,525,180

Schedule of Revenues - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ -	\$ -	\$ 862	\$ 862
Charges for services				
Law library fees	2,350	2,350	2,334	(16)
Miscellaneous				
Miscellaneous revenues	50,660	60,160	83,479	23,319
Total revenue from local sources	53,010	62,510	86,675	24,165
Revenue from the Commonwealth				
Categorical aid				
Fire programs	\$ 73,500	\$ 69,578	\$ 82,645	\$ 13,067
Comprehensive services act	684,000	684,000	749,215	65,215
Four for life	27,500	27,500	27,793	293
Asset forfeitures	-	-	18,227	18,227
Litter control grant	9,827	8,668	8,668	-
Total revenue from the Commonwealth	794,827	789,746	886,548	96,802
Revenue from the federal government				
Categorical aid				
Emergency management performance grant	7,500	7,500	7,500	-
Asset forfeitures	-	275,825	275,955	130
Total revenue from the federal government	7,500	283,325	283,455	130
Total Special Revenue Fund	\$ 855,337	\$ 1,135,581	\$ 1,256,678	\$ 121,097
CAPITAL PROJECTS FUND				
Revenue from the Commonwealth				
Categorical aid				
Other state funds	\$ 150,000	\$ 631,500	\$ 629,892	\$ (1,608)
Total Capital Projects Fund	\$ 150,000	\$ 631,500	\$ 629,892	\$ (1,608)
TOTAL PRIMARY GOVERNMENT	\$ 43,728,939	\$ 44,842,464	\$ 47,487,133	\$ 2,644,669

See independent auditors' report.

Schedule of Revenues - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD				
SCHOOL OPERATING FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of property	\$ -	\$ -	\$ 45,043	\$ 45,043
Charges for services				
Charges for education	25,000	25,000	21,005	(3,995)
Miscellaneous				
Miscellaneous revenues	5,000	9,934	16,489	6,555
Recovered costs				
Medicare admin services	20,000	20,000	2,061	(17,939)
Total revenue from local sources	50,000	54,934	84,598	29,664
Revenue from local governments				
Contributions from County of Dinwiddie, VA	12,753,790	12,171,415	12,171,415	-
Revenue from the Commonwealth				
Categorical aid				
Share of state sales tax	4,451,264	4,451,264	4,290,486	(160,778)
Basic school aid	13,671,076	13,671,076	13,535,619	(135,457)
Remedial summer education	-	-	51,744	51,744
Regular foster care	10,697	10,697	-	(10,697)
Gifted and talented	146,361	146,361	144,359	(2,002)
Remedial education	483,626	483,626	477,012	(6,614)
English as a second language	33,253	33,253	48,600	15,347
Special education	1,781,780	1,781,780	1,757,412	(24,368)
Vocational education	389,830	389,830	393,027	3,197
School fringes	2,354,495	2,354,495	2,322,294	(32,201)
Technology	232,000	392,800	232,000	(160,800)
Early reading intervention	84,827	84,827	102,686	17,859
Homebound education	69,515	69,515	85,737	16,222
Other state funds	581,076	1,052,859	1,037,002	(15,857)
GED funding	-	-	7,859	7,859
Mentor teacher program	-	-	4,771	4,771
Hospitals, clinics, etc.	105,168	105,168	103,388	(1,780)
At risk four year olds	-	-	137,280	137,280
At risk payments	731,798	731,798	586,314	(145,484)
Algebra readiness	73,133	73,133	70,901	(2,232)
Primary class size	690,768	690,768	679,969	(10,799)
Total categorical aid	25,890,667	26,523,250	26,068,460	(454,790)

See independent auditors' report.

Schedule of Revenues - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT-SCHOOL BOARD (continued)				
SCHOOL OPERATING FUND (continued)				
Revenue from the federal government				
Categorical aid				
Title I	\$ 632,344	\$ 682,415	\$ 630,477	\$ (51,938)
Title VI-B, special education flow-through	1,026,800	1,049,938	903,617	(146,321)
Vocational education	67,932	67,236	67,236	-
Title VI-B, special education preschool	33,000	34,093	31,729	(2,364)
Title II, Part A	300,298	287,130	88,782	(198,348)
Jr ROTC	45,489	45,489	60,900	15,411
Other federal funds	-	-	135	135
Total categorical aid	2,105,863	2,166,301	1,782,876	(383,425)
Total School Operating Fund	\$ 40,800,320	\$ 40,915,900	\$ 40,107,349	\$ (808,551)
SCHOOL SPECIAL REVENUE FUND				
Revenue from local sources				
Revenue from use of money and property				
Revenue from use of money	\$ 150	\$ 150	\$ 144	\$ (6)
Charges for services				
Cafeteria sales	655,000	655,000	495,198	(159,802)
Miscellaneous				
Miscellaneous revenues	8,000	8,000	5,569	(2,431)
Total revenue from local sources	663,150	663,150	500,911	(162,239)
Revenue from the Commonwealth				
Categorical aid				
Textbook payment	285,498	285,498	281,594	(3,904)
School food program grant	49,643	49,643	34,964	(14,679)
Total categorical aid	335,141	335,141	316,558	(18,583)
Revenue from the federal government				
Categorical aid				
School food program grant	1,228,000	1,228,000	1,107,632	(120,368)
Commodities	-	-	116,068	116,068
Total categorical aid	1,228,000	1,228,000	1,223,700	(4,300)
Total School Special Revenue Fund	\$ 2,226,291	\$ 2,226,291	\$ 2,041,169	\$ (185,122)
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
	\$ 43,026,611	\$ 43,142,191	\$ 42,148,518	\$ (993,673)

See independent auditors' report.

**Schedule of Expenditures - Budget and Actual
Governmental Funds**

Year Ended June 30, 2014

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT				
GENERAL FUND				
General government administration				
Legislative				
Board of supervisors	\$ 105,319	\$ 105,319	\$ 103,114	\$ 2,205
General and financial administration				
County administrator	326,870	326,870	325,602	1,268
Legal services	196,566	196,566	194,590	1,976
Human resources	340,505	275,505	268,333	7,172
Independent auditor	62,000	64,745	64,750	(5)
Commissioner of revenue	473,446	473,446	446,954	26,492
Treasurer	473,224	473,224	447,345	25,879
Accounting	290,219	287,474	287,473	1
Information systems	419,080	419,080	412,880	6,200
Total general and financial administration	2,581,910	2,516,910	2,447,927	68,983
Board of elections				
Electoral board and officials	146,090	146,090	127,974	18,116
Total general governmental administration	2,833,319	2,768,319	2,679,015	89,304
Judicial administration				
Courts				
Circuit court	15,830	15,830	18,374	(2,544)
General district court	28,036	28,036	24,378	3,658
Special magistrates	1,088	1,088	671	417
Clerk of the circuit court	431,072	490,184	460,049	30,135
Victim and witness assistance	57,325	57,325	57,916	(591)
Total courts	533,351	592,463	561,388	31,075
Commonwealth's attorney				
Commonwealth's attorney	515,979	515,979	512,964	3,015
Total judicial administration	1,049,330	1,108,442	1,074,352	34,090
Public safety				
Law enforcement and traffic control				
Sheriff	4,314,140	4,290,870	4,267,392	23,478
Fire and rescue services				
Fire department	502,550	510,550	486,503	24,047
Fire and rescue services	279,141	285,141	273,380	11,761
Emergency medical services	1,347,766	1,347,766	1,324,688	23,078
Total fire and rescue services	2,129,457	2,143,457	2,084,571	58,886
Correction and detention				
Confinement and care of adult and juvenile prisoners	1,799,491	1,802,915	1,802,617	298
Juvenile probation and detention	263,887	263,887	241,009	22,878
VJCCCA	142,691	142,691	142,732	(41)
Total correction and detention	2,206,069	2,209,493	2,186,358	23,135

See independent auditors' report.

Schedule of Expenditures - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Public safety (continued)				
Inspections				
Building inspections	\$ 240,267	\$ 240,267	\$ 221,886	\$ 18,381
Other protection				
Animal control	303,456	315,456	315,601	(145)
Communications	1,180,514	1,160,514	1,073,007	87,507
Medical examiner	1,500	1,500	100	1,400
Total other protection	1,485,470	1,477,470	1,388,708	88,762
Total public safety	10,375,403	10,361,557	10,148,915	212,642
Public works				
Maintenance of highways, streets, bridges, and sidewalks				
Streetlights	43,150	43,150	42,877	273
Sanitation and waste removal				
Refuse disposal	1,367,682	1,292,682	1,248,155	44,527
Maintenance of general buildings and grounds				
General properties	1,846,655	1,751,655	1,706,374	45,281
Total public works	3,257,487	3,087,487	2,997,406	90,081
Health and welfare				
Health				
Supplement of local health department	251,030	251,030	252,280	(1,250)
Mental health and mental retardation				
District 19 - Community services board	69,128	69,128	69,128	-
Welfare				
Public assistance and welfare administration	2,570,762	2,645,762	2,607,741	38,021
Area agency on aging	10,767	10,767	10,767	-
Other social services	22,380	22,380	28,037	(5,657)
Total welfare	2,603,909	2,678,909	2,646,545	32,364
Total health and welfare	2,924,067	2,999,067	2,967,953	31,114
Education				
Other instructional costs				
Contributions to Community Colleges	6,000	6,000	6,000	-
Contribution to Dinwiddie County School Board	12,753,790	12,171,415	12,171,415	-
Total education	12,759,790	12,177,415	12,177,415	-

See independent auditors' report.

Schedule of Expenditures - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
GENERAL FUND (continued)				
Parks, recreation, and cultural				
Parks and recreation				
Supervision of parks and recreation	\$ 1,215,402	\$ 1,213,667	\$ 1,128,423	\$ 85,244
Library				
Contribution to regional library	251,844	251,844	251,844	-
Total parks, recreation and cultural	1,467,246	1,465,511	1,380,267	85,244
Community development				
Planning and community development				
Planning and zoning	628,653	576,153	529,257	46,896
Economic development	145,335	147,835	147,858	(23)
Contribution to Industrial Development Authority	25,000	25,000	25,000	-
Other community development	584,723	997,727	930,316	67,411
Total planning and community development	1,383,711	1,746,715	1,632,431	114,284
Environmental management				
Contribution to soil and water conservation district	15,500	15,500	15,500	-
Cooperative extension program				
Extension office	104,548	104,548	102,139	2,409
Total community development	1,503,759	1,866,763	1,750,070	116,693
Total General Fund	\$ 36,170,401	\$ 35,834,561	\$ 35,175,393	\$ 659,168
SPECIAL REVENUE FUND				
Judicial administration				
Courts				
Law library	\$ 8,020	\$ 7,817	\$ 2,279	\$ 5,538
Commonwealth's attorney				
Commonwealth's attorney	18,000	30,940	15,445	15,495
Total judicial administration	26,020	38,757	17,724	21,033
Public safety				
Law enforcement and traffic control				
Sheriff	11,264	49,544	40,428	9,116
Fire and rescue services				
Fire department	200,364	193,412	104,494	88,918
Fire/rescue grant	7,500	7,764	7,500	264
Emergency medical services	95,000	100,166	63,724	36,442
Total fire and rescue services	302,864	301,342	175,718	125,624
Other protection				
Forfeited assets	39,065	315,348	255,640	59,708
Total public safety	353,193	666,234	471,786	194,448

See independent auditors' report.

Schedule of Expenditures - Budget and Actual (Continued)
Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
PRIMARY GOVERNMENT (continued)				
SPECIAL REVENUE FUND (continued)				
Public works				
Maintenance of general buildings and grounds				
Litter control and recycling grant	\$ 117,267	\$ 125,320	\$ 20,464	\$ 104,856
Health and welfare				
Welfare				
Comprehensive services act	1,109,000	1,446,682	1,427,550	19,132
Community development				
Planning and community development				
Sesquicentennial committee	21,783	22,149	2,646	19,503
Other community development	45,148	45,215	14	45,201
Total community development	66,931	67,364	2,660	64,704
Total Special Revenue Fund	\$ 1,672,411	\$ 2,344,357	\$ 1,940,184	\$ 404,173
DEBT SERVICE FUND				
Community development				
Planning and community development				
Dinwiddie County Airport and Industrial Authority	\$ 55,144	\$ 55,144	\$ 55,144	\$ -
Dinwiddie County Water Authority	500,800	500,800	437,747	63,053
Total community development	555,944	555,944	492,891	63,053
Debt service				
Principal retirement	6,257,834	3,854,758	3,854,758	-
Interest and other fiscal charges	219,361	2,622,437	2,618,090	4,347
Total debt service	6,477,195	6,477,195	6,472,848	4,347
Total Debt Service Fund	\$ 7,033,139	\$ 7,033,139	\$ 6,965,739	\$ 67,400
CAPITAL PROJECTS FUND				
Capital outlays and projects				
County building renovations	\$ 1,366,417	\$ 1,781,537	\$ 978,018	\$ 803,519
County schools	775,000	908,165	675,843	232,322
Equipment purchases	2,238,772	2,208,767	2,188,610	20,157
Total Capital Projects Fund	\$ 4,380,189	\$ 4,898,469	\$ 3,842,471	\$ 1,055,998
TOTAL PRIMARY GOVERNMENT	\$ 49,256,140	\$ 50,110,526	\$ 47,923,787	\$ 2,186,739

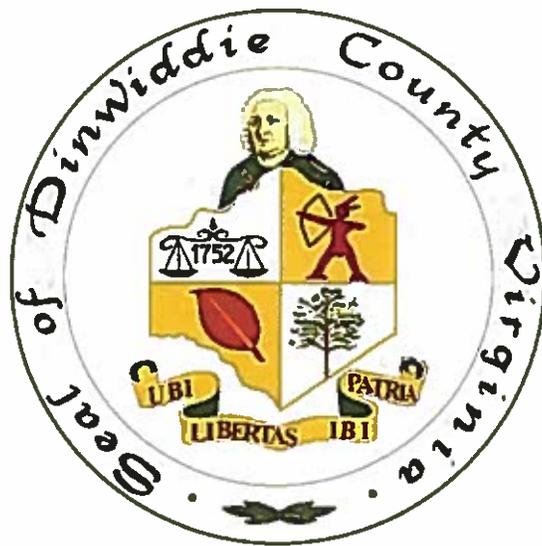
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Schedule of Expenditures - Budget and Actual (Continued)
 Governmental Funds

Year Ended June 30, 2014

Entity, Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD				
School Operating Fund				
Education				
Administration, health, and attendance	\$ 1,783,600	\$ 1,760,185	\$ 1,729,847	\$ 30,338
Instruction costs	30,502,796	31,209,561	30,196,085	1,013,476
Pupil transportation	3,080,847	3,118,604	2,941,567	177,037
Operation and maintenance of school plant	5,329,583	5,327,901	5,233,546	94,355
Total School Operating Fund	40,696,826	41,416,251	40,101,045	1,315,206
Special Revenue Fund				
Education				
Instruction costs	700,000	962,389	282,657	679,732
School food services	1,783,884	2,127,430	1,726,980	400,450
Commodities	-	-	116,068	(116,068)
Total Special Revenue Fund	2,483,884	3,089,819	2,125,705	964,114
TOTAL DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD	\$ 43,180,710	\$ 44,506,070	\$ 42,226,750	\$ 2,279,320

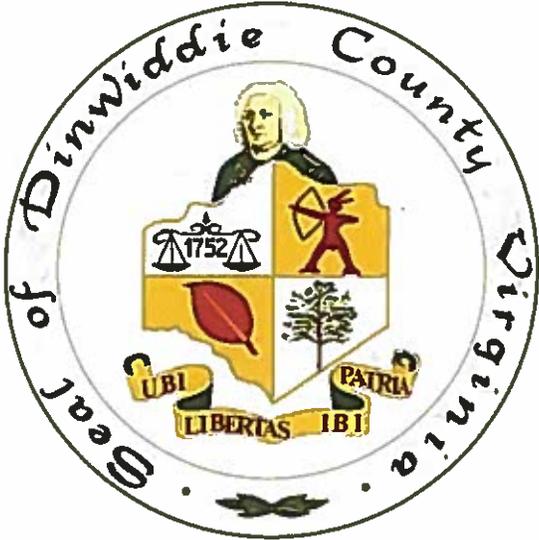
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County of Dinwiddie, Virginia

Statistical Section (unaudited)

Year Ended June 30, 2014



County of Dinwiddie, Virginia
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 3,535,362	\$ 6,721,955	\$ 15,863,467	\$ 6,573,010	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012	\$ 13,780,816	\$ 16,780,320
Restricted	281,512	281,512	281,512	281,512	300,303	-	-	7,411	-	-
Unrestricted	28,182,707	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185	24,996,338	21,251,986
Total governmental activities net position	\$ 31,999,581	\$ 35,835,341	\$ 44,240,333	\$ 34,978,617	\$ 35,734,691	\$ 39,150,721	\$ 39,206,903	\$ 38,796,608	\$ 38,777,154	\$ 38,032,306
Primary government										
Net investment in capital assets	\$ 3,535,362	\$ 6,721,955	\$ 15,863,467	\$ 6,573,010	\$ 6,484,665	\$ 12,183,433	\$ 15,144,598	\$ 12,357,012	\$ 13,780,816	\$ 16,780,320
Restricted	281,512	281,512	281,512	281,512	300,303	-	-	7,411	-	-
Unrestricted	28,182,707	28,831,874	28,095,354	28,124,095	28,949,723	26,967,288	24,062,305	26,432,185	24,996,338	21,251,986
Total primary government net position	\$ 31,999,581	\$ 35,835,341	\$ 44,240,333	\$ 34,978,617	\$ 35,734,691	\$ 39,150,721	\$ 39,206,903	\$ 38,796,608	\$ 38,777,154	\$ 38,032,306

See independent auditors' report.

Table 2

County of Dinwiddie, Virginia
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government administration	\$ 1,909,981	\$ 1,667,495	\$ 2,160,836	\$ 2,228,249	\$ 2,911,274	\$ 2,412,955	\$ 2,491,383	\$ 2,647,617	\$ 2,737,123	\$ 2,687,778
Judicial administration	450,660	731,623	828,790	1,000,621	1,094,384	1,233,507	1,101,074	1,121,095	1,204,496	1,259,729
Public safety	7,094,483	7,938,868	9,224,156	10,113,253	10,933,257	10,424,635	10,538,356	10,702,298	10,830,573	11,289,778
Public works	2,848,915	3,059,882	3,151,835	3,113,226	3,045,668	3,217,083	2,954,657	3,134,643	4,152,120	3,041,148
Health and welfare	3,041,606	3,092,617	3,188,957	3,410,351	3,383,742	3,514,474	3,615,528	3,804,266	3,910,976	4,378,704
Education	16,215,247	14,287,850	9,977,936	20,187,331	13,084,765	13,602,573	18,555,995	18,782,146	16,511,110	15,943,324
Parks, recreation, and cultural	492,027	511,327	552,282	911,484	933,556	890,544	450,650	1,296,375	1,378,098	1,512,638
Community development	1,372,021	1,242,298	1,521,653	1,987,130	1,870,325	2,020,023	1,714,759	2,046,538	1,898,953	1,644,288
Interest and other fiscal charges	3,513,977	4,204,312	3,960,721	3,934,723	3,722,439	3,510,601	3,267,513	2,379,842	2,473,351	2,105,020
Total governmental activities expenses	36,938,917	36,736,272	34,567,166	46,886,368	40,979,410	40,826,395	44,689,915	45,914,820	45,096,800	43,862,407
Total primary government expenses	\$ 36,938,917	\$ 36,736,272	\$ 34,567,166	\$ 46,886,368	\$ 40,979,410	\$ 40,826,395	\$ 44,689,915	\$ 45,914,820	\$ 45,096,800	\$ 43,862,407
Program revenues										
Governmental activities:										
Charges for services:										
Judicial administration	\$ 181,930	\$ 388,718	\$ 523,019	\$ 830,912	\$ 1,305,499	\$ 1,384,720	\$ 1,339,915	\$ 1,138,112	\$ 764,553	\$ 757,859
Public safety	923,608	924,691	1,203,542	898,793	856,280	1,031,217	1,018,918	1,015,426	1,137,315	487,342
Public works	629,256	89,757	739,398	751,894	653,109	637,392	627,203	644,216	698,753	616,209
Parks, recreation, and cultural	76,822	74,271	79,875	66,293	92,409	110,846	145,027	165,857	182,042	189,355
Community development	9,386	521,224	10,698	1,416	1,390	681	712	376	1,287	449
Operating grants and contributions	7,335,019	5,350,051	6,296,842	6,124,116	6,003,643	6,175,872	5,697,075	7,235,060	6,620,851	6,586,412
Capital grants and contributions	41,470	42,235	-	2,757,972	616,088	929,973	699,323	748,964	295,603	-
Total governmental activities program revenues	9,197,491	7,390,947	8,853,374	11,431,396	9,528,418	10,270,701	9,528,173	10,948,011	9,700,404	8,637,626
Total primary government program revenues	\$ 9,197,491	\$ 7,390,947	\$ 8,853,374	\$ 11,431,396	\$ 9,528,418	\$ 10,270,701	\$ 9,528,173	\$ 10,948,011	\$ 9,700,404	\$ 8,637,626
Total governmental activities	\$(27,741,426)	\$(29,345,325)	\$(25,713,792)	\$(35,454,972)	\$(31,450,992)	\$(30,555,694)	\$(35,161,742)	\$(34,966,809)	\$(35,396,396)	\$(35,224,781)
Total primary government net expense	\$(27,741,426)	\$(29,345,325)	\$(25,713,792)	\$(35,454,972)	\$(31,450,992)	\$(30,555,694)	\$(35,161,742)	\$(34,966,809)	\$(35,396,396)	\$(35,224,781)

Table 2

County of Dinwiddie, Virginia
 Changes in Net Position (Continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 17,414,146	\$ 20,099,377	\$ 21,348,615	\$ 22,217,232	\$ 22,549,583	\$ 24,743,254	\$ 25,156,908	\$ 26,805,696	\$ 26,664,129	\$ 26,701,104
Local sales and use taxes	930,972	1,021,345	1,180,546	1,374,304	1,065,681	1,096,278	1,203,733	1,363,905	1,423,691	1,503,579
Taxes on recordation and wills	192,398	267,881	269,394	233,515	183,743	160,647	120,939	158,345	150,205	119,494
Motor vehicle licenses taxes	476,262	485,575	476,817	378,508	494,872	617,821	545,740	540,211	534,395	547,572
Consumer utility taxes	1,088,753	1,244,243	886,235	564,293	582,840	709,229	532,818	581,790	585,574	570,681
Communication taxes	-	-	-	1,058,009	961,296	965,609	-	-	-	-
Business licenses taxes	473,874	528,221	704,284	733,008	691,566	598,129	627,762	639,686	756,995	737,025
Other local taxes	1,176,517	1,171,340	1,613,971	1,027,137	939,573	771,758	950,403	1,001,612	1,051,407	1,066,955
Unrestricted grants and contributions	4,508,591	5,113,495	3,958,524	3,918,941	3,806,489	3,665,342	4,731,621	3,691,120	3,861,191	4,821,770
Unrestricted revenues from use of money and property	1,287,478	3,130,851	4,186,253	2,253,826	566,711	202,165	148,742	252,722	92,727	80,256
Miscellaneous	72,489	118,757	119,584	106,193	364,712	166,484	873,653	305,634	309,289	1,370,772
Gain (loss) on sale of capital assets	-	-	111,673	-	-	-	-	(941,808)	(52,661)	(504,892)
Payment from Dinwiddie County School Board	-	-	-	-	-	275,008	402,508	-	-	-
Refunds from mineral lands tax	-	-	(747,331)	-	-	-	-	-	-	-
Total governmental activities	27,621,480	33,181,085	34,108,565	33,864,966	32,207,066	33,971,724	35,294,827	34,398,913	35,376,942	37,014,316
Total primary government	\$ 27,621,480	\$ 33,181,085	\$ 34,108,565	\$ 33,864,966	\$ 32,207,066	\$ 33,971,724	\$ 35,294,827	\$ 34,398,913	\$ 35,376,942	\$ 37,014,316
Change in net position										
Governmental activities	\$ (119,946)	\$ 3,835,760	\$ 8,394,773	\$ (1,590,006)	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)	\$ (19,454)	\$ 1,789,535
Total primary government	\$ (119,946)	\$ 3,835,760	\$ 8,394,773	\$ (1,590,006)	\$ 756,074	\$ 3,416,030	\$ 133,085	\$ (567,896)	\$ (19,454)	\$ 1,789,535

See independent auditors' report.

County of Dinwiddie, Virginia

Table 3

Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012	2013	2014
General fund										
Reserved	\$ 281,512	\$ 281,512	\$ 281,512	\$ 281,512	\$ 192,984	\$ 192,984	\$ -	\$ -	\$ -	\$ -
Unreserved	13,434,349	15,542,431	18,307,012	20,566,462	19,216,083	20,349,735	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	199,877	22,053	3,182
Restricted	-	-	-	-	-	-	226,025	28,746	27,282	25,909
Committed	-	-	-	-	-	-	792,632	600,876	604,394	1,478,423
Unassigned	-	-	-	-	-	-	19,576,705	20,676,360	18,994,949	19,631,444
Total general fund	13,715,861	15,823,943	18,588,524	20,847,974	19,409,067	20,542,719	20,595,362	21,505,859	19,648,678	21,138,958
All other governmental funds										
Unreserved, reported in:										
Special revenue funds	1,461,428	1,169,310	620,213	293,749	466,301	382,200	-	-	-	-
Capital projects funds	55,336,923	56,736,752	37,479,461	10,996,380	4,761,094	2,789,047	-	-	-	-
Debt service funds	12,087,722	9,158,803	8,926,402	7,137,604	5,315,444	3,543,049	-	-	-	-
Restricted, reported in:										
Special revenue funds	-	-	-	-	-	-	332,570	343,882	357,953	299,947
Capital projects funds	-	-	-	-	-	-	121,817	-	-	-
Debt service funds	-	-	-	-	-	-	299,364	7,411	-	-
Committed, reported in:										
Special revenue funds	-	-	-	-	-	-	159,814	170,619	85,823	225,323
Capital projects funds	-	-	-	-	-	-	1,070,766	2,016,237	2,481,998	1,141,763
Debt service funds	-	-	-	-	-	-	1,570,371	-	772,413	104,220
Unassigned, reported in:										
Debt service funds	-	-	-	-	-	-	-	(2,881)	-	-
Total all other governmental funds	68,886,073	67,064,865	47,026,076	18,427,733	10,542,839	6,714,296	3,554,702	2,535,268	3,698,187	1,771,253
Total fund balances	\$ 82,601,934	\$ 82,888,808	\$ 65,614,600	\$ 39,275,707	\$ 29,951,906	\$ 27,257,015	\$ 24,150,064	\$ 24,041,127	\$ 23,346,865	\$ 22,910,211

⁽¹⁾ The presentation of fund balance changed in 2011 as a result of the implementation of GASB 54. Prior to 2011, fund balances are reported only as 'Reserved' and 'Unreserved'. Effective 2011, fund balances are reported as described in Note 1 of the notes to the financial statements.

County of Dinwiddie, Virginia

Table 4

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
General property taxes	\$ 17,113,777	\$ 19,763,605	\$ 21,238,498	\$ 21,877,562	\$ 22,387,028	\$ 24,350,213	\$ 25,198,581	\$ 25,844,662	\$ 27,337,402	\$ 27,377,476
Other local taxes	4,338,776	4,718,605	5,131,247	5,368,774	4,919,571	4,919,471	3,981,395	4,285,549	4,502,267	4,545,306
Permits, privilege fees and regulatory licenses	349,493	377,550	638,110	432,228	289,909	241,966	219,773	183,116	218,819	230,379
Fines and forfeitures	135,296	280,386	409,938	662,248	1,069,519	1,381,372	1,335,399	912,324	611,709	611,900
Revenue from use of money and property	1,287,478	3,103,892	4,159,294	2,226,867	566,711	202,165	148,742	126,044	92,727	80,256
Charges for services	1,336,213	1,340,725	1,508,484	1,454,832	1,549,259	1,541,518	1,576,603	1,691,435	1,717,724	1,580,187
Miscellaneous	72,489	118,757	119,584	106,193	364,712	166,484	873,653	305,634	309,289	1,370,772
Recovered costs	105,565	124,847	93,523	67,612	72,354	147,323	141,444	558,360	211,642	282,675
Intergovernmental:										
Local	352,113	720,066	-	-	-	275,008	402,508	-	-	-
Commonwealth	9,969,990	8,248,518	8,789,542	8,727,677	8,578,024	8,855,646	9,158,447	9,548,625	9,261,440	9,721,617
Federal	1,562,977	1,537,197	1,465,824	1,315,380	1,848,196	1,915,541	1,969,572	1,638,603	1,333,825	1,686,565
Total revenues	36,624,167	40,334,148	43,554,044	42,239,373	41,645,283	43,996,707	45,006,117	45,094,352	45,596,844	47,487,133
Expenditures										
Current:										
General government administration	1,862,400	1,644,700	1,852,439	2,156,294	2,756,161	2,281,210	2,317,414	2,639,998	2,628,659	2,679,015
Judicial administration	316,976	691,523	743,995	918,387	1,003,583	1,035,794	932,176	949,880	1,026,855	1,092,076
Public safety	6,226,265	7,083,245	8,725,167	9,187,117	9,937,558	9,348,959	9,940,361	9,878,659	9,897,248	10,620,701
Public works	2,864,254	2,822,076	2,852,468	2,929,734	3,120,224	3,214,198	3,034,564	3,185,400	3,099,456	3,017,870
Health and welfare	3,033,833	3,110,491	3,209,807	3,368,580	3,338,376	3,489,223	3,619,191	3,774,424	3,975,895	4,395,503
Education	12,713,898	13,047,329	10,827,763	11,691,834	11,125,804	9,992,801	13,218,360	10,532,122	12,204,287	12,177,415
Parks, recreation and cultural	471,405	474,172	521,670	758,189	943,879	841,349	953,983	1,244,371	1,332,954	1,380,267
Community development	3,689,847	1,171,257	1,439,554	1,600,038	1,857,951	1,991,454	2,473,718	1,914,620	1,820,304	2,245,621
Capital projects	1,762,641	3,536,690	29,769,497	27,848,522	8,017,859	5,869,156	3,047,106	1,885,107	3,870,818	3,842,471
Debt service:										
Principal	2,177,334	2,044,301	2,268,817	4,310,711	4,908,688	4,996,992	5,163,875	5,367,282	3,911,457	3,854,758
Interest and other fiscal charges	2,670,625	4,181,490	3,991,636	3,815,360	3,959,001	3,630,462	3,412,320	3,181,280	2,523,173	2,618,090
Total expenditures	37,789,478	39,807,274	66,202,813	68,584,766	50,969,084	46,691,598	48,113,068	44,553,143	46,291,106	47,923,787
Excess (deficiency) of revenues over expenditures	(1,165,311)	526,874	(22,648,769)	(26,345,393)	(9,323,801)	(2,694,891)	(3,106,951)	541,209	(694,262)	(436,654)

Table 4

County of Dinwiddie, Virginia
 Changes in Fund Balances - Governmental Funds (Continued)
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other financing sources (uses)										
Operating transfers in	10,916,089	7,723,257	8,289,953	8,461,868	10,489,849	10,370,440	8,785,037	19,321,137	13,250,134	10,057,949
Operating transfers out	(10,916,089)	(7,723,257)	(8,289,953)	(8,461,868)	(10,489,849)	(10,370,440)	(8,785,037)	(19,321,137)	(13,250,134)	(10,057,949)
Redemption of refunding bonds issued	-	(5,175,000)	-	(15,000,000)	-	-	-	(48,253,105)	-	-
Bonds issued	56,040,000	4,935,000	6,000,000	11,620,646	-	-	-	44,490,000	-	-
Premium on bonds issued	808,773	-	-	627,882	-	-	-	7,117,378	-	-
Bond issuance costs	(1,126,519)	-	-	-	-	-	-	(533,713)	-	-
Deferred amounts on refunding	-	-	-	-	-	-	-	(2,825,293)	-	-
Interest rate subsidy	-	-	-	2,757,972	-	-	-	-	-	-
Refund of mineral lands tax	-	-	(747,331)	-	-	-	-	-	-	-
Sale of capital assets	-	-	111,673	-	-	-	-	-	-	-
Total other financing sources (uses)	55,722,254	(240,000)	5,364,342	6,500	-	-	-	(4,733)	-	-
Net change in fund balances	\$ 54,556,943	\$ 286,874	\$(17,284,427)	\$(26,338,893)	\$(9,323,801)	\$(2,694,891)	\$(3,106,951)	\$ 536,476	\$(694,262)	\$ (436,654)

Debt service as a percentage of noncapital expenditures

15.55%	20.72%	20.75%	24.92%	26.02%	26.80%	23.50%	25.05%	17.88%	17.21%
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Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2014	\$ 2,115,140,397	\$ 270,014,052	\$ 8,016,891	\$ 18,853,409	\$ 148,482,804	\$ 2,560,507,553	\$ 2,560,507,553	100.00%
2013	\$ 2,103,004,800	\$ 268,979,238	\$ 7,835,200	\$ 19,115,504	\$ 153,809,681	\$ 2,552,744,423	\$ 2,552,744,423	100.00%
2012	\$ 2,309,384,088	\$ 217,568,311	\$ 10,105,858	\$ 17,873,920	\$ 144,290,152	\$ 2,699,222,329	\$ 2,699,222,329	100.00%
2011	\$ 2,293,243,398	\$ 221,451,302	\$ 9,121,178	\$ 17,998,701	\$ 129,154,426	\$ 2,670,969,005	\$ 2,670,969,005	100.00%
2010	\$ 2,275,904,269	\$ 183,394,803	\$ 7,834,404	\$ 19,740,366	\$ 121,448,841	\$ 2,608,322,683	\$ 2,608,322,683	100.00%
2009	\$ 2,246,727,030	\$ 239,032,639	\$ 7,392,197	\$ 23,206,263	\$ 121,569,471	\$ 2,637,927,600	\$ 2,637,927,600	100.00%
2008	\$ 1,588,563,485	\$ 234,516,674	\$ 8,596,551	\$ 21,624,995	\$ 78,317,277	\$ 1,931,618,982	\$ 1,931,618,982	100.00%
2007	\$ 1,541,253,515	\$ 220,564,452	\$ 8,541,491	\$ 20,291,570	\$ 91,695,853	\$ 1,882,346,881	\$ 1,882,346,881	100.00%
2006	\$ 1,502,861,149	\$ 206,308,733	\$ 8,609,200	\$ 18,427,540	\$ 101,645,357	\$ 1,837,851,979	\$ 1,837,851,979	100.00%
2005	\$ 1,380,698,562	\$ 162,995,054	\$ 9,053,334	\$ 46,643,795	\$ 98,243,151	\$ 1,697,633,896	\$ 1,697,633,896	100.00%

Source: Commissioner of Revenue

**Direct Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2014	\$ 0.79	\$ 4.90	\$ 0.79	\$ 3.30
2013	\$ 0.72 / 0.79	\$ 4.90	\$ 0.72 / 0.79	\$ 3.30
2012	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2011	\$ 0.72	\$ 4.90	\$ 0.72	\$ 3.30
2010	\$ 0.68 / 0.72	\$ 4.90	\$ 0.68 / 0.72	\$ 3.30
2009	\$ 0.87 / 0.68	\$ 4.90	\$ 0.87 / 0.68	\$ 3.30
2008	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2007	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2006	\$ 0.87	\$ 4.90	\$ 0.87	\$ 3.30
2005	\$ 0.77 / 0.87	\$ 4.90	\$ 0.77 / 0.87	\$ 3.30

Notes: Per \$100 assessed value. There are no overlapping property tax rates with other governments.

County of Dinwiddie, Virginia

Principal Property Taxpayers

Current Year and the Period Nine Years Prior

Table 7

Taxpayer	Industry	Fiscal Year 2014		Fiscal Year 2005		Industry
		Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Percentage of Total Taxable Assessed Valuation	
Gerdeau Ameristee/Chaparral Walmart	Manufacturing Distribution	\$ 164,234,396	6.41%	\$ 210,056,244	12.37%	Gerdeau Ameristee/Chaparral Walmart
US RIO LP	Lease Property	54,762,085	2.14%	64,554,212	3.80%	Distribution
TIAA Timberlands 1 LLC	Timber	52,813,500	2.06%	13,247,400	0.78%	TIAA Timberlands 1 LLC
American Timberland LLC	Timber	26,899,900	1.05%	10,399,400	0.61%	American Timberland LLC
Bain Properties LLC	Agricultural	17,745,200	0.69%	8,153,100	0.48%	Rohoic Wood Apartments Inc
Tindall Corp	Manufacturing	14,094,950	0.55%	8,035,378	0.47%	Tindall Corp
Stonewall Timberlands LLC	Timber	12,570,745	0.49%	6,978,050	0.41%	Bain Properties LLC
Rohoic Wood Apartments Inc	Rental Property	9,810,100	0.38%	6,401,600	0.38%	Eastern Timberlands LLC
Charles W & Shirley Harrison	Rental Property	9,757,050	0.38%	5,434,900	0.32%	Warehouse Holdings
		9,203,250	0.36%	5,422,000	0.32%	Charles W & Shirley Harrison
		\$ 371,891,176	14.52%	\$ 338,682,284	19.95%	

Source: Commissioner of Revenue

See independent auditors' report.

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy
2014	\$ 30,968,096	\$ 28,912,246	93.36%	\$ -	\$ 28,912,246	93.36%
2013	\$ 30,503,121	\$ 28,427,203	93.19%	\$ 1,402,783	\$ 29,829,986	97.79%
2012	\$ 30,359,371	\$ 28,047,282	92.38%	\$ 1,982,528	\$ 30,029,810	98.91%
2011	\$ 28,508,058	\$ 26,961,086	94.57%	\$ 1,345,879	\$ 28,306,965	99.29%
2010	\$ 28,521,723	\$ 26,370,246	92.46%	\$ 2,027,220	\$ 28,397,466	99.56%
2009	\$ 26,705,409	\$ 25,020,017	93.69%	\$ 1,622,954	\$ 26,642,971	99.77%
2008	\$ 25,662,698	\$ 23,993,360	93.50%	\$ 1,659,740	\$ 25,653,100	99.96%
2007	\$ 24,146,441	\$ 22,877,484	94.74%	\$ 1,264,802	\$ 24,142,286	99.98%
2006	\$ 23,301,976	\$ 22,126,560	94.96%	\$ 1,170,050	\$ 23,296,610	99.98%
2005	\$ 20,584,682	\$ 19,345,418	93.98%	\$ 1,235,201	\$ 20,580,619	99.98%

Source: Treasurer's Office and Commissioner of the Revenue

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (1) Per Capita (2)	
	General Obligation Bonds	Literary Fund Loans	Other Notes / Bonds	Capital Leases			
2014	\$ 12,312,882	\$ -	\$ 39,570,000	\$ -	\$ 51,882,882	1.46%	\$ 1,797
2013	\$ 13,632,640	\$ -	\$ 42,105,000	\$ -	\$ 55,737,640	1.67%	\$ 1,969
2012	\$ 15,159,097	\$ -	\$ 44,490,000	\$ -	\$ 59,649,097	1.90%	\$ 2,129
2011	\$ 16,643,284	\$ -	\$ 52,136,200	\$ -	\$ 68,779,484	2.33%	\$ 2,456
2010	\$ 18,081,059	\$ -	\$ 57,101,372	\$ -	\$ 75,182,431	2.71%	\$ 2,677
2009	\$ 19,475,316	\$ 8,835	\$ 60,753,625	\$ -	\$ 80,237,776	3.00%	\$ 2,949
2008	\$ 20,801,266	\$ 23,835	\$ 64,379,716	\$ -	\$ 85,204,817	3.21%	\$ 3,150
2007	\$ 10,039,201	\$ 42,965	\$ 81,456,938	\$ -	\$ 91,539,104	3.62%	\$ 3,555
2006	\$ 10,868,126	\$ 62,095	\$ 76,877,700	\$ -	\$ 87,807,921	3.68%	\$ 3,417
2005	\$ 11,671,819	\$ 81,225	\$ 78,313,700	\$ 25,478	\$ 90,092,222	4.02%	\$ 3,548

Note:

(1) Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(2) See the Schedule of Demographic and Economic Statistics - Table 11

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

Fiscal Year	Gross Bonded Debt	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2014	\$ 12,312,882	\$ 12,312,882	0.48%	\$ 427
2013	\$ 13,632,640	\$ 13,632,640	0.53%	\$ 481
2012	\$ 15,159,097	\$ 15,159,097	0.56%	\$ 541
2011	\$ 16,643,284	\$ 16,643,284	0.62%	\$ 594
2010	\$ 18,081,059	\$ 18,081,059	0.69%	\$ 644
2009	\$ 19,484,151	\$ 19,484,151	0.74%	\$ 720
2008	\$ 20,825,101	\$ 20,825,101	1.08%	\$ 770
2007	\$ 10,082,166	\$ 10,082,166	0.54%	\$ 392
2006	\$ 10,930,221	\$ 10,930,221	0.59%	\$ 425
2005	\$ 11,753,044	\$ 11,753,044	0.69%	\$ 463

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

- (1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 11
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 5
- (3) Includes all long-term general obligation bonded debt and Literary Fund Loans; excludes revenue bonds, capital leases, and compensated absences

County of Dinwiddie, Virginia
Demographic and Economic Statistics
Last Ten Years

Table 11

Fiscal Year	Population	Personal Income (1)	Per Capita Personal Income (1)	School Enrollment	Unemployment Rate %
2014	28,864	\$ 3,547,395	\$ 46,089	4,389	6.10%
2013	28,314	\$ 3,336,527	\$ 43,215	4,439	6.90%
2012	28,018	\$ 3,138,193	\$ 40,521	4,435	7.20%
2011	28,001	\$ 2,951,555	\$ 37,994	4,545	7.70%
2010	28,087	\$ 2,773,815	\$ 35,595	4,679	7.90%
2009	27,209	\$ 2,678,605	\$ 34,527	4,675	8.90%
2008	27,047	\$ 2,654,563	\$ 34,296	4,687	4.20%
2007	25,747	\$ 2,530,704	\$ 32,927	4,623	3.40%
2006	25,695	\$ 2,386,237	\$ 31,244	4,573	3.10%
2005	25,391	\$ 2,243,173	\$ 29,740	4,530	4.00%

Source: Weldon Cooper Center, Annual School Report, Bureau of Economic Analysis

Note: (1) Includes Colonial Heights and Petersburg; estimates used for 2013 & 2014

**Principal Employers
Current Year and Nine Years Prior**

Employer	Fiscal Year 2014		Fiscal Year 2005		Employer
	Range of Employees	Rank	Range of Employees	Rank	
WalMart	500-999	1	1000+	1	Southside VA Training Center
Central State Hospital	500-999	2	1000+	2	WalMart
Southside VA Training Center	500-999	3	500-999	3	Dinwiddie Co School Board
Amazon.com	500-999	4	500-999	4	Central State Hospital
Dinwiddie Co School Board	500-999	5	250-499	5	Gerdeau Ameristeel/Chaparral
Integrity Staffing Solutions	500-999	6	100-249	6	Tindall Concrete Products
Gerdeau Ameristeel/Chaparral	250-499	7	100-249	7	Hiram W. Davis Medical Ctr
County of Dinwiddie	250-499	8	100-249	8	County of Dinwiddie
Hiram W Davis Medical Ctr	100-249	9	100-249	9	Phillip Morris Products
Tindall Concrete Products	100-249	10	100-249	10	Iluka Resources

Source: Virginia Employment Commission

**Full-Time Equivalent County Government Employees by Position
Last Ten Fiscal Years**

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	24.0	24.0	24.0	24.2	26.1	24.8	24.5	25.4	25.7	27.0
Judicial administration	7.3	9.5	11.0	11.9	13.4	12.5	12.2	12.4	12.6	13.2
Public safety:										
Sheriff's Office/Jail	55.0	57.0	58.0	64.5	65.4	64.6	64.2	63.1	55.5	55.6
Communications	10.0	16.0	16.0	17.0	16.5	16.4	17.4	18.2	16.9	17.0
Fire / Rescue / EMS	20.5	19.5	20.5	22.5	22.4	22.8	23.3	22.9	23.1	23.4
Building inspections	4.0	4.0	5.0	6.0	5.5	4.0	4.0	3.8	3.0	3.0
Animal control	3.5	3.5	3.5	3.6	3.8	3.7	4.0	3.9	4.2	4.9
Department of Comprehensive Services	2.3	2.6	2.5	3.3	3.1	2.3	2.1	2.6	2.7	2.8
Public works:										
General maintenance	7.0	6.0	6.0	5.8	6.9	6.0	6.4	6.0	6.0	6.1
Waste management	14.0	12.0	10.0	10.3	13.3	15.2	15.3	15.5	15.1	15.6
Health and welfare:										
Department of Social Services	30.0	32.0	29.0	30.0	30.0	30.0	30.0	29.0	28.0	28.0
Culture and recreation:										
Parks and recreation	5.0	5.0	5.0	6.5	8.0	7.4	8.9	14.0	14.8	15.5
Community development:										
Economic development	-	-	1.0	0.8	1.2	0.7	1.0	1.0	1.6	1.9
Cooperative extension	-	-	-	-	0.7	1.0	1.0	0.6	0.6	0.7
Planning	5.0	5.0	6.0	5.5	6.3	5.9	6.0	5.9	5.1	5.7
Totals	187.6	196.1	197.5	211.9	222.6	217.3	220.3	224.3	214.9	220.4

Source: County Payroll

County of Dinwiddie, Virginia
Operating Indicators by Function
Last Ten Fiscal Years

Table 14

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Sheriff's department:										
Physical arrests	1,288	1,445	1,371	1,501	1,965	2,331	1,828	1,657	1,658	1,643
Traffic violations	2,055	1,853	1,513	6,833	15,125	14,211	16,974	11,478	8,368	7,633
Civil papers	12,524	10,524	11,071	11,627	11,654	12,225	10,456	11,471	11,020	10,881
Department on Comprehensive Services:										
Caseload	249	189	193	227	277	229	206	207	179	158
Fire and rescue:										
Number of EMS calls answered	1,743	3,135	3,244	3,186	3,337	3,039	2,982	3,226	3,184	3,028
Building inspections:										
Permits issued	1,486	1,550	1,776	1,610	1,151	994	1,004	939	873	877
Animal control:										
Number of calls answered	3,742	4,113	3,947	2,398	2,367	2,629	3,409	6,465	5,298	4,872
Public works:										
Landfill:										
Refuse collection (tons/day)	59	58	51	56	48	53	49	53	51	47
Health and welfare:										
Department of Social Services caseload	4,373	4,505	4,557	4,597	5,284	6,170	6,485	6,844	6,926	6,793
Culture and recreation:										
Parks and recreation:										
Program participants: avg/mo	1,696	1,700	1,874	3,784	3,996	3,712	3,958	7,585	7,005	7,612
Community development:										
Planning:										
Zoning permits issued	184	102	216	127	75	82	44	41	47	45
Component Unit - School Board:										
Education:										
School age population	4,741	4,925	4,925	4,925	4,925	5,629*	5,629*	5,629*	5,629*	5,491
Number of teachers	355	356	358	364	370	365	351	342	333	336
Local expenditures per pupil	2,680	2,274	2,708	2,669	2,457	2,487	2,775	2,840	2,947	3,074

Source: Individual county departments

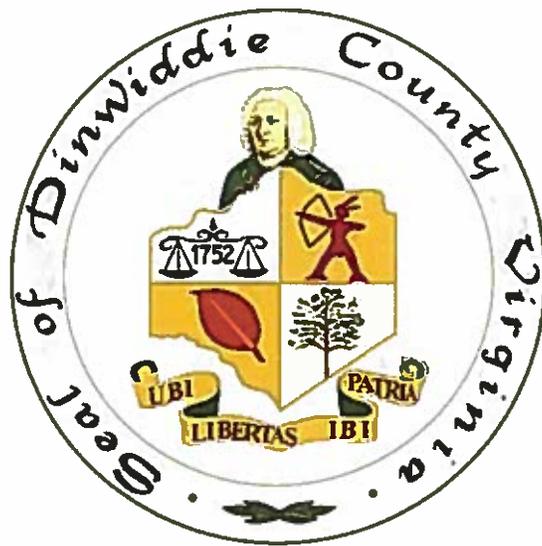
*County population from age 5 - 19 years per 2010 census

County of Dinwiddie, Virginia
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 15

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Buildings	15	15	15	15	16	16	16	16	16	16
Public safety:										
Sheriff's department:										
Patrol units	50	56	56	54	54	54	54	49	46	51
Building inspections:										
Vehicles	3	3	3	4	4	4	4	3	3	3
Animal control:										
Vehicles	3	3	3	3	3	3	3	3	3	4
Public works:										
General maintenance:										
Trucks / vehicles	3	3	3	3	3	3	6	6	7	7
Landfill:										
Vehicles	6	6	4	7	7	7	9	11	14	14
Health and welfare:										
Department of Social Services:										
Vehicles	7	7	7	7	7	7	7	7	7	7
Culture and recreation:										
Parks and recreation:										
Community centers	1	1	1	1	1	1	2	2	2	2
Vehicles	1	1	1	2	2	2	5	5	7	8
Community development:										
Planning:										
Vehicles	2	2	2	3	3	3	3	3	2	2
Component unit - School Board:										
Education:										
Schools	7	7	7	8	8	8	8	8	8	8
School buses	107	107	110	113	113	113	113	113	111	102

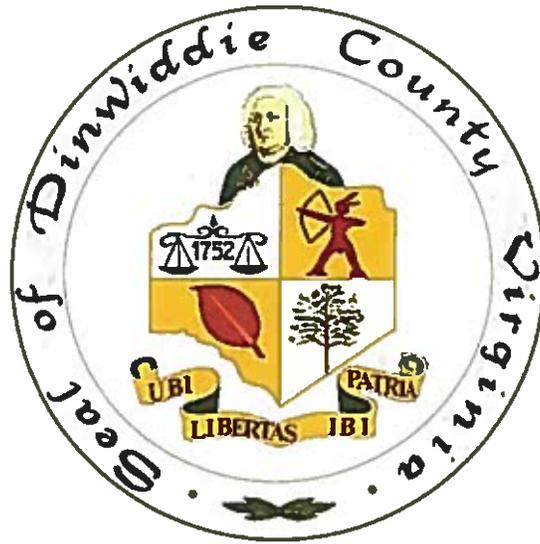
Source: Individual County departments



County of Dinwiddie, Virginia

Compliance Section

Year Ended June 30, 2014





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

To The Honorable Members of Board of Supervisors
County of Dinwiddie, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Dinwiddie, Virginia*, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the *County of Dinwiddie, Virginia's* basic financial statements, and have issued our report thereon dated November 19, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain other matters that we reported to the management of the *County of Dinwiddie, Virginia* in a separate letter dated November 19, 2014.

Purpose of this Report

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

Dixon Hughes Goodman LLP

Chester, Virginia
November 19, 2014



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

To The Honorable Members of Board of Supervisors
County of Dinwiddie, Virginia

Report on Compliance for Each Major Federal Program

We have audited the *County of Dinwiddie, 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 the *County of Dinwiddie, Virginia's* major federal programs for the year ended June 30, 2014. The *County of Dinwiddie, Virginia's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the *County of Dinwiddie, Virginia's* major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 *County of Dinwiddie, Virginia's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the *County of Dinwiddie, Virginia* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the *County of Dinwiddie, Virginia* is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the *County of Dinwiddie, Virginia's* internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 the *County of Dinwiddie, Virginia's* internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dixon Hughes Goodman LLP

Chester, Virginia
November 19, 2014



***Independent Auditors' Report on Compliance with
Commonwealth of Virginia Laws, Regulations, Contracts and Grants***

To The Honorable Members of Board of Supervisors
County of Dinwiddie, Virginia

We have audited the financial statements of the *County of Dinwiddie, Virginia*, as of and for the year ended June 30, 2014, and have issued our report thereon dated November 19, 2014.

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 *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

Compliance with Commonwealth of Virginia laws, regulations, contracts and grants applicable to the *County of Dinwiddie, Virginia*, is the responsibility of the *County of Dinwiddie, Virginia's* management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the *County of Dinwiddie, Virginia's* compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Following is a summary of the Commonwealth of Virginia's laws, regulations, contracts and grants for which we performed tests of compliance:

Code of Virginia

- Budget and Appropriation Laws
- Cash and Investments
- Conflicts of Interest
- Debt Provisions
- Retirement Systems
- Procurement
- Unclaimed Property

State Agency Requirements

- Education
- Comprehensive Services Act Funds
- Social Services

The results of our tests disclosed instances of noncompliance with the provisions referred to in the preceding paragraph. This instance is discussed in the schedule of findings and responses as Findings 14-01 and 14-02. With respect to items not tested, nothing came to our attention that caused us to believe that the *County of Dinwiddie, Virginia* had not complied, in all material respects, with those provisions.

This report is intended solely for the information and use of the *County of Dinwiddie, Virginia's* Board of Supervisors, management, and the Auditor of Public Accounts and all applicable state agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Dixon Hughes Goodman LLP

Chester, Virginia
November 19, 2014

County of Dinwiddie, Virginia

Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit

Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Primary Government:		
Department of Agriculture pass-through programs:		
Virginia Department of Social Services:		
State administrative matching grants for the supplemental nutrition assistance program	10.561	\$ <u>262,270</u>
Department of Health and Human Services pass-through programs:		
Virginia Department of Social Services:		
Promoting safe and stable families	93.556	13,136
Temporary Assistance for Needy Families	93.558	248,019
Refugee and entrant assistance - state administered programs	93.566	1,643
Low-income Home Energy Assistance	93.568	27,614
Child care mandatory and matching funds of the child care development fund	93.596	38,229
Chafee education and training vouchers program	93.599	1,264
Stephanie Tubbs Jones child welfare services program	93.645	1,809
Foster Care - Title IV-E	93.658	186,566
Adoption assistance	93.659	89,806
Social services block grant	93.667	193,892
Chafee foster care independence program	93.674	1,748
Children's health insurance program	93.767	7,757
Medical assistance program	93.778	230,654
Total Department of Health and Human Services		<u>1,042,137</u>
Department of Transportation pass-through programs:		
Department of Motor Vehicles:		
State and community highway safety	20.600	<u>10,296</u>

County of Dinwiddie, Virginia

Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit (Continued)

Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Primary Government (continued):		
Department of Justice:		
Direct programs:		
Bulletproof vest partnership program	16.607	\$ 4,024
Equitable sharing program	16.922	204,122
		<u>208,146</u>
Pass-through programs:		
Department of Criminal Justice Services:		
Crime victim assistance	16.575	53,851
Edward Byrne memorial justice assistance grant program	16.738	2,441
		<u>56,292</u>
Total Department of Justice		<u>264,438</u>
Department of Homeland Security pass-through programs:		
Department of Emergency Assistance:		
Emergency Management Performance Grants	97.042	7,500
State homeland security program	97.067	21,730
Total Department of Emergency Assistance		<u>29,230</u>
Department of the Interior:		
Direct payments:		
Bureau of Land Management:		
Payments in lieu of taxes	15.226	879
Environmental Protection Agency pass-through program:		
Department of Conservation and Recreation:		
Nonpoint Source Implementation Grants	66.460	5,482
Total Primary Government		<u>\$ 1,614,732</u>
Component Unit - School Board:		
Department of Agriculture pass-through programs:		
Child Nutrition Cluster:		
Virginia Department of Agriculture and Consumer Services:		
Food distribution - noncash assistance	10.555	\$ 116,068
Virginia Department of Education:		
National school breakfast program	10.553	268,135
National school lunch program	10.555	797,432
Total Child Nutrition Cluster		<u>1,181,635</u>
The Improvement Association:		
Child and adult care food program	10.558	42,065
Total Department of Agriculture		<u>1,223,700</u>

County of Dinwiddie, Virginia

Schedule of Expenditures of Federal Awards - Primary Government and Discretely Presented Component Unit (Continued)

Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Expenditures
Component Unit - School Board (continued):		
Department of Defense direct program:		
JROTC Instruction	12.000	<u>60,900</u>
Department of Education pass-through programs:		
Virginia Department of Education:		
Special Education Cluster (IDEA):		
Special education - grants to states	84.027	903,617
Special education - preschool grants	84.173	<u>31,729</u>
Total Special Education Cluster (IDEA)		<u><u>935,346</u></u>
Title I grants to local educational agencies	84.010	630,477
Career and technical education - basic grants to states	84.048	67,236
Improving teacher quality state grants	84.367	<u>88,782</u>
		<u><u>786,495</u></u>
Total Department of Education		<u>1,721,841</u>
Total Component Unit School Board		<u>\$ 3,006,441</u>
Total Reporting Entity		<u>\$ 4,621,173</u>

County of Dinwiddie, Virginia

Notes to Schedule of Expenditures of Federal Awards

June 30, 2014

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented on an accrual basis of accounting consistent with the basis of accounting used by County of Dinwiddie, Virginia. The schedule includes all known federal funds expended by the County for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

2. Summary of Significant Accounting Policies

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. Pass-through entity identifying numbers are presented where available.

County of Dinwiddie, Virginia

Schedule of Findings and Responses

Year Ended June 30, 2014

1. Summary of Auditors' Results

- A. An unmodified opinion was issued on the financial statements.
- B. There were no material weaknesses or significant deficiencies in internal control over financial reporting disclosed by the audit of the financial statements.
- C. The audit did not disclose any instances of noncompliance material to the financial statements.
- D. There were no significant deficiencies in internal control over major federal programs disclosed by the audit.
- E. An unmodified opinion was issued on compliance for the major programs.
- F. The audit disclosed no compliance findings required to be reported under Section 510(a) of OMB Circular A-133.
- G. The major programs were:
 - Title I grants to local educational agencies – CFDA Number 84.010
 - Special Education – CFDA Numbers 84.027 and 84.173
- H. The dollar threshold used to distinguish between Type A and Type B programs is \$300,000.
- I. The auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133.

2. Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS

None noted

3. Findings and Questioned Costs for Federal Awards

None noted

4. Findings and Questioned Costs for Commonwealth of Virginia Laws, Regulations, Contracts, and Grants

Finding 14-01

Condition: One financial disclosure statement (from a member of the Board of Zoning Appeals) was not filed timely.

Criteria: The State and Local Government Conflict of Interests Act contained in Chapter 31 of Title 2.2 of the Code of Virginia ('Code') requires local government officials to file a statement of economic interests with the clerk of the governing body by January 15 of each year.

Effect: The County is not in compliance with the State and Local Government Conflict of Interest Act.

Cause: The Board member resigned from the Board but because she was not replaced, she was still a Board member according to the Code and thus required to file a financial disclosure statement timely. Once informed of this, the Board member filed her disclosure statement; however, by this time, it was late.

Recommendation: The County should take steps to ensure that each local official files the statement of economic interests in a timely manner.

Management's Response: The County will obtain all required forms and ensure that they are filed by the deadline.

Finding 14-02

Condition: Computer access was not removed within three working days of separation for one Local Department of Social Services worker.

Criteria: Per the Specifications for audits of Counties, Cities, and Towns, all former Local Department of Social Services employees must have computer access to all VDSS systems removed within three working days of employment termination or separation.

Effect: The former employee could still access computer programs even though that person is no longer an employee at Social Services.

Cause: The Security Officer at the Local Department of Social Services was not able to remove all computer access due to the office moving to a new building.

Recommendation: The Security Officer at the Department of Social Services should take steps to ensure that each former employee's computer access is removed after three working days of separation.

Management's Response: The Department of Social Services will ensure that each former employee's computer is removed by three working days of separation.

5. Results of Prior Year Findings

None